

UNAPPROVED

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INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS SPECIAL MEETING  
FEBRUARY 29, 2012

MINUTES

I. CALL TO ORDER.

The meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the City Council Conference Room of the Vernon City Hall on February 29, 2012 at 12:10 p.m. by President Mike McCormick.

II. ROLL CALL.

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

W. Michael McCormick  
Mario Gomez  
Gil Hurtado  
Jim Morton  
Vijay Singhal

Vernon  
Huntington Park  
South Gate  
Lynwood  
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

Juli Morabe  
Pam Newcomb  
Preston Olsen  
Adam Spiker  
Wes Wolf

Ken Spiker And Associates  
Kinsell, Newcomb & De Dios  
Ballard Spahr  
Ken Spiker And Associates  
Wolf & Company

Staff Present

Scott Campbell  
Debbie Smith

Best Best & Krieger LLP  
Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

Item V.B. was pulled from 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 DECEMBER 28, 2011 BOARD OF DIRECTORS MEETING.

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried that the minutes of the December 28, 2011 Board of Directors meeting be approved.

B. ADOPTION/APPROVAL OF RESOLUTION 2012-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$30,000,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY HOSPITAL REVENUE BONDS (DOWNEY REGIONAL MEDICAL CENTER-HOSPITAL, INC.) SERIES 2012 (FEDERALLY TAXABLE), APPROVING CERTAIN DOCUMENTS, AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH, AND PROVIDING FOR REPEAL OF ANY INCONSISTENT PRIOR RESOLUTIONS OF THE AUTHORITY.

This item was pulled from the agenda as action was taken at a meeting held on February 24, 2012.

C. APPROVAL OF THE REFINANCING OF A 110-SPACE AND A 99-SPACE MOBILE HOME PARK BY ICFA FOR MILLENNIUM HOUSING OF CALIFORNIA AND ITS AFFILIATES, COACH OF SAN DIEGO, INC. AND MILLENNIUM HOUSING CORPORATION, LOCATED IN THE CITY OF YUCAIPA, COUNTY OF SAN BERNARDINO.

Staff reported generally as follows:

The proposal is to refinance a 110-space (Rancho Del Sol) and a 99-space (Grandview East) mobile home park in the City of Yucaipa on behalf of Millennium Housing of California. The City of Yucaipa is currently an associate member of ICFA. In addition, the City conducted a TEFRA hearing on February 27<sup>th</sup> approving the bond financing by ICFA.

A report was given on manufactured home communities financed through ICFA, the financial team and costs of issuance for the project.

George Turk of Millennium Housing provided a report on the financing of the project, interest rates and appraisal fees, and indicated that Millennium will be replacing the streets in the parks. President McCormick expressed appreciation to Mr. Turk for bringing another manufactured home community to the Authority for funding (this will be the ninth park Millennium has funded through ICFA).

President McCormick 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 refinancing on behalf of Millennium Housing.

- D. APPROVAL AND ADOPTION OF RESOLUTION 2012-2 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$8,500,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE REFUNDING BONDS (RANCHO DEL SOL AND GRANDVIEW EAST) SERIES 2012A AND INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK SUBORDINATE REVENUE REFUNDING BONDS (RANCHO DEL SOL AND GRANDVIEW EAST) SERIES 2012B (FEDERALLY TAXABLE) AND APPROVING CERTAIN DOCUMENTS NAD AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH.

Staff referred those present to the myriad of documents and reported generally as follows:

Resolution 2012-2 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 included in the packet and others 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 bond as long as the bonds are outstanding. The bonds are not an obligation of the Authority. They are payable solely from revenues from the Rancho Del Sol and Grandview East mobile home parks pledged by Millennium Housing to repaying of the bonds.

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

It was further noted that the bond documents contained in the packet 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 in adopting Resolution 2012-2.

President McCormick 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 adopt Resolution 2012-2 approving the bond issuance and the various agreements and documents relating thereto. It was further agreed that President McCormick and staff be authorized to execute all necessary documents.

#### **E. DISCUSSION/APPROVAL OF MARKETING EFFORTS.**

Staff reported generally as follows:

In an effort to gain more exposure for ICFA, staff recommended that ICFA become an associate member of the California Contract Cities Association (CCCA) at a fee of \$1,000 per year. ICFA is currently a business partner of the Independent Cities Association (\$1,500 per year) and a sponsor of Trackdown Management (\$1,000 per year).

Staff also recommended that authorization be given to purchase a table top display at the CCCA Annual Conference in May at a fee not to exceed \$1,000. It was further suggested that ICFA could pay the conference fees for those Board Members who are willing to work at the ICFA table top display during the event.

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It was moved by Jim Morton, seconded by Mario Gomez, and unanimously carried as follows:

1. That ICFA become an associate member of the California Contract Cities Association; and
2. That a table top display be purchased at the CCCA Annual Conference at a fee not to exceed \$1,000; and
3. That ICFA pay the conference fees for any Board Member wishing to work at the ICFA table top display during the event.

**F. UPDATE ON THE ENERGY HELP (HOME EFFICIENCY LOAN PROGRAM) PROGRAM.**

On behalf of Fig Tree Resources Company, Pam Newcomb reported generally as follows:

After providing a brief explanation of the program, it was noted that Kinsell, Newcomb & De Dios is working with Deutsche Bank to obtain a rating instead of going through Standard & Poor's. In addition, Deutsche Bank is working on a warehouse line and is assisting in private placement of the bonds.

It was suggested that this program be presented to the local Council of Governments (COG's) to determine their interest and participation.

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

**G. APPROVAL OF AUDIT REPORT FOR YEAR ENDED JUNE 30, 2011.**

Staff noted that the firm of 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 the financial position of the Authority as of June 30, 2011.

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 to approve the audit report for the year ended June 30, 2011.

**H. APPROVAL OF FINANCIAL ACCOUNTING FROM JANUARY 1, 2012 TO THE PRESENT.**

Staff reviewed the receipts and expenditures for the period January 1, 2012 to the present.

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 to approve the financial accounting for the period January 1, 2012 to the present.

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

There were no updates.

**VI. COMMENTS FROM BOARD MEMBERS.**

President McCormick noted that the City of Bell may sell their City owned mobile home parks at some time in the future. Mr. Turk expressed an interest.

**VII. MATTERS FROM STAFF.**

1. Staff noted that a meeting needs to take place in March to consider a financing on behalf of the Planada Community Services District. It was agreed that the next meeting would take place on March 21<sup>st</sup> in the City of Huntington Park.
2. Legal Counsel recommended that the Bylaws be amended to change the time frame of the regular meeting notice.
3. After a discussion of Board Members receiving the myriad of bond documents relative to financings, it was agreed that it would be acceptable to distribute the documents via email.
4. Wes Wolf presented SB 1156 which would enable cities and counties to establish a "community development and housing joint powers authority" to assume successor agency responsibilities. Legal Counsel was instructed to review the bill and determine if ICFA should take a position on it.
5. Staff indicated that they will present a proposal at the next meeting relative to annual audit fees paid by nonprofits.


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6. Mr. Turk indicated that he will have a refinancing of a mobile home park in the City of Palm Springs that he would like to bring before the Authority in April.

VIII. ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 12:50 p.m.

Respectfully submitted,

  
Deborah J. Smith  
Program Administrator