

MEMBER CITIES

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

BOARD MEMBERS

OFFICERS

Sylvia Ballin, President
San Fernando
Jose Solache, Vice President/Treasurer
Lynwood

DIRECTORS

Daniel Damian, Baldwin Park
Aja Brown, Compton
Eduardo "Eddie" Martinez, Huntington Park
Al Rios, South Gate
Leticia Lopez, Vernon
Secretary/Executive Director
Debbie Smith
General Legal Counsel
Scott Campbell
Best Best & Krieger, LLP



INDEPENDENT CITIES FINANCE AUTHORITY

Regular Meeting of the Board of Directors
Regular Meeting of the Executive Committee

Monday, July 26, 2021
12:00 p.m.

In Person:

San Fernando Community Room
117 Macneil Street
San Fernando, CA 91340

Via Zoom:

<https://zoom.us/j/98977300632?pwd=U0wwMmRBajRSNEx2ZWQ4OEJqbEVadz09>

Meeting ID: 989 7730 0632

Passcode: 660965

Call In: 1-669-900-9128

NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Board of Directors and staff will be participating in this meeting remotely from multiple locations. Members of the public are encouraged to use the call-in number, which will allow them to fully participate in the meeting without having to be present in person. If members of the public have any problems using the call-in number during the meeting, please contact the ICFA office at (877) 906-0941.

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 items 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 ITEMS: 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, and
- C. PUBLIC HEARINGS: at the time of the Public Hearing

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

II. ROLL CALL. *(Page 4)*

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

City of San Fernando
City of South Gate
City of Vernon

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

IV. PUBLIC COMMENTS. 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 of any items not on the posted agenda. The Board may respond to statements made or questions asked and may direct staff to report back on the topic at a future meeting. *(Pages 4-5)*

V. NEW BUSINESS.

- A. Approval Of Minutes Of The June 2, 2021 Board Of Directors Meeting. *(Pages 5 & 13-18).* **RECOMMEND APPROVAL**
- B. Discussion And Approval Of An ICFA Workforce Housing And Financing Program. *(Pages 5-7 & 18-32)* **RECOMMEND APPROVAL**
- C. Approval Of Financial Accounting For The Period May 1, 2021 to June 30, 2021. *(Pages 7-8)* **RECOMMEND APPROVAL**

VI. COMMENTS FROM BOARD MEMBERS. *(Page 8)*

VII. MATTERS FROM STAFF. *(Page 9)*

VIII. ADJOURNMENT. (Page 9)

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 1:00 p.m. unless the Board of Directors/Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forwarded to the next regular Board of Directors/Executive Committee meeting.

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

NOTE TO CITY CLERKS:

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

INDEPENDENT CITIES FINANCE AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS
REGULAR MEETING OF THE EXECUTIVE COMMITTEE

July 26, 2021 – 12:00 p.m.

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

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

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

City of San Fernando
City of South Gate
City of Vernon

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.

AGENDA SUMMARY
July 26, 2021
Page Two

B. COMMENTS:

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 of any items 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 JUNE 2, 2021 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: (PAGES 10-17)

Minutes of the June 2, 2021 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the June 2, 2021 Board of Directors meeting.

B. DISCUSSION AND APPROVAL OF AN ICFA WORKFORCE HOUSING AND FINANCING PROGRAM.

A. MATERIAL ENCLOSED: (PAGES 18-32)

Power point presentation of program.

B. COMMENTS:

BACKGROUND:

California has had a shortage of affordable rental and ownership housing units for many years. This shortage has become particularly critical in the Southern California and Bay Area regions of the State. With the demise of "Redevelopment Agencies" some years ago, the State lost its most effective funding source for increasing the supply of low- and moderate-income rental units and for sale housing by using its mandated housing set aside that required at least 20 percent of tax increment dollars be used to increase and improve the supply of low- and moderate-income housing units.

AGENDA SUMMARY
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Page Three

Over the last few years, California's housing crisis has become even more critical as the availability of buildable sites has significantly decreased for not only single-family housing units, but also for multifamily housing rental units as well. As the supply of buildable sites has decreased, the prices of those sites that are available have doubled and tripled in value. As the supply of housing opportunities has decreased, rental rates have increased to such high levels that it has significantly impacted the average working family's ability to afford a safe, decent living unit.

A 2018 report from the California Department of Housing and Community Development (HCD) most recent projections show a need for over one million more housing units, however, only a fraction of the necessary units are being created. Given the high cost of construction and the lack of desirable building sites, this has severely limited the construction of affordable housing units for both rental and ownership.

Affordable housing is typically financed with tax-exempt private activity bonds and low-income housing tax credits; however, these subsidies are limited to projects that restrict units for residents earning less than 60% of the area median income (AMI) and, in certain cases, up to 80% of AMI.

State leaders, as well as individual cities and counties, have also recognized a serious shortage of workforce housing for those individuals and families that fall into the "missing middle" in that they earn too much to qualify for traditional affordable housing, but not enough to afford rising market rate rents within an easy commuting distance from where they work. This type of housing for individuals and families typically earning 80% and 120% of AMI is sometimes referred to as middle-income or moderate-income housing. Unfortunately, workforce housing is not eligible for tax credits, private activity bonds, or most other federal, state, or local subsidies.

ICFA is in a unique position to assist its members in increasing the amount of "Workforce Housing" by not only offering an effective non-bureaucratic bond issuance process but, most importantly, to establish the Authority as a major provider of financial services to its members and to insure the economic viability and long-term financial health of ICFA by establishing dependable, long-term revenue sources that can be used for projects and programs as per the Board's direction.

The presentation on Workforce Housing, given the unique housing crisis California now faces, is a very important first major step in the "growing" of the relevance of the Authority to its member cities. The following individuals will provide a detailed presentation on the proposed ICFA Workforce Housing Program and will be available to answer any questions:

- Marshall Linn, Bayshore Consulting Group
- Ralph Holmes, Piper Sandler
- Matt Challis, Huntington Securities

AGENDA SUMMARY
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It should be noted that ICFA Legal Counsel, Scott Campbell and John Rottschaefer of Best Best & Krieger, have reviewed the program and find that it does constitute a public purpose as defined in the ICFA Joint Powers Agreement. They will be available to answer any questions as well.

C. RECOMMENDATION:

1. Authorize staff and Legal Counsel to work with the “team” noted above to initiate an ICFA workforce housing program by contacting firms that are actively engaged in the development and implementation of workforce housing; and
2. Authorize staff and Legal Counsel to work with the “team” on developing all aspects of the program, including an MOU, a streamlined review and acquisition process, and a long-term marketing plan.

C. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD MAY 1, 2021 TO JUNE 30, 2021.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Receipts for the period May 1, 2021 to June 30, 2021 were as follows:

Yucaipa monthly fees (2 months)	\$ 992.50
Vista de Santa Barbara monthly fees (2 months)	1,391.66
Hacienda Valley monthly fees (2 months)	1,591.66
Palm Springs monthly fees (2 months)	1,741.66
Palomar East monthly fees (2 months)	1,960.00
Santa Rosa monthly fees (2 months)	2,202.00
Westlake/Millbrook monthly fees (2 months)	2,763.32
Palomar West monthly fees (2 months)	2,834.16
Rancho Vallecitos monthly fees (2 months)	3,180.84
Rohnert Park monthly fees (2 months)	3,438.34
Zions Bank (charter school quarterly fees)	3,658.11
Pillar Ridge monthly fees (2 months)	4,515.00
The Woods monthly fees (2 months)	4,980.00
Union City monthly fees (2 months)	5,589.25
San Juan monthly fees (2 months)	5,644.66
Augusta Communities (quarterly fees)	7,139.06
U.S. Bank (Castke issuer fee)	20,430.00
U.S. Bank (Sahara issuer fee)	24,790.00
TOTAL RECEIPTS	\$98,842.22

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Expenditures for the period May 1, 2021 to June 30, 2021 were as follows:

Tripepi Smith (public relations)	\$ 513.75
Best Best & Krieger (legal services)	2,925.05
The UPS Store (notary fees)	60.00
FedEx Office (shipping fees)	127.71
Smith, Alvarez & Castillo (staff services)	19,331.25
FedEx Office (copies)	189.54
Sylvia Ballin (Board meeting stipend)	150.00
Aja Brown (Board meeting stipend)	150.00
Daniel Damian (Board meeting stipend)	150.00
Gil Hurtado (Board meeting stipend)	150.00
Leticia Lopez (Board meeting stipend)	150.00
Eduardo Martinez (Board meeting stipend)	150.00
Jose Solache (Board meeting stipend)	150.00
Casa Torres (lunch)	144.80
Smith, Alvarez & Castillo (staff services)	19,331.25
Vasquez & Company LLP (audit fees)	4,750.00
The UPS Store (notary fees)	30.00
FedEx Office (shipping fees)	77.30
California Contract Cities Association (registration fees)	1,300.00
TOTAL EXPENDITURES	\$49,830.65

ICFA account balances as of June 30, 2021 are as follows:

Bank of America - \$215,861.61
LAIF - \$369,388.64

It should also be noted that ICFA has one outstanding loan to Augusta Communities in the amount of \$90,000, with an outstanding balance of \$68,154.08.

C. RECOMMENDATION:

Approve the financial accounting for the period May 1, 2021 to June 30, 2021.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

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VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING

June 2, 2021

MINUTES

I. CALL TO ORDER.

The annual meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order on June 2, 2021 at 12:04 p.m. by President Sylvia Ballin.

II. ROLL CALL.

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

Sylvia Ballin, President	San Fernando
Jose Solache, Vice President/ Treasurer	Lynwood
Aja Brown	Compton
Daniel Damian	Baldwin Park
Gil Hurtado	South Gate
Leticia Lopez	Vernon
Eduardo "Eddie" Martinez	Huntington Park

Alternate Members Of The Board of Directors Present

None

Guests Present

Pam Newcomb	Newcomb Williams Financial Group
Preston Olsen	Ballard Spahr
George Turk	Millennium Housing
Janees Williams	J. Williams Analytic
Wes Wolf	Wolf & Company, Inc.

Staff Present

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

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

There were no amendments or adjustments to the agenda.

IV. PUBLIC COMMENTS.

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

V. NEW BUSINESS.

A. APPROVAL OF THE MINUTES OF THE APRIL 12, 2021 BOARD OF DIRECTORS MEETING.

It was moved by Leticia Lopez, seconded by Eduardo Martinez, and carried by the following roll call vote to approve the minutes of the April 12, 2021 Board of Directors meeting:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton),
Daniel Damian (Baldwin Park), Leticia Lopez (City of
Vernon), Eduardo Martinez (Huntington Park)
NOES: None
ABSTAIN: Gil Hurtado (South Gate)
ABSENT: City of Lynwood

Vice President/Treasurer Jose Solache, City of Lynwood, joined the meeting at 12:10 p.m.

B. APPROVAL OF THE REFINANCING OF A 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 PALM SPRINGS, COUNTY OF RIVERSIDE.

Staff reported generally as follows:

The proposal is to finance the refunding of a manufactured home community in the City of Palm Springs located in the County of Riverside (Sahara Mobile Home Park), on behalf of Millennium Housing. Millennium originally purchased the park in May of 2012 through ICFA.

Staff noted that refinancing the park at this time will allow Millennium to repay a loan from the City of Palm Springs and provide additional funds for improvements in the park. Attendees were directed to the pages in the agenda packet that include the finance team, sources and uses, and photos of the park.

George Turk of Millennium Housing provided a brief report on the park. He indicated that by refinancing the park, the loan from the City will be paid off and that more monies will be available for improvements in the park.

It was noted that the City of Palm Springs approved the bond refinancing at a City Council meeting held on May 27th.

In response to a question about the improvements to be done in the park, Mr. Turk noted that Millennium has recently spent \$3 million in upgrades to the gas and electric systems and is now looking to upgrade the water isolation valves and infrastructure maintenance.

President Ballin thanked Millennium Housing for bringing this financing to the Authority and asked if there were any additional questions or comments. There were none.

It was moved by Gil Hurtado, seconded by Leticia Lopez, and unanimously carried by the following roll call vote to approve all aspects of the proposed financing for Sahara Mobile Home Park on behalf of Millennium Housing:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (City of South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)
NOES: None
ABSTAIN: None
ABSENT: None

- C. **APPROVAL/ADOPTION OF RESOLUTION NO. 2021-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF ITS NOT TO EXCEED \$13,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (SAHARA MOBILE HOME PARK) SERIES 2021 (FEDERALLY TAXABLE), AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH) .**

Staff reported generally as follows:

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, June 2, 2021
Page 4

Resolution 2021-2 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 park 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 Trustee.

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

It was moved by Jose Solache, seconded by Gil Hurtado, and unanimously carried by the following roll call vote to approve/adopt Resolution 2021-2 approving the bond issuance and the various agreements and documents relating thereto and to authorize President Ballin and staff to execute all necessary documents relating thereto:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (City of South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

D. APPROVAL/ADOPTION OF A BUDGET FOR THE 2021-22 FISCAL YEAR.

Staff referred those present to the proposed budget contained in the agenda packet noting that it represents the best estimates of staff regarding future financings and noted that a balanced budget is being presented for approval/adoption.

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

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, June 2, 2021
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It was moved by Jose Solache, seconded by Gil Hurtado, and unanimously carried to approve/adopt the budget for the 2021-22 FY as follows:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (City of South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

E. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD MARCH 1, 2021 TO APRIL 30, 2021.

Staff referred those present to pages 9-10 of the agenda packet and provided a report on the receipts and expenditures for the period March 1, 2021 through April 30, 2021.

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

It was moved by Jose Solache, seconded by Leticia Lopez, and unanimously carried by the following roll call vote to approve the financial accounting for the period March 1, 2021 to April 30, 2021:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

F. APPROVAL/ADOPTION OF RESOLUTION 2021-3 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICERS.

Staff reported generally as follows:

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, June 2, 2021
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Article 9 of the Joint Powers Agreement and Article V of the ICFA Bylaws state that the terms of officers (President and Vice President) shall be for two years.

Inasmuch as the last election for those positions was conducted in April of 2019, an election was conducted.

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

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

President Ballin thanked the Board Members for their confidence in electing her as President for a two-year term. She made a motion to elect Jose Solache as Vice President/Treasurer. Mr. Solache accepted the nomination, but asked Mr. Hurtado if he would like to serve as Vice President/Treasurer. Mr. Hurtado gratefully declined.

It was moved by Sylvia Ballin, seconded by Aja Brown, and unanimously carried by the following roll call vote that Jose Solache be elected as Vice President/Treasurer for a two-year term:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, June 2, 2021
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It was moved by Jose Solache, seconded by Gil Hurtado, and unanimously carried by the following roll call vote that Resolution No. 2021-3 be approved/adopted and that President Ballin and staff be authorized to execute said Resolution:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

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

Staff reported generally as follows:

Article IV of the ICFA Bylaws states the terms of office of member of the Executive Committee shall be for two years. Inasmuch as the last appointment was conducted in April of 2019, an election was conducted.

It was noted that Alternate Board Members may vote in place of Directors who serve on the Executive Committee. The Executive Committee is empowered by the Joint Powers Agreement (Article 10) and the Bylaws (Article IV) to conduct virtually all activities of the Board of Directors. The President and Vice President are automatic members of the Executive Committee.

President Ballin recommended that the existing individuals (noted below) continue to serve on the Executive Committee for a two-year term:

<u>Position</u>	<u>Member</u>	<u>Alternate Member</u>	<u>City</u>
President	Sylvia Ballin	Nick Kimball	San Fernando
Vice President	Jose Solache	Marisela Santana	Lynwood
Member	Daniel Damian	Robert Lopez	Baldwin Park
Member	Aja Brown	Michelle Chambers	Compton
Member	Eddie Martinez	Marilyn Sanabria	Huntington Park

INDEPENDENT CITIES FINANCE AUTHORITY
Board of Directors Meeting, June 2, 2021
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It was moved by Sylvia Ballin, seconded by Gil Hurtado, and unanimously carried by the following roll call vote that the above-named individuals be elected to the Executive Committee for a two-year term:

AYES: Sylvia Ballin (San Fernando), Aja Brown (Compton), Daniel Damian (Baldwin Park), Gil Hurtado (South Gate), Leticia Lopez (City of Vernon), Eduardo Martinez (Huntington Park), Jose Solache (City of Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

H. PRESENTATION ON THE LOCAL RETURN STREET IMPROVEMENT PROGRAM.

The business portion of the meeting was continued to a webinar on the ICFA Local Return Street Improvement Program.

VI. COMMENTS FROM BOARD MEMBERS.

Gil Hurtado stated that he is glad to represent the City of South Gate on the ICFA Board of Directors after being gone for two+ years. He stated that many people have a misconception of mobile home parks and suggested that perhaps a presentation on the value of living in a mobile home community might be something to consider for a future Board meeting.

VII. COMMENTS FROM STAFF.

There were no comments from staff.

VIII. ADJOURNMENT.

Upon conclusion of the webinar and there being no further business to be discussed, the meeting was adjourned at 1:03 p.m.

Respectfully submitted,

/s/
Deborah J. Smith
Executive Director

ICFA
Independent Cities Finance Authority
Board Meeting July 26, 2021

**Workforce Housing
Program Development**

Presentation by:
Marshall Linn, Bayshore Consulting Group
Ralph Holmes, Piper Sandler
Matt Challis, Huntington Securities

Under California's Joint Exercise of Power Act, the Independent Cities Finance Authority can provide local governments with an effective tool for financing of community-based benefit projects.

Why ICFA?

The Independent Cities Finance Authority is an unaffiliated Joint Powers Authority (JPA) with the ability to help cities achieve their housing goals.

ICFA is well positioned outside of laborious bureaucracies. ICFA's bonds are issued quickly in a most cost efficient manner.

ICFA helps cities to achieve their financing requirements efficiently:

- ICFA has no set application schedule. It processes requests for financing as the need develops.
- ICFA is not bound by the process of public polling, as special districts are.
- Its projects are swiftly approved by a seven-member board of elected officials.
- With ICFA, there are no long waiting periods. Through our extensive network of personal relationships, applications move forward without delay.

ICFA is proud to say that member cities pay no enrollment fee to join, or ongoing dues to participate in our programs. All underwriting and operational costs are borne by the beneficiaries of the funds.

What is “Workforce Housing” & Why Do We Need It?

- California has a significant shortage of available workforce housing for the “missing middle”, individuals and families that earn too much to qualify for traditional affordable housing, but not enough to afford market rate rents in the communities where they work.
 - Workforce housing (also known as middle-income or moderate-income housing) is housing for individuals and families typically earning between 80% and 120% of AMI, including healthcare workers, first responders, teachers and government employees, and other essential workers.
- Given the high cost of home ownership, the lack of supply, and the availability of affordable vacant land, the construction of multifamily housing has accelerated and is now a dominant form of residential construction taking place.
 - Rents are going up and will continue to do so as demand for rental housing increases.
 - The State Legislature has pushed the Housing problem down to Cities without providing adequate tools
- Unfortunately, workforce housing for the “missing middle” is not eligible for tax credits, private activity bonds or most other federal, state or local government subsidies.

How Does the Program Work?

Let's now look at the conceptual overview of the program, for the acquisition and conversion of existing market rate multifamily housing products into essential Workforce Housing.

- ICFA acquires new or existing multi family housing properties and records a regulatory agreement restricting rents, rent increases, and occupancy for residence earning between 80% and 120% AML.
- All properties are 100% financed with ICFA issued tax-exempt governmental bonds (no equity or other public subsidies are required).
- The City enters into a Public Benefit Agreement whereby the city can receive all surplus revenue when a property is sold or refinanced.
- ICFA will engage a third party firm that will serve as the Program Administrator who will engage the property managers and other professionals needed for the program.
- ICFA will engage an Insurance Consultant that will recommend the types of coverage that meet or exceed the basic coverages provided for these types of projects.

How Does the Program Work? (cont'd)

- IFCA will engage a Financial Consultant (MA) to act as IFCA's fiduciary and will work closely with the Program Administrator as a direct representative of the Executive Director
- The City and the IFCA incurs no fees, costs, liability or administrative responsibilities in connection with a program or individual projects.
- Participation is easy for existing ICFA member cities but also for cities that may want to join your JPA.
- As a practical matter the acquired properties will be sourced from and underwritten by Real Estate Professionals and the ICFA's team

The immediate benefit to ICFA member Cities is a political "win" coupled with a long-term solution towards workforce and affordable housing.

Acquisition Program Overview

The following slides will provide a conceptual overview of a program for acquisition and conversion of existing market rate multi family housing product into essential workforce housing.

1. Local Jurisdiction City Council Adopts One Single Resolution:
 - A. City Becomes Associate Member of the ICFA
 - B. City Acknowledges ICFA Issuance of Bonds for Eligible Projects and provides related finding of Public Benefits
2. ICFA purchases the rental units:
 - A. Creates a governmental ownership for purpose of ad valorem property tax exemption
 - B. Converts building from Market Rate to “Mixed Income Housing”
 - C. Mixed income housing targeted income ratios at 1/3 of the units at each of the following levels 80%, 100%, 120% of Area Median Income.
 - D. When the Bonds are paid off, ICFA will have the option to sell the project to the City in which the building is located, or it can keep the project, sell it to another party and can use the proceeds for other usage. The final distribution of the asset or the funds received from a sale can be determined by an agreement negotiated prior to the sale of the bonds

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Acquisition Program Overview (cont'd)

3. Acquisition accomplished with a non-recourse, long term, tax exempt project financing:
 - A. The credit is the apartment rental net operating income
 - B. Long-term fixed rate, tax exempt bonds in the 3.5 to 6% range
 - C. Financing of Acquisition Price plus substantial Cash Reserves
 - D. Eliminate property tax as a result of governmental ownership

No Public Agency Credit is Required

4. The entire project will be contracted and administered through third-party professionals who are currently in the housing business. These include:
 - A. Program Administration & Reporting
 - B. Asset Management
 - C. Property Management
 - D. Property Acquisition Services
 - E. Compliance Services

Acquisition Program Overview (cont'd)

5. Once acquisition debt is retired, all net income and assets are transferred to the public agency control and can be used for any purpose
6. ICFA will determine the distribution of funds after the bonds are paid off. Given the facts that property values have historically increased over time, the subject project should have a much greater value than the initial purchase price. In addition, ICFA will receive an ongoing annual administrative fee.
7. Annual rent increases will be subject to the provisions of AB1482 California Tenant Protection Act.
8. Of great importance is the fact that affected tenants are not displaced under the program

Program Development Partners

While the Workforce Housing program will ultimately require the engagement of specialized firms to manage and administer the program, the below named firms will set up and immediately activate the programs.

Legal/Bond Counsel

Best, Best and Krieger LP

John Rottschaefer & Scott Campbell

Offices located in Los Angeles and Riverside, CA

Financial Advisors and Program Coordinator

Marshall Linn, Partner

Bayshore Consulting Group Inc

Offices located in Lancaster and Orange, CA

Matt Challis, Managing Director

Huntington Securities Inc.

Office located in Dallas, Texas

Ralph Holmes, Managing Director

Piper Sandler & Co

Office located in San Francisco, CA

Wes Wolf, Special Housing Consultant

Office Located in Washington

Recommendations

- Direct the “Team” to immediately initiate the program and to contact firms that are actively engaged in the development and implementation of Workforce Housing.
- Begin work on framework MOU with the “Team”
- Team tasked with Developing a streamlined Review and Acquisition process
- Team Develops a long term Marketing Plan

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