

May 5, 2004

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 11, 2004

**MARINELAND MOBILEHOME PARK – SET PUBLIC HEARING TO CONSIDER
THE ISSUANCE BY THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY
OF ITS MOBILEHOME PARK REVENUE BONDS TO FINANCE THE
MARINELAND MOBILEHOME PARK PROJECT**

Recommendation:

That the City Council set June 8, 2004 as the public hearing to consider the subject financing for Marineland Mobilehome Park.

Background:

I have attached a letter and copy of a notice and resolution regarding the financing of the purchase of the Marineland Mobilehome Park by Millennium Housing of California. A public hearing is required under federal tax law when a project is owned by a non-profit organization and financed with tax-exempt bonds.

After the public hearing is held, the City Council, should it wish to proceed with the project, should adopt the attached resolution. The City would not have any other action to take once the resolution is adopted as the Independent Cities Lease Finance Authority would handle all other aspects of the financing. The City further would not have any risk with the project as it would be responsible for all debt repayment.

Additional information will be available at the public hearing, including an explanation by Millennium Housing of California of the entire transaction and the impact the purchase will have on the present homeowners. I have samples of the bond documents prepared for another mobilehome purchase in my office if you would like to review them prior to the public hearing.

Respectfully submitted,

Stephen R. Burrell
City Manager

NOTICE OF PUBLIC HEARING
BY THE CITY OF HERMOSA BEACH
REGARDING THE ISSUANCE BY THE
INDEPENDENT CITIES LEASE FINANCE AUTHORITY
OF ITS MOBILEHOME PARK REVENUE BONDS
TO FINANCE THE MARINELAND MOBILEHOME PARK PROJECT

Interested parties please take notice that on _____, 2004, a public hearing will be held by the City Council of the City of Hermosa Beach in the Council Chambers located at the Hermosa Beach City Hall, 1315 Valley Drive, Hermosa Beach, California, commencing at _____.m. or later with respect to the proposed issuance by the Independent Cities Lease Finance Authority (the "Authority") of its mobilehome park revenue bonds in one or more series in the aggregate principal amount of approximately \$8,000,000 (the "Authority Bonds") pursuant to Chapter 8 of Part 5 of Division 31 of the California Health and Safety Code. The City of Hermosa Beach is an associate member of the Authority.

The proceeds from the sale of such Authority Bonds, if any are issued, are intended to be used to finance the acquisition and renovation of a 60-unit mobilehome park known as Marineland Mobile Home Park located at 531 Pier Avenue, Hermosa Beach, California 90254 (the "Project"). Proceeds of the Authority Bonds are expected to be used to make a loan to Millennium Housing of California., or a successor, assign or affiliate thereof, to finance the Project.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

Any person may appear at the hearing and express his or her views regarding the Project and the issuance by the Authority of the Bonds to finance the Project. In addition, written comments may be submitted at any time prior to the hearing to the City Clerk of the City of Hermosa Beach. Any questions regarding the hearing may be directed to the City Clerk, City of Hermosa Beach, 1315 Valley Drive, Hermosa Beach, California.

Dated: _____, 2004

/s/
City Clerk of the City of Hermosa Beach

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HERMOSA BEACH
APPROVING THE ISSUANCE OF
MOBILE HOME PARK REVENUE BONDS BY THE
INDEPENDENT CITIES LEASE FINANCE AUTHORITY
FOR THE MARINELAND MOBILE HOME PARK**

WHEREAS, the Independent Cities Lease Finance Authority (the “Authority”) is authorized pursuant to the provisions of California Government Code Section 52100 and the terms of the Joint Powers Agreement Creating the Independent Cities Lease Finance Authority (the “Authority”), to issue revenue bonds in accordance with Chapter 7 of Part 5 of Division 31 of the California Health and Safety Code for the purpose of financing multifamily rental housing projects, including mobilehome parks; and

WHEREAS, the City of Hermosa Beach is an associate member of the Authority; and

WHEREAS, Millennium Housing of California, a California nonprofit corporation (“Millennium”) has requested that the Authority issue mobilehome park revenue bonds in one or more series in an aggregate principal amount not to exceed \$8,000,000 (the “Authority Bonds”) for the purpose of providing financing for the acquisition of a 60-unit mobile home park located at 531 Pier Avenue, Hermosa Beach, California, and known as Marineland Mobile Home Park (the “Project”); and

WHEREAS, the Project will be owned by Millennium, or a successor, assign or affiliate thereof (the “Owner”); and

WHEREAS, the Authority Bonds will be qualified “private activity bonds” for purposes of the Internal Revenue Code of 1986 (the “Code”); and

WHEREAS, pursuant to Section 147(f) of the Code, the proposed issuance of private activity bonds is required to be approved by the “applicable elected representative” of the governmental unit having jurisdiction over the area in which the facility financed by such bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the Project is located in the City of Hermosa Beach (the “City”) and the members of the City Council (this “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, a notice that a public hearing regarding the proposed issuance of the Authority Bonds would be held on the date hereof; and

WHEREAS, such public hearing was conducted on said date by this City Council, at which time an opportunity was provided to interested parties to be heard with respect to the proposed issuance of the Authority Bonds and financing of the Project; and

WHEREAS, it is intended that this resolution shall constitute the approval of the proposed issuance of the Authority Bonds required by Section 147(f) of the Code;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hermosa Beach as follows:

Section 1. **Approval of Issuance of Authority Bonds.** This City Council hereby approves the issuance of the Authority Bonds by the Authority. It is the purpose and intent of this City Council that this resolution constitutes approval of the Authority Bonds for the purposes of Section 147(f) of the Code. This City Council further finds

that, based on information provided by the Owner, the financing of the Project by the Authority will result in savings in the costs of the Bond financing.

Section 2. **Effective Date.** This resolution shall take effect immediately upon its passage.

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF HERMOSA BEACH)

I, _____, City Clerk of the City of Hermosa Beach, certify that the foregoing resolution was adopted by the City Council of the City of Hermosa Beach at a regular meeting held on the _____ day of _____, 2004.

AYES:
NOES:
ABSENT:
ABSTAIN:

City Clerk

By: _____