

**STAFF REPORT**  
**City of Lancaster, California**

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Date: February 13, 2007

To: Mayor Hearn and City Council Members

From: Elizabeth Brubaker, Director of Housing and Neighborhood Revitalization

Subject: **TEFRA Hearing for the Issuance of Multifamily Housing Revenue Refunding Bonds, Series 2007A&B in an aggregate principal amount not to exceed \$13,000,000**

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**Recommendation:**

Adopt Resolution No 07-23, approving the issuance by the Lancaster Financing Authority of Multifamily Refunding Revenue Bonds, Series 2007A&B, and making certain determinations relating thereto.

**Fiscal Impact:**

None. The proposed multifamily revenue refunding bond issue is not a debt of the City of Lancaster, or of the Lancaster Financing Authority. The Agency is serving only as a conduit issuer. The proposed issuance of the Series 2007A&B Bonds will refund the Lancaster Housing Authority's Lease Revenue Refunding Bonds (Brierwood Mobilehome Park Project), Issue of 1999 and the Lancaster Redevelopment Agency's Mobile Home Park Revenue Bonds (Desert Sands Mobile Home Park Project), Series 1997 A.

**Background:**

On November 3, 2006, the Agency received a Letter of Intent from Oasis National Inc. a California non-profit Corporation for the acquisition of Brierwood Mobile Home Estates and Desert Sands Mobile Home Estates. Oasis National is a non-profit organization chartered to preserve affordable housing through the ownership of manufactured home communities. Their proposal will cause the following:

- defeasance of the current 1999 Brierwood MHP Lease Revenue Refunding Bonds and the 1997 Desert Sands MHP Revenue Bonds
- maintain quality affordable housing by a qualified 501(c)(3) organization
- maintain current management of Parks by Newport Pacific

Oasis National will maintain Brierwood and Desert Sands Mobilehome Parks as multifamily housing projects where at least 75% of the units will be occupied by residents that qualify as

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low-income and at least 20% of those units will be occupied by residents that also meet the very low-income limit for the area as determined by the State Department of Housing & Urban Development for the Los Angeles/Long Beach Metropolitan Area. Brierwood consists of 307 spaces and Desert Sands consists of 123 spaces. Both Parks are currently full.

To determine the feasibility of the Oasis National proposal, the Agency's financial advisor, Urban Futures, Inc. performed a review of the proposed acquisition and related conduit financing based on probable bond ratings and current interest rates. Their review indicates that the financial assumptions and related sources and uses of funds for the acquisition look reasonable based upon current market conditions. In summary, Urban Futures, Inc. recommends the Agency and Housing Authority move forward with the sale of the mobile home parks.

In connection with such application, the City Council must conduct a TEFRA hearing and adopt the resolution. In order to fulfill the requirements of Section 147(f) of the Internal Revenue Code of 1986 as amended, a public hearing is required to allow all interested persons the opportunity to discuss the Project.