



LEISURE PARK, A MOBILEHOME PARK 2185 OCCIDENTAL ROAD

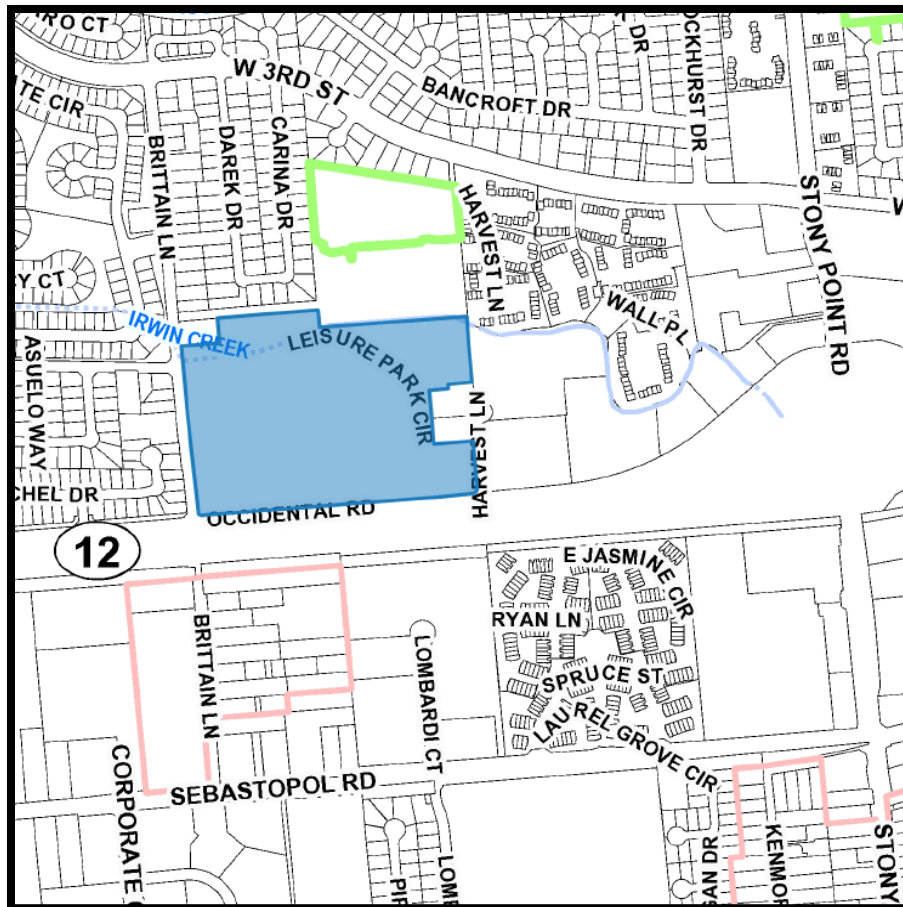
Subordination Agreement, Administration and Oversight Agreement, and Amendment to Supplemental Regulatory Agreement

City Council Meeting
August 2, 2016

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Program Specialist
Housing and Community Services

CURRENT

- Millennium Housing owns Leisure Park, a 182 space mobilehome park.



CURRENT

- On June 21, 2016, the Council conducted a “TEFRA” public hearing and approved a bond issuance by the Independent Cities Finance Authority to refinance most of the outstanding 2007 tax exempt bonds for Leisure Park in an amount not to exceed \$15,250,000.

CURRENT

- Millennium Housing is requesting that the Council approve a Subordination Agreement and an Administration and Oversight Agreement.
- Millennium Housing is agreeable to an Amendment to the Supplementary Regulatory Agreement in order to restart the 55 year term, so that it expires in 2071 rather than 2062.

PROPOSED

- ***Subordination Agreement of the Supplemental Regulatory Agreement*** to facilitate 2016 bond issuance.
- ***Administration and Oversight Agreement*** to continue oversight and monitoring with new bonds.
- ***Amendment to the Supplemental Regulatory Agreement*** in order to restart the 55 year term, so that it expires in 2071 rather than 2062.

BENEFIT

- ***Subordination Agreement*** maintains the lien order, so that Supplemental Regulatory Agreement remains in position of priority behind the new bonds as it is with the 2007 bonds.
- ***Administration and Oversight Agreement*** provides for an Oversight Agent to continue monitoring income levels of the mobilehome owners in the 91 spaces reserved for very low- and low-income households (“Qualified Spaces”).

BENEFIT

- ***Amendment to the Supplemental Regulatory Agreement*** restarts the 55 year term, so that it expires in 2071 rather than 2062.
- Supplemental Regulatory Agreement provides for the Qualified Spaces and other benefits.

BENEFIT

- The bond issuance enables Millennium Housing to refinance at a lower interest rate, and with savings:
 - Prepay \$240,000 Housing Authority loan;
 - Fund the Replacement and Reserve Fund to make capital improvements to the Project;
 - Fund the Rental Assistance Fund.

RECOMMENDATION

- Approve a Subordination Agreement, an Administration and Oversight Agreement, and an Amendment to the City's Supplemental Regulatory Agreement for Leisure Park, a mobilehome park located at 2185 Occidental Road.
- Questions?