

INDEPENDENT CITIES FINANCE AUTHORITY

**BOARD OF DIRECTORS REGULAR MEETING
AUGUST 14, 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 at Bateman Hall in the City of Lynwood on August 14, 2013 at 11:40 p.m. by President Mike McCormick.

II. ROLL CALL.

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

W. Michael McCormick, President	Vernon
Mario Gomez, Vice President	Huntington Park
Stephen Ajobiewe	Compton
Sylvia Ballin	San Fernando
Gil Hurtado	South Gate
Jim Morton	Lynwood

Alternate Members Of The Board of Directors Present

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

Guests Present

April Davila	Tripepi Smith & Associates
Frank Mann	Climatec
Chrissy Gienapp	Augusta Communities
Travis Morpew	PermaCity Solar
Pam Newcomb	Newcomb Williams Financial Group
Paul Philips	Contract Cities Association
Steve Siverson	Climatec
Ryder Smith	Tripepi Smith & Associates
Suzanne Taylor	Augusta Communities
George Turk	Millennium Housing
Janees Williams	Newcomb Williams Financial Group
Wes Wolf	Wolf & Company, Inc.

Staff Present

Parissh Knox
Debbie Smith

Best Best & Krieger LLP
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 JULY 31, 2013 BOARD OF DIRECTORS MEETING.

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried to approve the minutes of the July 31, 2013 Board of Directors meeting.

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

Staff reported generally as follows:

In order for ICFA to approve a project in the City of Carpinteria, action must be taken to approve the City as an associate member of the Authority. It was noted that the City of Carpinteria took action on August 12, 2013 to become an associate member of ICFA.

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

1. To approve the City of Carpinteria as an associate member(non-voting) of ICFA; and
2. To authorize President McCormick and staff to execute any and all necessary documents relating thereto.

C. APPROVAL OF THE FINANCING OF A 124 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 CARPINTERIA, COUNTY OF SANTA BARBARA.

Staff reported generally as follows:

The proposal is to finance the funding of a manufactured home community in the City of Carpinteria (Vista de Santa Barbara Mobile Home Park).

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 (the sixteenth one), and asked if there were any questions or comments. There were none.

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

D. APPROVAL AND ADOPTION OF RESOLUTION 2013-6 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$17,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE BONDS (VISTA DE SANTA BARBARA MOBILEHOME PARK) SERIES 2013A, MOBILE HOME PARK REVENUE BONDS (VISTA DE SANTA BARBARA MOBILEHOME PARK) SERIES 2013B (FEDERALLY TAXABLE) AND MOBILE HOME PARK SUBORDINATE REVENUE BONDS (VISTA DE SANTA BARBARA MOBILEHOME PARK) SERIES 2013C AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

Staff reported generally as follows:

Resolution 2013-6 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 Jim Morton, seconded by Mario Gomez, and unanimously carried as follows:

1. To approve/adopt Resolution 2013-6 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.

E. PRESENTATION FROM CLIMATEC ON A MUNICIPAL STREET LIGHTING PROGRAM.

Frank Mann and Steve Siverson from Climatec provided a brief presentation on their municipal street lighting program, noting that as a result of Southern California Edison recently changing their long-standing corporate policy to sell utility owned street lights to local governments cities can realize a savings of up to 40% by switching to LED lamps. This program would primarily be for smaller cities who cannot afford to purchase the lights on their own.

After questions regarding the company and various aspects of the street lighting program, President McCormick asked if there were any more questions or comments. There were none.

It was unanimously moved to receive and file the report.

F. DISCUSSION AND CONTINUATION OF REQUEST FOR FINANCIAL ASSISTANCE FROM AUGUSTA COMMUNITIES.

Staff noted that Augusta Communities is requesting assistance from ICFA for the purchase and installation of three new mobilehomes on three vacant spaces in its Valley View project, which is one of four parks financed by ICFA in 2013.

Suzanne Taylor of Augusta Communities noted that the budget for the mobilehome acquisition project is approximately \$182,000 for three new mobilehomes, including landscaping, a storage unit and contingencies. The new homes will be rented to lower income residents and will not be made available for sale. If funds are remaining, they will be used to rehabilitate homes that come into the park's possession by foreclosure or abandonment proceedings to prepare them to rent or resell.

Augusta Communities is requesting a \$90,000 loan, which represents 50% of the total budget. The note on the loan would bear an interest of 2% per annum. Principal and interest on the note would be payable based on a 20 year amortization schedule. Payment would commence on August 15, 2016.

Staff noted that in adopting the 2013-14 FY budget, \$100,000 was allocated for loans to nonprofits.

After discussion of the issue, President McCormick asked if there were any more questions or comments. There were none.

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

1. Approve the request for financial assistance; and
2. Authorize General Legal Counsel to prepare the necessary documents to facilitate the loan; and
3. Authorize President McCormick and/or staff to execute said documents.

G. REPORT ON STATUS OF MEMBER (VOTING) CITIES AND POSSIBLE ACTION THEREON.

Staff reported generally as follows:

As discussed at the July 31, 2013 Board of Directors meeting, correspondence was sent to the cities of Compton, Hawthorne, Hermosa Beach and San Fernando giving them the option of participating as an active voting member or becoming an associate member (non-voting) of the Authority due to lack of attendance. In response to the correspondence sent, the cities of Compton and San Fernando have taken the necessary steps to appoint a voting delegate and alternate who now attend ICFA Board meetings.

Staff was directed to follow up with the cities of Hawthorne and Hermosa Beach to determine what course they will take. As of the meeting date, no response has been received.

It should be noted that the Joint Powers Agreement states as follows: "...if a Member shall fail to be represented at three (3) or more successive meetings of the Board of Directors, then such Member shall be deemed to be an Associate Member upon action of the Board of Directors duly adopted to such effect."

Due to the lack of a response, it was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried to notify the cities of Hawthorne and Hermosa Beach that they no longer have a seat on the Board of Directors and will now become an associate member (non voting) of the Authority.

H. UPDATE ON PENDING PROJECTS/ACTIVITIES.

Staff reported that a meeting was held with the Association of California Cities-Orange County to discuss a potential partnership. Staff of the organization seemed interested and will bring the matter up before their Board.

VI. COMMENTS FROM BOARD MEMBERS.

Gil Hurtado led a discussion on eminent domain taking place in San Bernardino and the City of Richmond.

Jim Morton welcomed everyone to the City of Lynwood.

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 12:05 p.m.

Respectfully submitted,

_____/s/
Deborah J. Smith
Program Administrator