

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  
 Jose Solache, President  
 Lynwood  
 Gil Hurtado, Vice President/Treasurer  
 South Gate

DIRECTORS

Daniel Damian, Baldwin Park  
 Emma Sharif, Compton  
 Eduardo "Eddie" Martinez, Huntington Park  
 Joel Fajardo, San Fernando  
 Leticia Lopez, Vernon

Secretary/Executive Director

Debbie Smith  
 General Legal Counsel  
 Scott Campbell  
 Best Best & Krieger LLP



**INDEPENDENT CITIES FINANCE AUTHORITY**  
 Annual Meeting of the Board of Directors  
 Annual Meeting of the Executive Committee

Tuesday, June 25, 2024  
 12:00 noon

**IN PERSON:**  
 Lynwood City Hall Annex  
 Conference Room  
 11350 Bullis Road  
 Lynwood, CA 90262

**TELECONFERENCE/ZOOM MEETING LOCATIONS:**

<https://us06web.zoom.us/j/83790209921?pwd=Cq9KwUtUS28UYaVssghMoBWNUSdWbC.1>  
 Meeting ID: 837 9020 9921  
 Passcode: 519504  
 Call In: 1-669-444-9171

- |   |   |
|---|---|
| <p>1. 14607 Ramona Blvd., Suite C<br/>       Baldwin Park, CA 91706</p> <p>3. Huntington Park City Hall<br/>       1<sup>st</sup> Floor Conference Room<br/>       6550 Miles Avenue<br/>       Huntington Park, CA 90255</p> <p>5. Vernon City Hall<br/>       Conference Room 1<br/>       4305 South Santa Fe Avenue<br/>       Vernon, CA 90058</p> | <p>2. Compton City Hall<br/>       Mayor's Office<br/>       205 South Willowbrook Avenue<br/>       Compton, CA 90220</p> <p>4. 229 North Meyer Street<br/>       San Fernando, CA 91340</p> |
|---|---|

**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)*

**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. The public may attend the meeting in person, via telephone conference or Zoom as listed above. *(Pages 4-5)*

**V. NEW BUSINESS.**

A. Approval Of Minutes Of The September 13, 2023 Board Of Directors Meeting. *(Pages 5 & 11-16)* **RECOMMEND APPROVAL**

B. Discussion Of Restoration Of The State Of California Mortgage Credit Certificate Program. *(Pages 5-6 & 17-21)* **RECOMMEND APPROVAL**

C. Discussion Of Hosting A Webinar On Street Light Improvements. *(Pages 6-7)* **RECOMMEND APPROVAL**

ANNUAL MEETING OF THE BOARD OF DIRECTORS  
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE  
June 25, 2024  
Page Three

- D. Approval/Adoption Of Third Amendment To Administrative Services Agreement Between The Independent Cities Finance Authority And Smith, Alvarez & Castillo, Inc. (Pages 7 & 22-35) *RECOMMEND APPROVAL/ADOPTION*
- E. Approval/Adoption Of A Budget For The 2024-25 Fiscal Year And A Statement Of Investment Policy For A Two Year Period. (Pages 7-8 & 36-40) *RECOMMEND APPROVAL/ADOPTION*
- F. Approval Of The Financial Accounting For The Period July 1, 2023 To May 30, 2024. (Pages 8-9) *RECOMMEND APPROVAL*

**VI. COMMENTS FROM BOARD MEMBERS.** (Page 9)

**VII. MATTERS FROM STAFF.** (Page 10 & 41)

**VIII. ADJOURNMENT.** (Page 10)

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 as you would a City Council agenda.***

**INDEPENDENT CITIES FINANCE AUTHORITY  
ANNUAL MEETING OF THE BOARD OF DIRECTORS  
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE**

**June 25, 2024 – 12:00 noon**

**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 ADJUSTMENT TO THE AGENDA.**

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

**IV. PUBLIC COMMENT.**

A. MATERIAL ENCLOSED:

None.

**AGENDA SUMMARY**  
**June 25, 2024**  
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**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 SEPTEMBER 13, 2023 BOARD OF DIRECTORS MEETING.**

**A. MATERIAL ENCLOSED: (PAGES 11-16)**

Minutes of the September 13, 2023 Board of Directors meeting.

**B. COMMENTS:**

None.

**C. RECOMMENDATION:**

Approve the minutes of the September 13, 2023 Board of Directors meeting.

**B. DISCUSSION OF RESTORATION OF THE STATE OF CALIFORNIA MORTGAGE CREDIT CERTIFICATE PROGRAM.**

**A. MATERIAL ENCLOSED: (PAGES 17-21)**

1. Mortgage Credit Certificate Program White Paper (Pages 17-20).
2. Sheet Outlining the Benefits of Restoring Funding to California's Mortgage Credit Certificate (MCC) Program. (Page 21).

**AGENDA SUMMARY**

**June 25, 2024**

**Page Three**

**B. COMMENTS:**

The Mortgage Credit Certificate (MCC) program is a federal income-tax credit available to eligible low- and moderate-income homebuyers. The MCC is a powerful financing tool that boosts homebuying power, increases household income, and addresses the racial gap in California through expanded homeownership opportunities. Additionally, MCC's attract millions of dollars of private mortgage capital and leverages scarce local affordable housing subsidies.

The MCC program is made possible through an allocation of the State's tax-exempt financing authority to MCC issuers who administer local programs. There are eight MCC issuers that had active MCC programs prior to the allocation pause in 2019.

Matt Callahan of LA Partners in Homeownership, who was one of the issuers, will make a presentation to the Board.

**C. RECOMMENDATION:**

Support the restoration of the Mortgage Credit Certificate program.

**C. DISCUSSION OF HOSTING A WEBINAR ON STREET LIGHT IMPROVEMENTS.**

**A. MATERIAL ENCLOSED:**

None.

**B. COMMENTS:**

There are funds available for street lighting improvements – Measure M, Measure R, and Federal Inflation Reduction Act Tax Credits (IRA) – which can be utilized for installation of new street lights or to upgrade existing street lights in ICFA member cities, as well as the 25 mobile home parks located in those cities. Some possibilities are converting existing lights to LED, installing solar on existing street lights by way of solar panels or wrapped poles, or creating a street lighting district.

Staff would like authorization to pursue these possibilities further and, if found to be beneficial to member cities, host a webinar which would make ICFA member cities aware of said programs.

**AGENDA SUMMARY**  
**June 25, 2024**  
**Page Four**

**C. RECOMMENDATION:**

Authorize staff to pursue the availability of street light improvement funds with the goal of hosting a webinar on street light improvements.

**D. APPROVAL/ADOPTION OF THIRD AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND SMITH, ALVAREZ & CASTILLO, INC.**

**A. MATERIAL ENCLOSED: (PAGES 22-35)**

1. Third Amendment To Administrative Services Agreement Between The Independent Cities Finance Authority And Smith, Alvarez & Castillo, Inc. (Pages 22-24)
2. Administrative Services Agreement Between The Independent Cities Finance Authority And Smith, Alvarez & Castillo, Inc. (Pages 25-35)

**B. COMMENTS:**

The contract for administrative services between ICFA and Smith, Alvarez & Castillo expires on June 30, 2024. It is recommended that the Third Amendment to the Administrative Services Agreement be executed for a three-year period (July 1, 2024 to June 30, 2027).

Staff will provide a verbal report at the meeting.

**C. RECOMMENDATION:**

1. Approve/adopt the Third Amendment To Administrative Services Agreement; and
2. Authorize President Solache and staff to execute same.

**E. APPROVAL/ADOPTION OF A BUDGET FOR THE 2024-25 FISCAL YEAR AND A STATEMENT OF INVESTMENT POLICY FOR A TWO-YEAR PERIOD.**

**A. MATERIAL ENCLOSED: (PAGES 36-40)**

1. Budget for the 2024-25 FY. (Pages 36-37)
2. Statement of Investment Policy For The Period 2024-26 FY. (Pages 38-40)

**AGENDA SUMMARY**  
**June 25, 2024**  
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**B. COMMENTS:**

Staff has prepared a budget that covers one fiscal year period (2024-25). The proposed budget represents the best estimates of staff regarding future financings.

In addition, the Board should adopt the Statement of Investment Policy that has been adopted every two years, as required by law. It requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF), unless otherwise directed by the Board.

**C. RECOMMENDATION:**

1. Approve/adopt the budget for the 2024-25 FY.
2. Approve/adopt the Statement of Investment Policy.

**F. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD JULY 1, 2023 TO MAY 30, 2024.**

**A. MATERIAL ENCLOSED:**

None.

**B. COMMENTS:**

Receipts for the period July 1, 2023 to May 30, 2024 were as follows:

Park	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Total
Yucaipa	639.17	639.17	639.17	639.17	639.17	639.17	627.50	627.50	627.50	627.50	627.50	<b>6972.52</b>
Hacienda	767.00	767.00	767.00	767.00	767.00	767.00	751.25	751.25	751.25	751.25	751.25	<b>8358.25</b>
Castle	808.33	808.33	808.33	808.33	808.33	808.33	808.33	808.33	808.33	808.33	808.33	<b>8891.63</b>
Palomar E	882.50	882.50	882.50	882.50	882.50	882.50	882.50	882.50	882.50	882.50	882.50	<b>9707.50</b>
Palm Springs	985.83	985.83	985.83	985.83	985.83	985.83	985.83	985.83	985.83	985.83	985.83	<b>10844.13</b>
Santa Rosa	1073.33	1073.33	1073.33	1054.16	1054.16	1054.16	1054.16	1054.16	1054.16	1054.16	1054.16	<b>11653.27</b>
Santa Barb	1255.00	1255.00	1255.00	1212.00	1212.00	1212.00	1212.00	1212.00	1212.00	1212.00	1212.00	<b>13461.00</b>
Wes/Mill	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	1276.25	<b>14038.75</b>
Palomar W	1354.16	1354.16	1354.16	1354.16	1354.16	1354.16	1354.16	1327.92	1327.92	1327.92	1327.92	<b>14790.80</b>
Ranch Vall	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	1498.33	<b>16481.63</b>
Rohn Park				1609.00	1609.00	1609.00	1609.00	1609.00	1609.00	1609.00	1609.00	<b>12872.00</b>
Pillar	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	2149.16	<b>23640.76</b>
Woods	2403.33	2403.33	2403.33	2403.33	2358.33	2358.33	2358.33	2358.33	2358.33	2358.33	2358.33	<b>26121.63</b>
Union	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	2668.75	<b>29356.25</b>
San Juan	2753.33	2753.33	2753.33	2700.83	2700.83	2700.83	2700.83	2700.83	2700.83	2700.83	2700.83	<b>29866.63</b>
<b>SUBTOTAL</b>	<b>20514.47</b>	<b>20514.47</b>	<b>20514.47</b>	<b>22008.80</b>	<b>21963.80</b>	<b>21963.80</b>	<b>21936.38</b>	<b>21910.14</b>	<b>21910.14</b>	<b>21910.14</b>	<b>21910.14</b>	<b>237056.75</b>
Augusta		5137.50						5137.50				<b>10275.00</b>
Rancho Robl	7153.36							2657.49				<b>9810.85</b>
MASH	7827.41			666.65		612.91	1242.92					<b>10349.89</b>
Alliance			3658.11			3658.11			3658.11			<b>10974.33</b>
Compton												<b>0.00</b>
<b>SUBTOTAL</b>	<b>35495.24</b>	<b>25651.97</b>	<b>24172.58</b>	<b>22675.45</b>	<b>21963.80</b>	<b>26234.82</b>	<b>23179.30</b>	<b>29705.13</b>	<b>25568.25</b>	<b>21910.14</b>	<b>21910.14</b>	<b>278466.82</b>
LAIF	2958.76			3424.91			3849.97			4135.83		<b>14369.47</b>
<b>TOTAL</b>	<b>38454.00</b>	<b>25651.97</b>	<b>24172.58</b>	<b>26100.36</b>	<b>21963.80</b>	<b>26234.82</b>	<b>27029.27</b>	<b>29705.13</b>	<b>25568.25</b>	<b>26045.97</b>	<b>21910.14</b>	<b>292836.29</b>



**AGENDA SUMMARY**  
**June 25, 2024**  
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Expenditures for the period July 1, 2023 to May 30, 2024 were as follows:

Payee	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	TOTAL
Alliant Insurance				7,483.84								7,483.84
Best Best & Krieger	3,118.00	6,253.69	3,349.00	3,349.00	3,349.00	3,349.00	3,349.00	3,349.00	3,349.00	3,349.00	3,349.00	39,512.69
Board Members			1,050.00									1,050.00
CA Contract Cities								2,875.00				2,875.00
Charles Conway								4,940.00				4,940.00
City of Lynwood							7,500.00					7,500.00
FedEx												
Misc.	91.00											91.00
Renaissance Hotel											643.36	643.36
See's Candies						680.00						680.00
Smith, Alvarez & Castillo	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	19,331.25	212,643.75
So. Gate Jr. Athletic Assoc.			7,500.00	190.00								7,690.00
Trackdown Management				1,200.00								1,200.00
Tripepi Smith	125.00	118.75	655.00	190.00	580.00	95.00	190.00	95.00	171.25	118.75	164.22	2,502.97
USPS			525.65			94.70						620.35
Vasquez & Company				15,000.00				6,000.00				21,000.00
Vista Print					50.97							50.97
Zoom											159.90	159.90
<b>TOTAL</b>	<b>22,665.25</b>	<b>25,703.69</b>	<b>32,410.90</b>	<b>46,744.09</b>	<b>23,311.22</b>	<b>23,549.95</b>	<b>30,370.25</b>	<b>36,590.25</b>	<b>22,851.50</b>	<b>22,799.00</b>	<b>23,647.73</b>	<b>310,643.83</b>

ICFA account balances as of May 30,2024 are as follows:

Bank of America: \$176,295.06  
 LAIF: \$591,213.86

**C. RECOMMENDATION:**

Approve the financial accounting for the period July 1, 2023 to May 30, 2024.

**VI. COMMENTS FROM BOARD MEMBERS.**

**A. MATERIAL ENCLOSED:**

None.

**B. COMMENTS:**

None.

**C. RECOMMENDATION:**

None.

**AGENDA SUMMARY**  
**June 25, 2024**  
**Page Seven**

**VII. MATTERS FROM STAFF.**

A. MATERIAL ENCLOSED: **(PAGE 41)**

List of mobile home parks, including affordable housing requirements, and other issuances by ICFA.

B. COMMENTS:

Information only.

C. RECOMMENDATION:

None.

**VIII. ADJOURNMENT.**

In memory of Jim Roberts, founding President of ICFA, and former Mayor/Council Member, City of Huntington Park.

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS ANNUAL MEETING  
September 13, 2023

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 September 13, 2023 at 11:45 a.m. by Vice President Jose Solache.

II. ROLL CALL.

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

Jose Solache, Vice President/ Treasurer	Lynwood
Daniel Damian	Baldwin Park
Joel Fajardo	San Fernando
Gil Hurtado	South Gate
Leticia Lopez	Vernon
Eduardo "Eddie" Martinez	Huntington Park
Emma Sharif	Compton

**Alternate Members Of The Board of Directors Present**

None

**Guests Present**

Jose Vera	Raymond James
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/ADOPTION OF RESOLUTION 2023-1 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICERS).

Staff reported generally as follows:

Due to election results in the City of San Fernando, Sylvia Ballin is no longer eligible to serve as President of ICFA. Article 9 of the ICFA Joint Powers Agreement and Article V of the ICFA Bylaws provide that in the absence or inability of the President to act, the Vice President shall act as President. In addition, the Joint Powers Agreement provides that if the President ceases to be a member of the Board, the resulting vacancy shall be filled at the next meeting of the Board. In that regard, an election for President and Vice President will be conducted at this meeting. It should be noted that the Officers will serve for two years and must be selected from the Directors. Alternate Directors may not serve as President or Vice President.

In addition, since the Vice President (Jose Solache) was serving as Treasurer, a Director should be appointed to that position.

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

AYES: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)  
NOES: None  
ABSTAIN: None  
ABSENT: None

President Solache thanked the Board Members for their confidence in electing him as President. He then made a motion to elect Gil Hurtado as Vice President/Treasurer.

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

AYES: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)  
 NOES: None  
 ABSTAIN: None  
 ABSENT: None

It was moved by Jose Solache, seconded by Daniel Damian, and unanimously carried by the following roll call vote that Resolution No. 2023-1 be approved/adopted and that President Solache and staff be authorized to execute said Resolution.

**B. 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 members of the Executive Committee shall be for two years. Inasmuch as the last appointment was conducted in June of 2021, an election will be conducted at this meeting.

The following members currently serve on the Executive Committee:

<u>Position</u>	<u>Member</u>	<u>Alternate Member</u>	<u>City</u>
President	--	--	--
Vice President	Jose Solache	--	Lynwood
Member	Daniel Damian	Robert Lopez	Baldwin Park
Member	Emma Sharif	--	Compton
Member	Eddie Martinez	Marilyn Sanabria	Huntington Park

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

**INDEPENDENT CITIES FINANCE AUTHORITY**  
**Board of Directors Meeting, September 13, 2023**  
**Page 4**

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

President Solache recommended that the following individuals serve on the Executive Committee for a two-year term:

<u>Position</u>	<u>Member</u>	<u>Alternate Member</u>	<u>City</u>
President	Jose Solache	Oscar Flores	Lynwood
Vice President	Gil Hurtado	Joshua Barron	South Gate
Member	Daniel Damian	Robert Lopez	Baldwin Park
Member	Emma Sharif	--	Compton
Member	Eddie Martinez	--	Huntington Park

It was moved by Joel Fajardo, seconded by Leticia Lopez, 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: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

**C. APPROVAL OF THE MINUTES OF THE MAY 31, 2022 BOARD OF DIRECTORS MEETING.**

It was moved by Emma Sharif, seconded by Eddie Martinez, and unanimously carried by the following roll call vote to approve the minutes of the May 31, 2022 Board of Directors meeting:

AYES: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

**D. APPROVAL/ADOPTION OF A BUDGET FOR THE 2023-24 FISCAL YEAR.**

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

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

It was moved by Gil Hurtado, seconded by Daniel Damian, and unanimously carried by the following roll call vote to approve/adopt the budget for the 2023-24 FY as follows:

AYES: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

**E. APPROVAL OF FINANCIAL ACCOUNTING FOR THE PERIOD JULY 1, 2022 TO JUNE 30, 2023.**

Staff referred those present to pages 20-21 of the agenda packet and provided a report on the receipts and expenditures for the period July 1, 2022 through June 30, 2023.

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

It was moved by Joel Fajardo, seconded by Emma Sharif, and unanimously carried by the following roll call vote to approve the financial accounting for the period July 1, 2022 to June 30, 2023:

AYES: Daniel Damian (Baldwin Park), Joel Fajardo (San Fernando), Gil Hurtado (South Gate), Leticia Lopez (Vernon), Eduardo Martinez (Huntington Park), Emma Sharif (Compton), Jose Solache (Lynwood)

NOES: None

ABSTAIN: None

ABSENT: None

**VI. COMMENTS FROM BOARD MEMBERS.**

Joel Fajardo recognized Sylvia Ballin's service on the San Fernando City Council and ICFA Board of Directors.

President Solache thanked everyone for their participation in ICFA Board of Directors meetings and for their support in electing him as President.

**VII. COMMENTS FROM STAFF.**

Staff referred those present to Page 22 of their agenda packet which contained a spread sheet of mobile home parks currently financed by ICFA.

A report was provided on a potential workforce housing program as well as a financing with Newstart Housing Corporation.

**VIII. ADJOURNMENT.**

There being no further business to be conducted, the meeting was adjourned at 12:18 p.m.

Respectfully submitted,

\_\_\_\_\_  
/s/  
Deborah J. Smith  
Executive Director



# Mortgage Credit Certificate Program

## Background

The Mortgage Credit Certificate (MCC) program is a federal income-tax credit available to eligible low- and moderate-income homebuyers. The MCC is a powerful financing tool that boosts homebuying power, increases household income, and addresses the racial wealth gap in California through expanded homeownership opportunities. Additionally, MCCs attract millions of dollars of private mortgage capital and leverages scarce local affordable housing subsidies.

The MCC program is made possible through an allocation of the State's tax-exempt financing authority to MCC issuers who administer local programs. There are eight MCC issuers that had active MCC programs prior to the allocation pause in 2019. Taken together, these issuers cover the entire State.

## Barriers to Home Ownership

The two principal barriers to homeownership low- and moderate-income households face are savings and affordability.

The savings barrier is the money needed for the down payment and closing costs. Fortunately, Fannie Mae, Freddie Mac, and FHA provide mortgage options that allow for down payments as low as 3% of the purchase price. And programs like those offered by Golden State Finance Authority and the California Housing Finance Agency provide additional help to cover the minimum down payment and even closing costs.

The affordability barrier is the gap between individual homebuying power and the actual price of a home. Throughout the country but especially in California, the affordability barrier is the biggest challenge low- and moderate-income buyers face. A variety of initiatives have been launched by state and local government, nonprofit housing organizations, and private entities designed to address the homeownership affordability barrier. In 1984 Congress established the Mortgage Credit Certificate as a federal program that boosts homeownership affordability.

The MCC program provides qualifying homebuyers with a federal income tax credit at the time they purchase a home. With the issuance of the MCC, the homeowner is then entitled to take a federal income tax credit based on 20% of the mortgage interest paid each year. The tax credit is a dollar-for-dollar reduction in the homebuyer's federal tax liability and it is taken at the time that the homeowner files their federal tax return each year.

While the income tax credit is an important benefit, the MCC also boosts homebuying power. Underwriting rules approved by Fannie Mae, Freddie Mac, and FHA allow the inclusion of the annual MCC tax credit as qualifying income on the homebuyer's mortgage loan application. This additional income increases the homebuyers borrowing power and thereby addresses the affordability barrier.

## How the Program Works

To be eligible for an MCC, the applicant and their household must meet the following criteria:

1. Occupancy - The property being purchased must be an owner-occupied primary residence, continued owner-occupancy is required in order to claim the MCC income tax credit.
2. First-Time Homebuyer- Applicants may not have owned a home in the last three years, unless the home being purchased is located in target area or if the applicant is a qualified veteran.
3. Income Limits - The MCC program is designed for both low-moderate-income households. Income limits are based on household size and location.
4. Sales Price Limits - Sales Price limits are based on the location of the home.

It is important to note that Mortgage Credit Certificates provide the benefits described above in all interest rate environments. Additionally, the MCC benefit can be reissued and retained by the homeowner when they refinance to a lower interest rate.

Here are three examples based on a composite of recent buyer profiles:

Buyer Profile:	Single mother with two children purchasing a home in Los Angeles
Financial Situation:	\$75,000 in qualifying income, low debt, good credit, eligible for down payment assistance from the City of Los Angeles
Buying Power Without MCC:	\$450,000.00
Buying Power With MCC:	\$485,000.00

*This example assumes a conventional loan at 7.00% with the buyer contributing a 1% down payment and receiving \$161,000 in down payment help from the City of Los Angeles and a 20% MCC offered through the City of Los Angeles. The monthly income benefit from the MCC is \$337.16 added to the borrower's loan application.*

Buyer Profile:	Family of four purchasing a home in Fresno County
Financial Situation:	\$98,000 in qualifying income, \$350 monthly debt, using GSFA's Platinum Program for down payment and closing cost assistance.
Buying Power Without MCC:	\$485,000
Buying Power With MCC:	\$525,000

*This example assumes an FHA loan at 7.25% with the GSFA Platinum program covering the 3.5% down payment requirement and most closing costs, the borrower will receive 20% MCC through GSFA that provides a \$595.10 monthly income benefit to the borrower's loan application.*

Buyer Profile:	Two-buyers purchasing a home together in Sacramento
Financial Situation:	\$115,000 in qualifying income, no debt, can contribute a 5% down payment and cover closing costs from their own funds.
Buying Power Without MCC:	\$545,000
Buying Power With MCC:	\$585,000

*This example assumes a conventional loan at 7% with a 20% MCC through the Sacramento Housing Redevelopment Agency that provides a \$604.04 monthly income benefit*

In addition to the increased homebuying power at the time of purchase, the MCC generates significant income tax savings over the life of the loan that contributes to household wealth and financial stability. The chart below demonstrates the total tax savings at 1, 5, 10, and 30 years.

Purchase Price	\$450,000	Year 1 Tax Credit Value	\$6,049
Minus 10% Down Payment	\$45,000	Year 5 Tax Credit Value	\$5,789
Loan Amount	\$405,000	Total saved on taxes to date = \$29,621	
Multiplied by Interest Rate	7.50%	Year 10 Tax Credit Value	\$5,332
Annual Interest Payment	\$30,248	Total saved on taxes to date = \$57,267	
Multiplied by Tax Credit Percentage	20%	Total saved at the end of 30 years = \$122,890 plus most of the standard mortgage interest and property tax deductions.	
Year 1 MCC Value	\$6,049		

### **Benefits of Homeownership**

The benefits of homeownership to individuals, families, and neighborhoods are numerous and well documented (See Attachment 1) and are summarized as follows:

- 1. Homeownership is a wealth-building powerhouse.** Owning a home is the primary way low-income households can build wealth and transition to middle-income brackets. Unlike rent, every monthly mortgage payment increases the homeowner’s financial stake in the home. Home equity can be used to support a comfortable retirement, start a business, fund a college education, and is available in times of financial crisis.
- 2. Homeownership stabilizes and improves neighborhood conditions.** High rates of homeownership in a neighborhood are highly correlated with lower crime rates, improved school test scores, and greater participation in life of the community.
- 3. Homeownership supports workforce housing.** Local governments throughout California understand that the expansion of affordable homeowner opportunities is an essential element in any strategy designed to attract and retain workers, especially people working in education, public safety, and health services.
- 4. Homeownership responds to the challenges of gentrification.** Long-term residents in a gentrifying neighborhood who become stakeholders through homeownership will share in its economic growth and at the same time preserve the character and traditions that have defined that neighborhood.
- 5. Homeownership is an affordable and stable housing option.** In many cases the all-in monthly housing expense of owning a home is lower than a comparable rent payment. Furthermore, a homeowner’s housing expense is fixed, and overtime it generally becomes a smaller percentage of the household income. Additionally, homeowners have greater protections against loss of housing during an economic downturn and more options and benefits if retention of the home is not feasible.

**6. Homeownership supports economic justice.** California’s Black homeownership rate is lower now than it was in 1960s and in 2019 just 41% of Black California households own their home compared to 68% of White households. This disparity means that significantly more Black households in California lack access to homeownership’s wealth-building power and its attendant social benefits. Homeownership should not be an elite activity but available to all hardworking individuals and families including low - and moderate-income households.

Created for the California Debt Limit Allocation Committee by:

Peter Tran, Director of Operations  
Golden State Finance Authority  
in Homeownership (855) 740-8422  
ptran@rcrcnet.org

Matthew Callahan  
Southern California Partners  
(213) 267-4631  
matt@homecenterla.co



## Benefits of Restoring Funding to California's Mortgage Credit Certificate (MCC) Program

- MCC boosts home buying power for both low- and moderate-income buyers by adding qualifying income to the borrower's loan application.
- The net impact of the MCC benefit to the homebuyer is a half to full point interest rate reduction which is very important in today's high interest rate environment.
- MCCs leverage millions of dollars of private mortgage capital.
- Because MCCs increase mortgage capacity, it reduces the demand on local affordable housing subsidies or allows those subsidies to go further in boosting buying power.
- MCCs support local workforce housing efforts by incentivizing moderate-income buyers including public safety employees, teachers, and others to purchase a home in the communities where they work.
- MCCs help low-income residents of neighborhoods experiencing gentrification purchase a home and become a stakeholder in their neighborhoods.
- MCCs are a very efficient use of the State's tax-exempt financing authority because there are no issuer fees, bond counsel costs, investment banking charges, underwriting fees, or other costs that burden the use of this resource.
- MCCs can be deployed quickly in local communities and the allocations fully used within the required time period.
- By reinstating funding for the MCC program, the California Debt Allocation Committee will help balance the State's affordable housing program with a renewed focus on single-family homeownership, the type of housing that lowincome individuals and families most desire.
- Expanding homeownership opportunities through the MCC program helps lowincome households build wealth and creates economic stability and opportunity, and helps overcome the racial wealth gap in California.

### **For More Information:**

Matthew Callahan  
506 S Spring St # 13308 - SMB # 29262  
Los Angeles, CA 90013 (213)  
267-4631 - phone / text  
matt@homecenterl.com - email

**THIRD AMENDMENT TO ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN THE  
INDEPENDENT CITIES FINANCE AUTHORITY  
AND  
SMITH, ALVAREZ & CASTILLO, INC.**

This Third Amendment to Administrative Services Agreement (the "Agreement") is entered into between the Independent Cities Finance Authority and any of its related entities, including the Independent Cities Finance Corporation (collectively, the "Authority") on the one hand, and Smith, Alvarez & Castillo, Inc., a California corporation ("Contractor") on the other.

RECITALS

WHEREAS the Authority and Contractor entered into that certain Administrative Services Agreement dated July 31, 2013 (the "Original Agreement") for the provision of administrative and other related services to the Authority; and

WHEREAS the Original Agreement was for a term of three years, ending on June 30, 2016; and

WHEREAS, in June 2016, the Authority and the Contractor entered into the First Amendment to the Original Agreement and extended the Original Agreement by a term of three (3) years through June 30, 2019; and

WHEREAS, in October 2016, the Authority and the Contractor entered into the Second Amendment to the Original Agreement and extended the Original Agreement by an additional term of five (5) years through June 30, 2024 and provided for an automatic adjustment to the compensation due under the Agreement; and

WHEREAS, the Authority and the Contractor desire to extend the term of the Original Agreement for an additional three (3) years, through June 30, 2027; and

WHEREAS, the Authority and the Contractor desire to amend the automatic compensation adjustment under Section 2 of the Original Agreement commencing in the second year of this three-year additional term, without changing any of the other terms of the Original Agreement.

AGREEMENT

NOW, THEREFOR, the Authority and the Contractor hereby agree as follows:

Section 1. Extension of Term. Section II of the Original Agreement is hereby amended to read in its entirety as follows:

" II. TERM OF CONTRACT

This Agreement shall be effective as of July 1, 2013. The term of this Agreement shall be for fourteen (14) years, through June 30, 2027, unless sooner terminated or extended by the parties as set forth in this Agreement.

This Agreement is subject to early termination as provided in Section XIX. This Agreement may be extended upon the mutual consent of both of the parties hereto."

Section 2. Annual Adjustments. Section XIII of the Original Agreement related to compensation is hereby amended in its entirety to read as follows:

"XIII. FINANCIAL TERMS

For its services hereunder, Contractor will be paid the following fees:

\$235,686 per year or \$19,640.50 per month. Commencing on July 1, 2025, in recognition of the general increase in the cost of doing business, the parties agree to an annual increase in the monthly retainer as of July 1<sup>st</sup> of each year hereafter (commencing July 1, 2025), in an amount equal to the annual cost of living adjustment as set by the Consumer Price Index for the Los Angeles- Long Beach-Anaheim area, as determined by the U.S. Department of Labor, Bureau of Labor Statistics."

Section 3. No Other Amendments. All of the remaining terms of the Original Agreement remain in full force and effect and no other amendments are intended by this Agreement.

IN WITNESS HEREOF, the parties hereto have executed this Agreement on this \_\_\_\_ day of June 2024.

**INDEPENDENT CITIES FINANCE  
AUTHORITY**

\_\_\_\_\_  
Jose Solache  
President

**SMITH, ALVAREZ & CASTILLO, INC.**

\_\_\_\_\_  
Deborah J. Smith  
President

\_\_\_\_\_  
Secretary



**ADMINISTRATIVE SERVICES AGREEMENT  
BETWEEN THE  
INDEPENDENT CITIES FINANCE AUTHORITY  
AND  
SMITH, ALVAREZ & CASTILLO, INC.**

This Administrative Services Agreement (the "Agreement"), is entered into between the Independent Cities Finance Authority and any of its related entities, including the Independent Cities Finance Corporation (collectively, the "Authority") and Smith, Alvarez & Castillo, Inc., a California corporation ("Contractor").

I. EMPLOYMENT

The Authority shall appoint Contractor as Executive Director of the Authority and shall notify all agencies, members, and firms doing business with the Authority of such appointment and that Contractor is authorized to conduct Authority business.

Contractor shall devote such time, interest, and effort to the performance of the duties as may be reasonably necessary to fulfill the requirements contained herein. Contractor agrees to perform such services to the best of its ability, in an efficient and competent manner consistent with the standards of the profession.

II. TERM OF CONTRACT

This Agreement shall be effective as of July 1, 2013. The term of this Agreement shall be for three (3) years, through June 30, 2016, unless sooner terminated or extended by the parties as set forth in this Agreement.

This Agreement is subject to early termination as provided in Section XIX. This Agreement may be extended following the initial period for any length of time, upon the mutual consent of both of the signatories hereto. Extension of this Agreement is subject to additional fees to be negotiated at the time the Agreement is extended.

III. ADDRESS

Contractor will maintain an Authority office at 41900 Bonita Drive, Palmdale, California 93551 (Post Office Box 6740, Lancaster, California 93539-6470).

IV. PRINCIPAL STAFF

As the official representative of Contractor, Deborah J. Smith will be appointed as the Executive Director.

V. SERVICES TO BE PROVIDED

This Agreement is entered into with specific, but not exclusive, reference to housing programs anticipated to be offered as well as ongoing obligations of the previous programs of the Authority. The services to be provided by Contractor are as follows:

- A. Facilitate the Authority serving as bond issuer for non-profit corporations.
- B. Continue the partnering concept with Millennium Housing Corporation and other similar groups, secure participation, facilitate planning meetings and facilitate approval of all bond issues.
- C. Assist in identifying and selecting consultants and professional services, as required, and coordinate all such professional services agreements.
- D. Assist in coordinating the preparation of all necessary legal documents, i.e. the distribution to public entity participants, and timely execution and return.
- E. Arrange for marketing of all Authority programs.
- F. Prepare agendas and agenda back-up materials and staff all Board of Directors/Executive Committee meetings and other meetings as determined by the Board of Directors any other requirements for the Executive Director as set forth in the ICFA Joint Powers Agreement and Bylaws.
- G. Facilitate required governmental filings.
- H. Provide assistance to the Authority's Treasurer regarding the Authority's financial affairs, including the preparation of the annual budget as set forth in the ICFA Bylaws.

- I. See Section XVI for the distribution of responsibilities relating to accounting and banking, and collection of fees.
- J. No additional services shall be rendered by Contractor unless such services shall be first authorized in writing by the Authority and funds have been appropriated and authorized for such additional services.
- K. In the event that the Authority, after approval of additional programs, authorizes Contractor to perform such additional services, then Contractor shall be paid an additional fee agreed upon by both parties for the extra work performed thereby.
- L. Other duties and functions as shall, from time to time, be assigned by the Board.
- M. Conduct the day-to-day administration, management and operation of the Authority, including, without limitation, coordination of the Authority's programs and activities.

VI. TELEPHONE

The existing ICFA number will be utilized.

VII. STATIONERY

Letterhead will be provided by the Authority.

VIII. PAPER, SUPPLIES, POSTAGE, TRAVEL, AND CLERICAL ASSISTANCE

Not including official letterhead, Contractor will provide all other paper, supplies, postage, clerical assistance, and other necessary supplies and services as part of the fee set forth in Section XIII of this Agreement. Contractor will not bill the Authority for additional expenditures, except as specifically authorized herein or as authorized by the Board of Directors in Section IX below.

IX. EXPENSE REIMBURSEMENTS

Notwithstanding Section VIII above, Contractor shall be reimbursed for reasonable business expenses, not

including mileage for driving incurred during the performance of its duties as Executive Director. Contractor must provide copies of receipts or other detail to the Board of Directors prior to receiving reimbursement of any business expenses.

X. EQUIPMENT, UTILITIES, AND FACILITIES

Contractor will provide equipment, utilities, and facilities as part of the fee set forth in Section XII of this agreement. Contractor will not bill the Authority for additional expenditures, except as specifically authorized herein or as authorized by the Board of Directors.

XI. MAINTENANCE OF RECORDS

All Authority records, with the exception of certain financial and investment records, will be maintained in the offices of Contractor on a permanent basis and will be available for inspection during normal office hours, upon reasonable notice. However, all such records shall remain the property of the Authority. Should this Agreement be terminated or discontinued, the records will be transferred to the Authority within thirty (30) working days of the date of such termination.

XII. SUBCONTRACTS AND VENDORING

Contractor may subcontract to another firm, individual, or vendor any service outlined in this Agreement, with prior Board of Directors' approval. Printing, copying, preparation of graphics, and other services/activities not normally conducted in-house are not considered to be a service outlined in this Agreement and do not require prior Board of Directors' approval so long as these funds are available and authorized in the ICFA budget.

XIII. FINANCIAL TERMS

For its services hereunder, Contractor will be paid the following fees:

\$225,000 per year or \$18,750.00 per month. In recognition of the general increase in the cost of doing business, the parties agree to an increase in the monthly retainer as of July 1<sup>st</sup> of each year hereafter (commencing July 1, 2014), in an amount equal to five percent (5%).

XIV. COST OVERRUNS

Contractor will not bill the Authority for any operational/management expenditures in addition to the fees stated in Section XIII of this Agreement. However, Contractor will also not be required to make any expenditures for non-operational/management activities such as trophies, plaques, resolutions, name tags, dinners, luncheons, banquets, speakers, speakers' expenses, etc. Contractor will also not be required to front money for the organization or cities, i.e. pay bills and be reimbursed later. (If financial liabilities are incurred by Contractor to expedite the activities/items noted in this Section, said expenditures shall be reimbursable over and above the fee specified in Section XIII of this Agreement.)

XV. TERMINATION

A. Termination Not for Cause

In the event Contractor is terminated without cause during the term of this Agreement, and at such time as Contractor is willing and able to perform his duties under this Agreement, Authority shall pay to Contractor a severance payment ("Severance Payment") equivalent to three (3) months of Contractor's then-current salary as described in Section XIII of this Agreement. The Severance Payment shall be Contractor's sole remedy for a termination without cause. The Severance Payment shall be paid as directed by the Authority's Board of Directors after Contractor executes a waiver and release agreement prepared by the General Counsel.

B. Termination for Cause

If Contractor is terminated for cause, then Contractor shall not be entitled to any severance benefits. Termination shall be for "cause", and for the purpose of this paragraph, shall mean only if Contractor: (i) refuses or fails to act in accordance with any specific direction or order of the Board of Directors, after a majority of the Council has provided Contractor an opportunity to reconsider its refusal or failure to act; (ii) exhibits misconduct or dishonesty in regard to its employment; (iii) is convicted of a misdemeanor or felony crime, including but not limited to, crimes involving moral turpitude as defined by relevant case

law substantially related to the functions and duties of the Executive Director; (iv) steals or embezzles; (v) unlawfully discriminates against any person; (vi) commits gross insubordination to the Board of Directors; (vii) willful destroys property or public documents; (viii) has repeated unexcused absences or any other significant acts or omissions determined by the Board of Directors to render the Contractor unfit to continue his employment with the Authority; (ix) willful unauthorized taking of Authority funds or property; (x) failure to carry out the primary duties and responsibilities of his position for a period in excess of 30 days (but excluding time periods when Contractor is disabled or on authorized leave) (xi) death; (xii) indictment by a state or federal grand jury,; (xiii) conviction of a felony, or (xiv) gross misconduct.

#### C. Resignation

If Contractor desires to voluntarily resign its position, it will provide the Board of Directors with at least thirty (30) calendar day notice in writing. In the event Contractor resigns from its employment with the Authority, the Contractor shall not be entitled to any severance pay.

#### D. Death

In the event Ms. Smith as the appointed Executive Director dies or resigns without 30 day notice during the term of this Agreement, the Contractor shall not be entitled to any severance pay and this Agreement shall be automatically terminated.

### XVI. ACCOUNTING AND BANKING

The appointed Treasurer of the Authority will be responsible for developing specific policy relating to investments and said policy will be adopted by the Governing Board.

Required and/or desired audits, annual reports, and other financial record-keeping will be the responsibility of a Certified Public Accountant to be retained by the Authority.

It is understood that the financial record keeping process will be reviewed periodically by the Board of Directors.

The Authority covenants and agrees to hold Contractor harmless from any liability directly or indirectly related to late payment or non-payment of any fees related to The Authority.

The Authority also covenants and agrees to hold Contractor harmless from any liability directly or indirectly resulting from a claim against any individual member of the Authority or Authority itself.

XVII. COLLECTION OF FEES

All Authority bills relating to ICFA programs and activities will be paid by the Authority solely through proceeds received.

XVIII. COMMUNICATIONS, GRIEVANCES, AND DISAGREEMENTS

All disagreements, complaints, and alleged improprieties between the Authority and Contractor will be resolved through negotiation between the governing body and/or the designated representative(s) of the governing body and the President of Contractor and/or his/her designated representative(s).

Should any litigation occur relating to the enforcement and/or interpretation of this Agreement or any part thereof, the prevailing party shall be entitled to reasonable attorneys' fees. The determination of whom, if anyone, is the prevailing party as well as what shall constitute reasonable attorneys' fees shall be made by the judge presiding over said litigation.

XIX. DISCONTINUATION OF CONTRACT

The initial term of this Agreement will be as set forth in Section II above. This Agreement may be terminated at any time by either the Authority or Contractor upon not less than sixty (60) days prior written notice to the other. This Agreement may be extended from time to time pursuant to the provisions of Section II.

XX. CONTRACT RESTRICTIONS

The Authority will not assign to Contractor and Contractor assumes no responsibility for or obligation respecting actions and/or the omission of required actions by the Authority, including but not limited to:

any State and/or Federal-tax obligations; any requirements of the Information Practices Act of 1977 and/or the Political Reform Act, including the failure of any Board Member, Alternate, or Committee Member to file an entering office statement, annual statement, or leaving office statement required by the Authority's Conflict of Interest Code; any failure to file appropriate documents with the State and/or Federal government regarding the status of the Authority; and any failure to file lobbying information reports.

The responsibility of advising the Board of Directors regarding the aforementioned legal matters and others not specifically set forth herein lies with the Authority's legal counsel.

Contractor will serve as the facilitator for the above matters, pursuant to the direction of the Authority.

XXI. HOLD HARMLESS FROM LIABILITY

Contractor agrees to hold the Authority free and harmless from any and all liability and claims for damages by reason of any injury to person or persons including, but not limited to, Contractor's employees/agents, or property of any kind whatsoever and to whomsoever belonging including, but not limited to, Contractor's employees/agents, from any cause or causes whatsoever arising from the performance by Contractor of its obligations under the provisions of this Agreement; provided, however, that Contractor shall not be liable to the Authority for any injury to persons or property to the extent it results from the negligence, action or non-action of the board of directors of the Authority.

XXII. LIABILITY ERRORS AND OMISSIONS

The Authority agrees to provide general liability, directors and officers, or errors and omissions liability insurance to Contractor naming Contractor as a named insured at the Authority's expense, or specifically indemnify Contractor from any general liability, directors or officers, or errors and omissions liability incurred under the terms of this Agreement. Should the Authority obtain other insurance related to the exposures of the Authority, it agrees to name Contractor as an additional insured on each other insurance, as well as for claims incurred under the terms of this Agreement.



XXIII. INSURANCE

Should Contractor hire subcontractors to perform any portion of the work contemplated by this contract, Contractor shall obtain, and maintain in full force and effect, workers' compensation insurance covering said subcontractors at Contractor's expense. Contractor shall hold the Authority harmless against any liability which it may incur toward said subcontractors, specifically, including liability for the payment of workers' compensation benefits.

XXIV. NOTICES

All notices that may or are required to be given pursuant to this Agreement may be served by mail or in person on Contractor at Post Office Box 6740, Lancaster, California 93539-6740 or at such other address as Contractor may designate in writing, and to the Authority by and through the then current President of the Authority at the President's business address.

XXV. ENTIRE AGREEMENT

The Authority and Contractor each binds itself, its partners, successors, assigns and legal representative to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Authority nor Contractor shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other, which consent the other is under no obligation to give.

This Agreement constitutes the entire agreement of the parties and it supersedes all prior or contemporaneous negotiations and agreements of the parties, whether written or oral, with respect to the employment of Contractor by ICFA, and contains all of the covenants and agreements between the parties with respect to the employment of Contractor by ICFA.

XXVI. BONDING

ICFA shall bear the full costs of any fidelity or other bonds required of the Contactor under any law or ordinance.

XXVII. GENERAL PROVISIONS

1. Each party agrees and acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on either party.
2. Any modification of this Agreement will be effective only if made in writing and signed by both Contractor and ICFA.
3. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
4. This Agreement shall be governed by and construed in accordance with the law of the State of California.
5. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement.
6. Contractor acknowledges that it has had the opportunity to consult legal counsel in regard to this Agreement, that it has read and understands this Agreement, that it is fully aware of its legal effect, and that it has entered into it freely and voluntarily and based on its own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS HEREOF, the parties hereto have executed this amended Agreement on this 31st day of July 2013.

**INDEPENDENT CITIES FINANCE  
AUTHORITY**

\_\_\_\_\_/s/  
W. Michael McCormick  
President

**SMITH, ALVAREZ & CASTILLO, INC.**

\_\_\_\_\_/s/  
Deborah J. Smith  
President

**INDEPENDENT CITIES FINANCE AUTHORITY  
2024-25 FY BUDGET**

PURPOSE	2023-24 ESTIMATED	2023-24 ACTUAL	2024-25 ESTIMATED
<b><u>RECEIPTS</u></b>			
Manufactured home community financings and other financings (at issuance)	\$ 80,000	\$ -0-	\$ 40,000
Manufactured home community financings and other financings (annual fees)	300,000	325,000	315,000
Interest	6,500	14,400	12,000
MASH Program	9,500	10,500	11,000
<b>TOTAL RECEIPTS</b>	<b>\$396,000</b>	<b>\$349,900</b>	<b>\$378,000</b>
<b><u>EXPENDITURES</u></b>			
Board Member Stipends & Expenses	\$ 3,000	\$ 1,100	\$ 3,000
Staff Services	240,000	232,000	236,000
Legal Services	50,000	43,000	45,000
Audit Services	25,000	25,000	25,000
Administrative/Miscellaneous	12,000	10,000	10,000
Community Outreach Program	22,500	15,000	15,000
Public Relations/Marketing	5,000	2,500	10,000
Sponsorships/Conferences	10,000	7,000	10,000
ICFA Educational Seminars	2,500	-0-	5,000
MASH Program	-0-	-0-	-0-
Program Reserves	26,000	14,300	19,000
<b>TOTAL EXPENDITURES</b>	<b>\$396,00</b>	<b>\$349,900</b>	<b>\$378,000</b>
<b>BALANCE</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**INDEPENDENT CITIES FINANCE AUTHORITY  
BUDGET NOTES  
2024-25 FY**

<b>RECEIPTS:</b>	
Manufactured home community financings and other financings in California (at issuance)	Estimated \$20,000,000 of financings; ICFA receives 20 basis points at issuance
Manufactured home community financings and other financings in California (annual fees)	ICFA receives 10 basis points on outstanding balance annually
Interest	ICFA receives interest on monies in LAIF
MASH Program	ICFA receives \$350+ counterparty fee per mobile home park
<b>EXPENDITURES:</b>	
Board Member Stipends	Elected Board Members receive \$150 per meeting
Staff Services	Executive Director fee
Legal Fees	General Legal Counsel – Monthly retainer plus special work
Audit Services	Auditor/Accountant fees
Administrative/Miscellaneous	Insurance and miscellaneous expenses
Community Outreach Program	\$7,500 per eligible Board Member
Public Relations/Marketing	ICFA newsletters/email blasts, marketing efforts, website maintenance, assistance with seminars, etc.
Sponsorships/Conferences	Sponsorship fees and attendance at conferences
Educational Seminars	Educational conference(s) and webinars throughout the year
MASH Program	Expenses related to MASH Program
Program Reserves	Program reserves

**AVAILABLE REVENUE:**

ICFA will enter the 2024-25 FY with assets of approximately \$750,000 net.

# INDEPENDENT CITIES FINANCE AUTHORITY

## STATEMENT OF INVESTMENT POLICY

### **PURPOSE**

This statement is intended to provide guidelines for the prudent management of the Independent Cities Finance Authority (ICFA) funds and outline the policies and procedures for optimum efficiency of the Authority's investment program. The ultimate goal is to enhance the financial position of the Authority while protecting the safety of its funds.

### **OBJECTIVE**

In accordance with California Government Code Section 53600.5, the primary objective of ICFA's investment program shall be to safeguard its principal. The secondary objective shall be to meet its liquidity needs. The third objective shall be to maximize the rate of return while safeguarding principal and maintaining the liquidity needs of ICFA.

### **PRUDENT PERSON STANDARD**

ICFA's investments are governed by the prudent investor standard, as set forth in Section 53600.3 of the California Government Code, and restated below:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall investment strategy, a trustee is authorized to acquire investments as authorized by law.

### **INVESTMENT PROGRAM**

- A. Investment of funds is governed by California Government Code Section 53600 et seq., a copy of which is attached to this policy as Exhibit A. Non-bond proceeds may be invested in the State of California's Local Agency Investment Fund (LAIF).
- B. Investment of bond proceeds is governed by the bond document, which supersedes the California Government Code in the case of bond proceeds. Bond proceeds shall be held by a trustee bank.
- C. The ultimate responsibility for the investment of ICFA's funds shall reside with the Board of Directors. The Executive Director is designated as the staff member responsible for the day-to-day investment of ICFA funds, provided the Board may retain professional investment advisers pursuant to Section D below.

- D. The Board of Directors may allocate its funds to professional investment advisers in a manner consistent with ICFA's objectives. Such advisers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such advisers must be registered under the Investment Advisers Act of 1940 and shall enter into a written agreement for this service with ICFA.
- E. Investment securities and cash shall be held in a bank custody account in the name of ICFA.
- F. All investments shall be made as "delivery vs. payment" transactions.
- G. All funds under the care and control of ICFA shall be invested in a local bank and the State of California Local Agency Investment Fund (LAIF) until such time as the Board of Directors or Executive Committee authorizes investment in other vehicles.

### **INVESTMENT STRATEGY**

- A. To the extent possible, ICFA's investments shall be structured to attain a duration approximately equal to the duration of ICFA's liabilities, and to provide sufficient liquidity from maturing investments to meet ICFA's operating cash flow requirements.
- B. With the assistance of its investment adviser (if applicable) and other consultants, ICFA will select a segment of the fixed income market (an "index") with a duration approximately equal to the duration of ICFA's liabilities as its benchmark.
  - 1. The performance objective of the portfolio is to achieve a return over a market cycle equal to or better than the return on the benchmark.
  - 2. The duration of the fund shall be maintained within a range of 20% of the duration of its benchmark index.
- C. Funds that are paid to ICFA for paying administrative expenses shall be invested by the Executive Director in a bank or in the State of California Local Agency Investment Fund (LAIF).

### **DIVERSIFICATION REQUIREMENTS**

- A. ICFA is subject to all the diversification requirements described in California Government Code, Section 53600 et seq.
- B. With the exception of securities issued by the U.S. government and its agencies, no more than 5% of the portfolio may be invested in securities of any one issuer.
- C. No individual holding shall constitute more than 5% of the total debt outstanding of any issuer.

## **REPORTING AND REVIEWS**

- A. In accordance with the reporting requirements of the California Government Code, the Executive Director will provide a quarterly report to the Board of Directors providing the following information:
1. Breakdown of all securities, investments and moneys held by ICFA by investment type, issuer, date of maturity, par, dollar amount and percent of portfolio invested in each.
  2. A description of all the local agency's funds, investments or programs that are under the management of any outside party that is not a local agency. This report must also include market valuation of the portfolio and the source of the valuation.
  3. A statement of compliance with investment policy and a statement denoting the ability of ICFA to meet its expenditures for the next six months.
- D. The investment adviser (if applicable) shall ensure a duplicate confirmation is provided to ICFA by the securities broker.
- E. The investment adviser (if applicable) shall provide the ICFA Executive Director with a copy of its order memorandum on the date of each investment transaction.
- F. The Treasurer of ICFA shall receive copies of all monthly reports furnished by the investment manager (if applicable) and by the trustee.
- G. Portfolio reviews:
1. The investment adviser (if applicable) shall meet at least annually with the Board of Directors to review account activity, economic conditions and investment performance.
  2. The investment adviser (if applicable) shall be available to meet quarterly with ICFA's Executive Director and Treasurer.

## **ANNUAL SUBMISSION OF INVESTMENT POLICY**

The ICFA Executive Director shall render a statement of investment policy to the Board of Directors every two years. The Board shall consider the policy, with any changes, in a public meeting.



**MOBILE HOME PARKS CURRENTLY FINANCED BY ICFA**  
**Affordable Housing Numbers**

NAME OF PARK	NO. UNITS	NO. VL REQ.	NO. VL ACT.	NO. L ACT.	ADDRESS OF PARK	ISSUANCE DATE	ISSUANCE AMOUNT	ISSUER
Castle Mobile Estates	108	22	75	22	1099 38 <sup>th</sup> Avenue, Capitola	07-11 05-21	\$ 8,985,000 \$10,215,000	Millennium Housing
Pillar Ridge Mobile Home Park	227	45	188	26	164 Calebra Lane, Moss Beach	07-04 05-14	\$31,765,000 \$30,380,000	Millennium Housing
Grandview East	110	22	79	12	12655 2 <sup>nd</sup> Street, Yucaipa	04-12	\$ 6,795,000	Millennium Housing
Rancho del Sol	114	23	76	21	12361 4 <sup>th</sup> Street, Yucaipa	12-21	\$ 7,890,000	
Hacienda Valley Estates	166	33	132	22	275 Burnett Avenue, Morgan Hill	11-04 11-14	\$12,235,000 \$10,415,000	Millennium Housing
Las Casitas de Sonoma	126	25	71	37	7545 Bridgit Drive, Rohnert Park	01-12	\$23,520,000	Millennium Housing
Rancho Feliz	297	59	171	82	6607 Redwood Drive, Rohnert Park	09-22	\$20,095,000	
Millbrook Mobile Home Village	82	16	69	21	3404 North Millbrook, Fresno	01-13 12-17	\$ 6,100,000 \$ 4,700,000	Millennium Housing
Palomar East Estates	372	74	236	85	650 South Rancho Santa Fe Road, San Marcos	04-15	\$14,590,000	Millennium Housing
Palomar West Estates	474	95	248	135	1930 West San Marcos Boulevard, San Marcos	04-15	\$21,235,000	Millennium Housing
Rancho Vallecitos Mobile Estates	340	68	213	85	3535 Linda Vista Drive, San Marcos	04-13	\$21,475,000	Millennium Housing
Sahara Mobile Home Park	254	51	89	73	1955 South Camino Real, Palm Springs	05-12 06-21	\$11,845,000 \$12,395,000	Millennium Housing
San Juan Mobile Estates	312	62	158	87	32302 Alipaz Street, San Juan Capistrano	06-06 07-15	\$39,910,000 \$37,235,000	Millennium Housing
Santa Rosa Leisure Mobile Home Park	182	36	88	58	2185 Occidental Road, Santa Rosa	08-06 11-16	\$19,510,000 \$14,160,000	Millennium Housing
The Woods Mobile Home Park	260	52	85	93	1001 Sylmar Avenue, Clovis	10-16	\$30,350,000	Millennium Housing
Union City Tropics	544	109	372	108	33000 Almaden Boulevard, Union City	05-19	\$34,715,000	Millennium Housing
Vista de Santa Barbara	124	25	62	33	6180 Via Real, Carpinteria	09-13 09-21	\$14,680,000 \$15,070,000	Millennium Housing
Westlake Mobile Home Park	330	66	144	94	2706 West Ashlan, Fresno	05-03 04-07 12-17	\$15,180,000 \$16,750,000 \$17,330,000	Millennium Housing
Lamplighter Mobile Home Park	251	50	178	54	255 East Bolivar Street, Salinas	Refinanced from an ICFA financing into a Fannie Mae Loan in 03-20 – Regulatory Agreement with ICFA in place		Millennium Housing
NAME OF PARK	NO. UNITS	NO. VL REQ.	NO. VL ACT.	NO. L ACT.	ADDRESS OF PARK	ISSUANCE DATE	ISSUANCE AMOUNT	ISSUER
Hacienda Mobile Estates	204	41	112	61	4361 East Mission Boulevard, Montclair	08-12	\$20,125,000	Augusta Communities
Monterey Manor Mobile Estates	140	28	76	31	11250 Ramona Avenue, Montclair	05-22	\$20,760,000	
Villa Montclair Mobile Home Park	96	19	65	20	5580 Moreno Street, Montclair		(Montclair Parks)	
Valley View Mobile Home Park	77	15	59	15	12995 6 <sup>th</sup> Street, Yucaipa			
Rancho Robles	170	34	136	13	26814 South Mooney Boulevard, Visalia	01-16 11-21	\$11,675,000 \$10,825,000	Augusta Communities
<b>TOTAL UNITS</b>	<b>5360</b>	<b>1070</b>	<b>3182</b>	<b>1288</b>				

VL – Very Low

L - Low

NOTE: All Mobile Home Parks require 20% of the units to be Very Low Income

**MISCELLANEOUS FINANCINGS BY ICFA**

PROJECT	ADDRESS OF PROJECT	ISSUANCE DATE	ISSUANCE AMOUNT
City of Compton	Measure M, Measure R & Proposition C Receipts	03-21	\$37,120,000 Sales Tax Revenue Bonds
Alliance For College-Ready Public Schools Broadway Project	211 South Avenue 20, Los Angeles	11-18	\$15,012,675 Qualified School Construction Bond – Optional Redemption and Remarketing
Planada Community Services District	Wastewater Treatment Plant	03-12	\$ 3,175,000 Wastewater Revenue Notes
Downey Regional Medical Center-Hospital, Inc.	11500 Brookshire Avenue, Downey	02-12	\$21,660,000 Hospital Revenue Bonds
Alliance For College-Ready Public Schools Broadway Project	211 South Avenue 20, Los Angeles	11-11	\$15,012,675 Qualified School Construction Bonds

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