

RESOLUTION NO. 14-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER PURSUANT TO SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 APPROVING THE ISSUANCE OF BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO FINANCE DESERT SANDS AND REFINANCE FRIENDLY VILLAGE MOBILE HOME PARK AND HACIENDA MOBILE ESTATES, AMONG OTHER PURPOSES

WHEREAS, the California Municipal Finance Authority (the “Authority”) is authorized pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California and the terms of an Amended and Restated Joint Exercise of Powers Agreement, dated as of June 1, 1988 (the “Agreement”), among certain local agencies throughout the State of California, including the City of Lancaster, California (the “City”), to issue revenue bonds and other forms of indebtedness to promote economic development within the State of California; and

WHEREAS, Caritas Affordable Housing, Inc., a California nonprofit corporation (including any affiliates, the “Borrower”), has requested that the Authority adopt a plan of financing providing for the issuance of multifamily housing revenue bonds (the “Bonds”) in one or more series issued from time to time, including bonds issued to refund such revenue bonds in one or more series from time to time, and at no time to exceed \$70,000,000 in outstanding aggregate principal amount, for the following purposes (of which approximately \$4,000,000 will be applied to finance the acquisition and improvement of a mobile home park located in the City, and \$5,000,000 will be applied to the refinancing of mobile home parks owned by the Borrower in the City):

(1) Finance the acquisition and improvement of:

(a) a 123-space mobile home park generally known as “Desert Sands Estates Mobile Home Park,” located at 45111 25th Street East, Lancaster, California 93535;

(b) a 164-space mobile home park generally known as “Aztec Mobile Home Estates,” located at 7425 Church Street, Yucca Valley, California 92284; and

(c) a 70-space mobile home park known as “Sterling Shores Estates Manufactured Housing Community,” located at 5830 Robin Hill Road, Lakeport, California 95453;

(2) Refinance all or a portion of the Borrower’s outstanding Independent Cities Lease Finance Authority Senior Lien Mobile Home Park Revenue Bonds (Caritas Affordable Housing, Inc. Project) Series 2003A, the proceeds of which were used to finance the acquisition and improvement of:

(a) a 464-space mobile home park generally known as “Friendly Village Mobile Home Park,” located at 1301 East Avenue I in the City of Lancaster; and

(b) a 264-space mobile home park generally known as “Hacienda Mobile Estates,” located at 2330 East Avenue J-8 in the City of Lancaster; (collectively with the Desert Sands Estates Mobile Home Park and the Friendly Village Mobile Home Park, the “Lancaster Mobile Home Parks”);

(c) a 100-space mobile home park generally known as “Rancho Brea Mobile Home Estates,” located at 1414 West Central Avenue, Brea, California 92821;

(d) a 107-space mobile home park generally known as “Estrella de Oro,” located at 220 Camino Corto, Vista, California 92083; and

(e) a 159-space mobile home park generally known as “Vista Manor Mobile Home Park,” located at 200 Olive Avenue, Vista, California 92083;

(3) fund a debt service reserve fund;

(4) pay capitalized interest on the Bonds; and

(5) pay certain expenses incurred in connection with the issuance of the Bonds (collectively, the “Project”); and

WHEREAS, the Borrower has requested the issuance of the Bonds in order to effect savings in interest rate and/or issuance costs to effect significant public benefits pursuant to the Act; and

WHEREAS, the facilities are to be owned and operated by the Borrower; twenty percent (20%) or more of the residential units in each of the mobile home parks to be financed shall be occupied by individuals whose income is fifty percent (50%) or less of area median gross income; and the manager of the mobile home parks will be Birtcher Anderson Realty, LLC, or another entity selected by the Borrower; and

WHEREAS, the Bonds or a portion thereof will be “private activity bonds” for purposes of the Internal Revenue Code of 1986 (the “Code”); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, the Bonds are required to be approved by the “applicable elected representative” of the governmental unit on whose behalf the Bonds are expected to be issued and by a governmental unit having jurisdiction over the entire area in which any facility financed by the Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, pursuant to Section 147(f) of the Code, reasonable public notice must include a description of all of the purposes of the Bonds, including the use of proceeds outside the jurisdiction of the City, and the resolution evidencing approval of the “applicable elected representative” must also describe all the purposes of the Bonds, but the approval of the City shall not constitute approval on behalf of any other jurisdiction with respect to the Bonds, who will consider the issuance of the Bonds independently of the City; and

WHEREAS, the Lancaster Mobile Home Parks are located within the territorial limits of the City; and

WHEREAS, the members of the City Council are the applicable elected representatives of the City; and

WHEREAS, there has been published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the City of Lancaster, a notice that a public hearing regarding the Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on this date by the City Council, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the Authority is also requesting that the City Council approve the issuance of any refunding bonds hereafter issued by the Authority for the purpose of refinancing the Bonds (the "Refunding Bonds"), but only in such cases where federal tax laws would not require additional consideration or approval by the City Council; and

WHEREAS, it is intended that this resolution shall constitute the approval of the issuance of the Bonds and the Project required by Section 147(f) of the Code and Section 4 of the Agreement, as applicable.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, AS FOLLOWS:

Section 1. The City Council hereby approves the issuance of the Bonds by the Authority and the Project to be financed thereby. This approval is solely for the purposes of Section 147(f) of the Code and Section 4 of the Agreement. The City shall not have any liability or responsibility for the issuance of the Bonds or payment of principal or interest on the Bonds, the Bonds shall not constitute an obligation or indebtedness of the City and the assets and revenues of the City are not being pledged as security for the payment of principal or interest on the Bonds.

PASSED, APPROVED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

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GERI K. BRYAN, CMC  
City Clerk  
City of Lancaster

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R. REX PARRIS  
Mayor  
City of Lancaster

STATE OF CALIFORNIA            }  
COUNTY OF LOS ANGELES       }ss  
CITY OF LANCASTER            }

CERTIFICATION OF RESOLUTION  
CITY COUNCIL

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original Resolution No. 14-17, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(seal)

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