

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by Sarah Lester.

Applicant: County of Ventura

Contact Information:

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

Allocation Amount Requested: \$5,479,665 **Converted MCC Authority:** \$1,369,916

Applicant's Fair Share Amount: \$5,479,665 **Converted MCC Authority:** \$1,369,916

Participating Jurisdictions:

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

Allocation Information:

Date MCCs will be advertised: May 7, 2008
Expected date of issuance of first MCC: August 15, 2008
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: 21 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: 21 units with an average mortgage amount of \$325,000

Past Performance:

The Applicant indicates that 9 MCCs were issued in 2007, of which 5 (56%) were issued to households with income at or below 80% of the area median income. This satisfies the 2007 minimum performance requirement that at least **40%** of the program participants are lower-income households.

The application indicates the applicant expects to meet the 2008 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve \$5,479,665 in tax-exempt bond allocation, which is the Applicant's 2008 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

- ***Population to be served by the proposed Program (family size, income levels, etc.):***
 The proposed Program expects to serve families of low to moderate income households. According to the Applicant, about 35% of the participants will be ethnic minorities. The average family size is 2-3 persons.
- ***Estimated number of first-time homebuyers to be assisted:*** 21
- ***Housing stock to be purchased (types, unit sizes, etc.):***
 According to the Applicant, as prices have fallen recently, more detached homes are expected to be purchased, amounting to one-third of the allocation. Homes will average 2-3 bedrooms and about 1600 square feet. According to the Applicant, the average price of the homes is expected to in the mid \$300,000 range.
- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***
 The program will set aside 40% of its funds for families 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:***
 Based on the County's fair share amount and the information contained in the application, it is anticipated that approximately 1-2 MCC will be issued monthly during a 24-month period.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
 None indicated.
- ***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	\$680,021	\$612,558	\$748,683
Existing Units	\$651,913	\$586,721	\$717,104

*This is established by (check one):
 IRS safe harbor limitations
 As determined by special survey

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

New units	\$0
Existing units	\$334,000
Rehabilitated units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$102,840*

Applicable standard that defines the area median income:

- 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	\$102,840	\$123,408
3+ persons	\$119,980	\$143,976

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>
2005	N/A	N/A		N/A
2006	\$5,000,000	\$5,000,000	17	\$0
2007	\$3,072,229	\$2,384,041	10	\$172,047*

* Expires December 31, 2009

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.