

**INDEPENDENT CITIES FINANCE AUTHORITY**

**BOARD OF DIRECTORS REGULAR MEETING  
OCTOBER 17, 2013**

**MINUTES**

**I. CALL TO ORDER.**

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City of Vernon on October 17, 2013 at 11:45 a.m. by President Mike McCormick.

**II. ROLL CALL.**

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

|                                 |              |
|---------------------------------|--------------|
| W. Michael McCormick, President | Vernon       |
| Stephen Ajobiewe                | Compton      |
| Sylvia Ballin                   | San Fernando |
| Gil Hurtado                     | South Gate   |
| Jim Morton                      | Lynwood      |
| Ricardo Pacheco                 | Baldwin Park |

**Alternate Members Of The Board of Directors Present**

|              |              |
|--------------|--------------|
| Rafaela King | San Fernando |
|--------------|--------------|

The City of Huntington Park was not represented by a voting member.

**Guests Present**

|                 |                                  |
|-----------------|----------------------------------|
| April Davila    | Tripepi Smith & Associates       |
| Chrissy Gienapp | Augusta Communities              |
| Fred Olsen      | Ballard Spahr                    |
| Paul Philips    | Contract Cities Association      |
| Rebecca Taylor  | Augusta Communities              |
| George Turk     | Millennium Housing               |
| Janees Williams | Newcomb Williams Financial Group |
| Wes Wolf        | Wolf & Company, Inc.             |

**Staff Present**

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

**III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.**

There were no amendments or adjustments to the agenda.

**IV. PUBLIC COMMENTS.**

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

**V. NEW BUSINESS.**

**A. APPROVAL OF MINUTES OF THE AUGUST 14, 2013 BOARD OF DIRECTORS MEETING.**

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to approve the minutes of the August 14, 2013 Board of Directors meeting.

**B. APPROVAL/ADOPTION OF RESOLUTION NO. 2013-7 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE AUTHORITY TO CONSENT TO THE TRANSFER OF THE MARINELAND MOBILEHOME PARK LOCATED IN THE CITY OF HERMOSA BEACH, CA AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH).**

Staff reported generally as follows:

In 2004, the Authority issued bonds to finance the acquisition by Millennium Housing of a mobile home park in Hermosa Beach known as the Marineland Mobilehome Park. When the 2004 bonds were issued, the Authority and Millennium Housing entered into a Regulatory Agreement that was recorded on the Project.

Millennium Housing has determined to sell the project to a new nonprofit entity called Marineland Community Association, Inc. The 2004 bonds will be prepaid in connection with the sale of the Project, but the Regulatory Agreement will remain recorded on the Project until at least July of 2019. The new owner will be required to assume the Regulatory Agreement obligations for the remainder of its term.

It was proposed that the Authority adopt a resolution authorizing the Authority to consent to the transfer of the Project to Marineland Community Association, Inc. The resolution would also authorize the Authority to enter into an Assumption Agreement with the new owner relating to the Regulatory Agreement. Wolf & Company, Inc. would continue to provide oversight services for the Authority under an agreement with the new owner.

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

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. To adopt Resolution No. 2013-7 approving the transfer of Marineland Mobilehome Park and the various agreements and documents relating thereto; and
2. To authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**C. APPROVAL/ADOPTION OF A RESIDUAL RECEIPTS PROMISSORY NOTE AND RESIDUAL RECEIPTS LOAN AGREEMENT BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND AUGUSTA COMMUNITIES.**

Staff reported generally as follows:

At the August 14, 2013 Board of Directors meeting, the Board approved a \$90,000 unsecured nonrecourse loan to Augusta Communities LLC to enable it to acquire and install new mobile homes or manufactured homes and related improvements and expenses on vacant spaces.

This item requires that the Board clarify on the record that its prior budgetary decision to set aside \$100,000 for loans to nonprofit organizations was intended to include limited liability companies where the sole member is a nonprofit 501 (c)(3) tax-exempt organization. The sole member of Augusta Communities LLC is Augusta Homes, a nonprofit public benefit corporation.

In response to a question, General Legal Counsel indicated that they are comfortable with the terms of the agreement in providing a loan to Augusta Communities LLC.

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

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. Approve/adopt the Residual Receipts Promissory Note and Residual Receipts Loan Agreement between ICFA and Augusta Communities; and
2. Authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**D. APPROVAL/ADOPTION OF A WAIVER AGREEMENT WITH UNION BANK RELATIVE TO LAMPLIGHTER SALINAS MOBILE HOME PARK.**

Staff reported generally as follows:

In 2010, the Authority issued bonds to finance the acquisition by Millennium Housing of a mobile home park in Salinas known as the Lamplighter Salinas Mobile Home Park. It has been requested that the scheduled Authority Note Payments from the Revenue Fund associated with Lamplighter Series 2010A-D be paid on an annual basis rather than on a monthly basis beginning in July 2014. The waiver executes this change on behalf of the Authority and Union Bank, as the Trustee.

Both parties acknowledge that this minor change in the Trust Agreement in no way alters or impacts the obligations to the bondholders for the above related transactions. President McCormick asked if there were any questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried as follows:

1. Approve/adopt the Waiver Agreement with Union Bank; and
2. Authorize President McCormick and staff to execute any and all necessary documents relating thereto.

**E. APPROVAL OF A \$5,000 SPONSORSHIP FEE TO THE ASSOCIATION OF CALIFORNIA CITIES-ORANGE COUNTY.**

Staff reported generally as follows:

After meeting with staff of the Association of California Cities-Orange County (ACCOC) and submitting a partnership proposal which included offering three basis points on any financings that ACCOC would bring to the Authority, President McCormick, staff and consultants made a presentation to the ACCOC Board of Directors. In preliminary discussions, ACCOC suggested a \$5,000 up-front sponsorship fee which would be utilized to help launch ICFA programs to their members.

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

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to provide a \$5,000 up-front sponsorship fee to the Association of California Cities-Orange County should the ACCOC Board decide to form a partnership with ICFA.

**F. APPROVAL/ADOPTION OF AUDIT REPORT FOR YEAR ENED JUNE 30, 2012.**

Staff noted that Robert Eichel & Associates conducted the audit in accordance with auditing standards generally accepted in the United States of America. In their opinion, the basic financial statements present fairly, in all material respects, the financial position of the Authority as of June 30, 2012 and the results of its operations and its cash flows for the year then ended.

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

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried to approve/adopt the audit report for year ended June 30, 2012.

**G. APPROVAL OF FINANCIAL ACCOUNTING FROM JULY 1, 2013 TO OCTOBER 1, 2013.**

It was moved by Jim Morton, seconded by Gill Hurtado, and unanimously carried to approve the financial accounting for the period July 1, 2013 to October 1, 2013.

**H. STATUS UPDATE - EMINENT DOMAIN LAWSUIT (CITY OF RICHMOND).**

General Legal Counsel provided an update on the eminent domain lawsuit against the City of Richmond to block plans by city officials to seize and buy mortgages using their powers of eminent domain.

**I. UPDATE ON PENDING PROJECTS/ACTIVITIES.**

Staff provided an update on the following:

- Downey Regional Medical Center Hospital redemption of bonds
- San Bernardino County Housing Authority
- Street Lighting Webinar
- Amendment to the ICFA Joint Powers Agreement

**VI. COMMENTS FROM BOARD MEMBERS.**

Jim Morton thanked the ICFA Board and staff for conducting informative and interesting meetings.

**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,

\_\_\_\_\_  
/s/  
Deborah J. Smith  
Program Administrator



