

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

Wednesday, March 20, 2013
12:00 noon

NOTE LOCATION

South Gate Park
Banquet Room
(Next to the Auditorium)
4900 Southern Avenue
South Gate, CA 90280

MEETING AGENDA

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.

- 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 Hawthorne
City of Hermosa Beach
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. (Page 5)

V. NEW BUSINESS.

A. Approval Of Minutes Of The December 5, 2013 And February 11, 2013 Board of Directors Meeting. (Pages 5 & 27-34)

RECOMMEND APPROVAL

B. Approval Of The City of San Marcos As An Associate Member (Non-Voting) Of The Independent Cities Finance Authority. (Page 6)

RECOMMEND APPROVAL

C. Approval Of The Financing Of A 340 Unit Manufactured Home Community By ICFA For Millennium Housing Of California And Its Affiliates, Coach Of San Diego, Inc. And Millennium Housing Corporation Located In The City Of San Marcos, County Of San Diego. (Pages 6-10)

RECOMMEND APPROVAL

D. Approval And Adoption Of Resolution 2013-2 (A Resolution Of The Board Of Directors/Executive Committee Of The Independent Cities Finance Authority Authorizing The Issuance Of Not To Exceed \$23,000,000 Aggregate Principal Amount Of Independent Cities Finance Authority Mobile Home Park Revenue Refunding Bonds (Rancho Vallecitos Mobile Home Park) Series 2013, And Approving Certain Documents And Authorizing Certain Actions In Connection Therewith. (Pages 10-13 & 35-41)

RECOMMEND APPROVAL/ADOPTION

E. Discussion Of Conduit Issuers Legislation (AB 1059-Wleckowski), ICFA's Position Thereon, And Other Related Issues. (Pages 13-17 & 42-51)

RECOMMEND DISCUSSION

F. Approval And Adoption Of Resolution 2013-3 (A Resolution Of The Board Of Directors For The Independent Cities Finance Authority (I) Authorizing Its Sponsorship Of The ICFA *Advantage* Down Payment Assistance Program; And (II) Delegating To The Board Secretary And General Legal Counsel The Power To Take All Such Actions As Are Necessary Or Appropriate To Accomplish the Foregoing. (Pages 17-19 & 52-80)

RECOMMEND APPROVAL/ADOPTION

F. Discussion/Approval Of Associate Membership In The CRHMFA Homebuyers Fund (CHF). (Pages 20-21 & 81-96)

RECOMMEND APPROVAL

- G. Discussion And Review Of ICFA Website Analytics Report And Report On Current Efforts. *(Pages 21-22 & 97-100)*
INFORMATION ONLY
- H. Report On ICFA Educational Seminar Held On January 16, 2013. *(Pages 23-24 & 101-108)*
INFORMATION ONLY
- I. Update On Pending Projects/Activities. *(Page 25)*
INFORMATION ONLY

VI. COMMENTS FROM BOARD MEMBERS. *(Page 25)*

VII. MATTERS FROM STAFF. *(Page 25)*

VIII. ADJOURNMENT. *(Page 25)*

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 forward 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 in three separate locations, just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY

**REGULAR MEETING OF THE BOARD OF DIRECTORS
REGULAR MEETING OF THE EXECUTIVE COMMITTEE**

March 20, 2013 - 12:00 noon

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 Lynwood
City of Compton	City of San Fernando
City of Hawthorne	City of South Gate
City of Hermosa Beach	City of Vernon
City of Huntington Park	

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 DECEMBER 5, 2012 AND FEBRUARY 11, 2013 BOARD OF DIRECTORS MEETINGS.

A. MATERIAL ENCLOSED: **(PAGES 27-34)**

1. Minutes of the December 5, 2012 Board of Directors meeting. (Pages 27-31)
2. Minutes of the February 11, 2013 Board of Directors meeting. (Pages 32-34)

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the December 5, 2012 and February 11, 2013 Board of Directors meetings.

B. APPROVAL OF THE CITY OF SAN MARCOS AS AN ASSOCIATE MEMBER (NON-VOTING) OF THE INDEPENDENT CITIES FINANCE AUTHORITY.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

The City Council of the City of San Marcos took action on March 12, 2013 to become an associate member (non-voting) of the Independent Cities Finance Authority. ICFA must approve the City of San Marcos as a member of the Authority so that Rancho Vallecitos Mobile Home Park is eligible to be funded through ICFA.

C. RECOMMENDATION:

1. Approve the City of San Marcos as an associate member (non-voting) of ICFA; and
2. Authorize President McCormick and staff to execute any and all necessary documents relating thereto.

C. APPROVAL OF THE FINANCING OF A 340 MANUFACTURED HOME COMMUNITY BY ICFA FOR MILLENNIUM HOUSING OF CALIFORNIA AND ITS AFFILIATES, COACH OF SAN DIEGO, INC. AND MILLENNIUM HOUSING CORPORATION LOCATED IN THE CITY OF SAN MARCOS, COUNTY OF SAN DIEGO.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Proposal:

To finance the refunding of a manufactured home community in the City of San Marcos (Rancho Vallecitos Mobile Home Park), which is located at 3535 Linda Vista Drive in the City of San Marcos on behalf of Millennium Housing.

Rancho Vallecitos Mobile Home Park contains 340 units on 50 acres. The manufactured home community was built in 1971, is comprised of doublewide homes, contains a pool, spa, recreation center, laundry and RV storage, and is 100% occupied.

Upon approval of this project, Millennium Housing of California and its affiliates will have facilitated the purchase of fifteen manufactured home communities through ICFA -- two in the City of Fresno, one in the City of Salinas, one in the County of San Mateo, one in the City of Hermosa Beach, one in the City of Morgan Hill, one in the City of San Juan Capistrano; one in the City of Santa Rosa; one in the City of Capitola; and two in the City of Yucaipa; one in the City of Palm Springs; and two in the City of Rohnert Park:

1. Westlake Park (Fresno) contains 330 spaces and occupies 50 acres. The total ICFA bond issuance was \$16 million.
2. Millbrook Mobile Home Village (Fresno) contains 93 spaces and occupies 13 acres. The total ICFA bond issuance was \$1.4 million.
3. Lamplighter-Salinas Mobilehome Park (Salinas) contains 251 spaces on 28.7 acres. The total ICFA bond issuance was \$25+ million.
4. El Granada/Pillar Ridge (San Mateo) contains 227 spaces and occupies 22+ acres. The total ICFA bond issuance was \$32+ million.
5. Marineland Mobilehome Park (Hermosa Beach) contains 60 spaces and occupies 4.2 acres. The total ICFA bond issuance was \$7,470,000.
6. Hacienda Valley Mobile Estates (Morgan Hill) contains 166 spaces and occupies 20.3 acres; the total ICFA bond issuance was \$12 million.
7. San Juan Mobile Estates (San Juan Capistrano) contains 312 spaces and occupies 38.2 acres; the total ICFA bond issuance was \$40+ million.
8. Santa Rosa Leisure Mobile Home Park (Santa Rosa) contains 182 spaces and occupies 24.57 acres; the total ICFA bond issuance was \$18+ million.
9. Castleview Estates (Capitola) contains 108 spaces on 8.4 acres; the total bond issuance was \$9+ million.

10. Rancho Del Sol (Yucaipa) and Grandview East contain 214 spaces on 20 acres; the total bond issuance was \$7± million.
11. Sahara Mobile Home Park (Yucaipa) contains 254 spaces on 29 acres; the total bond issuance was \$13± million.
12. Las Casitas de Sonoma Mobile Home Park (Rohnert Park) contains 128 spaces on 13.8 acres; and Rancho Feliz Mobile Home Park contains 297 units on 37.1 acres; the total bond issuance was \$23.5 million.

In addition, The Caritas Corporation has purchased five separate manufactured home communities through ICFA in the cities of Brea, Lancaster and Vista. In November of 2005, Caritas added a park in the City of Rohnert Park to their indenture, bringing the total parks financed through ICFA to six. In total, the Caritas parks financed through ICFA contain approximately 1,400 spaces on 170 acres, for a total bond issuance of approximately \$68 million.

Also, Augusta Communities has purchased four separate manufactured home communities through ICFA in the Cities of Montclair and Yucaipa. In total, the Augusta Communities parks financed through ICFA contain approximately 517 spaces on 68 acres, for a total bond issuance of approximately \$30 million.

After approval of this project, the purchase by nonprofits of nearly 4,879 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	Ballard Spahr, LLP
Underwriter	Newcomb Williams Financial Group
Underwriter's Counsel	By Underwriter
Oversight Agent	Wolf & Company, Inc.
Trustee	Union Bank of California
Trustee's Counsel	Union Bank of California Legal Division
Borrower	Millenniun 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>	
Par Amount Of Bonds	\$21,510,000.00
Transfers from Prior Issue Debt Service Funds	567,495.00
Transfers from Prior Issue DSR Funds	1,215,675.00
Transfer from Operating Reserve	268,800.00
Transfer from Surplus	123,104.00
Transfer from R/R Fund	214,000.00
Rental Assistance Fund	32,000.00
TOTAL SOURCES	\$23,931,074.00
<u>USES OF FUNDS:</u>	
Original Issue Discount (OID)	198,326.70
Total Underwriter's Discount (1.500%)	322,650.00
Costs Of Issuance	217,500.00
Issuer Fee	43,020.00.00
Deposit To Debt Service Reserve Fund (DSRF)	1,234,937.50
Deposit To Current Refunding Fund	16,777,721.88
Repair And Replacement Fund	1,249,000.00
Rental Assistance	62,400.00
Pay Off of Seller Carry Back	3,825,504.00
Rounding Amount	13.92
TOTAL USES	\$23,931,074.00

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.
- A \$3,000 annual fee to cover audits, miscellaneous administrative and legal fees, etc.

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 Rancho Vallecitos Mobile Home Park in the City of San Marcos.

D. APPROVAL AND ADOPTION OF RESOLUTION 2013-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (RANCHO VALLECITOS MOBILE ESTATES) SERIES 2013, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

A. MATERIAL ENCLOSED: (PAGES 35-41) AND UNNUMBERED BOND DOCUMENTS DELIVERED UNDER SEPARATE COVER)

1. Resolution 2013-2 (Pages 35-41)
2. Indenture of Trust
3. Loan Agreement
4. Regulatory Agreement
5. Administration And Oversight Agreement
6. Preliminary Official Statement
7. Purchase Contract

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.

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 Rancho Vallecitos Mobile Home Park 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 San Marcos Obligations

The City of San Marcostook action on March 12th to become an associate member (non voting) of ICFA, as well as conduct a TEFRA hearing and approve the bond financing by ICFA.

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 2013-2 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 2013-2 approving the bond issuance and the various agreements and documents relating thereto;
2. Authorize President McCormick and staff to execute all necessary documents.

E. DISCUSSION OF CONDUIT ISSUERS LEGISLATION (AB 1059 - WIECKOWSKI), ICFA'S POSITION THEREON, AND OTHER RELATED ISSUES.

A. MATERIAL ENCLOSED: **(PAGES 42-51)**

1. Summary Of The California State Auditor's Report On Conduit Bond Issuers Dated August 2012. (Pages 42-45)
2. Correspondence from State Treasurer Bill Lockyer to Senate President Pro Tempore dated February 25, 2013 (Pages 46-48)
3. AB 1059 (Wieckowski) (Pages 49-51)

B. COMMENTS:

BACKGROUND:

As discussed at the September 12, 2012 Board meeting, Bill Lockyer, the California State Treasurer, has been outspoken about his displeasure with Joint Powers Authorities without elected officials serving on the Board of Directors. He is particularly upset with the agencies that simply "rent" the League of California Cities and Counties names without any public official involvement.

The Treasurer has also been critical of the fees and costs, as well as the flamboyant lifestyles of executives associated with the California Statewide Communities Development Authority (CSCDA) and the California Municipal Finance Authority (CMFA), which appear to be the targets of the current probe.

At the request of the State Treasurer, the Joint Legislative Audit Committee conducted an audit of three public agencies that issue conduit bonds and their compliance with applicable laws and other regulations: 1) the California Health Facilities Finance Authority (a state entity located within the State Treasurer's Office; 2) the California Statewide Communities Development Authority (a joint powers authority); and 3) the California Municipal Finance Authority (a joint powers authority). The key findings of this report are as follows:

- ▶ Unlike the California Health Facilities Finance Authority, the California Statewide Communities Development Authority and the California Municipal Finance Authority rely wholly on private consulting firms to act as staff whose duties involve reviewing and making recommendations regarding bond issuances. The consulting firms receive a percentage of fees associated with each conduit revenue bond issued by the joint powers authorities--raising concerns under the State's conflict of interest laws.
- ▶ One of the consulting firms received an average of \$9.9 million annually over a five-year period and the other, almost \$1 million per year.
- ▶ The consultants are relying on a 1993 advice letter published by the Fair Political Practices Commission (FPPC) to support their position that they do not have a conflict of interest under the Political Reform Act of 1974 when they act as staff on bond issuances. However, neither of these two joint powers authorities has sought independent legal advice on this matter directly from the FPPC.
- ▶ No court has squarely addressed whether this compensation model violates either the reform act or other State conflict of interest laws, (the Joint Legislative Audit Committee believes the legality of this practice is uncertain).

- ▶ These two joint powers authorities have used the same consultants since their inception--in 1988 and 2004, respectively--without periodically bidding out the contracts for these services and as a result, have less assurance that they are getting the best value from their consultants.
- ▶ The conduit bond issuers complied with key federal and state laws regulating the issuance of conduit revenue bonds, reporting requirements, and met other financial disclosures.

Recommendations of the Joint Legislative Audit Committee are as follows:

- ▶ If the Legislature believes that the compensation model is appropriate whereby the private firms that employ consultants are paid a percentage of the fees associated with bond issuances, the Legislature should enact legislation that creates a clearly stated exemption from Section 1090. On the other hand, if the Legislature believes that this compensation model is not appropriate, it should enact legislation that clearly proscribes, or limits, such a model.
- ▶ The FPPC should adopt regulations that clarify whether the analysis in the McEwen advice letter is intended to apply to the factual circumstances presented in the audit.
- ▶ To be better informed about the compensation of their consultants, including any potential conflicts of interest, the California Statewide Communities Development Authority and the California Municipal Finance Authority should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.

- ▶ In implementing its January 2012 contracting policy, the California Statewide Communities Development Authority should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.
- ▶ The California Municipal Finance Authority should follow its July 2012 policy that describes how it will select contractors and periodically review existing contractors' services and prices to ensure the public funds it oversees are used effectively.

As a result of this report, legislation has been introduced that deals directly with compensation, conflict of interest and other limitations on how joint powers authorities do business. Even though the Independent Cities Finance Authority is not the target, the "business plan" is clearly at risk. As a result, ICFA retained the service of Bruce Young of U.S. Advocacy to represent ICFA before the State Treasurer and the Legislature.

UPDATE:

A meeting was held in early January with representatives from the Senate Governance & Finance Committee, State Treasurer's Office, California Statewide Communities Development Authority, California Municipal Finance Authority, ICFA, and others to discuss the recommendations of the Joint Audit Committee. Consensus could not be reached on a majority of the items, thus, the legislation was introduced.

Bruce Young is working very closely with the State Treasurer's Office on behalf of ICFA in the hopes that ICFA's business model is not jeopardized. Mr. Young will provide a verbal update to the Board and answer any questions.

C. RECOMMENDATION:

1. Extend the contract with U.S. Advocacy until December of 2013 at a fee of \$7,500 per month;
2. Discuss ICFA's strategy relative to AB 1095.

F. APPROVAL AND ADOPTION OF RESOLUTION 2013-3 (A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE INDEPENDENT CITIES FINANCE AUTHORITY (I) AUTHORIZING ITS SPONSORSHIP OF THE ICFA ADVANTAGE DOWN PAYMENT ASSISTANCE PROGRAM; AND (II) DELEGATING TO THE BOARD SECRETARY AND GENERAL LEGAL COUNSEL THE POWER TO TAKE ALL SUCH ACTIONS AS ARE NECESSARY OR APPROPRIATE TO ACCOMPLISH THE FOREGOING

A. MATERIAL ENCLOSED: (PAGES 52-80)

1. Correspondence from Mark Paskulin dated February 28, 2013. (Pages 52-53)
2. ICFA Down Payment Assistance Program - Program Summary (Pages 54-62)
3. ICFA Down Payment Assistance Program - Community Loan Program Agreement (Pages 63-77)
5. Resolution 2013-3 (Pages 78-80)

B. COMMENTS:

George K. Baum & Company is proposing an ICFA sponsored down payment assistance program originated by local lenders for the benefit of qualified homebuyers within ICFA member cities and counties.

As a joint powers authority, ICFA is empowered by the Department of Housing and Urban Development (HUD) to provide homebuyers with down payment and/or closing cost assistance in connection with 30-year fixed rate FHA, VA, and USDA mortgage loans for the purchase of homes within ICFA's jurisdiction. Program participants are as follows:

Sponsor	Independent Cities Finance Authority
Lenders	Lender accepts loan applications, locks in loan rates, underwrites, and funds the loans
Servicers	Sets the loan rates daily, accepts loan reservations, purchases loans from Lenders, sells the loan into the secondary market, and services the mortgage loans
Administrator	George K. Baum & Company will confirm rates and prices with the Servicer, verify loan compliance prior to closing

Local Lenders and Servicers: This Program is ideal for those Lenders who wish to retain the servicing rights to their own loan originations or to other Servicers looking to purchase loan from local Lenders.

ICFA Sponsorship: As a "sponsor" of the assistance, ICFA must:

- ▶ Authorize the Program via Board resolution and signed agreements with Lenders and Servicers
- ▶ Set the terms and conditions by which the loans are originated to comply with HUD guidelines
- ▶ "Directly fund" the Assistance at the loan closing via wire transfer for the benefit of the borrower. Lender funding requests and wire transfers may be administered by a local custodial agent.

4% in Borrower Assistance: As proposed, the Program provides for a 3% Gift, the proceeds of which can be used to fund most of the Borrower's 3.5% down payment for FHA loans, closing costs for VA and USDA loans. The Program will also cover the 1% origination fee typically charged to the Borrower.

Program Loan Rates: FHA, VA, USDA 30-year fixed rate mortgage loan rates will be set daily by the Servicer, at an above market rate sufficient to:

- ▶ Replenish the ICFA's Gift Fund
- ▶ Pay the Lenders the appropriate compensation for the origination of such loans
- ▶ Pay all related Program fees and expenses

ICFA is not involved in, nor is it responsible for, the pricing, posting and hedging of such loan rates, nor is it liable for the subsequent market sale of the mortgage loans at the required price.

Borrower Eligibility Not limited to first-time homebuyers, 620 minimum credit score, purchases and rate/term refinancings, qualifying incomes not to exceed 115% of the county median income. Primary residences only, owner occupied, second homes are not permitted.

Program Area: ICFA member cities in Los Angeles County and Riverside County, San Bernardino County and San Diego County (excluding City of San Diego). Riverside County will be approached about joining ICFA so that the Program may be available throughout the County.

Program Fees: The Servicers will replenish the ICFA Gift Fund once the loans are purchased (typically, within 30 days of loan closing). ICFA will receive a .50% per loan fee of the mortgage loan amount as the loans are purchased (.875% received, of which .375% is payable to GKB as the Program Administrator). All loans closed with ICFA Gift funding must be sold to the Servicer, or the Lender must pay ICFA a non-delivery fee equal to 6% of the final mortgage loan amount.

Marc Paskulin of George K. Baum & Company will provide a verbal presentation and answer any questions.

C. RECOMMENDATION:

1. Approve/adopt Resolution 2013-3 approving an ICFA Advantage Down Payment Assistance Program; and
2. Authorize President McCormick and, staff to execute all necessary documents for implementation of said program.

**G. DISCUSSION/APPROVAL OF ASSOCIATE MEMBERSHIP IN CRHMFA
HOMEBUYERS FUND.**

A. MATERIAL ENCLOSED: (PAGES 81-96)

1. CHF Flyers. (Pages 81-84)
2. CRHMFA Homebuyers Fund Joint Exercise of Powers Agreement. (Pages 85-96)

B. COMMENTS:

For over 20 years, the CRHMFA Homebuyers Fund (CHF) has offered homebuyer programs featuring competitive financing and down payment assistance. Since 1993 CHF and its subsidiary company, National Homebuyers Fund, Inc., has assisted over 60,000 families in obtaining home ownership. More recently, CHF expanded its public purpose to provide competitive financing to homeowners interested in energy efficiency improvements to their home as part of the CHF Residential Energy Retrofit Program (Energy Program). The Energy Program began in 2010 and was originally funded through a \$29 million grant from the California Energy Commission. The Program assisted over 1,050 families in making home energy upgrades, and was responsible for the creation and/or retention of over 300 jobs in local construction, prior to ARRA funds sunset.

The current Energy Program is made possible through funding from Pacific Gas & Electric Company (PG&E) and Five Star Bank. It is managed by CHF and is available through a network of qualified whole-house performance contractors approved by CHF. Through this particular partnership, up to \$20 million in loan financing is made available to eligible homeowners for energy efficiency improvements to their homes, and is available in the 44 counties of California that PG&E services. CHF is working with Southern California Edison to expand the Energy Program into Southern California in an effort to assist homeowners with home energy upgrades throughout California. As the housing market improves and the opportunity for additional programs arise, CHF has and will continue efforts to develop programs to benefit homebuyers and homeowners.

CHF is asking ICFA to become an associate member of their organization and, thereby, promote the CHF programs to the residents of ICFA member cities. Should the Board decide to become an associate member of CHF and promote the CHF programs, CHF and ICFA would agree on compensation terms for ICFA's efforts.

C. RECOMMENDATION:

1. Approve associate membership in the CRHMFA Homebuyers Fund (CHF); and
2. Authorize President McCormick and staff to execute necessary documents relating thereto.

H. DISCUSSION AND REVIEW OF ICFA WEBSITE ANALYTICS REPORT AND REPORT ON CURRENT EFFORTS.

A. MATERIAL ENCLOSED: **(PAGES 97-100)**

Analytics Report for the Independent Cities Finance Authority dated February 8, 2013.

B. COMMENTS:

ANALYTICS REPORT:

Included in the agenda packet is an analytics report on the ICFA website. The site was visited by 38 individuals in November, 79 in December, and 158 in January, for a total of 248 site visits. The January educational seminar increased traffic to the site. Content on the website is being updated regularly and the number of visitors is steadily growing.

In addition, ICFA is also visible through social media on Facebook, Twitter and LinkedIn. It is suggested that Board Members, staff and consultants link to ICFA on any social media sites they use to further promote ICFA social media sites; a promotional event be designed to promote traffic to the sites; and the ICFA newsletter be utilized to push traffic to the sites as well.

CURRENT EFFORTS TO ENGAGE MEMBER CITIES AND OTHER POTENTIAL PARTNERS:

Working with Tripepi Smith & Associates a three-pronged approach to engaging member cities is planned: 1) An email will be sent to city managers reminding them of the good work ICFA does; 2) This will be followed up with a hard mailer using the print material developed last year; and 3) staff will call the City Managers personally to set up in person meetings.

This work will be done in concert with our continued efforts on other fronts including:

- ▶ Sponsoring PublicCEO.com at a fee of \$3,600 per year. With 15,000 people on it's mailing list, this is a great way to get our name out. As part of our sponsorship we get to publish one article a quarter.
- ▶ Hosting an ICFA Webinar in June or July. Since the ICFA educational conference brought a lot of attention to ICFA, it is suggested that the Board consider hosting a webinar wherein one or two experts would give a free presentation online. The cost of a webinar would be minimal and could be just as effective in promoting ICFA and driving traffic to the website.
- ▶ Staff attending the Contract Cities City Managers luncheon on March 28th.
- ▶ Hosting an ICFA booth at the Contract Cities conference in May.

Ryder Smith and/or April Davila of Tripepi Smith & Associates will provide a verbal update at the meeting.

C. RECOMMENDATION:

1. Encourage ICFA Board Members, staff and consultants to promote ICFA through social media sites;
2. Authorize the sponsorship of PublicCEO.com at a fee of \$3,600 per year; and
3. Authorize staff to proceed with planning and implementing an ICFA webinar in June or July.

I. REPORT ON ICFA EDUCATIONAL SEMINAR HELD ON JANUARY 16, 2013.

A. MATERIAL ENCLOSED: (PAGES 101-108)

Seminar Program

B. COMMENTS:

As part of the ICFA marketing program, an educational conference was held on January 16, 2013 at Luminarias Restaurant in Monterey Park.

Program topics and speakers were as follows:

Designing, Financing and Administering Single-Family Home Ownership Programs	Matt Callahan - Civic Center Home Loans Remoun Said - ReNew Real Estate Sales Walter Zhovreboff - First Home, Inc.
Mobile Home Park Financing	Pam Newcomb - Newcomb DeDios Financial Group John Raymond - City of Palm Springs George Turk - Millennium Housing Janees Williams - Newcomb DeDios Financial Group
Get Home Now	Chapman Walsh - APD Solutions
Current Financing Strategies For Affordable Housing	Matt Duke - Avant Strategic Partners Fred Olsen - Ballard Spahr Preston Olsen - Ballard Spahr Ryan Warburton - Ballard Spahr

Sponsors of the events (at \$500 each) were:

- ▶ Avant Strategic Partners
- ▶ Ballard Spahr
- ▶ Bank of America
- ▶ Best Best & Krieger
- ▶ Civic Center Home Loans And Realty
- ▶ George K. Baum & Company
- ▶ Newcomb DeDios Financial Group
- ▶ Union Bank
- ▶ Wolf & Company, Inc.

Media sponsors included the following companies:

- ▶ California Contract Cities Association
- ▶ Civic Business Journal
- ▶ California Redevelopment Association
- ▶ League of California Cities, Los Angeles County Division
- ▶ Municipal Management Association of Southern California
- ▶ Trackdown Management Services

Media sponsors are companies who promoted the ICFA educational conference on their websites, monthly newsletters, etc.

Thirty-nine individuals attended the conference, all of whom provided positive feedback. Considering this was the first ICFA sponsored conference, all involved were pleased with the end product and have discussed the possibility of planning and implementing another event to take place in the late summer/early fall of 2013.

Below is a financial accounting of the Seminar:

INCOME:		\$5,500.00
Sponsorships	\$ 4,500.00	
ICFA contribution	\$ 1,000.00	
EXPENSES:		\$5,500.00
Luminarias (room rental, AV equipment & food)	\$4,350.00	
Planning, implementing, printing, etc.	\$1,150.00	
BALANCE:		\$ 0.00

C. RECOMMENDATION:

Information only.

I. UPDATE ON PENDING PROJECTS/ACTIVITIES.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Staff will provide a verbal update on pending ICFA projects/activities.

C. RECOMMENDATION:

Information only.

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.

ATTACHMENTS

For The March 20, 2013
Independent Cities Finance Authority
Regular Board Of Directors Meeting/
Regular Executive Committee Meeting

ATTACHMENTS

For The March 20, 2013
Independent Cities Finance Authority
Regular Board Of Directors Meeting/
Regular Executive Committee Meeting

INDEPENDENT CITIES FINANCE AUTHORITY

**BOARD OF DIRECTORS REGULAR ANNUAL MEETING
DECEMBER 5, 2012**

MINUTES

I. CALL TO ORDER.

The regular annual meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the Huntington Park Planning Conference Room in the City of Huntington Park on December 5, 2012 at 12:30 p.m. by President Mike McCormick.

II. ROLL CALL.

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

W. Michael McCormick	Vernon
Mario Gomez	Huntington Park
Gil Hurtado	South Gate
Jim Morton	Lynwood
Ricardo Pacheco	Baldwin Park

Alternate Members Of The Board of Directors Present

None

The cities of Compton, Hawthorne, Hermosa Beach, and San Fernando were not represented by a voting member.

Guests Present

Rene Bobadilla	Huntington Park
April Davila	Tripepi Smith & Associates
Pam Newcomb	Kinsell, Newcomb & De Dios
Preston Olsen	Ballard Spahr
Ryder Smith	Tripepi Smith & Associates
Greg Spiker	Ken Spiker And Associates
George Turk	Millennium Housing
Sarah Magana Withers	Lynwood
Janees Williams	Kinsell, Newcomb & De Dios
Wes Wolf	Wolf & Company

Staff Present

Parissh Knox	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 MINUTES OF THE SEPTEMBER 12, 2012 BOARD OF DIRECTORS MEETING.

It was moved by Jim Morton, seconded by Mario Gomez, and unanimously carried that the minutes of the September 12, 2012 Board of Directors meeting be approved.

B. APPROVAL OF THE FINANCING OF A 93-UNIT MANUFACTURED HOME COMMUNITY 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.

Staff reported generally as follows:

The proposal is to finance the funding of a manufactured home community in the City of Fresno (Millbrook Mobile Home Village).

George Turk of Millennium Housing provided a brief report on the park and on all aspects of financing of the project.

Staff presented a report on manufactured home communities financed through ICFA, the financial team, and costs of issuance for the project.

President McCormick thanked Mr. Turk for bringing this financing to the Authority, and asked if there were any questions or comments. There were none.

It was moved by Mario Gomez, seconded by Jim Morton, and unanimously carried to approve all aspects of the proposed financing on behalf of Millennium Housing.

D. APPROVAL AND ADOPTION OF RESOLUTION 2012-9 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$7,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE BONDS (MILLBROOK MOBILE HOME VILLAGE) SERIES 2012A AND INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK SUBORDINATE REVENUE BONDS (MILLBROOK MOBILE HOME VILLAGE) SERIES 2012B, AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH) .

Staff reported generally as follows:

Resolution 2012-9 is the ICFA document which formally authorizes the issuance and delivery of the bonds and authorizes the execution of the bond documents. The various bond documents facilitate the funding thereof.

It was noted that 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 bonds are not an obligation of the Authority. They are payable solely from revenues from the parks to repayment of the bonds. Generally, after issuance of the bonds, ICFA's responsibilities will be limited to reviewing reports provided by the Oversight Agent and the Trustee.

President McCormick asked if there were any questions or comments. There were none.

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried as follows:

1. To approve/adopt Resolution 2012-9 approving the bond issuance and the various agreements and documents relating thereto; and
2. To authorize President McCormick and staff to execute all necessary documents.

D. UPDATE ON ICFA EDUCATIONAL SEMINAR TO BE HELD ON JANUARY 16, 2013.

Staff reported generally as follows:

At the September Board of Directors meeting, authorization was given for staff and consultants to plan and implement an ICFA educational seminar on January 16, 2013. In that regard, the conference will take place from 9:00 a.m. to 1:00 p.m. at Luminarias Restaurant in the City of Monterey Park. The theme is "Developing Housing Programs in the Post-Redevelopment World." Presentation topics/speakers include:

Designing, Financing and Administering Single-Family Home Ownership Programs	Matt Callahan - Civic Center Home Loans Remoun Said - ReNew Real Estate Sales Walter Zhovreboff - First Home, Inc.
Mobile Home Park Financing	Pam Newcomb - Newcomb DeDios Financial Group John Raymond - City of Palm Springs George Turk - Millennium Housing Janees Williams - Newcomb DeDios Financial Group
Get Home Now	Duane Covert - APD Solutions Chapman Walsh - APD Solutions
Current Financing Strategies For Affordable Housing	Matt Duke - Avant Strategic Partners Fred Olsen - Ballard Spahr Preston Olsen - Ballard Spahr Ryan Warburton - Ballard Spahr

The program will consist of an opening session and four breakout sessions (noted above), along with continental breakfast, lunch and table top displays. It is anticipated that the cost of the event will be approximately \$6,000. Contributions from sponsors will be used to help offset the costs of the event. In addition, numerous organizations are promoting the event on their websites and/or newsletters.

The event will be an excellent opportunity for private sector professionals and city officials alike to share ideas and expand their networks. All those in attendance were encouraged to attend the event.

E. UPDATE ON ICFA'S COMMUNITY OUTREACH PROGRAM.

On June 27, 2012 an ICFA Community Outreach Program was approved by the Board. The program allows eligible Board Members to make an annual maximum allocation of \$5,000 to the charity of their choice. To date, contributions have been made as follows:

- Crew 419 (Mike McCormick)
- Southeast Women's Organization (Mario Gomez)
- St. John The Baptist School (Ricardo Pacheco)

President McCormick made presentations to Gil Hurtado for the South Gate Junior Athletic Association and Jim Morton for the Lynwood Disaster Relief Fund.

F. UPDATE ON PENDING PROJECTS/ACTIVITIES.

Staff provided an update on the website and indicated that newsletters are being distributed on a monthly basis.

VI. COMMENTS FROM BOARD MEMBERS.

Mario Gomez welcomed all those present to the City of Huntington Park and introduced their City Manager, Rene Bobadilla.

Jim Morton invited all those present to attend the Lynwood Christmas Parade on December 7th.

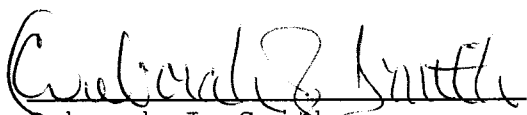
VII. COMMENTS FROM STAFF.

Debbie Smith noted that she has resigned as Events Director of the Independent Cities Association.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:55 p.m.

Respectfully submitted,


Deborah J. Smith
Program Administrator

INDEPENDENT CITIES FINANCE AUTHORITY

**BOARD OF DIRECTORS/EXECUTIVE COMMITTEE SPECIAL MEETING
FEBRUARY 11, 2013**

MINUTES

I. CALL TO ORDER.

The special meeting of the Board of Directors/Executive Committee of the Independent Cities Finance Authority (ICFA) was called to order in the Vernon City Hall on February 11, 2013 at 12:05 p.m. by President Mike McCormick.

II. ROLL CALL.

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

W. Michael McCormick	Vernon
Mario Gomez	Huntington Park
Jim Morton	Lynwood
Ricardo Pacheco	Baldwin Park

Alternate Members Of The Board of Directors Present

None

The cities of Compton, Hawthorne, Hermosa Beach, San Fernando, and South Gate were not represented by a voting member.

Guests Present

Jacob Carlton	Ballard Spahr
April Davila	Tripepi Smith & Associates
Michael Kurtz	Alliance for College-Ready Public Schools
Spencer Styles	Alliance for College-Ready Public Schools
Wes Wolf	Wolf & Company

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. ADOPTION/APPROVAL OF RESOLUTION 2013-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY (THE "AUTHORITY") EXPRESSING AN INTENT TO ISSUE NOT MORE THAN \$10,500,000 AGGREGATE PRINCIPAL AMOUNT OF QUALIFIED SCHOOL CONSTRUCTION BONDS TO BE DESIGNATED AS THE INDEPENDENT CITIES FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS (ALLIANCE COLLEGE-READY ACADEMY HIGH SCHOOL #18 PROJECT) SERIES 2013 (TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS - DIRECT SUBSIDY) (THE "BONDS"); EXPRESSING AN INTENT TO REIMBURSE CERTAIN QUALIFIED COSTS WITH PROCEEDS OF THE BONDS; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS

Staff noted that in 2011 ICFA was instrumental in financing the construction of a charter school on behalf of Alliance For College-Ready Public Schools in the City of Los Angeles. Alliance is now seeking approval from ICFA to adopt a Reimbursement Resolution which expresses ICFA's intent to issue qualified school construction bonds to reimburse costs to be incurred by the owner for the acquisition and construction of charter school facilities located at 7907 Santa Fe Avenue, Huntington Park, CA.

The resolution states ICFA's intent to reimburse certain qualified costs incurred by the project owner from proceeds of the qualified school construction bonds. The Internal Revenue Code requires an issuer to have passed a Reimbursement Resolution to enable the owner's qualified costs to be eligible for financing with qualified school construction bonds. Adoption of the resolution will accomplish the following:

1. Enable the project owner to incur costs that may be reimbursed from proceeds of qualified school construction bonds if ever issued by ICFA.
2. Enable the project owner to start working on the financing of the project with professionals in the field of qualified school construction bond financing.

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, February 11, 2013
Page 2

Michael Kurtz and Spencer Styles of Alliance for College-Ready Public Schools outlined the project, noting that it will be a Blended Learning for Alliance School Transition (BLAST) school, which uses the latest technology to increase efficiencies in staffing and facilities while allowing for more direct contact with the teacher by utilizing smaller learning groups. The school will occupy grades 9-12 and is anticipated to open in the fall of 2013 with 19 teachers and 13 staff members.

After numerous questions and comments on the project, it was moved by Jim Morton, seconded by Mario Gomez, and unanimously carried as follows:

1. To approve/adopt Resolution 2013-1 expressing ICFA's intent to issue qualified school construction bonds to reimburse costs to be incurred by the owner for the acquisition and construction of an Alliance for College-Ready Public Schools charter school at 7907 Santa Fe Avenue in Huntington Park, CA; and
2. To authorize President McCormick and staff to execute all necessary documents.

VI. COMMENTS FROM BOARD MEMBERS.

There were no comments from the Board.


VII. COMMENTS FROM STAFF.

There were no comments from staff.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:20 p.m.

Respectfully submitted,


Deborah J. Smith
Program Administrator

RESOLUTION NO. 2013-2

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$23,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (RANCHO VALLECITOS MOBILE ESTATES) SERIES 2013, 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 California Mobilehome Park Financing Authority previously issued its Mobile Home Park Revenue Bonds (Rancho Vallecitos) Series 2001A, its Mobile Home Park Subordinate Revenue Bonds (Rancho Vallecitos) Series 2001B and its Mobile Home Park Subordinate Revenue Bonds (Rancho Vallecitos) Series 2001C (collectively, the "Prior Bonds") and loaned the proceeds of the Prior Bonds (the "Prior Loan") to Millennium Housing Corporation, a California nonprofit public benefit corporation (the "Prior Borrower"), in order to provide financing with respect to the acquisition and improvement of the Rancho Vallecitos Mobile Estates (the "Project") located at approximately 3535 Linda Vista Drive, San Marcos, California; and

WHEREAS, in connection with the refinancing of the Project as described herein, the Project will be transferred to Millennium Housing LLC, a California limited liability company, or an affiliate thereof (the "Borrower"); and

WHEREAS, the Borrower has requested that the Authority issue and sell its revenue refunding bonds for the purpose of refunding the Prior Bonds and financing certain improvements to the Project; and

WHEREAS, Millennium Housing Corporation, the sole member of 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 Project 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 Project by the Borrower will lessen the governmental burden of the City of San Marcos by preserving affordable housing within such city; and

WHEREAS, pursuant to the Act, the Authority proposes to issue its Mobile Home Park Revenue Refunding Bonds (Rancho Vallecitos Mobile Estates) Series 2013 (the "Bonds") in an aggregate amount not to exceed \$23,000,000 and to loan the proceeds of such Bonds to the Borrower in order to refund the Prior Bonds, to finance certain improvements to the Project 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 with respect to the Project (the “Regulatory Agreement”), an Administration and Oversight Agreement, a Preliminary Official Statement and a Purchase Contract among the Authority, the Borrower and Newcomb Williams Financial Group securities offered through Stinson Securities, LLC. on behalf of itself and as representative of any underwriter named therein (the “Underwriters”) pursuant to which the Bonds will be purchased by the Underwriters for sale to the public; and

WHEREAS, as required by Section 147(f) of the Code, the City Council of the City of San Marcos conducted a duly noticed public hearing with respect to the proposed issuance of the Bonds and financing of the Project by the Authority on March 12, 2013, such notice being published in a newspaper of general circulation in the City of San Marcos, and as the applicable elected representatives of the City of San Marcos, the City Council 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, have happened and have been 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. 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 Program Administrator (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 form of the Bonds, as set forth in the Indenture, is 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 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, 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 Agreement. The Regulatory Agreement and Declaration of Restrictive Covenants by and among the Authority, the Trustee and the Borrower with respect to the Project (the “Regulatory Agreement”) 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 Regulatory Agreement in substantially the form 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 (the “Preliminary Official Statement”) in the form presented at this meeting, is hereby approved for use in connection with the marketing of the Bonds. The Program Administrator 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 Program Administrator, 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 “near 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 among the Authority, the Borrower and the Underwriters, 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 Underwriters’ discount for the Bonds does not exceed the following: (i) Maximum Principal Amount:

\$23,000,000; (ii) Net Interest Cost: 5.50%; (iii) Maturity Date: 5/15/2053; and (iv) Underwriters' Discount or Fee: 2.0%.

SECTION 9. Administration and Oversight 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 Program Administrator 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 10. Designation of Professionals. The law firm of Ballard Spahr LLP is hereby designated as bond counsel and disclosure counsel to the Authority with respect to the Bonds. The Underwriters are hereby designated as underwriters for the Bonds.

SECTION 11. 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 12. Other Acts. The President, Vice President, members of the Board of Directors/Executive Committee, Program Administrator, 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 Underwriters, 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 13. 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 14. 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 15. 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 20TH DAY OF MARCH, 2013.

President

Secretary/Program Administrator

I, Deborah Smith, Secretary and Program Administrator 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 20th day of March, 2013, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Program
Administrator of the Independent Cities Finance
Authority

Summary

Results in Brief

Many public agencies issue conduit revenue bonds on behalf of private businesses or nonprofit organizations (borrowers). Once investors purchase the bonds, borrowers use the resulting proceeds to fund projects that provide public benefits, including hospitals, affordable housing, and pollution control facilities. Because these projects further public purposes, the interest that bond investors receive is generally exempt from state and federal income tax. The public agencies that issue the bonds are not responsible for paying the investors back; rather, they merely serve as a *conduit* connecting borrowers to investors. In return for serving that purpose, the agencies charge the borrowers fees that vary depending on the size and the nature of the projects.

In this audit we evaluate whether the organizational structures and significant policies and practices of three public agencies that issue conduit revenue bonds (issuers) comply with applicable laws and other requirements. The California Health Facilities Financing Authority (Health Financing Authority) is a state entity administratively located within the State Treasurer's Office, while the California Statewide Communities Development Authority (California Communities) and the California Municipal Finance Authority (Municipal Finance) are joint powers authorities established under the California Joint Exercise of Powers Act (joint powers act). Each of these three issuers is governed by a board of directors that votes to approve issuances at public hearings.

Although we found that the compensation model of the joint powers authorities raises concerns, we cannot conclude that it violates California's conflict-of-interest laws. Unlike the Health Financing Authority, both California Communities and Municipal Finance rely wholly on private consulting firms for staff. Because the joint powers authorities pay these consulting firms a percentage of the fees associated with each conduit financing, there is a concern as to whether this practice violates the Political Reform Act of 1974 (political reform act). This act prohibits public officials—in this case, consultants performing the work of public officials—from making, participating in, or attempting to influence certain governmental decisions in which they have a material economic interest. The consultants believe that a 1993 advice letter published by the Fair Political Practices Commission (FPPC), which administers the political reform act, applies to their circumstances. If so, they have likely not violated the act. However, neither the FPPC nor a court of appropriate jurisdiction have ever considered the applicability of the reasoning set out in that advice letter, known as the *McEwen* advice letter, to the specific circumstances here.

Audit Highlights . . .

Our audit of the organizational structures and significant policies and practices of two joint powers authorities (JPAs) and the California Health Facilities Financing Authority (Health Financing Authority) highlighted the following:

- » *Although the compensation model of the two JPAs raises concerns, we cannot conclude that it violates California's conflict-of-interest laws.*
- *Public officials, including consultants performing the work of public officials, are prohibited from making, participating in, or attempting to influence certain governmental decisions in which they have a material economic interest.*
- *The two JPAs rely wholly on private consulting firms for staff and pay them a percentage of the fees associated with each conduit financing.*
- *Consultants who advise the JPAs believe that a 1993 advice letter from the Fair Political Practices Commission (FPPC) applies to their circumstances and that they have not violated laws.*
- *No court has squarely addressed the legality of this compensation model.*
- » *The two JPAs could improve their contracting practices to better ensure contractors' fees are reasonable.*
- *The two JPAs have not required their consulting firms to compete against other firms since their respective formations in 1988 and 2004, and thus, have less assurance that they are getting the best value.*

continued on next page . . .

- *Because they pay their consultants based on a percentage of the fees associated with bonds issued, JPAs risk receiving advice that may not be in their best interest.*
- » *The Health Financing Authority and the two JPAs all issue conduit revenue bonds in accordance with key federal and state laws, and substantially complied with reporting requirements.*

Moreover, given that consultants who advise public entities widely rely on the reasoning set out in the *McEwen* advice letter, it may be helpful for the Legislature or the FPPC, as appropriate, to provide clear policy direction.

The joint powers authorities' use of consultants also raises concerns under another state conflict-of-interest law. Specifically, California Government Code, Section 1090 (Section 1090), prohibits public officials and employees from having a financial interest in any public contract whose formation or approval they participate in. Because the consultants here act in the same capacity as public employees, we believe they are subject to the prohibition contained in Section 1090. Further, we believe that the consultants' role in the bond approval process constitutes participating in the formation of a contract for the purposes of Section 1090. Although there is some case law that suggests that consultants who contract with public entities may be paid on a contingency fee basis without violating Section 1090, no court has squarely addressed the specific question presented here and we cannot reach a definitive legal conclusion.

In addition, California Communities and Municipal Finance could improve their contracting practices to better ensure contractors' fees are reasonable. The boards of directors for the two joint powers authorities have not required their consulting firms to compete against other firms since the joint powers authorities were formed in 1988 and 2004, respectively. By not periodically bidding out the contracts for these services, or performing some other price comparison analysis, the joint powers authorities have less assurance that they are getting the best value from their consultant contracts. Moreover, by choosing to pay the consulting firms a percentage of the fees associated with bonds issued, the joint powers authorities create a financial incentive for consultants to recommend the approval of bond issuances. Further, they do not mitigate this financial incentive by requiring the consulting firms to disclose whether they compensate their employees in a way that is directly tied to the number or volume of bonds the joint powers authorities issue.

In evaluating the issuers' compliance with other laws and requirements, we found that the Health Financing Authority, California Communities, and Municipal Finance, all issue conduit revenue bonds in accordance with key federal and state laws. For example, the issuers ensure that the projects they finance meet state and federal requirements for tax-exempt financing related to the public benefits the projects must provide. Moreover, the issuers provide additional benefits to communities throughout the State either by distributing fee revenues to the jurisdictions in which projects are located or by contractually obligating borrowers to serve specified public purposes.

In our review, we also found that the issuers substantially complied with reporting requirements. Effective January 1, 2010, Chapter 557, Statutes of 2009 (Senate Bill 99 (SB 99)) created requirements to ensure that conduit financing providers make their activities transparent and accountable to the public by extending opportunities for participation in public meetings and by providing information about their financial activities. While the Health Financing Authority and Municipal Finance met the applicable SB 99 requirements, California Communities did not provide all necessary disclosures in its financial statements for fiscal years 2009–10 and 2010–11. However, once we alerted California Communities to this oversight, it updated its financial statements to include this information. We also found that before fiscal year 2006–07, California Communities did not prepare and file audited annual financial statements as required by the joint powers act. However, it has prepared the statements each year since that time.

In evaluating other aspects of the issuers' practices, we noted that borrowers' bankruptcies and other financial disclosures are not generally an accurate measure of an issuer's performance. We have no reason to believe that any of the issuers we reviewed are better than the others in regards to the quality of bonds they issue. We also concluded that although issuers may charge different fees for similar services, this variance is not inherently problematic because borrowers can analyze these fees and select the issuers that best meet their needs.

Recommendations

If the Legislature believes that the compensation model is appropriate whereby the private firms that employ consultants are paid a percentage of the fees associated with bond issuances, the Legislature should enact legislation that creates a clearly stated exemption from Section 1090. On the other hand, if the Legislature believes that this compensation model is not appropriate, it should enact legislation that clearly proscribes, or limits, such a model.

The FPPC should adopt regulations that clarify whether the analysis in the *McEwen* advice letter is intended to apply to the factual circumstances presented in this audit.

To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and

structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.

In implementing its January 2012 contracting policy, California Communities should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.

Municipal Finance should follow its July 2012 policy that describes how it will select contractors and periodically review existing contractors' services and prices to ensure the public funds it oversees are used effectively.

Agency Comments

The Health Financing Authority, Municipal Finance, and California Communities concurred with our conclusions and recommendations.



BILL LOCKYER
TREASURER
STATE OF CALIFORNIA

February 25, 2013

Honorable Darrell Steinberg
President pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

RE: Conduit Bond Issuer Legislation

Dear President pro Tempore Steinberg:

In a January 19, 2013 letter to legislators, two lobbyists hired by the California Statewide Communities Development Authority (CSCDA) and the California Municipal Finance Authority (CMFA), falsely alleged that in pursuing legislation to ensure government agencies operating as conduit bond issuers act solely in the public interest in collecting, managing and spending public funds, my office has sought an "unfair competitive advantage." It's a tired canard they have trotted out time and again to kill reasonable reforms of CSCDA's and CMFA's practices. Let me set the record straight.

This continuing and very important dispute has nothing to do with "competition," and never has. My office and I want CSCDA, CMFA and all conduit issuers to succeed because that would mean more jobs, more health care, more housing and a better environment for California. Here's what this debate is really about: ending a business model that violates well-established principles of accountable and transparent government uncorrupted by conflicts of interest. My office's efforts to improve the law governing conduit bond issuers continue to have one objective: to ensure all conduit issuers, including CSCDA and CMFA, conduct the public's business like the government agencies they are.

And let's be clear. My office is hardly alone in sounding the alarm about the way CSCDA and CMFA operate. In her August 23, 2012 report, State Auditor Elaine Howle expressed significant concerns. The title of the audit was, "Conduit Bond Issuers: Issuers Comply with Key Bond Requirements, but Two Joint Powers Authorities' Compensation Models Raise Conflict of Interest Concerns." Los Angeles County withdrew from CSCDA, and prohibited its various agencies from doing business with CSCDA, after the County's chief executive officer called CSCDA "a shell entity operated solely by a private contractor." And despite every effort to operate in obscurity for more than two decades, CSCDA has been the subject of news articles in recent years that raised serious questions about conflicts of interest and its handling of public funds.

Honorable Darrell Steinberg

February 25, 2013

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As joint powers authorities (JPAs), CSCDA and CMFA are governmental entities operating with authority provided and limited by state law. But in practice, they're private businesses masquerading as governmental entities. Their business models provide fertile ground for conflicts of interests and virtually no oversight of how their public funds are expended. They're another version of the rogue "roving" JPAs the Legislature and law enforcement had to clean up a decade ago.

Conduits issue tax-exempt bonds on behalf of businesses and other private entities to finance projects that benefit the private entities. Issuer fees generated by this taxpayer-subsidized activity are public funds, so net revenues should be used to benefit the public. And these funds should be managed in the public interest. For example, conduit issuers administered by my office use revenues, as directed by the Legislature, to increase access to health care, finance brownfield cleanup and help small business obtain loans. In contrast, CSCDA and CMFA divide revenues among the private enterprises that manage both JPAs, the private organizations that sponsor CSCDA, and a nonprofit affiliate of CMFA.

CSCDA and CMFA enrich their private contractors in a way that flouts state laws designed to prevent conflicts of interest. The private contractors who operate the CSCDA and CMFA conduit bond issuance programs have a direct financial stake in the volume of business the JPAs generate. For years now, CSCDA has paid its primary contractor, HB Capital, as much as \$10 million per year from its fee revenues to provide virtually all staff work for CSCDA. The payments are based on HB Capital receiving a percentage of revenue generated by the transactions CSCDA approves. HB Capital employees make recommendations to the CSCDA board on project approvals. The contract HB Capital operates under has been in place for 25 years, and never has been competitively bid in all that time. It also provides for huge payments to HB Capital even if the contract is terminated.

CMFA was created by individuals who were at one time intimately involved in CSCDA and follows the same compensation model, though on a considerably smaller scale. The contractor, Sierra Management, has been in place since CMFA's creation. And, although CMFA has only been in existence since 2004, Sierra Management now receives in excess of \$1 million per year.

As for lack of oversight, consider: Thousands of local agencies have reported employee salary information to the State Controller, but CSCDA and CMFA claim they have no salaried workers and have no information to report. Additionally, HB Capital has refused to provide CSCDA's board details on how it spends CSCDA's fee revenues on HB Capital's staff and partners. As a result, CSCDA has no idea what the fees paid to HB Capital actually purchase in terms of services, how much might be saved and used to benefit the public, and no way to account to the public for the use of its public funds.

Honorable Darrell Steinberg
February 25, 2013
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Attached is a copy of AB 1059, by Assemblymember Bob Wieckowski, the 2013 reform bill my office is sponsoring. It represents a direct response to the State Auditor's recommendations that the Legislature:

- Look at the contracting and compensation practices of these two JPAs, especially the sole source, non-competitive process that has resulted in the virtual "ownership" of these two government agencies by private entities.
- And clarify if necessary the state's strict conflict of interest law. That law prohibits public officials, or private entities acting as public executives, from participating in the making of contracts in which they have a financial interest.

These are bedrock principles most of us in California government, and the people we represent, take for granted. But apparently these two JPAs never got that memo.

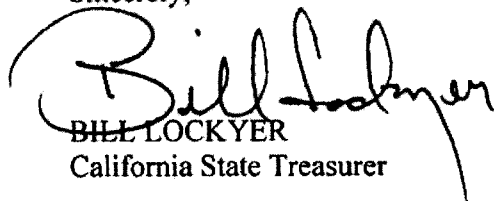
The lobbyists for CSCDA and CMFA claim to be in agreement with "most" of the State Auditor's recommendations. But I can assure you they have not yet embraced the central recommendations of that report, which deal with conflicts of interest and transparency. Nor are they interested in inviting the Legislature to intervene.

As the legislation moves forward, I look forward to discussing in further detail how these two JPAs' business models violate commonly-accepted principles and laws of ethical and accountable government, and how this bill and other reform proposals my office has offered would fix the problems.

In the meantime, if my office can provide additional information or assistance, please don't hesitate to give me a call. Our Legislative Director, Rohimah Moly, rmoly@treasurer.ca.gov, 916-653-4046, or Legislative Analyst Adriana Zerio, azerio@treasurer.ca.gov, 916-653-2806, also would be glad to help at any time.

Thank you for your interest and concern.

Sincerely,


BILL LOCKYER
California State Treasurer

ASSEMBLY BILL

No. 1059

Introduced by Assembly Member Wieckowski

February 22, 2013

An act to amend Section 1090 of, and to add Section 1091.8 to the Government Code, relating to public officers and employees.

LEGISLATIVE COUNSEL'S DIGEST

AB 1059, as introduced, Wieckowski. Public officers and employees: financial interests.

Existing law prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Existing law further prohibits these public officers and employees from being purchasers at any sale, or vendors at any purchase, made by them in their official capacity. A violation of these provisions is a crime.

This bill would extend the application of those prohibitions to independent contractors who perform a public function, and provide when an independent contractor, or an owner, officer, employee, or agent of the independent contractor, has a financial interest in a contract. By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1090 of the Government Code is amended
2 to read:

3 1090. Members of the Legislature, state, county, district,
4 judicial district, and city officers or employees, *and independent*
5 *contractors who perform a public function* shall not be financially
6 interested in any contract made by them in their official capacity,
7 or by any body or board of which they are members. Nor shall
8 state, county, district, judicial district, and city officers or
9 employees, *and independent contractors who perform a public*
10 *function* be purchasers at any sale or vendors at any purchase made
11 by them in their official capacity.

12 As used in this article, "district" means any agency of the state
13 formed pursuant to general law or special act, for the local
14 performance of governmental or proprietary functions within
15 limited boundaries.

16 SEC. 2. Section 1091.8 is added to the Government Code, to
17 read:

18 1091.8. An independent contractor, or an owner, officer,
19 employee, or agent of the independent contractor, who contracts
20 with a government agency, body, or board, to provide services,
21 including program management services, has a financial interest
22 in a subsequent contract of the government agency, body, or board,
23 if the independent contractor, or the owner, officer, employee, or
24 agent of the independent contract, participates in the making of
25 the subsequent contract and the independent contractor's contract
26 to provide services bases the independent contractor's
27 compensation, directly or indirectly, on whether the subsequent
28 contract is executed.

29 SEC. 3. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

O

MEMORANDUM

TO: Debbie Smith, Independent Cities Finance Authority

FROM: Marc Paskulin, George K. Baum & Company

DATE: February 28, 2012

SUBJ: **ICFA Advantage Down Payment Assistance Program**

George K. Baum & Company is pleased to submit to the Independent Cities Finance Authority (ICFA) for its review and consideration an ICFA-sponsored down payment assistance program originated by local lenders for the benefit of qualified homebuyers within the ICFA member counties and cities. Southern California counties and cities are out of assistance funds. CRHMFA Homebuyers Fund (Cal Rural) is the only statewide provider of down payment assistance in the State. Please consider the following:

Proposed Program is fully funded. Currently, lenders offer an FHA 30-year fixed at around 3.50%. That 3.5% FHA loan rate in the primary market is actually "valued" at above 103 in price. Lenders currently retain that 3% as profit (or "yield spread") but the Program as proposed would convert that 3% in surplus into down payment assistance sponsored by ICFA in accordance with HUD guidelines. We then use premium pricing to generate closing cost assistance and Program related fees.

4% in Borrower Assistance. The Program provides for a 3% Gift, the proceeds of which can be used to fund most of the Borrower's 3.5% down payment. The Program will also cover the 1% origination fee that lenders typically charge the Borrower.

Local Lenders, Regional Servicers. Local lender **InterCap Lending** will originate the Program loans and retain the servicing rights for its servicing subsidiary, **Suburban Mortgage Company**. If successfully launched, we expect other lenders and servicers to apply to ICFA for a similar program.

30-Year, Fixed Rate Loans Only. The Program Assistance will be offered in connection with a FHA, VA, USDA and FNMA 30-year fixed rate mortgage loan only. Mortgage Loan rates and prices will be posted daily by the Servicers. ICFA is not involved in, nor is it responsible or liable for, the pricing, posting and hedging of such loan rates.

"Direct" Gift Funding by ICFA. Per HUD guidelines, ICFA as sponsor must fund the 3% Gift from their own resources at the loan closing for the benefit of a Borrower. Lenders will forward a Gift Funding Transfer Form with appropriate notice to the ICFA or its designated custodial agent for funding on a specified loan closing date. Suburban Mortgage will replenish ICFA's Gift Fund plus a .50% ICFA per loan fee, within 72 hours (or as soon as the mortgage loan security instruments are recorded).

Borrower Eligibility. Not limited to first-time homebuyers, 620 minimum credit score, purchases and rate/term refinancings, qualifying incomes not to exceed 115% of the county median income. Primary residences only, owner occupied, second homes are not permitted.

Program Area. Financed properties must be in the ICFA member cities in Los Angeles and Riverside County, San Bernardino County and San Diego County (excluding City of San Diego). ***Riverside County will be approached about joining ICFA (cities of Riverside, Indio and Palm Springs are already members) so that the Program may be available throughout the County.***

We would ask the ICFA Board to authorize the execution of: (i) a Community Loan Agreement with Suburban Mortgage as servicer; (ii) a Program Lender Agreement with both InterCap Lending and Suburban Mortgage, and (iii) a Custodial Agent Agreement for the direct funding of the ICFA Gift.

ICFA Fee Projections (InterCap Lending). InterCap Lending projects loan volume and fee projections based on the two distinct housing markets: (i) Los Angeles County, San Bernardino County, and San Diego County, and (ii) Riverside County (particularly builder business), assuming they join ICFA. InterCap Lending assumes a 50/50 split between the two markets, a 3-month “ramp-up” period before loans are closed and purchased, with a .50% monthly per loan fee to ICFA as follows: .

	May	June	July	Aug	Sept	Oct	Nov	Dec	2014
Loan Volume (w/o Riverside)	\$400K	\$1MM	\$1MM	\$2MM	\$2MM	\$2MM	\$2MM	\$2MM	\$24 MM
.50% per Loan Fee	\$2,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Loan Volume (Riverside Only)	\$400K	\$1MM	\$1MM	\$2MM	\$2MM	\$2MM	\$2MM	\$2MM	\$24 MM
.50% per Loan Fee	\$2,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$120,000
Total Per Loan Fees	\$4,000	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$240,000

NOT FOR PUBLIC RELEASE. Another servicer, 360 Mortgage Group, is next in line after InterCap Lending. As servicer, 360 Mortgage would open up the Program to other local lenders, third party originators and brokers on a correspondent basis then assign the servicing responsibilities to Provident Funding based in Los Angeles. 360 Mortgage Group will reimburse ICFA for its Gift funds and .50% Program Fee only when the loans are purchased from the Lenders, but no later than 30 days from the loan closing date.

ICFA Fee Projections (360 Mortgage Group). 360 Mortgage Group is intriguing because they are willing to offer the ICFA Program to correspondent retail lenders but to brokers and third party originators (prohibited by US Bank) as well. 360 Mortgage Group is a member of Lenders One Alliance, the largest lender cooperative in the nation. The following California lenders are also Lenders One Alliance members.

Summit Funding Inc.	Summit Funding Inc.	Sacramento	CA
Greenlight Financial Services	Greenlight Financial Services	Irvine	CA
Lenox Financial Mortgage Corporation	Lenox Financial Mortgage Corporation	Santa Ana	CA
American Pacific Mortgage Corporation	American Pacific Mortgage Corporation	Roseville	CA
Bay-Valley Mortgage Group	Pacific Bay Lending Group	La Palma	CA
Right Start Mortgage, Inc.	Right Start Mortgage, Inc.	Pasadena	CA
Nations Direct Mortgage, LLC	Nations Direct Mortgage, LLC	Irvine	CA
American Financial Network, Inc.	American Financial Network, Inc.	Chino Hills	CA
Excel Mortgage Servicing, Inc.	Impac Mortgage	Irvine	CA
Skyline Financial Corporation	Skyline Financial Corporation	Calabasas	CA
Carnegie Mortgage, LLC	Icon Residential Lenders	Irvine	CA
Parkside Lending, LLC	Parkside Lending, LLC	San Francisco	CA
Directors Financial Group	Directors Financial Group	Corona Del Mar	CA
Paramount Residential Mortgage Group, Inc.	Paramount Residential Mortgage Group, Inc.	Corona	CA
Residential Wholesale Mortgage, Inc.	Residential Wholesale Mortgage, Inc.	San Diego	CA
Pacific Union Financial	Pacific Union Financial	Walnut Creek	CA
RPM Mortgage, Inc.	RPM Mortgage, Inc.	Walnut Creek	CA
South Pacific Financial Corporation	South Pacific Financial Corporation	Rancho Cucamonga	CA
Akt American Capital Corp	Akt American Capital Corp	El Segundo	CA
Guild Mortgage Company	Guild Mortgage Company	San Diego	CA

We project a similar ICFA .50% per loan revenue stream from 360 Mortgage over the next 8 months and into 2014 as those projected by InterCap Lending, but with a significantly higher potential for greater fee levels over time as more correspondent and wholesale lenders (Lender One Alliance members and non-members) are signed up.



Independent Cities Finance Authority (ICFA)
ICFA Advantage Down Payment Assistance Program
Program Summary

Program Funding: The Program provides the funding source for FHA, VA, and RHS 30-year fixed mortgage loans, together with down payment assistance (the "Gift") of up to **3%** of the funded final Mortgage Loan amount and an additional **1%** in Closing Cost Assistance..

Use of Gift Funds. The ICFA's 3% Gift (as a percentage of the final loan amount) may be used by the Borrower as an eligible source for all or a portion of the down payment required (currently 3.5% for an FHA loan, 3% for a FNMA Loan, as a percentage of the purchase price), subject to any minimum investment by the Borrower per HUD and FNMA guidelines.

Lender and Master Servicer: All Mortgage Loans will be originated by InterCap Lending, a Southern California based lender. All loans will be sold and serviced by InterCap Lending's servicing subsidiary, Suburban Mortgage Company.

Gift Funding: ICFA through its Custodial Agent will arrange for the wire transfer of the 3% sized Gift directly to the loan closing for each loan closing as directed by the participating Lender.

Eligible Area: The Program is available to all qualified Borrowers in the California counties and cities listed in the attached Exhibit A.

Borrower Eligibility

- Primary residence, owner occupied. There is no first-time homebuyer requirement.
- Qualifying income of up to 115% of the area median income (see Exhibit A) regardless of family size and is based on 1003 income.
- Minimum credit score of 600 for all Borrowers.
- Maximum Debt to Income (DTI) ratio of 45%
- Minimum Borrower investment equal to .5525% of the purchase price for FHA loans, lesser of \$1,000 or 1% of the purchase price for FNMA loans.

Program Loan Rates: Lenders will be provided a daily mortgage loan rate sheet from which rates to the Lenders may be locked in for up to 60 days, to the Borrower for up to 45 days. Rates will be reset daily, are subject to market conditions, and will exceed "market" rates with no assistance by .25-.50% on average. ICFA is not involved with, nor is it responsible for, the pricing and posting of the Program loan rates.

Homebuyer Education: Required for all first-time homebuyers only. Qualified on- line homebuyer education courses are permitted.

Lender Compensation: For retail, Lender will not charge a 1% origination fee to the Borrower. Instead, Lenders will receive 1% and a 1.5% for the servicing rights once the loan is purchased by Suburban Mortgage. For non-retail (wholesale), broker may charge and retain an additional .5% Discount. Lenders may charge "reasonable and customary" fees and expenses.

FNMA Conventional Loans. A FNMA My Community Mortgage 97, minimum 680 credit score, is also available under separate term sheet and guidelines.

Independent Cities Finance Authority
ICFA Advantage Down Payment Assistance Program
Program Lender Agreement

This Program Lender Agreement (this "Agreement") is entered into as of _____, 2013, by and among Independent Cities Finance Authority ("ICFA") and the lending institutions executing this Agreement (the "Lender") in connection with the origination of Mortgage Loans and the funding of the ICFA down payment assistance under ICFA's **Advantage Down Payment Assistance Program** (the "Program").

WHEREAS, ICFA qualifies as an eligible source of down payment assistance under HUD and FNMA guidelines, and expects to make such assistance available to qualified Borrowers in connection with HUD and FNMA qualified mortgage loans (the "Mortgage Loans") as financing for the purchase of properties by qualified Borrowers in certain California counties and cities, and

WHEREAS, the Lender wishes to participate in the Program and has agreed to originate Mortgage Loans pursuant to the attached Program Guidelines; and

NOW, THEREFORE, in consideration of the promises set forth herein, the parties mutually agree as follows:

Section 1. Covenant to Originate Mortgage Loans. The Lender hereby acknowledges its receipt of the attached Program Guidelines established in connection with the Program, and the Lender hereby covenants and agrees to originate Mortgage Loans in accordance with the attached Program Guidelines as may be amended from time to time with notice to the Lender. The attached Program Guidelines, including but limited to all representations, warranties and covenants made by the Lenders therein, are incorporated by reference into this Program Lender Agreement to the same extent as if set forth herein, and the Lender agrees to be bound thereby for the benefit and protection of ICFA, its successors and assigns. Failure by the Lender to perform its obligations under this Program Lender Agreement and the attached program Guidelines may result in a suspension of its participation in the Program even if the Lender remains in good standing with Suburban Mortgage as Master Servicer. All Mortgage Loans originated under the Program for which the down payment assistance was either directly funded or authorized by ICFA must be sold to the Master Servicer.

Section 2. Master Servicer. All Lenders must be approved by and in good standing with Suburban Mortgage Company as the Master Servicer as the purchaser and servicer of the Mortgage Loans. Lender hereby covenants and agrees to originate mortgage loans in accordance with the Program Guidelines. Lenders will also be asked to execute a Participating Lender Agreement directly with the Master Servicer to confirm origination, deliver and purchase terms and conditions specifically for Mortgage Loans under this Program. Purchases will be made following receipt and review of closing documents, including evidence of compliance with ICFA guidelines, applicable Mortgage Loan underwriting requirements, FHA, VA, USDA and FNMA requirements, federal and state regulations.

Section 3. Amendments, Revisions. Program specifics as defined herein, together with those specified in this Program Lender Agreement, the attached Program Guidelines, and the Master Servicer's Participating Lender Agreement are subject to change with sufficient notice to the Lenders which will not adversely affect those Mortgage Loans for which a commitment has been made.

Section 4. Governing Law. This Agreement shall be governed by a construed in accordance with the laws of the State of California, without regard to conflict of law principles.

Section 5. Severability. If one or more provisions of this Agreement, or the applicability of any such provisions for any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions of this Agreement or the applicability of the provisions found to be invalid or ineffective for a specific set of circumstances to other circumstances.

Section 6. Counterparts. This Agreement may be executed in counterparts by the parties hereto, and each such counterpart shall be considered an original and all such counterparts shall constitute one and the same instrument.

IN WITNESS THEREOF, ICFA and the Lender have caused this Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

Independent Cities Finance Authority

Authorized Contact's Signature

Authorized Contact's Name (Please Print)

Title

Date

Lender

Company Name (Participant Lender)

Authorized Contact's Signature

Authorized Contact's Name (Please Print)

Title

Master Servicer

Company Name (Participant Lender)

Authorized Contact's Signature

Authorized Contact's Name (Please Print)

Title

Independent Cities Finance Authority
ICFA Advantage Down Payment Assistance Program
Program Guidelines
(March 20, 2013)

In order to participate, Lenders must execute three (3) copies of the Program Lender Agreement with the Independent Cities Finance Authority (ICFA) and be approved and in good standing as a Correspondent Lender with Suburban Mortgage Company as the Master Servicer.

FHA, VA, USDA Specific Terms

FNMA MCM Specific Terms

Sponsor	ICFA is a joint powers authority and an "instrumentality of government" in accordance with FHA/HUD and FNMA guidelines with respect to the Down Payment Assistance provided.	
Master Servicer	Qualified Mortgage Loans will be sold to and serviced by Suburban Mortgage Company. All Loans must be delivered to Suburban Mortgage in "purchasable form" within the time periods specified, and all loans must be eligible for pooling into GNMA or FNMA securities.	
Program Administrator	George K. Baum & Company	
Eligible Loan Area	The program is available to all qualified Borrowers within the Counties and Cities listed in Exhibit A regardless of family size.	
Eligible Borrowers	Buyers and their spouses must be able to permanently reside in the U.S. and must occupy the property within 60 days. Primary residences, owner occupied. No first-time homebuyer requirement. Non-occupant Borrowers or co-signers not permitted.	
Eligible Properties	Single family, owner-occupied, 1-4 unit principal residences that are detached structures, or condominiums, town homes/PUDs or duplexes, subject to the applicable FHA, VA USDA and FNMA guidelines. Manufactured homes are eligible in accordance with Suburban Mortgage guidelines.	
Income Limits	Up to 115% of the county median income regardless of family size. Qualified income is based on 1003 qualifying income.	Up to 140% of the county median income regardless of family size. Qualified income is based on 1003 qualifying income.
Minimum Borrower Investment	FHA: 3.5% of the purchase price, net of the 3% ICFA Gift.	FNMA: for 1-unit properties, lesser of \$1,000 or 1%; for 2-4 unit properties, minimum 3% from borrower.
Credit Score Minimum	FHA, VA, USDA: Minimum 600 credit score	FNMA: Minimum 680 credit score.
Underwriting	FHA, VA, USDA guidelines	FNMA: DU Approve/Eligible, MI guidelines
Reserves	FHA, VA, USDA guidelines, or as required by Suburban Mortgage	FNMA: DU Approve/Eligible, MI guidelines
Ratios	FHA, VA, USDA guidelines, but not to exceed 45% DTI	FNMA: Per MI Guidelines by credit score, retail, non-retail.
Loan Limits	FHA, FNMA and mortgage insurer loan limits. There are no purchase price limits.	

First Mortgage Loan Terms and Guidelines

First Loan Types	FHA 203 B, 203 K, VA, USDA	FNMA Mae My Community Mortgage 97 (MCM 95 for condominiums)
Transaction Type	Owner occupied, primary residence only. Purchase transactions, rate/term refinancing permitted.	Owner occupied, primary residence only. Purchase transactions, limited cash out refinancings permitted.
First Loan Terms	30-year fixed rate fully amortizing FHA, VA, USDA, FNMA MCM loan products.	
Mortgage Loan Rates	Suburban Mortgage's on-line system will enable Lenders to access program documents and related announcements, mortgage loan rates, prices and price adjustments, size and form of the Down Payment Assistance, discounts, price adjustments and extension fees.	
Rate Lock Periods	Borrowers must have a fully executed sale contract for a specific property before a Rate Lock can be reserved and confirmed. Lenders should contact Suburban Mortgage directly regarding delivery instructions and extended rate locks.	

ICFA Down Payment Assistance (Gift with FHA Loans Only)

Size and Use of Proceeds	<ul style="list-style-type: none"> Sized at up to [3%] of the final Mortgage Loan amount as shown on the Mortgage Note. May be applied against the Borrower's down payment, closing costs, discounts and other loan related fees. There can be no cash back to the Borrower. There is no repayment associated with a Gift.
Gift Funding	ICFA will "direct fund" the Gift proceeds via wire transfer to the appropriate Loan Closing Agent per Lender instructions for each loan closing.
Gift Documentation	Lenders must submit a Gift Authorization Form to ICFA or its Custodial Agent. An ICFA Gift Letter and Mortgagor's Acknowledgment must be signed by Borrower.

ICFA Down Payment Assistance (Second Loan with FNMA MCM Loans Only)

Size and Use of Proceeds	<ul style="list-style-type: none"> Second Loans sized at up to [3%] of the final Mortgage Loan amount as shown on the Mortgage Note, up to a maximum 103% CLTV (100% CLTV for condominiums). May be applied against the Borrower's down payment, single or split MI fees, closing costs, discounts and other loan related fees. 10-30-year term, deferred payments only, Evidenced by a Second Note, secured by a Subordinate Mortgage.
Second Loan Funding	ICFA Second Loan may be advanced at the loan closing by the originating Lender, to be reimbursed once purchased by the Master Servicer.
Second Loan Documentation	Executed Second Note, recorded Subordinate Mortgage, Mortgagor's Acknowledgment must be signed by the Borrower.

Closing Cost Assistance

Assistance	Lenders will not charge a 1% origination fee to Borrowers, but will receive such a 1% fee at the time the loan is purchased by Suburban Mortgage
Rebate Pricing	Suburban Mortgage may offer different rebate pricing options specifically for closing costs, discounts, single or split MI fees and other related fees. Any rebate will be advanced by the Lender and reimbursed at purchase.
Seller Payments	Permitted subject to FHA, VA, USDA and FNMA guidelines. May be used for closing costs, discounts, single or split MI fees.

Lender Compensation (FHA, VA, USDA)	<p>Lender compensation for FHA, VA and USDA Loans is defined as follows:</p> <ul style="list-style-type: none"> • Retail: 0% origination fee, 2.5% servicing release premium (SRP) • Non-Retail: 0% origination fee, 2.5% SRP, 50% Discount charged to the Borrower is permitted, to be retained by the broker. • Reasonable and customary fees and closing costs, as long as such compensation payments are fully disclosed to the borrower.
Lender Compensation (FNMA MCM)	<p>Lender compensation is defined as follows:</p> <ul style="list-style-type: none"> • Retail: 1% origination fee, 1% servicing release premium • Wholesale: 0% origination fee, 2.0% SRP, 1% Discount charged to the Borrower and retained by the broker. • Reasonable and customary fees and closing costs, as long as such compensation payments are fully disclosed to the borrower.
Loan Purchase Price	Servicer shall purchase the First Mortgage Loans at a purchase price of 102.50%. Servicer fees will be netted from the Loan purchase.
Homebuyer Education	Required for first-time Borrowers. On-line homebuyer education courses are acceptable but subject to approval by ICFA.
Servicer Fees	\$115 funding fee, \$80 tax service fee and \$200 compliance fee will be netted out of the loan purchase price.

Mortgage Insurance Guidelines

Loan Access	My Community Mortgage is a "standard guide product" available to any FNMA approved lender. No additional authorization or coding from FNMA required.
Mortgage Insurers	Any FNMA approved Mortgage Insurer (MI). Please refer to "HFA" guidelines for the appropriate credit and underwriting terms and conditions.
Mortgage Insurance	MCM 97 Loans require 18% charter coverage; MCM 95 require 16% charter coverage.
Loan and MI Process	MCM Loans will be sent to an approved Mortgage Insurer for mortgage insurance (MI). Once approved, Lenders will close loans and deliver to Suburban Mortgage for review and purchase.
Loan Premium Plans	Lenders may select from the various monthly, split and single "lender-paid" MI premium plans available, subject to the Mortgage Insurer terms and conditions. Up-front single or split may be funded by the Second Loan proceeds, from any available rebate pricing offered by Suburban Mortgage, or from a Seller's concession.

**INDEPENDENT CITIES FINANCE AUTHORITY
MORTGAGOR'S ACKNOWLEDGMENT**

I/We, _____, as applicants for a Mortgage Loan ("Mortgage Loan") originated by _____ ("Senior Lien Holder") are also eligible for down payment (the "Gift") as provided by the Independent Cities Finance Authority, do hereby acknowledge as follows:

1. I/We acknowledge that the home to be financed by the Mortgage Loan is located in the County of _____ in the State of California at _____ (the "Property"), and that I/we intend to occupy the home as my/our principal place of residence within 60 days after closing the Mortgage Loan (or in the case of newly constructed home, within 60 days of completion of construction), and to thereafter occupy the Property as my/our principal residence. I/We do not intend to, have not and will not enter into any arrangement to rent, sell, assign or transfer the Property or to use it as investment property.

2. I/We understand that the Mortgage Loan rate offered is higher than what the Program Lender and other Program Lenders are currently charging "at market" for this same Mortgage Loan with no Down Payment Assistance, that I/We understand that such other Mortgage Loans are available to me/us.

3. I/We also understand that the \$ _____ in Program assistance towards the down payment and closing costs has been provided as a Gift by the Independent Cities Finance Authority, and that that there is no requirement to repay the Gift at any time.

Initials: _____

4. I/We acknowledge that the Down Payment Assistance awarded would not be made but for my/our representations, covenants and warranties hereof and in the Loan Documents, and that the Gift must be used in accordance with government/HUD guidelines regarding Gifts provided by a government agency or "instrumentality of government".

5. I/We understand that should I/We fail to make timely Mortgage Loan payments to the Servicer, that ICFA is entitled to request and receive any loan payment delinquency information from the Servicer, so that ICFA or any other appropriate counseling service may contact me/us to provide counseling and assistance if necessary.

I/We hereby acknowledge reading and receiving this Mortgagor Acknowledgment and agree to the terms and conditions hereof.

Date: _____

Applicant/Borrower's Signature

Applicant/Borrower's Signature

Applicant/Borrower's Signature

Applicant/Borrower's Signature

Date: _____
To Lender: **InterCap Lending**
From: **Independent Cities Finance Authority**
Subject: **Notice of Down Payment Assistance Gift**

Please be advised that the Independent Cities Finance Authority (ICFA), as an “instrumentality of government” in accordance with HUD guidelines, is providing a down payment assistance gift, with no repayment of the Gift required, to be used in conjunction with the ICFA *Advantage* Down Payment Assistance Program as follows:

Borrower(s) _____

Property Address _____

Amount of Assistance (___% of the Mortgage Loan amount): \$ _____

Independent Cities Finance Authority
[Address] _____
[Telephone Number] _____

Borrower's Signature

Date

Borrower (Print Name)

Borrower's Signature

Date

Borrower (Print Name)

Independent Cities Finance Authority
ICFA *Advantage* Down Payment Assistance Program
Gift Funding/Wire Transfer Request

DATE OF WIRE: _____
AMOUNT OF WIRE: _____

EXPECTED LOAN
CLOSING DATE **: _____

** Please provide _____ as custodial agent for ICFA with a minimum two (2) business day notice to allow for the timely transfer of funds.

Wiring Instructions

Bank: _____

ABA #: _____

Closing Agent or
Title Company Name: _____

ATTN: _____

Account #: _____

Borrower Name: _____

Reference File Number: _____

Property Address: _____

Suburban Mortgage Loan Number ***: _____

*** Assigned at the time the Loan is reserved.

Completed forms should be emailed to _____ and the following email addresses:

INDEPENDENT CITIES FINANCE AUTHORITY
As Sponsor and Down Payment Assistance Provider for the

ICFA ADVANTAGE DOWNPAYMENT ASSISTANCE PROGRAM

and

SUBURBAN MORTGAGE COMPANY
as Servicer

COMMUNITY LOAN PROGRAM AGREEMENT

Dated as of March 20, 2013

THIS COMMUNITY LOAN PROGRAM AGREEMENT (this "Agreement"), made and entered into as of March 20, 2013, between the Independent Cities Finance Authority and Suburban Mortgage Company (the "Servicer").

WITNESSETH:

WHEREAS, the Independent Cities Finance Authority (the "Sponsor") is a duly constituted joint powers authority duly formed and organized under the laws of the State of California, and as an eligible provider of down payment assistance under HUD and FNMA guidelines, has authorized the ICFA *Advantage* Down Payment Assistance Program (the "**Program**") to finance: (i) certain government and conventionally insured fixed rate mortgage loans (the "**Mortgage Loans**") for the benefit of qualified borrowers (the "**Borrowers**") and (ii) down payment assistance towards the purchase of homes or the refinancing of existing mortgage loans within the State; and

WHEREAS, in order to carry out the Program, (a) the Sponsor, the Servicer and certain mortgage lenders (collectively, the "Lenders") have entered into an agreement (the "**Program Lender Agreement**") and (b) each of the Lenders and the Servicer have entered into a Participating Lender Agreement (the "**Participating Lender Agreement**") and any other related correspondent agreements, herein referred to collectively as the "**Program Documents**";

WHEREAS, pursuant to the Program Documents for the Program, (a) the Lenders shall originate the Mortgage Loans and sell the Mortgage Loans to the Servicer, (b) the Sponsor shall provide for and fund the down payment assistance for the benefit of the Borrowers, and (c) the Servicer shall purchase and service the Mortgage Loans; and

WHEREAS, the Sponsor and the Servicer have determined to enter into this Community Loan Program Agreement to design, implement and administer the Program.

**ARTICLE I
DEFINITIONS; INTERPRETATION**

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes of this Agreement have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

"Administrator" shall mean George K. Baum & Company in its capacity as the Program Administrator.

"Borrower" means each qualified party obligated to repay a Mortgage Loan, whose qualifications shall be further defined in the Program Guidelines.

"Closing Cost Assistance" means the portion of the Program Assistance as provided by the Lender that is not applied to the Borrower's down payment, but only to closing costs, discounts, prepaid and other Program and mortgage related fees.

“Community Loan Program Agreement” or “Agreement” means this Agreement entered into between ICFA as Sponsor and Suburban Mortgage Company in its capacity as the Servicer of the Mortgage Loans, pursuant to which the Sponsor shall authorize the Program.

“Custodial Agent” means a financial institution appointed by the Sponsor to facilitate the wire transfer of the Down Payment Assistance upon request from participating Lenders.

“Down Payment Assistance” means the amount of assistance as approved and directly funded by the Sponsor (in accordance with HUD guidelines, evidenced by a wire transfer and a Gift Letter from the Sponsor) or by the Lender (as permitted by FNMA) with respect to such assistance.

“FNMA Security or FNMA Securities” means the FNMA Securities issued by FNMA, or any successor thereto, pursuant to payments on which the FNMA Security or Securities are guaranteed by GNMA and FNMA respectively.

“GNMA Security or GNMA Securities” means the GNMA Securities issued by GNMA, or any successor thereto, pursuant to payments on which the GNMA Security or Securities are guaranteed by GNMA.

“GSE” shall mean Government Sponsored Enterprises such as GNMA and FNMA.

“Lender” means a lender approved by the Servicer to originate Mortgage Loans which is, at the time of sale of any Mortgage Loan to the Servicer, a party to and in good standing under the Participating Lender Agreement and a party to the Program Lender Agreement with the Servicer and the Sponsor.

“Mortgage Loan” means a first mortgage loan originated by a Lender under the Program in accordance with the Program Lender Agreement.

“Participating Lender Agreement” means the agreement entered into by and between the Servicer and a Lender in connection with the sale of Mortgage Loans by the Lender to the Servicer, which incorporates the Servicer’s Participating Lender Agreement and all addendums, amendments, supplements, and additions thereto.

“Program” means the program established by the Sponsor and the Servicer for the financing of Mortgage Loans and Program Assistance towards the purchase of homes or the refinancing of existing mortgage loans within the program jurisdiction.

“Program Assistance” means the sum of the Down Payment Assistance and Closing Cost Assistance as defined herein.

“Program Fee” means the fee payable to the Sponsor as defined herein as the Mortgage Loans are approved for purchase by the Servicer.

“Program Guidelines” means the Program terms, conditions and guidelines specified as Exhibit A to this Agreement.

“Program Income Limits” means the maximum qualifying income that a Borrower may earn in order to qualify for Program funding, as specified in the Program Guidelines.

“Program Lender Agreement” means the Agreement entered into between the Servicer, the Sponsor and a Lender detailing the terms and conditions of the Program.

“Program Documents” means collectively, the Program Lender Agreement, this Agreement and any related amendments, supplements, and bulletins.

“Servicer” means Suburban Mortgage Company and its successors and assigns.

“Sponsor” means the Independent Cities Finance Authority, a duly constituted joint powers authority, organized and existing under the laws of the State of California, qualified to authorize such a Program, and to directly fund the Down Payment Assistance at the loan closing for the benefit of the Borrower in accordance with HUD guidelines.

“State” means California.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of Servicer. The Servicer represents and warrants as follows:

(a) The Servicer is duly incorporated or organized, validly existing and in good standing under the laws governing its creation and existence and is qualified to do business under the laws of the State, with full corporate power to own its properties and conduct its business.

(b) The execution and delivery of this Agreement by the Servicer in the manner contemplated herein and the performance of and compliance with the terms hereof by it will not violate (i) its Securities of incorporation or bylaws, or (ii) any laws, regulations or administrative requirements which could have any material adverse effect whatsoever upon the validity, performance or enforceability of any of the terms of this Agreement applicable to the Servicer; and will not constitute a default under or result in the breach of any material contract, agreement or other instrument to which the Servicer is a party.

(c) The execution and delivery of this Agreement by the Servicer do not require the consent or approval of any governmental authority, or if such consent or approval is required, it has been obtained.

(d) This Agreement will constitute a valid, legal and binding obligation of the Servicer, enforceable in accordance with its respective terms, except as the enforcement thereof may be limited by applicable Debtor Relief Laws.

(e) With respect to its duties hereunder, the Servicer will comply with the applicable non-discrimination provisions of the Civil Rights Act of 1964, the Fair Housing Act, 42 U.S.C. Section 3601 et. seq., the regulations promulgated thereunder, Equal Employment Opportunity

(Executive Order 11246 dated September 24, 1965 as amended by Executive Order 11375 dated October 13, 1967) and the Fair Housing Amendments Act of 1988.

(f) The Servicer is a GSE-approved issuer-servicer of Conventional, FHA Insured, VA Guaranteed, and USDA-RHS Guaranteed Mortgage Loans and is an authorized issuer of MBS Securities with experience serving as Servicer for Mortgage Loans originated under programs designed to comply with Sections 103 and 143 of the Code.

(g) On the date hereof, there is no pending, or to Servicer's knowledge, threatened litigation or administrative proceedings against Servicer, which, if adversely determined, would materially affect Servicer and its assets or its ability to purchase and service Mortgage Loans and administer the Program.

Section 2.02. Representations and Warranties of the Sponsor. The Sponsor represents and warrants as follows:

(a) The Sponsor is a duly constituted joint powers authority, organized and existing under the laws of the State of California. The Sponsor has full legal right, power and authority (i) to enter into this Agreement, and (ii) to carry out, give effect to and consummate all the other transactions on its part contemplated by this Agreement.

(b) All corporate proceedings legally required to be taken by the Sponsor in connection with the authorization and execution of this Agreement and the consummation of the transactions contemplated hereby and related hereto, and all such approvals, authorizations, consents, licenses or other orders of local, state or federal regulatory agencies, public boards or bodies and any other entity, if any, as may be legally required to be obtained by the Sponsor prior to the date of this Agreement with respect to all or any of such matters, have been taken or obtained.

(c) The Sponsor is not, to the best of its knowledge, in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or governmental agency, which default might have consequences that would materially and adversely affect its performance hereunder.

(d) There is no litigation pending or, to the best of its knowledge, threatened against the Sponsor with respect to this Agreement or the consummation of the transactions contemplated hereby.

(e) The Sponsor qualifies as a governmental unit or "instrumentality of government" in accordance with HUD and Fannie Mae guidelines with respect to the Down Payment Assistance provided, and the use of such assistance towards the Borrower's down payment.

Section 2.03. Survival of Representations and Warranties. All of the representations and warranties made by the parties in this Agreement shall survive the execution and delivery of this Agreement.

ARTICLE III
PROGRAM ADMINISTRATION AND PROGRAM TERMS

Section 3.01. Program Administration. The Administrator shall be assigned the overall responsibility of working with the Lenders and the Servicer to design and implement the Program in accordance with the Sponsor's objectives. The Administrator's responsibilities shall include, but are not limited to, preparing Program Documents, verifying the Mortgage Loan rate calculations and the review of Mortgage Loans prior to purchase to ensure that such Mortgage Loans are in compliance with the Program Guidelines.

Section 3.02. Program Terms. The Sponsor will consult with the Servicer and the Administrator regarding the specific Program terms, the Mortgage Loans, Borrower eligibility, Lender compensation and the Program Assistance to be made in connection with the Program. All parties shall agree to and must confirm to the terms and provisions of the Program Guidelines and all changes thereto, as presented in Exhibit A of this Agreement. Specific terms prescribed by the Sponsor for eligible homebuyers, the Program jurisdiction, income limits, loan limits and purchase price limits, and the terms of the Mortgage Loans, and the Program Assistance are also included and will be confirmed prior to the Mortgage Loan purchase by the Servicer. Lenders will be invited to participate in such Program by originating Mortgage Loans in accordance with the Program Lender Agreement and delivering such Mortgage Loans in purchasable form to the Servicer.

Section 3.02. Lender Management

(a) The Servicer shall review each Lender's application to determine the Lender's eligibility to participate in the Program. This review will also be based upon the eligibility standards adopted by the Servicer in accordance with the Servicer's Participating Lender Agreement. The Servicer shall also conduct an annual recertification, which will include, but not be limited to, a review of the Lender's financial information to assure that the Lender continues to be qualified to participate in the various Programs.

(b) The Servicer reserves the right to modify the eligibility standards for Lenders at any time during the term of this Agreement. If the Servicer modifies the eligibility standards, the Servicer will notify the Sponsor and the Administrator and the new eligibility standards will become effective upon the date of said notification. Any new Lender applications received, or existing Lender recertifications performed on or after that notification date will be subject to the newly published eligibility standards.

(c) The Servicer will be granted the authority to suspend or terminate a Lender if that Lender is found to be in breach of any of the terms or conditions of the Program Lender Agreement or Participating Lender Agreement, or if Lender fails to qualify as a Lender. Prior to any action to suspend or terminate a Lender, the Servicer will advise the Sponsor and the Administrator, by electronic message, before said action is taken.

Section 3.03. Establishment of Interest Rates and Prices for Loans

(a) The Servicer will provide Lenders with daily access to Mortgage Loan rates and prices, rate locks and extension fees and other related information for the Mortgage Loans to be originated under the Program. Mortgage Loan rates will account for the Program Fee payable to

the Sponsor and Lender compensation and any payments due the Servicer. The failure of the Servicer to provide Mortgage Loan rates and prices for any given day, or the rescission or withdrawal of any Mortgage Loan rate or rates, shall not result in any liability or obligation on the part of the Servicer.

(b) The Servicer will inform Lenders with the amount of the Down Payment Assistance pledged by the Sponsor, together with any Closing Cost Assistance options available to the Borrower.

(c) The Sponsor is not responsible for the posting of rates and prices of the Mortgage Loans, nor is the Sponsor involved in or responsible for the delivery or sale of the Mortgage Loans into the secondary market.

(d) The Servicer will accept reservations, confirm eligibility information prior to purchase, and assign Mortgage Loan commitments in the order they are received from Lenders and according to the procedures set forth in the Program Guidelines, Participating Lender Agreement and corresponding lender guides. The Servicer shall make available information and updates relating to the Program and eligibility of Mortgage Loans to the Sponsor and Administrator via the internet, electronically via email or facsimile or in such other manner mutually agreed upon by the Sponsor, the Administrator and Servicer.

Section 3.04. Down Payment Assistance, "Direct Funding" per HUD Guidelines.

(a) Along with the Mortgage Loan rates and prices, the Servicer will disclose the Sponsor's Down Payment Assistance as a specified percentage of the final Mortgage Loan amount, as structured in accordance with Program Guidelines and HUD and FNMA regulations.

(b) Prior to the loan closing, if the Down Payment Assistance is offered in connection with an FHA-insured Mortgage Loan, pursuant to a Funding/Wire Transfer Request Form and with sufficient notice provided by the Lender, the Sponsor shall arrange for the direct funding of the Down Payment Assistance with the loan closing agent for the benefit of the Borrower.

(c) At the time the Mortgage Loan is reserved, the commitment of the Sponsor to provide the Down Payment Assistance in such amount shall be binding on the Sponsor and the Sponsor shall be obligated to fund the amount of Down Payment Assistance at the time the Mortgage Loan shall close upon request by and with instructions from the Lender. The Sponsor may establish a separate account with a Custodial Agent for the purpose of paying the Down Payment Assistance at the time each Mortgage Loan is closed.

(d) The Sponsor agrees to maintain funds in an account or with the Custodial Agent equal to the Down Payment Assistance percentage relative to the amount of Mortgage Loans reserved but not yet closed. The Sponsor may fund less than such an amount provided that the Sponsor agrees to cover any losses incurred by the Servicer if any delay in the Down Payment Assistance funding results in any delay in the delivery or pooling of such Mortgage Loan and its subsequent sale into the secondary market.

(e) If the Down Payment Assistance is offered in connection with a FNMA Mortgage Loan, the Down Payment Assistance may be advanced by the Lender at the loan closing, for the

benefit of the Borrower, to be reimbursed once the Mortgage Loan is purchased by the Master servicer.

Section 3.05. Review and Purchase of Qualifying Mortgage Loans. Upon delivery of the Mortgage Loan from the Lender in purchasable form, the Servicer will review the Mortgage Loan to ensure that they are eligible for inclusion in a GNMA or FNMA Security (or in the case of a FNMA Loan, possible direct loan sale to FNMA). The Servicer shall be entitled to rely upon the Lender as assembler and preparer of all Mortgage Loan documents, and will review the pertinent documents necessary to ensure the Mortgage Loans meets secondary market guidelines. The Servicer will also confirm with the Administrator that the Mortgage Loans meet the requirements of the Program Lender Agreement. Upon approval of the Mortgage Loan by the Administrator, the Servicer will purchase the Mortgage Loan. The Servicer will be responsible for collecting certain final mortgage documents for each Mortgage Loan purchased, and have the right to charge and retain late fees for said final, recorded mortgage documents.

Section 3.06. Use of Program Assistance Funds. Down Payment Assistance proceeds may be used to fund up to 100% of the Borrower's down payment, subject to any minimum from the Borrower's own funds as specified in the Program Guidelines. Closing Cost Assistance if offered may only be used to fund closing costs, prepaids, discounts and other related and approved Program and mortgage loan related fees, subject to Program and HUD guidelines.

Section 3.07. Down Payment Assistance Documents. The form of the Down Payment Assistance offered shall dictate the necessary documents and disclosures required, which shall be specified in the Program Guidelines Terms are subject to amendment by the Sponsor in consultation with the Servicer and Administrator at any time during the term of this Agreement as necessary to enable the Sponsor and the Servicer to qualify the program in accordance with HUD, FNMA and federal regulations and guidelines. The Servicer may also require the Lender to agree to certain coordinating procedures specified by the Servicer and Administrator for delivery and review of the Mortgage Loans to determine if the Down Payment Assistance complies with HUD and FNMA requirements.

Section 3.08. Borrower Eligibility and Income Qualification. Before purchasing any Mortgage Loan, the Servicer will review the qualifying income reported on the Fannie Mae Form 1003, or the Servicer may rely on the Administrator for such a review, to ensure that the Lender is in compliance with the Program Lender Agreement and Program Guidelines, and that the Program Income Limits have not been exceeded. If the applicable income limits have been exceeded, the Servicer is not obligated or required to purchase the Mortgage Loan from the Lender. After a Mortgage Loan has been purchased, if it is determined that the qualifying income exceeds the Program Income Limit, the Mortgage Loan and Program Assistance will be subject to mandatory repurchase by the Lender together with the full reimbursement of the Down Payment Assistance funded by the Sponsor. The Servicer shall not be obligated to acquire Mortgage Loans from a Lender which is in violation of the Program Lender Agreement and Participating Lender Agreement or any applicable law or regulation relevant to the Program.

Section 3.09. Program Fee Payable to the Sponsor. Once the Mortgage Loans have been approved for purchase by the Servicer, the Servicer shall arrange for payment of the Program Fee, as a percentage of the final FHA-insured and FNMA Mortgage Loan amount (the

Note amount), as specified in Exhibit B of this Agreement, payable to the Sponsor or to its Custodial Agent. The Program Fee may be revised from time to time subject to the written approval by the Sponsor and the Servicer.

Section 3.10. Term of Agreement. The Term of this Agreement shall be for a period of twenty four (24) months from the date of execution.

ARTICLE IV SERVICING OF LOANS

Section 4.01. Overall Responsibility. The Servicer shall have general responsibility for the review, purchase and servicing of Mortgage Loans for the Program in accordance with this Agreement and Program Guidelines on behalf of the Sponsor. The Servicer is hereby irrevocably authorized and empowered by the Sponsor to execute and deliver for and on behalf of the Sponsor any and all instruments, documents and writings necessary or desirable to fulfill its duties and responsibilities hereunder.

Section 4.02. Limitation on Liability of Directors, Officers, Employees and Agents of the Servicer. No director, officer, employee or agent of the Servicer shall be under any personal liability to the Sponsor, or its assigns, for any action taken in good faith or for refraining from the taking of any action in good faith pursuant to this Agreement, or for errors in judgment.

Section 4.03. Indemnification of the Sponsor. The Servicer hereby agrees to indemnify the Sponsor and hold the Sponsor harmless from any loss, damage or expense that the Sponsor may sustain as a result of any failure on the part of the Servicer to properly perform its services, duties and obligations with respect to the Mortgage Loan.

Section 4.04. Servicer's Duties and Responsibilities

(a) The Servicer is expected and empowered to perform all loan servicing duties in accordance to and in compliance with, when applicable, VA, FHA, USDA, or Fannie Mae servicing guidelines. The Servicer shall be held harmless for its performance of loan servicing duties that are carried out in full compliance with the Mortgage Loan guarantors, insurers, and GSE guidelines. The Servicer shall not be responsible for carrying out any loan servicing duties and responsibilities stated herein or requested by the Sponsor that the Servicer, in its reasonable discretion, believes to be in conflict with the guidelines of the Mortgage Loan guarantors, insurers or the GSE or applicable law.

(d) From and after the acquisition of each Mortgage Loan, the Servicer shall service such Mortgage Loan and shall have full power and authority, acting alone, to take such actions as may be necessary to discharge its duties with respect to such servicing, all as set forth in the GSE Guide. In addition, the Servicer shall perform those duties set out in the Program Documents, including, but not limited to, approval of Mortgage Loan assumptions by eligible mortgagors, and keeping and reporting regularly to the Sponsor and the Administrator with respect to origination of Mortgage Loans.

Section 4.04. Servicing Standards. With respect to all Mortgage Loans in the Program, the Servicer (i) will service such Mortgage Loans in accordance with generally accepted practices of the mortgage lending industry, this Agreement, and with the requirements of the GSE guidelines, as applicable, including maintenance of all accounts required thereby, (ii) will perform all such duties with due care, diligence and reasonable promptness, (iii) will provide prompt monthly principal and interest payments under the MBS Securities accompanied by a statement identifying principal, interest and principal prepayment components of such payment and (iv) will forward copies of such reports, if any, as are required by the GSE guidelines to the Sponsor with respect to the status of the Mortgage Loans.

Section 4.05. Compensation of the Servicer. As compensation for the performance of its duties hereunder, Lender shall pay the Servicer a one-time funding fee and a tax service fee, or such other amounts as agreed upon in writing by the Servicer and the Sponsor. The Servicer's compensation for servicing the Mortgage Loans shall be the permitted monthly Servicing Fee and any late charges permitted under the GSE guidelines. The procedures for the payment thereof shall be in accordance with the GSE guidelines.

Section 4.06. Assumptions Restrictions. In any case in which a Mortgage Loan originated under the Program has been or is about to be conveyed by the Mortgagor and the purchaser desires to assume all the rights and obligations of the mortgagor under the Mortgage Loan, the Servicer shall enter into an assumption agreement with the person to whom such property has been or is about to be conveyed; provided that the purchaser assuming the Mortgage Loan complies with the requirements of the Program. The foregoing assumption restrictions (as well as any additional assumption restrictions required by FHA, VA, USDA, and FNMA) shall be incorporated in the related mortgage and kept as a part of the mortgage file. In connection with any such assumption agreement, the interest rate of the related Mortgage Note shall not be changed; however, the Servicer may charge in connection with each assumption to the extent permitted by law or regulations of FHA, VA, USDA, FNMA, a fee, to be paid by or on behalf of assumptors, plus the reasonable and customary out-of-pocket costs paid or incurred by the Servicer.

Section 4.07. Joinder in Legal Proceedings. Upon the request of the Servicer, and at the Servicer's sole expense, the Sponsor shall join as a party plaintiff in any legal proceeding brought by the Servicer against any Lenders concerning any obligations of Lenders under the Program Lender Agreement and this Agreement. If the Sponsor shall join in any such legal proceeding at the request of Servicer, Servicer shall indemnify, and hold harmless, the Sponsor from any and all costs and expenses in any form and for whatever reason incurred, including, but not limited to, any and all costs and attorneys' fees of a defendant required to be paid by the Sponsor by court order in the event of a judgment in favor of such defendant.

Section 4.08. Assignment of Servicing Obligations. The Servicer may assign for consideration all (but not a portion) of its servicing rights and obligations under this Agreement to another servicer, provided that such assignment is evidenced by a written agreement in which the assignee agrees to assume all of the Servicer's obligations hereunder and agrees to provide its services for the same fee as provided in this Agreement. Any such assignment is subject to the

prior written consent of the GSE and the Sponsor or their successors or assigns, and which consent of the Sponsor will not be unreasonably withheld, conditioned, or delayed.

Section 4.10. Liability of Servicer. The Servicer shall be required to perform only those duties and observe only those covenants specifically set forth in this Agreement and shall be liable hereunder only to the extent such obligations are explicitly imposed upon the Servicer. If and to the extent the Servicer is required hereunder to perform and act at the direction of the Sponsor, the Servicer shall be obligated to act only according to and may rely upon such direction.

Section 4.11. Servicer Not To Resign. Except to the extent provided in Sections 2.01(d) and 4.05 hereof, the Servicer shall not resign from the obligations and duties hereby imposed on it except upon determination that its duties hereunder are no longer permissible under applicable law or regulation. Any such determination permitting the resignation of the Servicer shall be evidenced by an opinion of counsel that has been delivered to the Sponsor and the Administrator. No such resignation shall become effective until either the Servicer or the Sponsor has found another servicer acceptable to the Sponsor and Administrator to assume the Servicer's responsibilities and obligations at the same Servicing Fee.

Section 4.12. Servicer To Bear Certain Costs. If any claim, demand, suit, action or proceeding is commenced or brought against the Sponsor (or in which the Sponsor is named as a party) which is based upon the taking of any action by or on behalf of the Servicer, the Servicer agrees to bear the cost of any judgment, loss, damage, cost or expense of the Sponsor resulting from such claim, demand, suit, action or proceeding, or incurred in the defense thereof, but only if such action or failure to take action is not required by law or the terms of this Agreement or by direction from the Sponsor, the Sponsor shall give adequate written notice to the Servicer of the existence of, and details regarding, such claim, demand, suit, action or proceeding. The Servicer shall defend and represent the Sponsor, as the case may be, in connection therewith, and the Servicer shall preserve and protect the interests of the Sponsor, and hold the Sponsor harmless against any loss, in connection with such claim, demand, suit, action or proceeding.

ARTICLE V TERMINATION OF AGREEMENT

Section 5.01. Termination. Either party hereto may terminate this Agreement upon no less than sixty (60) days written notice to the other party. All reservations for Mortgage Loans under the Program outstanding as of the date of notice of termination and reserved in accordance with the Participating Lender Agreement will be subject to this Agreement. Termination of this Agreement shall not affect any rights or obligations arising from Mortgage Loans purchased prior to the effective date of termination.

Section 5.02. Loss of Status. In the event the Sponsor shall cease to be a eligible provider of down payment assistance as represented in Section 2.02 (e), this Agreement shall terminate effective as of the date of the loss of such status. No fees or charges of the Sponsor or its agents shall be payable for any Mortgage Loans purchased by the Servicer on or after such date.

Section 5.03. Liability after Termination. Termination of this Agreement shall not release any party from any responsibility or liability on the part of such party that arises prior to termination.

Section 5.04. No Remedy Exclusive. Unless otherwise expressly provided, no remedy herein conferred or reserved is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under this Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.05. Agreement To Pay Attorneys' Fees and Expenses. In the event the Sponsor or the Servicer should fail to materially perform its obligations under any of the provisions of this Agreement and the other party should employ attorneys or incur other expenses for the enforcement of performance or observance of any material obligation or agreement on the part of such defaulting party herein contained, the defaulting party shall to the extent permitted by law pay or reimburse the non-defaulting party, on demand, the reasonable fee of such attorneys and such other reasonable expenses incurred in connection with the defaulting party's material failure to perform its obligations hereunder.

Section 5.06. Merger. Upon merger by or sale of the assets of the Servicer, the Servicer shall provide notice within a reasonable time after such merger or sale of assets becomes public information, to the Sponsor and the Administrator. Any entity into which the Servicer may be merged or consolidated, or any entity resulting from any merger, conversion or consolidation to which the Servicer shall be a party, pursuant to the terms hereof, or any entity succeeding to the business of the Servicer, pursuant to the terms hereof, shall be the successor of the Servicer hereunder and shall assume in writing all of the obligations of the Servicer hereunder.

Section 5.07. Transfer of Duties. Upon resignation of the Servicer or termination of this Agreement pursuant to this Article, the Servicer shall promptly, but not later than 30 days after such resignation or termination, supply all reports,, documents and information which are required by the Program Documents, and which are customarily provided upon such resignation or termination, to any person or entity designated by the Sponsor and shall use its best efforts to effect the orderly and efficient transfer of administration to a new servicer and program administrator designated by the Sponsor, including preparation of accounting statements in the form required by the GSE and delivered to the Sponsor, or its designee, of all moneys held and all papers and records pertaining to such Mortgage Loans, and the Sponsor shall, as provided herein, provide for reimbursement to the Servicer for any amounts advanced by the Servicer and required to be reimbursed by the Sponsor hereunder. Except for the foregoing, the Servicer shall have no further obligations after terminations.

ARTICLE VI MISCELLANEOUS

Section 6.01. Notices. All notices, certificates or other communications required to be given hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, addressed to the:

Sponsor, Attn: _____

Servicer, Attn: _____

Program Administrator, Attn: _____

Any party may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Notice as provided herein does not waive service of summons or process.

Section 6.02. Governing Law. All questions with respect to the construction of this Agreement, and the rights and liability of the parties hereto, shall be governed by the laws of the State. In accordance with these provisions, Servicer waives any rights it may have to transfer or change the venue of any litigation brought against it by ICFA pursuant to this Agreement.

Section 6.03. Article and Section Headings and References. The headings or titles of the articles and sections hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

Section 6.04. Severability. If any term or provision of this Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby and shall be enforced to the extent permitted by law. To the extent permitted by applicable law, the parties hereby waive any provision of law, which would render any of the terms of this Agreement unenforceable.

Section 6.05. Waiver. No failure on the part of any party hereto to enforce any covenant or provision herein contained, or any waiver of any right hereunder, shall discharge or invalidate such covenant or provision or affect the right of such party to enforce the same in the event of any subsequent breach or default; failure to demand strict performance of any covenant or condition of this Agreement shall not be deemed a waiver of such covenant or condition.

Section 6.07. Amendments. This Agreement may be amended only in writing and upon approval of the parties hereto.

Section 6.09. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

Section 6.10. Limitation on Liability of Directors, Officers, Employees and Agents of the Parties. No director, officer, employee or agent of any party hereto shall be under any liability to any party for any action taken or for refraining from the taking of any action in good faith pursuant to this Agreement, or for such errors in judgment as a reasonably prudent businessperson would make. Nothing in this Section 6.10 is intended to imply liability on the part of any person who otherwise would not be liable.

Section 6.11. Limitation on Liability of Parties. Each party to this Agreement shall be liable under this Agreement only to the extent that obligations are explicitly imposed upon and undertaken by the party against whom enforcement is sought.

Section 6.12. Servicer's Access to Privileged Information. Through normal servicing activities, including the servicing of delinquencies, the Servicer may sometimes obtain privileged information concerning the mortgagors and their single family residences. All such information must be used in a manner consistent with any applicable laws and regulations regarding disclosure of nonpublic personal information.

[Signature page follows]

IN WITNESS WHEREOF, the Sponsor and the Servicer have caused this Agreement to be signed in their respective names by their respective duly authorized officers, all as of the date first above written.

Independent Cities Finance Authority (ICFA)
as the Sponsor

By: _____
Name _____
Title _____

Suburban Mortgage Company as Servicer

By _____
Name _____
Title _____

RESOLUTION NO. 2013-__

RESOLUTION OF THE BOARD OF DIRECTORS FOR THE INDEPENDENT CITIES FINANCE AUTHORITY (I) AUTHORIZING ITS SPONSORSHIP OF THE ICFA *ADVANTAGE* DOWN ASSISTANCE PROGRAM; AND (II) DELEGATING TO THE BOARD SECRETARY AND GENERAL LEGAL COUNSEL THE POWER TO TAKE ALL SUCH ACTIONS AS ARE NECESSARY OR APPROPRIATE TO ACCOMPLISH THE FOREGOING

WHEREAS, the Independent Cities Finance Authority (ICFA) is a joint powers authority duly organized and validly existing under the Constitution and the laws of the State of California; and

WHEREAS, one of the many objectives of the ICFA and its Board of Directors is to encourage economic development and to provide for affordable residential housing within the ICFA's member Cities and Counties; and

WHEREAS, it has been proposed to the Board of Directors to sponsor a program to provide a competitive fixed rate 30-year mortgage loans which will be coupled with down payment and closing cost assistance ("Assistance") in order to enable qualified borrowers to obtain affordable financing for single family residences with the member areas; and

WHEREAS, certain local Lenders and Servicers have expressed an interest in marketing such a Program and a willingness to enter into separate agreements with the ICFA to confirm the terms and conditions by which such Mortgage Loans shall be originated, funded and serviced.

WHEREAS, the ICFA and Board of Directors has been presented with a program identified as the ICFA Advantage Down Payment Assistance Program (the "Program") with ICFA as sponsor, and a summary description, a draft Program Lender Agreement and Community Loan Agreement of which has been submitted to the Board and its General Legal Counsel for its consideration; and

WHEREAS the ICFA and Board of Directors shall provide the funding for the Program Down Payment Assistance with a qualified Custodial Agent in accordance with HUD guidelines, so that Lenders may request the wire transfer of the Assistance dollars for the benefit of Borrowers at the loan closing; and

WHEREAS, the ICFA Board of Directors finds and determines that sponsoring the Program will assist eligible and qualified borrowers obtain affordable mortgage loans to assist in purchasing affordable single family residences;

NOW, THEREFORE, BE IT RESOLVED by the ICFA Board of Directors, as follows:

Section 1. Ratification of Actions. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the ICFA Board of Directors and its officers, counsel, advisors, or agents, including but not limited to the engagement of _____, as the Board's General Legal Counsel, George K. Baum & Company

as Program Administrator, and _____ as the Custodial Agent, in furtherance of the ICFA Board's sponsorship of the Program, are hereby approved and ratified.

Section 2. Authorization of Program. The ICFA is hereby authorized to sponsor the Program, and all actions heretofore taken by and agreements entered into on behalf of ICFA by the Board's Secretary or General Legal Counsel with respect to implementing the Program are hereby ratified and approved. The ICFA Board of Directors recognizes that from time to time it may be necessary to modify the Program terms and documents in order that competitive mortgage loans can be made available to eligible borrowers, and the ICFA's Secretary is hereby authorized to approve such modifications to the terms of the Program as the Secretary may determine necessary and appropriate.

Section 3. Authority of the Secretary. The Secretary of the ICFA Board of Directors is hereby authorized to approve all such acts and documents and take all appropriate action necessary to accomplish the ICFA's sponsorship of the Program.

Section 4. Policies and Procedures. The approvals and authorizations granted in this resolution are subject to the condition that the ICFA and its Board of Directors receive such legal opinions, certifications, and other documents and proceedings as are necessary or advisable, to evidence compliance by participants in the transactions contemplated by this Resolution with the ICFA's policies and procedures and applicable state and federal laws.

Section 5. Authority to Act. In the event of the inability or unavailability of any official of the ICFA Board of Directors to perform any duty assigned to such official by the terms of this Resolution, any officer or employee of the ICFA authorized to act for such official is hereby authorized and directed to do so.

Section 6. Open Meeting Laws. It is found and determined that all formal actions of the ICFA and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the ICFA and the State of California.

Section 7. Ratification. All acts and doings of the officers of the ICFA which are in conformity with the purposes and intent of this Resolution are in all respects approved, ratified and confirmed.

Section 8. Irrepealability. After the Program becomes effective, this Resolution shall be and remain irrepealable.

Section 9. Liability. The Secretary of the ICFA Board of Directors, the members of the Board of Directors and any officer, official, employee or agent of the ICFA shall not be subject to any personal liability or accountability by reason of the sponsorship of such a Program. The liability of the ICFA with respect to the Program, or any other document executed in connection with the transactions contemplated hereby, shall be limited as provided in the Act and related documents approved by the ICFA's General Legal Counsel.

Section 10. Severability. If any section, paragraph, clause, or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. Headings. Subject headings included in this Resolution are included for purpose of convenience only and shall not affect the construction or interpretation of any of its provisions.


Section 12. Effectiveness. This Resolution shall be effective immediately.

Adopted and approved this ____ day of _____, 2013.

Independent Cities Finance Authority Board of
Directors

By: _____

DRAFT



**6.5%
Financing***
(Plus potential
rebates up to
\$4,000**)

Worried about the next furnace repair bill?

Let us help you get a new one.

Save Energy | Save Money



in partnership with



Increasing your home's energy efficiency isn't just about switching out light bulbs or buying new appliances. By taking a whole-house approach to energy efficiency, the CHF Energy Program looks at all the components that impact your home's comfort and cost you hundreds more each year in energy bills.

The CHF Residential Energy Retrofit Program currently offers 6.5% fixed interest rate financing to help eligible homeowners make energy efficiency improvements. 100% financing is available. No income limits. No appraisal on the home required.

Call today to find out if you qualify.



Start your upgrade today.
Call toll-free (855) 740-8422
www.chfloan.org

100% Financing Available with the CHF Residential Energy Retrofit Program

Your home may be leaking hundreds of dollars in energy costs each year.



6.5% Financing*
(Plus potential rebates up to \$4,000*)



Why Upgrade Now?

Lower utility bills

Your home may be wasting hundreds of dollars every year in energy costs. Reducing the amount of energy and water usage in your home can potentially make a big difference in your monthly bills.

Lower cost home upgrades

With the CHF Energy Program, you can finance the entire cost of a qualifying energy efficiency retrofit project, which means no down payment or out-of-pocket costs to you.

In addition, you may qualify for rebates up to \$4,000 from your local utility company. Your CHF Contractor will install your upgrades and submit documents for any qualifying rebates upon completion of your retrofit project.

Create a more comfortable home

A well-sealed and insulated home stays warmer in the winter and cooler in the summer months.

Help your local economy

Energy efficiency upgrade projects can create jobs for contractors and other local trades in your county and throughout California.

The CHF Residential Energy Retrofit Program has already helped over a thousand Californian's improve the energy efficiency of their homes.

Upon approval for credit, your Contractor will complete an energy assessment on your home. You will receive a report on your home's current performance, recommendations for improvements, a project quote and estimate of any additional rebates available from your local utility company.

Rest easy knowing you are working with a qualified Contractor, approved by CHF, who will install your energy efficiency upgrades and submit all your documents after the work is complete.

Qualifying Energy Efficiency Improvements

- Improving inefficient lighting;
- Replacing inefficient or non-working appliances;
- Replacing old or inefficient water heater or heating and cooling systems;
- Improving insulation in attic, basement or walls;
- Installing a new cool roof;
- Fixing leaky windows;
- Repairing or replacing bad duct systems; and
- Sealing leaky air spaces in doors, windows, floors and around outlets and fixtures.



Find out if you qualify today.
Call toll-free (855) 740-8422
www.chfloan.org

*Contains program highlights only. Some restrictions may apply. The above example of 100% financing of qualified retrofit projects under the CHF Residential Energy Retrofit Program is based on a 15-year, fixed-rate loan. The monthly payment on a \$10,000, 15-year fixed-rate loan at 6.50% interest is \$88.00 with an Annual Percentage Rate (APR) of 7.319%. The monthly payment on a \$20,000, 15-year fixed-rate loan at 6.50% interest is \$174.23 with an Annual Percentage Rate (APR) of 6.913%. Rate is subject to change at any time. Contact CHF or a CHF Participating Contractor for complete program guidelines and applications.

BUY A HOME AND PUT MONEY BACK IN YOUR POCKET



? Who can apply?*

- You may qualify for the program if:
 - You are purchasing your first home.
 - You have not owned a home during the past three years.
 - Your annual household income does not exceed the program income limits.
 - The home's purchase price does not exceed the maximum allowed purchase price limits.
 - You will occupy the home as your primary residence.

? What is an MCC? How does it benefit someone who is purchasing a home?

A Mortgage Credit Certificate (MCC) reduces the amount of Federal income tax you pay, giving you more available income to qualify for a mortgage loan.

their ability to qualify for the mortgage loan itself. The new homeowner can claim the MCC tax credit every year, for as

long as they occupy the home purchased as their primary residence and pay mortgage interest, up to the term of the original mortgage loan.

An MCC allows the homebuyer to claim a tax credit for a portion of the mortgage interest paid annually. It is a dollar-for-dollar reduction against their federal tax liability*.

The tax credit provided by the MCC is also used to calculate the amount of disposable income available to purchase a home. In this manner, eligible homebuyers can increase

? How to apply?

Your MCC Approved Lender will help you determine if you qualify, and help you submit your MCC application when you apply for your mortgage loan. Call us today.

Value of an MCC Tax Credit Combined with a Tax Deduction*

<i>For example purposes only</i>	W/MCC TAX CREDIT	W/O MCC TAX CREDIT TAX DEDUCTION
Total Income (married, joint filing)	\$60,000	\$60,000
Itemized Interest	(7,800)	(9,000)
Exemptions (2)	(6,200)	(6,200)
Total Taxable Income	\$46,000	\$44,800
Federal Income Tax Liability	\$6,118	\$5,959
MCC Credit (20%)	(1,800)	(0)
Taxes Paid	\$4,300	\$5,959

*Example is based on a \$200,000 mortgage x 4.5% interest rate = \$9,000 annual interest; \$9,000 times 20% MCC Credit = \$1,800. This illustration is simplified for example purposes only. Actual figures may vary and many other considerations may impact actual tax debt.**

CRHMFA Homebuyers Fund (CHF)
1215 K Street, Suite 1650
Sacramento, CA 95814
(855) 740-8422



www.chfloan.org

CHF PLATINUM HOMEBUYER PROGRAM

*Achieve
the Dream.*

Program Features*

- ✦ Down payment assistance (Currently in the form of a Grant)
- ✦ For the purchase of primary residences in California
- ✦ New or existing properties are eligible
- ✦ Program is NOT limited to first-time homebuyers

FOR
SALE



Down Payment Assistance

Thousands of people each year dream of becoming homeowners. The CHF Platinum Program may help that dream become reality.

This homebuyer assistance program currently provides low-to-moderate income families and individuals with a grant that does not have to be repaid.

The grant can be used towards down payment or closing costs. Many times this allows homebuyers

to purchase a home much sooner than they thought possible*.

The CHF Platinum Program is available for the purchase of an owner-occupied single-family residence, approved condominium or planned unit development located in the state of California.

The Program is available for purchases of both new and existing homes and is NOT limited to first-time homebuyers.

For more information or to find out if you qualify, call us today.

CRHMFA Homebuyers Fund (CHF)
1215 K Street, Suite 1650
Sacramento, CA 95814
(855) 740-8422

CHF

www.chfloan.org



*Certain restrictions apply on all programs. See your CHF Approved Lender for complete program guidelines, loan applications, applicable fees and annual percentage rates (APRs).
CRHMFA Homebuyers Fund (CHF) is a government sponsored joint powers authority that offers loan programs to assist potential homebuyers in purchasing a home. This is not an offer for extension of credit or a commitment to lend and is subject to change without notice.

CRHMFA HOMEBUYERS FUND

JOINT EXERCISE OF POWERS AGREEMENT

(Updated June 21, 2006)

THIS JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title I of the Government Code of the State of California, hereinafter, the "Act") authorizes the Members to create a joint exercise of powers authority to be called CRHMFA Homebuyers Fund (California Rural Home Mortgage Finance Authority) (the "Authority") which has the power to exercise jointly any powers common to any or all of the Members; and

B. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement and rehabilitation of residential real property; and

C. WHEREAS, the Members have determined that a joint exercise of powers authority should be formed to exercise their respective powers for the purpose of financing home mortgages with respect to property within the boundaries of the Members and Associate Members; and

D. WHEREAS, by this Agreement the Members desire to create and establish the Authority for the purposes set forth herein and to exercise the powers described herein and as provided by law,

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

"Act" means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

"Agreement" means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

"Associate Member" means a county, city or other public agency which is not a voting member of the Regional Council of Rural Counties, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

"Authority" means CRHMFA Homebuyers Fund created hereby.

"Board " means the governing board of the Authority as described in Section 7 below.

"Bonds" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

"Delegate" means the supervisor designated by the governing board of each Member to serve on the Board of the Authority.

"Member" means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

"Obligations" means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial or legal obligation of the Authority under the Act.

"Program" or "Project" means any work, improvement, program, project or service undertaken by the Authority relating to the financing and development of residential housing.

"Regional Council of Rural Counties" or "RCRC" means the nonprofit entity incorporated under that name in the State of California.

2. Purpose

The purpose of the Authority is to provide financing for the construction, acquisition, improvement and rehabilitation of residential real property in accordance with applicable provisions of law for the benefit of households within the boundaries of the Members or Associate Members. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, including assisting in financing as authorized herein, jointly exercised in the manner set forth herein.

3. Principal Place of Business

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

4. Creation of Authority; Addition of Members or Associate Members

a. CRHMFA Homebuyers Fund is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution adopted by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. Associate Members may be added to the Authority upon the affirmative approval of their respective governing board and pursuant to action by the Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more housing programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

5. Term and Termination of Powers

This Agreement shall become effective from the date hereof until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made.

6. Powers; Restriction upon Exercise

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance residential mortgages, including the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act, and to secure such debt, to further such purpose.

d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims, and
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose.

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds

as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. The Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

7. Governing Board

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its supervisors to serve as a Delegate on the Board. A Member's designation of its Delegate shall be delivered in writing to the Secretary and shall be effective until he or she is replaced by such governing body or no longer a supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided above.

c. The governing body of each Member of the Board shall designate a supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing to the Secretary and shall be effective until such alternate is replaced by his or her governing body or no longer a supervisor, unless otherwise specified in such

writing; any vacancy shall be filled by the governing body of the Member in the same manner provided above.

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish such committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

8. Meetings of the Board

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of ten (10) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed

by law.

9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC for administration of the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Regional Council of Rural Counties.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of one hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

e. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

10. Disposition of Assets

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members and Associate Members in such manner as shall be determined by the Board and in accordance with the law.

11. Agreement Not Exclusive; Operation in Jurisdiction of Member

This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other public capital improvements and programs as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members, except as expressly provided herein; provided, however, that the Authority shall not make or purchase any home mortgage secured by any home within the jurisdiction of a Member or Associate Member financed by an issue of Bonds without the consent of that Member or Associate Member to the issuance of those Bonds and that the giving or withholding of that consent is in the sole and absolute discretion of the Member or Associate Member, but if given by the Member or Associate Member and then relied upon by the Authority for purposes of entering into agreements with developers, lenders, other Members, Associate Members or others, such consent may not be revoked.

12. Conflict of Interest Code

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

13. Contributions and Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

14. Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be

required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as public records with each Member (and also with the auditor of each county which is a Member) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

15. Duties of Members or Associate Members; Breach

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

16. Indemnification

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

17. Immunities

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

18. Amendment

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 180 days, which time may be extended by the Board.

19. Withdrawal of Member or Associate Member

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Secretary of the Board. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

20. Miscellaneous

- a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- b. **Construction.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.
- c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.
- d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the

Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

Supervisor Richard Forster, Chair

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993
Amended and restated December 10, 1998
Amended and restated February 18, 1999
Amended and restated September 18, 2002
Amended and restated January 28, 2004
Updated March 23, 2005
Updated November 18, 2005
Updated June 21, 2006
Updated December 15, 2010

CHE JOINT EXERCISE OF POWER AGREEMENT

_____ (Signature)

Name: W. Michael McCormick

Title: President

Associate Member Jurisdiction: Independent Cities Finance Authority

Date: _____

PLEASE SEND TO:

Sarah Bolnik
CRHMFA Homebuyers Fund
1215 K Street, Suite 1650
Sacramento, CA 95814

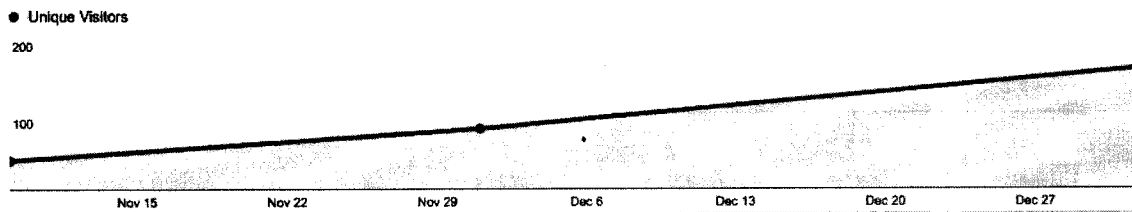


Analytics Report for the Independent Cities Finance Authority (ICFA)

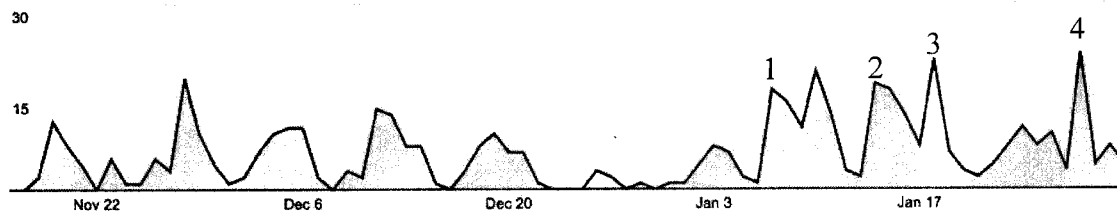
Created on February 8, 2013.

Since we began collecting analytics data on the new ICFA website in mid November of 2012, it has been visited 452 times by 248 individuals. Though this number is still modest, the key detail is that overall, the number of people visiting the site is steadily increasing.

In total, the site received 38 individual visitors in November, 79 in December, and 158 in January of 2013.



Breaking the hit report down by daily numbers, we can begin to see which efforts brought the most traffic to the site.



There was initial excitement around the new site that bumped traffic up periodically in late November and early December. Those numbers died down around the holidays, which is not surprising.

Later, more prominent, steady traffic was seen when we began sending regular emails through Constant Contact:

1. Second seminar invite email
2. Seminar reminder email
3. Seminar follow up email
4. January ICFA Newsletter

It is worth noting that the seminar in January brought a lot of attention to the organization.



In breaking down the data there are a two key metrics to consider.

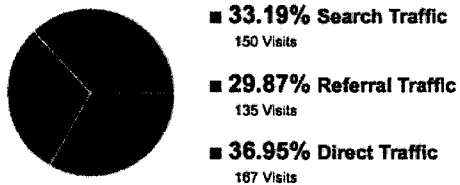
Bounce Rate

The bounce rate signifies the percent of people who click away immediately (within 5 seconds) upon landing on any given page. Google suggests that a good bounce rate should fall between 40 and 60%. The overall bounce rate for ICFA's site is 52%.

- The pages with the lowest bounce rates are the news articles, the JPA Agreement page, and the Meeting Agendas page. People are lingering to read on these pages.
- The pages with the highest bounce rates are the Issued Bonds page and the Programs page.

Source Data

Note: this metric considers number of hits, not individual visitors.



Search traffic is the percentage of people finding ICFA through search returns. The search terms that brought them to us most often were "independent cities finance authority," "icfa authority," and "independent cities."

Referral traffic represents people who click on a link somewhere else that leads them to ICFA's site. Our top referring sites were calredevelop.org, csmfo.org, and tripepismith.com. It is worth noting that the people who came to ICFA via calredvelop.org had very low bounce rates (roughly 19%). This is the audience we want to continue to target.

Direct traffic denotes visitors who type in the specific url they are looking for into their browser and arrive in that way. Generally this happens after someone has visited the site already, and their browser window auto-fills the url when they decide to come back, or it can be traffic from sources like Constant Contact (which links readers to specific subpages of the site).



Social Media

Facebook. While the ICFA Facebook page is regularly maintained, it has not received many “likes” yet. In total, 6 people “like” the site. This is an area of great opportunity. The best way to get people to join the page is to invite them personally. Often, a Facebook audience can be built by having 5-10 people associated with the organization invite everyone in their personal networks.

Twitter. Though we have had considerably more success building a network in this venue, there is room for growth here as well. ICFA currently has 25 followers.

LinkedIn. Only nine people have viewed the ICFA LinkedIn page since November 1, 2012. While the content on the site has been updated regularly, this venue is struggling with the same challenge as the Facebook page. Traffic could be increased easily if those associated with the organization (the board members) were to add the page to their profiles. Of course, if the board members do not have LinkedIn profiles, another solution will need to be devised.

An important thing to consider when looking at stats for social media is that a slowly built group of dedicated followers is much more valuable to the organization than large numbers of followers who jump on board in a flash and lose interest just as quickly.

Because social media plays a role in search engine optimization, it can help to ensure that ICFA is discovered easily by those looking for financing solutions in local government. We propose setting aside a time for a concerted brainstorming session to address the best ways to bring the ICFA page to the attention of the online world.

Ideas for building audiences:

- Ask the board members to link to ICFA on any social media sites they use
- Design a promotional event for the site to promote traffic
- Use the ICFA newsletter to push traffic to social media sites

With the end goal being Search Engine Optimization (SEO), there are other ways besides social media to up ICFA’s rankings in search engine returns. These include, but are not limited to partnering with other organizations to promote links, publishing white papers on relevant topics (such as municipal finance), and conducting studies to create data that draws interest from outside sources.

Summary

The new ICFA website is off to a great start. Content is being regularly updated, the number of visitors is steadily growing and the bounce rate is exactly where it should be. Most critically, it offers a new level of transparency and communication that simply did not exist before.



As the January seminar brought a lot of attention to the organization, we suggest considering hosting another. It might also be interesting to consider hosting a webinar, or even a series of webinars, wherein one expert gives a free presentation online. The cost to ICFA is minimal (compared to live events) and could be just as effective in driving traffic to the site.

The key is that the traffic be from interested parties. Though we are importantly informing the public, what we really care about are city managers and finance directors who learn about and choose ICFA as their conduit financing partner. We also care about entities seeking financings like nonprofits, mobile home acquisition companies, hospital management firms, public safety agencies and more.

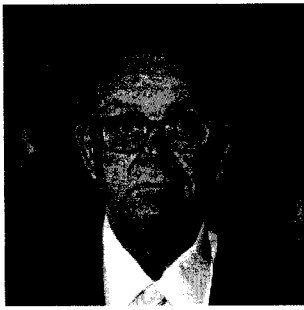
We look forward to continuing to work with you on this project.

ICFA | INDEPENDENT CITIES
FINANCE AUTHORITY

Housing Programs that Work in the Post-Redevelopment World



**A seminar presented by the
Independent Cities Finance Authority**
January 16, 2013



Thank you all for joining us today.

It has been nearly a year since the redevelopment agencies of California closed their doors. As successor agencies wind down existing affairs and plan for the challenges ahead, many questions remain unanswered.

How do we tackle the new challenges presented by Assembly Bill X1 26? How do we keep families sheltered and communities thriving? How do businesses recalibrate to continue operating under new constraints? These are not easy questions.

Since its inception 20 years ago, the Independent Cities Finance Authority has helped fund over \$500 million in critical community projects, including housing for low and moderate-income families. Over the years, we have learned quite a bit from our associates about creating housing programs that work. So we've gathered them here today to address the questions raised by the dissolution of redevelopment, to put our heads together, and to see what we can do, as a community, to find solutions.

We are excited to welcome a mix of individuals from the public and private sectors today, including for-profit companies as well as 501(c)3 organizations. We hope you enjoy the panels we've put together, and that you all have a chance to connect with each other.

All the best,

A handwritten signature in cursive script that reads "Mike McCormick". The ink is dark and the signature is fluid and legible.

Mike McCormick
President of ICFA

AGENDA

9:00-9:20 a.m.	Opening Comments by ICFA President Mike McCormick	Grand Ballroom
9:30-10:30 a.m.	First Session Presentations	
	1A: Designing, Financing and Administering Single-Family Home Ownership Programs	Ensueno Room
	1B: Mobile Home Park Financing	Posada Room
10:30-10:45 a.m.	Break	
10:45-11:45 a.m.	Second Session Presentations	
	2A: Get Home Now	Ensueno Room
	2B: Current Financing Strategies for Affordable Housing	Posada Room
12:00-1:00 p.m.	Deli Buffet	Grand Ballroom




Want to view this program
on your smart phone?

Scan this code



PANEL DESCRIPTIONS

FIRST SESSION: 9:30 TO 10:30 

1A

Designing, Financing and Administering Single-Family Home Ownership Programs

Presenters: **Matt Callahan** - Civic Center Home Loans, **Walter Zhovreboff** - First Home Inc, **Remoun Said** - ReNew Real Estate Sales

This presentation will explore the future of down payment assistance programs, creative layered financing approaches to help low income buyers, successful strategies for distressed sales (including REOs and short sales), and best practices for managing deed-restricted (BMR) housing stock to preserve long-term affordability.

Mobile Home Park Financing

Moderator: **Pam Newcomb** - Newcomb Dedios Financial Group

Panel Members: **Janees Williams** - Newcomb Dedios Financial Group

George Turk - Millennium Housing, **John Raymond** - City of Palm Springs

This panel will explore the specifics of structuring a non-profit mobile home park acquisition and the advantages cities can realize by working with an organization like ICFA to complete these financings.

1B

SECOND SESSION: 10:45 TO 11:45

2A

Get Home Now

Presenters: **Vaughn Irons** - APD Solutions, **Chapman Walsh** - APD Solutions

The Get Home Now initiative is designed to help you sell your REOs and other real estate faster and more easily with less time and effort.

Current Financing Strategies for Affordable Housing

Presenters: **Ryan Warburton** - Ballard Spahr, **Matt Duke** - Avant Strategic Partners, **Fredrick Olsen** - Ballard Spahr, **Preston Olsen** - Ballard Spahr

This presentation will highlight current financing strategies being deployed by municipalities and developers to address the increasing demand for affordable housing.

2B

SPEAKERS

Matt Callahan - Civic Center Home Loans



Matt Callahan is the owner of Civic Center Home Loans & Realty, a mortgage and real estate company dedicated to serving low- and moderate-income homebuyers in Southern California. Prior to his current position, he worked as a director of housing for the City of Los Angeles, a western region community lending manager for Freddie Mac and an affordable housing consultant to local government agencies.

Walter Zhovreboff - First Home Inc

Walter Zhovreboff is the President of First Home, Inc. and the Administrative Director of the Bay Area HomeBuyer Agency in San Francisco. Zhovreboff has been involved in the affordable home ownership industry for over twenty years, in which time he has contracted with and assisted municipalities, agencies, employers, and developers (non-profit and for profit) in designing and implementing strategies to help expand and sustain affordable ownership housing inventory in the Bay Area.



Remoun Said - ReNew Real Estate Sales



Remoun Said came to ReNew Real Estate Sales with an IT background, a BS in Real Estate Finance and an MBA in Entrepreneurship. Said and his team have been involved in hundreds of successful real estate transactions with first time homebuyers using city, county, state, and/or federal assistance to purchase their first homes. Said has also helped cities to acquire, rehab, and dispose of distressed properties in compliance with the Neighborhood Stabilization Program (NSP).

Pam Newcomb - Newcomb Dedios Financial Group

Pam Newcomb began her investment banking career in 1984, joined Kinsell, Newcomb & De Dios, Inc as SVP in 1991, and became President and Managing Principal in 2004. Through her extensive work with local governments, she has developed particular specialties in multi- and single-family affordable housing financings while also executing innovative programs in mobile home park and non-profit financing. In 2012 Newcomb formed Newcomb Dedios Financial Group to further her pursuits in Public Finance.



SPEAKERS

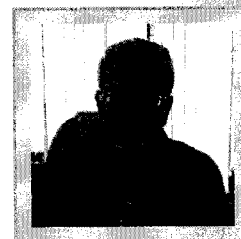
Janees Williams - Newcomb Dedios Financial Group



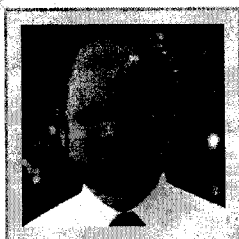
Janees Williams joined Kinsell, Newcomb & De Dios, Inc. in 2000, and has successfully structured and marketed over \$1.5 billion of new money and refunding bonds. Ms Williams has structured financings for cities, redevelopment agencies, school and special districts. A significant portion of these transactions involved unrated and challenging credits. In 2012 Williams formed Newcomb Dedios Financial Group where she is currently the Senior Vice President.

George Turk - Millennium Housing

George Turk is the president of Millennium Housing, a 501c3 corporation providing affordable housing by acquiring mobile home communities. Millennium owns more than 4,400 mobile home spaces and roughly \$500,000,000 in assets, making it one of the largest housing charities in California. Including his work with other charitable organizations, Turk has converted 7,653 housing spaces to non-profit ownership. Turk served on the California Redevelopment Association (CRA) Housing Task Force as the mobile home park expert.



John Raymond - City of Palm Springs



John Raymond received a MS in public management and policy from the H. John Heinz III School of Public Policy and Management at Carnegie Mellon University. His first position in California was as executive director of Main Street Upland, Inc. From 2008 to 2010, he worked as the Executive Director with the Redevelopment Agency of the City of Fresno. Raymond is currently the Director of Community & Economic Development for the City of Palm Springs.

Vaughn D. Irons - APD Solutions

Vaughn D. Irons is the CEO and Founder of APD Solutions (APDS), a national neighborhood revitalization firm based in Atlanta, Georgia. In that capacity, Irons is responsible for providing strategic direction for all APDS business units including Real Estate Acquisitions & Marketing, Asset/Property Management, Property Disposition, and Homeowner Retention Strategies. Irons has over twenty years of experience in community development, affordable housing, and mortgage finance in corporate, government and non-profit work environments.



SPEAKERS

Chapman Walsh - APD Solutions



Chapman Walsh is a Business Development Manager with APD Solutions (APDS), a national neighborhood revitalization firm. Walsh is responsible for crafting and managing contract and client relationships. The scope of his responsibility includes Real Estate Acquisition, Asset/Property Management, Marketing, Property Disposition, DPA Programs and Retention Strategies. He has over 25 years of experience in community development, affordable housing and mortgage finance.

Ryan R. Warburton - Ballard Spahr

Ryan Warburton is a partner in the public finance department of Ballard Spahr and a member of the Energy & Project Finance, Housing, Transactional Finance, P3/Infrastructure, and Tax Credits groups. Warburton has extensive experience with mortgage revenue bonds, multifamily residential rental bonds, financings with variable-rate debt, and various types of credit-enhancement and derivative products.



Matt Duke - Avant Strategic Partners



Matt Duke is a partner at Avant Strategic Partners, LP, a firm specializing in arbitrage and other post-issuance compliance matters relevant to issuers of tax-exempt debt. Duke focuses his practice on developing and executing innovative strategies that add value beyond the compliance function. Duke has extensive experience working with complex tax-exempt financing structures in a variety of sectors.

Fredrick H. Olsen – Ballard Spahr

Fredrick H. Olsen is a partner in the Public Finance Department of Ballard Spahr. He has worked as bond counsel, underwriter's counsel, trust counsel and credit and liquidity provider's counsel on municipal financings for more than 33 years. Olsen has senior responsibility for many of the firm's bond counsel and underwriter's counsel engagements in western states.



Preston Olsen – Ballard Spahr



Preston F. Olsen is an associate in the Public Finance Department and a member of the Housing and Transactional Finance Groups. His practice is concentrated in the area of single-family and multifamily housing finance.





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