

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: Housing Authority of the County of Fresno

Contact Information:

Name: Lowell Ens
Address: 1331 Fulton Mall, P. O. Box 11985
Fresno, CA 93776
Phone: (559) 443-8492

Allocation Amount Requested: \$3,400,000 **Converted MCC Authority:** \$850,000

Applicant's Fair Share Amount: \$3,400,132 **Converted MCC Authority:** N/A

Note: Applicant is only requesting \$3,400,000.

Participating Jurisdictions:

Cities of Clovis, Coalinga, Firebaugh, Fowler, Fresno, Huron, Kerman, Kingsburg, Mendota, Orange Cove, Parlier, Reedley, San Joaquin, Sanger, Selma and the County of Fresno Unincorporated Areas

Allocation Information:

Date MCCs will be advertised: June 25, 2007
Expected date of issuance of first MCC: September 25, 2007
Program Status: Existing program
Certificate tax credit rate: 20%

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

New construction units: 17 units (90%) with an average mortgage amount of \$225,000
Existing resale units: 2 units (10%) with an average mortgage amount of \$225,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$0
Totals units: 19 units with an average mortgage amount of \$159,000

Past Performance:

The application indicates the applicant met the 2004 minimum performance requirement that at least **40%** of the program participants are lower-income households. The Applicant did not request 2005 or 2006 tax-exempt allocation for the MCC Program.

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 \$3,400,000 in tax-exempt bond allocation, which is a portion of the Applicant's 2007 fair share amount.

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2007
STAFF REPORT
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Existing resale units:	2 units (10%) with an average mortgage amount of \$225,000
Rehabilitated units:	<u>0</u> units (0%) with an average mortgage amount of \$0
Total units:	19 units with an average mortgage amount of \$159,000

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 population to be served is expected to be all ethnic groups and family sizes. The Applicant indicates that a minimum of 45% of the households will have incomes below 80% of the area median income.
- ***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 18 MCCs.
- ***Housing stock to be purchased (types, unit sizes, etc.):***
According to the application, most of the homes will be 2-4 bedroom single family detached (fee simple lots) ranging in size from 1,200-1,500 sq. feet. In addition, purchase prices for all existing homes will fall under \$343,125, with most of the MCCs going to resale units. New homes are expected to average \$300,000.
- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***
The program will reserve 80% of this allocation for the HOPE VI neighborhood, Yosemite Village, located in the southwest section of the City of Fresno. This HOPE VI neighborhood redevelopment and reinvestment has been approved for funding by HUD to provide decent, safe and sound housing for existing residents and new residents to the area. In addition, this program will set-aside 40% of its allocation to meet CDLAC's minimum requirement of assisting households with incomes 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, MCCs are expected to be issued over a 6-month period at a rate of 3 MCCs issued per month.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
The Housing Authority operates two homebuyer programs: one of these is a HOPE 3 program that provides a silent second mortgage at zero interest to fill the gap between the amount a family can borrow and the purchase price of a rehabilitated house. The Housing Authority also provides a homebuyer training course which covers budgeting, credit, household finance and home maintenance. The City of Fresno as well as the County of Fresno provide down payment assistance programs to first home buyers.
- ***Any other features unique to the proposed Program:***
The HOPE VI Yosemite Village redevelopment is geared to homeownership and will utilize all available affordable financing mechanisms available.

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	\$346,250	\$311,625	\$380,875
Existing Units	\$346,250	\$311,625	\$380,875

*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	\$275,000
Existing units	\$275,000
Rehabilitated units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$65,000

Applicable standard that defines the area median income:

HUD statewide median HUD county MSA median
 Local median as determined by a special study
 (See application attachment "I" attached)

Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 80%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$65,000	\$78,000
3+ persons	\$74,750	\$91,000

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	\$8,854,885	\$2,409,788	14	\$1,611,274*
2005	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A

* Expired December 31, 2006

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 \$3,400,000 in tax-exempt bond allocation, which is a portion of the Applicant's 2007 fair share amount.

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