

INDEPENDENT CITIES FINANCE AUTHORITY

Regular Meeting Of The Board Of Directors
Regular Meeting Of The Executive Committee

Wednesday, August 14, 2013
11:30 a.m.

NOTE LOCATION

City of Lynwood
Bateman Hall - Room 1
11330 Bullis Road
Lynwood, CA 90262

MEETING AGENDA

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 item 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 ITEM: 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.
- 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 Hawthorne
City of Hermosa Beach
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 COMMENT. 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 on any item 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. (Page 5)

V. NEW BUSINESS.

- A. Approval Of Minutes Of The July 31, 2013 Board of Directors Meeting. (Pages 5 & 19-29)
RECOMMEND APPROVAL
- B. Approval Of The City of Carpinteria As An Associate Member (Non-Voting) Of The Independent Cities Finance Authority. (Page 6)
RECOMMEND APPROVAL
- C. Approval Of The Financing Of A 124 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 Carpinteria, County Of Santa Barbara. (Pages 6-11)
RECOMMEND APPROVAL
- 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. (Pages 11-13 & 30-36)
RECOMMEND APPROVAL/ADOPTION
- E. Presentation From Climatec On A Municipal Street Lighting Program. (Page 13)
INFORMATION ONLY
- F. Discussion And Approval Of Request For Financial Assistance From Augusta Communities. (Pages 14-15 & 37-39)
RECOMMEND APPROVAL
- G. Report On Status Of Member (Voting) Cities And Possible Action Thereon. (Pages 15-16)
TAKE APPROPRIATE ACTION

- H. Update On Pending Projects/Activities. *(Page 16)*
INFORMATION ONLY

VI. COMMENTS FROM BOARD MEMBERS. *(Page 16)*

VII. MATTERS FROM STAFF. *(Pages 16-17)*

VIII. ADJOURNMENT. *(Page 17)*

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 2:00 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 forward 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 in three separate locations, 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

August 14, 2013 - 11:30 a.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 Lynwood
City of Compton	City of San Fernando
City of Hawthorne	City of South Gate
City of Hermosa Beach	City of Vernon
City of Huntington Park	

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.

B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Agency. 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 on any item 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 JULY 31, 2013 BOARD OF DIRECTORS MEETINGS.

A. MATERIAL ENCLOSED: **(PAGES 19-29)**

Minutes of the July 31, 2013 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

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.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

The City Council of the City of Carpinteria will take action on August 12, 2013 to become an associate member (non-voting) of the Independent Cities Finance Authority. ICFA must approve the City of Carpinteria as a member of the Authority so that the Vista De Santa Barbara Mobile Home Park is eligible to be funded through ICFA.

C. RECOMMENDATION:

1. Approve the City of Carpinteria an associate member (non-voting) of ICFA; and
2. 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.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Proposal:

To finance the funding of a manufactured home community in the City of Carpinteria (Vista de Santa Barbara), which is located at 6180 Via Real on behalf of Millennium Housing.

Vista de Santa Barbara contains 124 units on 16+ acres. The manufactured home community was built in the early 70's, contains a pool, spa, club house, and laundry, and is 98.4% occupied.

Upon approval of this project, Millennium Housing of California and its affiliates will have facilitated the purchase of sixteen manufactured home communities through ICFA -- two in the City of Fresno, one in the City of Salinas, one in the County of San Mateo, one in the City of Hermosa Beach, one in the City of Morgan Hill, one in the City of San Juan Capistrano; one in the City of Santa Rosa; one in the City of Capitola; and two in the City of Yucaipa; one in the City of Palm Springs; two in the City of Rohnert Park; and one in the City of San Marcos:

1. Westlake Park (Fresno) contains 330 spaces and occupies 50 acres. The total ICFA bond issuance was \$16 million.
2. Millbrook Mobile Home Village (Fresno) contains 93 spaces and occupies 13 acres. The total ICFA bond issuance was \$1.4 million.
3. Lamplighter-Salinas Mobilehome Park (Salinas) contains 251 spaces on 28.7 acres. The total ICFA bond issuance was \$25+ million.
4. El Granada/Pillar Ridge (San Mateo) contains 227 spaces and occupies 22+ acres. The total ICFA bond issuance was \$32+ million.
5. Marineland Mobilehome Park (Hermosa Beach) contains 60 spaces and occupies 4.2 acres. The total ICFA bond issuance was \$7,470,000.
6. Hacienda Valley Mobile Estates (Morgan Hill) contains 166 spaces and occupies 20.3 acres; the total ICFA bond issuance was \$12 million.
7. San Juan Mobile Estates (San Juan Capistrano) contains 312 spaces and occupies 38.2 acres; the total ICFA bond issuance was \$40+ million.
8. Santa Rosa Leisure Mobile Home Park (Santa Rosa) contains 182 spaces and occupies 24.57 acres; the total ICFA bond issuance was \$18+ million.

9. Castlevue Estates (Capitola) contains 108 spaces on 8.4 acres; the total bond issuance was \$9± million.
10. Rancho Del Sol (Yucaipa) and Grandview East contain 214 spaces on 20 acres; the total bond issuance was \$7± million.
11. Sahara Mobile Home Park (Yucaipa) contains 254 spaces on 29 acres; the total bond issuance was \$13± million.
12. Las Casitas de Sonoma Mobile Home Park (Rohnert Park) contains 128 spaces on 13.8 acres; and Rancho Feliz Mobile Home Park contains 297 units on 37.1 acres; the total bond issuance was \$23.5 million.
13. Rancho Vallecitos Mobile Home Park (San Marcos) contains 340 spaces on 49.9 acres; the total bond issuance was \$21.4 million.

In addition, The Caritas Corporation has purchased five separate manufactured home communities through ICFA in the cities of Brea, Lancaster and Vista. In November of 2005, Caritas added a park in the City of Rohnert Park to their indenture, bringing the total parks financed through ICFA to six. In total, the Caritas parks financed through ICFA contain approximately 1,400 spaces on 170 acres, for a total bond issuance of approximately \$68 million.

Also, Augusta Communities has purchased four separate manufactured home communities through ICFA in the Cities of Montclair and Yucaipa. In total, the Augusta Communities parks financed through ICFA contain approximately 517 spaces on 68 acres, for a total bond issuance of approximately \$30 million.

After approval of this project, the purchase by nonprofits of nearly 5,003 manufactured home community spaces will have been financed by ICFA to date.

Financing Team:

The financing team for this transaction is as follows:

Participant	Firm
Issuer	Independent Cities Finance Authority
Issuer's Counsel	Best Best & Krieger LLP
Bond Counsel	Ballard Spahr, LLP
Underwriter	Newcomb Williams Financial Group
Underwriter's Counsel	By Underwriter
Oversight Agent	Wolf & Company, Inc.
Trustee	Union Bank of California
Trustee's Counsel	Union Bank of California Legal Division
Borrower	Millennium Housing
Borrower's General Counsel	Charles Kane & Dye, LLP
Borrower's 501(c)(3) Counsel	Goldfarb & Lipman

Costs of Issuance:

The costs of issuance will be covered partially by the funds from the issue that are permitted to be used for this purpose by the federal guidelines. The financing of this project is estimated generally as follows. Please note that these numbers are preliminary and are subject to change:

AGENDA SUMMARY
August 14, 2013
Page 7

	Series A	Series B (Taxable Tail)	Seller Carry Back	Issue Summary
SOURCES OF FUNDS:				
Par Amount Of Bonds	\$8,385,000.00	\$870,000.00	\$6,250,000.00	\$15,505,000.00
Reoffering Premium	119,735.45	--	--	119,735.45
TOTAL SOURCES	\$8,504,735.45	\$870,000.00	\$6,250,000.00	\$15,624,735.45
USES OF FUNDS:				
Total Underwriter's Discount (1.194%)	167,700.00	17,400.00	--	185,100.00
Costs Of Issuance	--	250,455.00	--	250,455.00
Issuer Fee	16,770.00	1,740.00	--	18,510.00
Deposit To Debt Service Reserve Fund (DSRF)	668,950.00	74,381.25	--	743,331.25
Deposit To Project Construction Fund	6,750,000.00	--	6,250,000.00	13,000,000.00
Repair And Replacement Fund	500,000.00	--	--	500,000.00
Rental Assistance Fund	400,000.00	400,000.00	--	800,000.00
Acquisition Fund	--	126,000.00	--	126,000.00
Rounding Amount	1,315.45	23.75	--	1,339.20
TOTAL USES	\$8,504,735.45	\$870,000.00	\$6,250,000.00	\$15,624,735.45

Issuer's Fees:

20 basis points times the aggregate principal amount of the bonds at issuance:

- 10 basis points times the aggregate principal in the amount of the bonds outstanding annually.
- A \$3,000 annual fee to cover audits, miscellaneous administrative and legal fees, etc.

Bond Documents:

The ICFA resolution approving the bond documents are enumerated under Agenda Item D.

C. RECOMMENDATION:

Approve all aspects of the proposed project for Vista de Santa Barbara Mobile Home Park in the City of Carpinteria.

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

A. MATERIAL ENCLOSED: (PAGES 30-36) AND UNNUMBERED BOND DOCUMENTS DELIVERED UNDER SEPARATE COVER)

1. Resolution 2013-6 (Pages 30-36)
2. Indenture of Trust
3. Loan Agreement
4. Regulatory Agreement
5. Administration And Oversight Agreement
6. Preliminary Official Statement
7. Purchase Contract
8. Bond Placement Agreement

B. COMMENTS:

DOCUMENTS:

The resolution is included in the packet; the draft bond documents were distributed via email for review. For more details, please refer first to the Preliminary Official Statement and then to the individual documents contained.

ICFA Payment And Responsibilities

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 obligation of Millennium Housing of California to pay these fees is set forth in the Regulatory Agreement.

The bonds are not a financial obligation of the Authority. They are payable solely from revenues from Vista de Santa Barbara Mobilehome Park pledged by Millennium Housing of California to repayment of the bonds. This pledge is further secured by the Deed of Trust in favor of the Bond Trustee.

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

City of Carpinteria Obligations

The City of Carpinteria will take action on August 12th to become an associate member (non voting) of ICFA, as well as conduct a TEFRA hearing and approve the bond financing by ICFA.

Summary

The bond documents referred to above 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/Executive Committee in Resolution 2013-6 following the distribution of this packet and action by the Board of Directors/Executive Committee.

Any and all questions regarding the myriad of bond documents will be answered by the various consultants at the meeting.

C. RECOMMENDATION:

1. Approve/adopt Resolution 2013-6 approving the bond issuance and the various agreements and documents relating thereto;
2. Authorize President McCormick and staff to execute all necessary documents.

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

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

At the July 31, 2013 Board meeting, the Board approved an ICFA municipal street lighting program and directed staff to invite Climatec to make a presentation on said program.

Briefly, 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 from HID to LED lamps. This program would primarily be for smaller cities who cannot afford to purchase the lights on their own.

Frank Mann from Climatec will make a presentation on their municipal street lighting program.

C. RECOMMENDATION:

Information only.

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

A. MATERIAL ENCLOSED: (PAGES 37-39)

Correspondence from Suzanne Taylor of Augusta Communities dated August 6, 2013.

B. COMMENTS:

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. Valley View is one of four parks financed by ICFA in 2013. 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. The note would be unsecured, subordinate to all other project financing and nonrecourse to the nonprofit.

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

Suzanne Taylor of Augusta Communities will make a verbal presentation at the meeting.

C. RECOMMENDATION:

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.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

As reported 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 will attend future 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 this writing, 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."

Staff will provide an update at the meeting.

C. RECOMMENDATION:

If no response is received from the cities of Hawthorne and Hermosa Beach, take action to make them an associate member.

H. UPDATE ON PENDING PROJECTS/ACTIVITIES.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Staff will provide a verbal update on pending ICFA projects/activities.

C. RECOMMENDATION:

Information only.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

AGENDA SUMMARY
August 14, 2013
Page 14

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

ATTACHMENTS

For The August 14, 2013
Independent Cities Finance Authority
Regular Board Of Directors Meeting/
Regular Executive Committee Meeting

INDEPENDENT CITIES FINANCE AUTHORITY**BOARD OF DIRECTORS ANNUAL MEETING
JULY 31, 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 Conference Room 5 of the Vernon City Hall on July 31, 2013 at 12:05 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
Chrissy Gienapp	Augusta Communities
Pam Newcomb	Newcomb Williams Financial Group
Paul Philips	California Contract Cities Association
Ryder Smith	Tripepi Smith & Associates
Suzanne Taylor	Augusta Communities
Wes Wolf	Wolf & Company, Inc.

Staff Present

Scott Campbell
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 APRIL 10, 2013 BOARD OF DIRECTORS MEETING.

It was moved by Mario Gomez, seconded by Gil Hurtado, and carried by the following roll call vote to approve the minutes of the April 10, 2013 Board of Directors meeting:

AYES: Stephen Ajobiewe, Mario Gomez, Jim Morton, Gil Hurtado, W. Michael McCormick
NOES: None
ABSTAIN: Sylvia Ballin

B. REPORT ON STATUS OF MEMBER (VOTING) CITIES.

Staff reported generally as follows:

Due to lack of attendance, correspondence was recently 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). 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 will attend future ICFA Board meetings.

It was noted that the Joint Powers Agreement states as follows: **A**...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. **@**

Representatives from the cities of Compton and San Fernando were welcomed. It was suggested that if the cities of Hawthorne and Hermosa Beach are not represented at the next Board of Directors meeting, action be taken to make those cities an associate member (non-voting) of the Authority.

C. UPDATE ON THE ICFA ADVANTAGE DOWN PAYMENT ASSISTANCE PROGRAM AND REPORT ON RECENT ICFA WEBINAR RELATED THERETO.

Staff reported generally as follows:

An ICFA Advantage Down Payment Assistance Program was approved by the Board of Directors on April 10, 2013 and with the approval of General Legal Counsel, all documents have been executed. The authorized lender for this program is InterCap Lending, Suburban Mortgage Company will be the Servicer, U.S. Bank National Association will serve as the Custodian, and George K. Baum as Administrator.

It was further noted that the first ICFA webinar was conducted on June 25, 2013 wherein Marc Paskulin of George K. Baum & Company outlined the Advantage Down Payment Assistance program. While participation in the webinar was not as much as anticipated, it was very informative and a start for future ICFA webinars/conferences.

After a discussion on how to increase participation, President McCormick asked if there were any further comments or questions. There were none.

D. DISCUSSION AND CONCEPTUAL APPROVAL OF AN ICFA SPONSORED MUNICIPAL STREET LIGHTING PROGRAM.

Ryder Smith of Tripepi Smith & Associates reported generally as follows:

Climatec has approached ICFA regarding a municipal street lighting program. It was noted 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 from HID to LED lamps. This program would primarily be for smaller cities who cannot afford to purchase the lights on their own.

There was discussion regarding numerous companies offering the same program and that ICFA should not limit itself to working with only Climatec. Staff was directed to invite Climatec to make a presentation on the program at the next ICFA Board meeting.

Vice President Gomez noted that the City of Huntington Park has done an experimental program on several streets and have realized a 50% savings. Gil Hurtado noted that the City of South Gate has noted great success with the program.

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried to conceptually approve an ICFA municipal street lighting program.

E. DISCUSSION AND CONTINUATION OF ICFA'S COMMUNITY OUTREACH PROGRAM.

Staff reported generally as follows:

On June 27, 2012 an ICFA Community Outreach Program was approved by the Board. The Board felt that by investing in the civic life of their communities, a small investment produces long-term results, including greater community pride which creates a business climate that attracts additional capital investment from the private and public sectors.

The ICFA Community Outreach Program allows eligible Board Members to make an annual maximum allocation of \$5,000 to the charity of their choice. Eligible Board Member is defined as those Board Members who have attended 2/3 of the prior year's ICFA Board meetings.

Gil Hurtado inquired if the contribution could be divided among more than one organization. The response was in the affirmative.

President McCormick made a motion to increase the amount of contribution to \$7,500. Vice President Gomez asked staff if the budget would allow the increase and if there were any legal ramifications to increasing the amount. Staff indicated that the budget would allow for the increase; General Legal Counsel indicated that as long as the funds are used to promote the public good there are no legal ramifications.

Staff will provide a sample request letter to those Board Members who are eligible and would like to make a donation to an organization in their community.

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

It was moved by President McCormick, seconded by Mario Gomez, and unanimously carried to continue the ICFA charitable contribution program with an allocation of \$7,500 per eligible Board Member.

F. DISCUSSION AND APPROVAL OF TRAINING FOR ICFA BOARD MEMBERS.

Staff suggested that a half-day training seminar be held for Board Members to help them better promote ICFA, and specifically utilizing social media to do so. It is anticipated that this training could be done immediately after a Board meeting and should take no more than 2 hours to complete.

It was moved by Jim Morton, seconded by Mario Gomez, and unanimously carried to approve training for ICFA Board Members and authorize staff to plan and implement a training session to be held immediately after an upcoming ICFA Board meeting.

G. APPROVAL/ADOPTION OF FIRST AMENDMENT TO LEGAL SERVICES BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND BEST BEST & KRIEGER LLP.

Staff reported generally as follows:

On April 29, 2009, ICFA and BB&K entered into an Agreement to Provide Legal Services. This First Amendment to the existing legal services agreement is to provide for a CPI increase effective as of July 1, 2013 and every July 1st of each calendar year thereafter (not to exceed 5% in any given year). BB&K reserves the right to request, on or before March 31st of each year, an increase in the rates over and above the CPI adjustment upon a showing of good cause for such increase; provided that the approval or disapproval of any such request shall be made by ICFA in its sole and absolute discretion.

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried to approve/adopt the First Amendment to Legal Services and to authorize President McCormick and staff to execute same.

H. APPROVAL/ADOPTION OF ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND SMITH, ALVAREZ & CASTILLO, INC.

Staff and General Legal Counsel reported generally as follows:

The contract for administrative services between ICFA and Smith, Alvarez & Castillo terminated on June 30, 2013. It is recommended that an agreement be executed for a three year period (July 1, 2013 to June 30, 2016).

In addition, earlier this year, State Treasurer Bill Lockyer, the California Statewide Communities Development Authority (CSCDA) and the California Municipal Finance Authority (CMFA) announced an agreement to modify the operational procedures of both CSCDA and CMFA.

Among these changes, CSCDA and CMFA (both JPA=s) agreed to hire an Executive Director who will be directly responsible to the governing boards. The Executive Director will make all recommendations on whether the JPAs should approve bond financings for projects. The Executive Director will be paid on a fixed-cost basis. In addition, the JPAs will competitively bid contracts for advisor services every three years. ICFA has agreed to comply with these changes as well.

It was further noted that approval of this item requires an amendment to the ICFA Joint Powers Agreement and Bylaws (see Item I below).

After a discussion of related costs, salary history, responsibilities, etc. President McCormick asked if there were any further comments/questions. There were none.

It was moved by Gil Hurtado, seconded by Jim Morton, and unanimously carried to approve/adopt the Administrative Services Agreement between ICFA and Smith, Alvarez & Castillo, Inc., and authorize President McCormick to execute same.

I. APPROVAL/ADOPTION OF AMENDMENTS TO THE ICFA JOINT POWERS AGREEMENT AND BYLAWS, AND AUTHORIZATION TO DISTRIBUTE PROPOSED AMENDMENTS TO ICFA MEMBER CITIES.

Staff reported generally as follows:

As a result of the agreement between the California State Treasurer, the California Statewide Communities Development Authority and the California Municipal Finance Authority, the title of the staff person designated to oversee the operations of the Authority needs to be changed to **AExecutive Director@** (instead of Program Administrator).

In addition, after meeting with the San Bernardino County Housing Authority, it is recommended that the Joint Powers Agreement and Bylaws consider including references to housing authorities and their specific powers to issue certain types of bonds.

For the amendments to the Joint Powers Agreement to become effective, they must be approved by 2/3rds of the City Councils of the nine ICFA member cities.

After a discussion on how to further educate cities on ICFA programs and ways to partner with similar type groups, it was moved by Mario Gomez, seconded by Jim Morton, and unanimously carried as follows:

1. To approve/adopt the amendments to the ICFA Joint Powers Agreement and Bylaws; and
2. To authorize staff to distribute the proposed amendments to ICFA member cities for approval.

J. APPROVAL/ADOPTION OF A BUDGET FOR THE 2013-14 FISCAL YEAR AND AN INVESTMENT POLICY FOR THE SAME PERIOD.

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. Staff discussed each line item of estimated receipts and expenditures, and noted that a balanced budget is being presented for approval/adoption.

In addition, the Board should adopt the Statement of Investment Policy that has been adopted each year for many years, as required by law.

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

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

1. To approve/adopt the 2013-14 FY budget with the increase in the community contribution program discussed under Agenda Item E; and
2. To approve/adopt the Statement of Investment Policy.

K. APPROVAL/ADOPTION OF RESOLUTION 2013-5 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICES AND STAFF).

Staff reported generally as follows:

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.

Vice President Gomez made a motion to maintain the current President, Vice President and Treasurer.

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

1. That W. Michael McCormick remain as President of ICFA;
2. That Mario Gomez remain as Vice President of the Authority;
3. That Stephen Ajobiewe remain as Treasurer of the Authority;
4. That Resolution 2013-5 be approved/adopted and that President McCormick and staff be authorized to execute same.

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

President McCormick noted that the following individuals currently serve on the 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	Ricardo Pacheco	Vijay Singhal	Baldwin Park
Member	Jim Morton	Ramon Rodriguez	Lynwood
Member	Sylvia Ballin	Rafaela King	San Fernando

Staff 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 individual appointed or his/her alternate must be available to attend all Executive Committee meetings.

The President and Vice President are automatic members of the Executive Committee.

President McCormick suggested that the City of South Gate replace the City of Baldwin Park on the Executive Committee. Mr. Hurtado from the City of South Gate was in agreement.

It was moved by Mario Gomez, seconded by Jim Morton, and unanimously agreed that the following Directors/Alternate Directors be appointed/elected to the 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	Sylvia Ballin	Rafaela King	San Fernando
Member	Gil Hurtado	Byron Cook	South Gate

M. UPDATE ON PENDING PROJECTS/ACTIVITIES.

Staff provided a report on upcoming and potential projects, including:

- Construction of a regional DMV office in the City of San Marcos
- Financing of a solar project in the County of Madera through Chevron
- Construction of a charter school in the City of Escondido
- A partnership with the Association of California Cities - Orange County
- Financing of a manufactured home community in the City of Carpinteria through Millennium Housing

It was noted that Millennium would like to close the Carpinteria project the first week of September, therefore, it was agreed that an ICFA Board meeting be held on August 14, 2013 in the City of Lynwood to approve all aspects of the financing.

Suzanne Taylor from Augusta Communities noted that she will be bringing a manufactured home community in the City of Long Beach to ICFA in the near future. She will also be presenting a proposal for a loan for the purchase of new mobile homes in some of her senior parks.

VI. COMMENTS FROM BOARD MEMBERS.

Gil Hurtado suggested that a document be compiled for new members noting that projects ICFA has been involved with in the last five years.

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 1:05 p.m.

Respectfully submitted,

/s/
Deborah J. Smith
Program Administrator

RESOLUTION NO. 2013-6

A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS 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.

WHEREAS, the Independent Cities Finance Authority, a joint powers authority duly organized and existing under the laws of the State of California (the "Authority"), is authorized to issue bonds pursuant to Chapter 8 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act") to finance the acquisition of mobile home parks by nonprofit organizations within the jurisdiction of the Authority; and

WHEREAS, Millennium Housing LLC, a California limited liability company (the "Borrower"), has requested that the Authority issue and sell one or more series of revenue bonds for the purpose of providing financing for the acquisition and renovation of an approximately 124-space mobile home park known as the Vista de Santa Barbara Mobilehome Park located at 6180 Via Real, Carpinteria, California (the "Project"); and

WHEREAS, Millennium Housing Corporation, the sole member of the Borrower, is qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and the operation of the Project by the Borrower will further its purpose to encourage, preserve, rehabilitate, develop, operate, and maintain decent, safe, sanitary and affordable housing for low income and disadvantaged persons in the State of California; and

WHEREAS, the Authority proposes to issue its 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" (the "Series A Bonds"), "Independent Cities Finance Authority Mobile Home Park Revenue Bonds (Vista de Santa Barbara Mobilehome Park) Series 2013B (Federally Taxable)" (the "Series B Bonds" and together with the Series A Bonds, the "Senior Bonds") and "Independent Cities Finance Authority Mobile Home Park Subordinate Revenue Bonds (Vista de Santa Barbara Mobilehome Park) Series 2013C" (the "Series C Bonds" and collectively with the Series A Bonds and the Series B Bonds, the "Bonds") pursuant to the Act to finance the acquisition and renovation of the Project by the Borrower or an affiliate thereof; and

WHEREAS, there has been presented to the Board of Directors/Executive Committee at this meeting proposed forms of an Indenture of Trust, a Loan Agreement, a Regulatory Agreement and Declaration of Restrictive Covenants, an Administration and Oversight Agreement, a Preliminary Official Statement relating to the Senior Bonds, a Purchase Contract with respect to the purchase of the Senior

Bonds by Newcomb Williams Financial Group securities offered through Stinson Securities, LLC. (the “Underwriter”) for sale to the public, and a Bond Placement Agreement with respect to the purchase of the Series C Bonds by the seller of the Project (the “Seller”); and

WHEREAS, as required by Section 147(f) of the Code, the City Council of the City of Carpinteria has conducted or will conduct a duly noticed public hearing with respect to the proposed issuance of the Bonds and financing the Project by the Authority on August 12, 2013, such notice being published in a newspaper of general circulation in the City of Carpinteria, and as the applicable elected representatives of the City of Carpinteria, the City Council has approved or will approve the issuance of the Bonds prior to the issuance thereof by the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the issuance of the Bonds exist or will exist, have happened or will happen and have been or will be performed in due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue the Bonds for the purposes, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AS FOLLOWS:

SECTION 1. Recitals. The above recitals, and each of them, are true and correct.

SECTION 2. Appointment of Trustee. Union Bank, N.A. is hereby appointed as the initial trustee (the “Trustee”) under the Indenture of Trust (the “Indenture”) relating to the Bonds, with the duties and powers of such Trustee as are set forth in the Indenture.

SECTION 3. Indenture. The Indenture authorizing the issuance of the Bonds, between the Authority and the Trustee, in the form presented at this meeting, is hereby approved and the President, Vice President or Executive Director (each, an “Authorized Officer”), each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 4. Form of Bonds. The forms of the Bonds, each as set forth in the Indenture, are hereby approved and the President or Vice President and the Secretary are hereby authorized and directed to execute by manual or facsimile signature, for and in the name and on behalf of the Authority, the Bonds in substantially the forms hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority, in either temporary and/or definitive forms in the aggregate principal amounts and all in accordance with the terms and provisions of the Indenture.

SECTION 5. Loan Agreement. The Loan Agreement (the “Loan Agreement”) by and among the Authority, the Trustee and the Borrower, whereby the proceeds of the Bonds are to be loaned to the

Borrower for the purposes set forth therein, in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement in substantially the form hereby approved together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 6. Regulatory Agreement. The Regulatory Agreement and Declaration of Restrictive Covenants by and among the Authority, the Trustee and the Borrower (the “Regulatory Agreement”) in the form presented at this meeting, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement with respect to the Project in substantially the form hereby approved together with such additions or changes therein as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Authority.

SECTION 7. Official Statement. The Preliminary Official Statement relating to the Senior Bonds (the “Preliminary Official Statement”) in the form presented at this meeting, is hereby approved for use in connection with the marketing of the Senior Bonds. The Executive Director is hereby authorized and directed to make changes to the form of the Preliminary Official Statement hereby approved, upon consultation with the Authority counsel or bond counsel, as necessary or desirable to reflect the terms of the financing and the documents with respect thereto.

The Preliminary Official Statement may be brought into the form of a final Official Statement which shall contain such changes or modifications thereto as may be deemed necessary or desirable by the Executive Director, upon consultation with the Authority counsel or bond counsel. The Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the final Official Statement. The Authorized Officers, each acting alone, are authorized and directed, on behalf of the Authority, to certify the Preliminary Official Statement as “deemed final” for purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”), and to certify the Official Statement as “final” pursuant to Rule 15c2-12.

SECTION 8. Purchase Contract. The Purchase Contract with respect to the Senior Bonds, among the Authority, the Borrower and the Underwriter, in the form presented at this meeting, is hereby approved. The Authorized Officers, each acting alone, are hereby authorized to execute the Purchase Contract in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the Authority; provided that the principal amount, the net interest cost, the maturity date and the Underwriter’s discount for the Senior Bonds do not exceed the following: Series A Bonds: (i) Maximum Principal Amount: \$9,000,000; (ii) Net Interest Cost: 7.50%; (iii) Maturity Date: September 15, 2053; and (iv) Underwriter’s Discount or Fee: 2.0%; Series B Bonds: (i) Maximum Principal Amount: \$1,000,000; (ii) Net Interest Cost: 10.0%; (iii) Maturity Date: September 15, 2053; and (iv) Underwriter’s Discount or Fee: 2.5%.

SECTION 9. Placement Agreement. The Bond Placement Agreement with respect to the Series C Bonds, between the Authority and the Seller (“Placement Agreement”), in the form presented at this meeting, is hereby approved. The Authorized Officers each acting alone, are hereby authorized to execute

the Placement Agreement in substantially said form, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery of the Placement Agreement by the Authority; provided that the principal amount, the initial net interest cost and the maturity date for the Series C Bonds do not exceed the following: (i) Maximum Principal Amount: \$7,000,000; (ii) Net Interest Cost: 4.25%; and (iii) Maturity Date: September 15, 2053.

SECTION 10. Administration and Oversight Agreement. The Administration and Oversight Agreement (the "Administration Agreement") in the form presented at this meeting, by and among the Authority, the Borrower, and Wolf & Company, Inc. (or such other entity as the Executive Director shall select) as Oversight Agent, is hereby approved and the Authorized Officers, each acting alone, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute the Administration Agreement in substantially the form hereby approved, together with such additions or changes as the officer executing the same, upon consultation with the Authority counsel or bond counsel, may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 11. Designation of Professionals. The law firm of Ballard Spahr LLP is hereby designated as bond counsel and disclosure counsel to the Authority with respect to the Bonds. Newcomb Williams Financial Group securities offered through Stinson Securities, LLC. is hereby designated as underwriter for the Senior Bonds.

SECTION 12. Ratification of Prior Acts. All actions previously taken (not inconsistent with the provisions of this resolution) by the Authority and by the officers of the Authority directed toward the issuance and sale of the Bonds are hereby ratified and approved.

SECTION 13. Other Acts. The President, Vice President, members of the Board of Directors/Executive Committee, Executive Director, Secretary, Treasurer, Authority counsel, and all other officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions, including without limitation, obtaining bond insurance and a rating for the Bonds, if either is deemed to be advisable upon consultation with the Authority's financial consultant, if any, and the Underwriter, and including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the issuance and sale of the Bonds or to otherwise effectuate the purposes of this Resolution.

SECTION 14. Limited Obligations. The Bonds, together with interest thereon, shall be limited obligations of the Authority, giving rise to no pecuniary liability of the Authority, any member of the Authority, the State of California or any political subdivision thereof, nor any charge against its general credit, and shall be payable solely from the Indenture trust estate. The Bonds shall not constitute an indebtedness or loan of the credit of the Authority, any member of the Authority or the State of California or any political subdivision thereof within the meaning of any constitutional or statutory provisions.

SECTION 15. Severability. If any provisions of this Resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

SECTION 16. Effective Date. All resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE INDEPENDENT CITIES FINANCE AUTHORITY
THIS 14TH DAY OF AUGUST, 2013.

President

Secretary/Executive Director

I, Deborah Smith, Secretary and Executive Director of the Independent Cities Finance Authority, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors/Executive Committee of said Authority at the meeting of the Board of Directors/Executive Committee of said Authority held on the 14th day of August, 2013, and that the same was passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Deborah Smith, Secretary and Executive Director of the
Independent Cities Finance Authority



AUGUSTA
COMMUNITIES

augustacommunities.org

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August 6, 2013

Debbie Smith, Executive Director
Independent Cities Financing Authority
PO Box 6740
Lancaster, CA 93539-6740

Dear Ms. Smith:

Attached is a Request for Financial Assistance from Augusta Communities LLC for the purchase and installation of new single- and double-wide mobilehomes on three vacant spaces in the Valley View project in the City of Yucaipa. This park was funded by ICFA in 2012 as part of a four park pooled financing.

This project will bring three new affordable rental homes into the park. The rental homes will provide additional rental income to the park, which will improve its cash flow position and strengthen the performance of the asset, which serves as partial security for the 2012 ICFA bonds. The installation of new homes on three vacant spaces located at the park entrance will make the park more inviting for people who are looking for affordable housing, which should help increase park occupancy and give a people a better sense of community. The addition of beautiful, modern mobilehomes of these vacant sites should spur other owners to clean up their homes and spaces as well.

Please contact me to discuss this project further. I would be happy to make a presentation to the board at your next meeting.

Sincerely,

Suzanne Taylor
Executive Director

REQUEST FOR FUNDING

Date of Request: August 6, 2013

Organization: Augusta Communities LLC

Contact Information: Suzanne Taylor, Executive Director
staylor@augustacommunities.org
400 N Mountain Ave., Upland CA 91786
Office 909-981-0192

Funding Request: \$90,000 Loan

Summary

Augusta Communities LLC is requesting assistance from ICFA for the purchase and installation of three new mobilehomes on three vacant spaces in its Valley View project. Valley View is one of four parks financed by the ICFA Mobile Home Park Revenue Refunding Bonds (Augusta Communities Mobile Home Park Pool Series 2012 A and B). The budget for the mobilehome acquisition projects 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, these 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.

Background

Valley View is a 77-space senior mobilehome park located at 12995 6th Street in Yucaipa. Augusta Communities has owned the park since 2000. The operating budget in this park has always been tight and does not generate the cash flow needed to save for the acquisition of new homes. The limited cash flow of this park does not jeopardize payments on the ICFA 2012 bonds because of the strength of the pool as a whole.

Cash flow is low in Valley View for two reasons. The first is that local rent control keeps the space rents in Valley View much lower than in other parks in the City of Yucaipa. There are 41 parks in Yucaipa. Valley View has the 9th lowest average rent. Second, over the last two years, the park has experienced an increase in vacant spaces (no homes on the space) and in vacant homes (unoccupied homes). The park is a senior park and most residents have lived there many years and are of advanced age. These seniors are leaving their homes to live with family or in assisted living environment, or are passing away. In most cases the heirs are not interested in moving into their relative's older home and either put it up for sale, abandon it or sell the home to a third party who removes the house from the park.

The three spaces upon which we would like to install new mobilehomes became vacant when residents left the park and then sold their homes to a dealer who removed them from the park. The homes were listed for sale for more than a year, but no buyers were interested because poor condition of the homes. Under the current lending environment, it is very difficult for lower income households to qualify for purchase money for new mobilehomes, so these spaces have remained empty.

The spaces that are vacant are small and can only accommodate small homes. The new homes will be modern, energy efficient single or double wide units with one to two bedrooms and one to two bathrooms. The homes will have a driveway, small covered porch, heating and air conditioning, a storage shed and modern amenities. The homes will be purchased at a discount from the manufacturer but be installed by a dealer. The estimated cost for a singlewide or doublewide mobilehome fully installed and landscaped ranges from \$55,000 to \$70,000, depending on the size and final configuration.

IMPACT

Filling the spaces will help the park in several ways. The installation will provide affordable housing to three more low and moderate income households at affordable housing costs as defined by State and Federal law.

Affordable rental housing costs for San Bernardino County would permit the mobilehome and space to rent for \$670 to \$1024 per month, up from \$290 for the space only. This improved cash flow will generate much needed income for the park and will provide additional security for the ICFA 2012 bonds.

The new rental homes will also improve the marketability of the park. The three vacant spaces are located at the entrance of the park. Placing new homes in this area will make the park much more pleasing to buyers and renters who are interested in living in a park with very low space rent.

Like any neighborhood rehabilitation process, the new homes should encourage other mobilehome owners to improve their property.

TERMS

Augusta Communities is requesting that ICFA assist in the purchase of three mobilehomes by providing a loan to the non-profit in the amount of \$90,000, which represents 50% of the total budget. The note on the loan would bear an interest of two percent (2%) per annum. Principal and interest of the note would be payable based on a twenty (20) year amortization schedule. Payment on the loan would commence on August 15, 2016 provided net operating revenues are 1.3 times debt service, as demonstrated in the June 15, 2016 audited coverage requirement certificate provided to ICFA pursuant to the 2012 Indenture. No interest will accrue until August 15, 2016. The note would be unsecured, subordinate to all other project financing and nonrecourse to the non-profit. No deficiency judgment would be obtainable against the non-profit except for fraud, material misrepresentation, or intentional bad faith. All amounts owing on the note would be due on the earlier of the date of any sale of the park or the home by the non-profit or the stated due date of the note.