

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM**

Prepared by John Weir

Applicant: Housing Authority of the County of Santa Barbara

Contact Information:

Name: John Polanskey
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Allocation Amount Requested: \$ 20,000,000 **Converted MCC Authority:** \$5,000,000

Applicant’s Fair Share Amount: \$ 2,817,290 **Converted MCC Authority:** \$ 704,322

Participating Jurisdictions: Cities of Buellton, Carpinteria, Goleta, Guadalupe, Lompoc, Santa Barbara, Santa Maria, Solvang, and the County of Santa Barbara.

Allocation Information:

Date MCCs will be advertised: July 22, 2008
Expected date of issuance of first MCC: October 31, 2008
Program Status: Existing
Certificate tax credit rate: 20%

Type of housing units to be assisted/average mortgage amount:
New construction units: 3 units (20%) with an average mortgage amount of \$ 250,000
Existing resale units: 10 units (80%) with an average mortgage amount of \$ 260,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$N/A
Totals units: 13 units with an average mortgage amount of \$257,917

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

Past Performance:

The application indicates the applicant met 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 a reduced amount of \$2,817,290 in tax-exempt bond allocation, which is the Applicant’s 2008 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

According to the applicant, the proposed Program expects to serve a diverse ethnic composition. The population to be served predominantly includes seniors, single heads of households, and those supporting large families on limited incomes.

- ***Estimated number of first-time homebuyers to be assisted:*** 13
- ***Housing stock to be purchased (types, unit sizes, etc.):***
 According to the Applicant, the housing stock to be purchased will consist of detached single family dwellings and condominiums, with a range of 1200 to 1900 square feet and resale prices averaging \$200,000 to \$350,000 depending on age, size and location.
- ***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, MCCs will likely be issued at a rate of 1 MCCs per month.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
 According to the Applicant, other assistance programs include First Time Homebuyer assistance via deferred interest loans, BMR units and HOME funds.
- ***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	\$ 477,355	\$ 429,619	\$ 525,090
Existing Units	\$ 477,355	\$ 429,619	\$ 525,090

*This is established by (check one):
 (X) 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	\$300,000
Existing units	\$310,000
Rehabilitated units	\$N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$67,800

Applicable standard that defines the area median income:

- (X) 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): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 67,800	\$80,360
3+ persons	\$ 77,970	\$93,564

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	\$ 4,841,886	\$4,801,698	25	\$10,047
2006	\$0	\$0	0	\$0
2007	\$0	\$0	0	\$0

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.