

UNAPPROVED

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INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING  
JUNE 22, 2011

MINUTES

I. CALL TO ORDER.

The meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order at El Mariachi Restaurant in the City of Huntington Park on May 22, 2011 at 12:15 p.m. by President Mike McCormick.

II. ROLL CALL.

Members Of The Board of Directors Present (Voting)

|                      |                 |
|----------------------|-----------------|
| W. Michael McCormick | Vernon          |
| Barbara Calhoun      | Compton         |
| Mario Gomez          | Huntington Park |
| Gil Hurtado          | South Gate      |
| Jim Morton           | Lynwood         |

Alternate Members Of The Board of Directors Present (Non Voting)

|                  |         |
|------------------|---------|
| Stephen Ajobiewe | Compton |
|------------------|---------|

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

Guests Present

|                 |                            |
|-----------------|----------------------------|
| James Cramente  | APD Solutions              |
| Vaughn Irons    | APD Solutions              |
| Pam Newcomb     | Kinsell, Newcomb & DeDios  |
| Fred Olsen      | Ballard Spahr              |
| Julia Sylva     | Law Offices of Julia Sylva |
| George Turk     | Millennium Housing         |
| Janees Williams | Kinsell, Newcomb & DeDios  |
| Ryan Wharburton | Ballard Spahr              |
| Wes Wolf        | Wolf & Company             |

Staff Present

Debbie Smith  
Brandon Ward

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

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

There were no 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 MAY 11, 2011 BOARD OF DIRECTORS MEETING.**

It was moved by Jim Morton, seconded by Mario Gomez, and unanimously carried that the minutes of the May 11, 2011 Board of Directors meeting be approved.

B. **APPROVAL OF THE FINANCING OF A 108 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 CAPITOLA, COUNTY OF SANTA CRUZ.**

Staff reported generally as follows:

The proposal is to finance the acquisition a 108 unit manufactured home community (Castle Mobile Estates) in the City of Capitola on behalf of Millennium Housing of California. The City of Capitola took action on June 9, 2011 to become an associate member (non voting) of the Authority; ICFA approved the City of Capitola as an associate member on May 11th.

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 and indicated that Millennium will be replacing the streets and water lines. President McCormick expressed appreciation to Mr. Turk for bringing another manufactured home community to the Authority for funding (this will be the eighth park Millennium has funded through ICFA).

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 approve all aspects of the proposed project for Castle Mobile Estates in the City of Capitola.

- C. APPROVAL AND ADOPTION OF RESOLUTION 2011-1 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$11,700,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK REVENUE BONDS (CASTLE MOBILE ESTATES) SERIES 2011A, INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK SUBORDINATE REVENUE BONDS (CASTLE MOBILE ESTATES) SERIES 2011B AND INDEPENDENT CITIES FINANCE AUTHORITY MOBILE HOME PARK SUBORDINATE REVENUE BONDS (CASTLE MOBILE ESTATES) SERIES 2011C AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH)

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

Resolution 2011-1 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 bonds, plus \$7,000 annually for audits and miscellaneous legal fees as long as the bonds are outstanding. The bonds are not an obligation of the Authority. They are payable solely from revenues from the Castle Mobile Estates 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 2011-1.

**INDEPENDENT CITIES FINANCE AUTHORITY**

**Board of Directors Annual Meeting, June 22, 2011**

**Page 4**

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

It was moved by Mario Gomez, seconded by Barbara Calhoun, and unanimously carried to adopt Resolution 2011-1 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.

**D. DISCUSSION AND APPROVAL OF AN AMENDED CONFLICT OF INTEREST CODE, INCLUDING ADOPTION OF RESOLUTION 2011-2 (RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY ADOPTING AN AMENDED CONFLICT-OF-INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974).**

Brandon Ward of Best Best & Krieger referred those present to the materials contained in the agenda packet and reported generally as follows:

Pursuant to Section 87306.5 of the Political Reform Act, the Fair Political Practices Commission (FPPC), directed the Authority to conduct a review of its Conflict of Interest Code in accordance with the Act to determine if a change in the Code was necessitated, file a statement of review with the FPPC reflecting the results of that review, and have the Authority's Conflict of Interest Code revised based upon such review, if necessary, and submit the amended Code to the FPPC for approval.

During the review process, General Counsel found that amendments to the Authority's Conflict of Interest Code were necessary to bring it current with the Act and FPPC Regulations and Standards.

The redlined version of the proposed amended Code included in the agenda packet shows the changes to be made to bring the Code current. The revisions are based on the need to remove inappropriate titles; update language currently used by the FPPC for clarifying information on the handling of statements, the declaration of statutory filers, the disclosure category requirements, and information regarding filing requirements by consultants and newly created positions; the amendment will also segregate the titles of "General Counsel" and "Financial Consultant" from the general Consultant designation.

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

**INDEPENDENT CITIES FINANCE AUTHORITY**

**Board of Directors Annual Meeting, June 22, 2011**

**Page 5**

It was moved by Barbara Calhoun, seconded by Gil Hurtado, and unanimously carried as follows:

1. To approve the amendments to the Authority's Conflict of Interest Code;
2. To adopt Resolution 2011-2 adopting the amendments; and
3. To authorize President McCormick and staff to execute all necessary documents.

**E. APPROVAL/ADOPTION OF A BUDGET FOR THE 2011-12 AND 2012-13 FISCAL YEARS AND AN INVESTMENT POLICY FOR THE SAME PERIOD.**

Staff referred those present to the material contained in the agenda packet and reported generally as follows:

The Authority has an adopted two-year budget in place which extends through the year ended June 30, 2011. A budget has been prepared that covers another two fiscal year period (2011-12 and 2012-13). Staff explained each line item of the budget and indicated that the proposed budget represents the best estimates of staff regarding future financings.

In addition, it was noted that a Statement of Investment Policy should be adopted which requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF) unless directed otherwise by the Board.

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

It was moved by Barbara Calhoun, seconded by Mario Gomez, and unanimously carried as follows:

1. To adopt the 2011-12 and 2012-13 fiscal years budget;
2. To adopt/approve the Statement of Investment Policy.

**F. APPROVAL OF ICFA SPONSORSHIP OF A "GET HOME NOW" RENOVATION PROGRAM FOR NEW HOME BUYERS AND EXISTING HOMEOWNERS SPONSORED BY HOME DEPOT.**

Wesley Wolf introduced James Cramente and Vaughn Irons of APD Solutions and reported generally as follows:

**INDEPENDENT CITIES FINANCE AUTHORITY**

**Board of Directors Annual Meeting, June 22, 2011**

**Page 6**

Mr. Wolf referred those present to the materials contained in the agenda packet and noted that the Get Home NOW program is a home renovation mortgage program being offered by Home Depot. Basically the program is targeted towards new home buyers or existing home owners who have the following problems:

- They love their house, but it needs repairs
- The family has little or no savings
- There are credit concerns
- They are uninformed about construction management and the rehab process

After discussing the key selling points of the program, it was noted that, as a local sponsor, ICFA would assist Home Depot and APD Solutions in making the Get Home NOW Program available to its citizens by providing program marketing handouts to each ICFA member city's housing department and listing the program on the ICFA website.

It was noted that the City of Los Angeles City Council formally adopted the program and that informational meetings will take place on July 11, 2011 in the City of Carson and the City of West Covina.

Mr. Wolf further noted that ICFA would be paid a fee of \$25 per closed/funded loan for its marketing assistance.

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

It was moved by Gil Hurtado, seconded by Barbara Calhoun, and unanimously carried to approve local sponsorship of the Get Home NOW program being offered by Home Depot and APD Solutions.

**G. APPROVAL AND ADOPTION OF RESOLUTION 2011-3 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICES AND STAFF).**

Staff noted that the Joint Powers Agreement and Bylaws of ICFA provide for the election of Officers (President and Vice President) for two year terms. Officers must be selected from the Directors. Alternate Directors may not serve as President or Vice President. In addition, a Treasurer must also be selected. The Treasurer may be a Director or Alternate Director.

**INDEPENDENT CITIES FINANCE AUTHORITY**

**Board of Directors Annual Meeting, June 22, 2011**

**Page 7**

It was moved by Mario Gomez and seconded by Jim Morton that Mike McCormick be nominated as President of the Authority.

It was moved by Mike McCormick and seconded by Jim Morton that Mario Gomez be nominated as Vice President of the Authority.

It was moved by Mike McCormick and seconded by Mario Gomez that Stephen Ajobiewe be nominated as Treasurer of the Authority.

President McCormick called for nominations from the floor. There were none.

It was moved by Barbara Calhoun, seconded by Gil Hurtado, and unanimously carried that the nominations be closed.

It was moved by Barbara Calhoun, seconded by Gil Hurtado, and unanimously carried that the following individuals be elected:

Mike McCormick - President  
Mario Gomez - Vice President  
Stephen Ajobiewe - Treasurer

It was further moved and carried that Resolution 2011-3 be adopted and that President McCormick and staff be authorized to execute same.

**H. APPOINTMENT /ELECTION OF EXECUTIVE COMMITTEE MEMBERS FOR A TWO YEAR TERM.**

Staff reported generally as follows:

The Joint Exercise of Powers Agreement (Article 10) and the Bylaws (Article IV) provide for an Executive Committee. The Executive Committee is to consist of a total of five members, including the President and Vice President who are automatically members of the Executive Committee.

The Executive Committee is empowered by the Joint Powers Agreement and the Bylaws to conduct virtually all activities of the Board of Directors. In addition, Alternate Board Members may vote in place of Directors who serve on the Executive Committee. The individual appointed or his/her alternate must be available to attend all Executive Committee meetings.

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to appoint/elect the following individuals to serve on the ICFA Executive Committee:

| <u>Position</u> | <u>Member</u>   | <u>Alternate Member</u> | <u>City</u>     |
|-----------------|-----------------|-------------------------|-----------------|
| President       | Mike McCormick  | ---                     | Vernon          |
| Vice President  | Mario Gomez     | ---                     | Huntington Park |
| Member          | Jim Morton      | Ramon Rodriguez         | Lynwood         |
| Member          | Mario Hernandez | Joseph Lillio           | San Fernando    |
| Member          | Gil Hurtado     | ---                     | South Gate      |

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

Updates were provided on the following projects/activities:

- CGI (debt collection/unpaid parking tickets)
- CLP (street lighting)
- Charter Schools
- City of Bell (evaluation of outstanding bonds)
- Downey Regional Medical Center
- San Marcos Assessment District
- ICFA marketing efforts

**J. APPROVAL OF FINANCIAL ACCOUNTING FROM JANUARY 1, 2011 TO PRESENT.**

It was moved by Jim Morton, seconded by Gil Hurtado, and unanimously carried to approve the financial accounting from January 1, 2011 to the present.

**VI. COMMENTS FROM BOARD MEMBERS.**

Mario Gomez thanked those Board Members present for electing him as Vice President of the Authority.

President McCormick noted that AB 46 (the City of Vernon disincorporation bill) passed out of the Senate Governmental Organizational Committee with a 4-3 vote.

The next ICFA Board meeting was tentatively scheduled for July 20, 2011.

**VII. MATTERS FROM STAFF.**

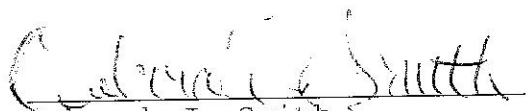
Wesley Wolf provided those present with the affordability numbers on the Caritas projects.



VIII. ADJOURNMENT.

There being no further business to be conducted, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

  
Deborah J. Smith  
Program Administrator