

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 25, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by Brady Hill.

Applicant: County of Ventura

Contact Information:

Name: Christy Madden
Address: 800 South Victoria Avenue
Ventura, CA 93009
Phone: (805) 654-2679

Allocation Amount Requested: \$5,000,000 **Converted MCC Authority:** \$1,250,000

Applicant's Fair Share Amount: \$3,072,229 **Converted MCC Authority:** \$768,057

Participating Jurisdictions:

Cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, San Buena Ventura, Santa Paula, Simi Valley, Thousand Oaks and the unincorporated areas of Ventura County

Allocation Information:

Date MCCs will be advertised: February 28, 2007
Expected date of issuance of first MCC: August 15, 2007
Program Status: Existing program
Certificate tax credit rate: 20%

Type of housing units to be assisted/average mortgage amount:

New construction units: 0 units (0%) with an average mortgage amount of \$N/A
Existing resale units: 19 units (100%) with an average mortgage amount of \$325,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$N/A
Totals units: 19 units with an average mortgage amount of \$325,000

Past Performance:

The Applicant indicates that 6 MCCs were issued in 2006, of which 3 (50%) were issued to households with income at or below 80% of the area median income. This satisfies the 2006 minimum performance requirement that at least **40%** of the program participants are lower-income households.

The application indicates the applicant expects to meet the 2007 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve a reduced amount of \$3,072,229 in tax-exempt bond allocation, which is the Applicant's 2007 fair share amount.

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STAFF REPORT
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CONVERTED MCC AUTHORITY: \$1,250,000

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Type of housing units to be assisted/average mortgage amount:

New construction units:	0 units (0%) with an average mortgage amount of \$N/A
Existing resale units:	19 units (100%) with an average mortgage amount of \$325,000
Rehabilitated units:	<u>0</u> units (0%) with an average mortgage amount of \$ N/A
Total units:	19 units with an average mortgage amount of \$325,000

The above numbers of units are: estimates
 actual requirements imposed by the Issuer

DESCRIPTION OF PROPOSED PROGRAM:

- ***Population to be served by the proposed Program (family size, income levels, etc.):***
The proposed Program expects to serve a diverse ethnic composition. According to the Applicant, about 40% of the participants will be ethnic minorities. The average family size is 2-3 persons. Purchase opportunities for low income persons are difficult to find in Ventura County, thus there is a challenge in meeting the requirement that 40% of the MCC funding be used for those families. However, six of the participating jurisdictions offer down payment assistance to low income purchasers, and they will make every effort to ensure that those recipients be offered an MCC provided it benefits their tax situation.

- ***Estimated number of first-time homebuyers to be assisted:*** 19
However, based on the information contained in the application, the County’s fair share amount will provide approximately 11 MCCs.

- ***Housing stock to be purchased (types, unit sizes, etc.):***
According to the Applicant, half of the homes are expected to detached, and half of the homes are expected to be attached. Homes will average 3 bedrooms and about 1500 square feet.

- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***
The program will reserve 20% of the certificates for federally designated target areas and 40% for families with incomes of at or below 80% of the area median income adjusted for family size.

- ***Expected duration MCCS will be available and anticipated monthly rate of issuance:***
According to the Applicant, it is anticipated that approximately 1 MCC will be issued monthly during an 18-month period. However, based on the County’s fair share amount and the information contain in the application, it is anticipated that MCCs will be issued at a rate of 1 per month during a 12-month period.

- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
Six of the participating jurisdictions offer down payment assistance to low income purchasers, and they will make every effort to ensure that those recipients be offered an MCC provided it benefits their tax situation.

- ***Any other features unique to the proposed Program:***
None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Maximum Purchase Price</u>	<u>Target Area Maximum Purchase price</u>
New Units	\$717,704	\$645,934	\$789,474
Existing Units	\$616,782	\$555,104	\$678,460

*This is established by (check one):

- IRS safe harbor limitations
 As determined by special survey
 (See application attachment “H” attached)

Expected average sales prices of the estimated units to be assisted:

New units	\$0
Existing units	\$409,966
Rehabilitated units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$96,720*

Applicable standard that defines the area median income:

X HUD statewide median ___ HUD county MSA median
 ___ Local median as determined by a special study

*High housing cost adjustment from CalHFA web site.

Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$96,720	\$116,064
3+ persons	\$112,840	\$135,408

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

<u>Year</u>	<u>Amount of Allocation Awarded</u>	<u>Amount of Allocation Used</u>	<u>Number of MCCs Issued</u>	<u>Status of Outstanding MCC Authority</u>
2004	N/A	N/A		N/A
2005	N/A	N/A		N/A
2006	\$5,000,000	\$4,546,550	17	\$113,363*

* Expires December 31, 2008

Pursuant to CDLAC Procedures Section 18.I.E.1.,2., the Applicant has:

1. Demonstrated that no Mortgage Credit Certificate authority from the year two years prior to the current year has been unused (other than minor amounts not to exceed \$1 million); and
2. Certified that any Mortgage Credit Certificate authority remaining from the year prior to the current year will be used before the use of new Mortgage Credit Certificate Authority.

RECOMMENDATION:

Staff recommends that the Committee approve a reduced amount of \$3,072,229 in tax-exempt bond allocation to the County of Ventura for the Mortgage Credit Certificate Program. This is the Applicant's 2007 fair share amount.

Prepared by Brady Hill.

