COMMUNITY DEVELOPMENT COMMISSION
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Carlos Jackson
Executive Director

January 23, 2007

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

PUBLIC HEARING AUTHORIZING SOUTHERN CALIFORNIA HOME FINANCING AUTHORITY TO ISSUE SINGLE FAMILY BONDS (ALL DISTRICTS) (3 Vote)

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

1. Find that the resolution approving the issuance, sale and delivery of one or more series of Single Family Mortgage Revenue Bonds is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.

2. Adopt and instruct the Chairman to sign a Resolution approving the issuance, sale and delivery of one or more series of Single Family Mortgage Revenue Bonds (Bonds) by the Southern California Home Financing Authority (the Authority), in an aggregate principal amount not to exceed $800,000,000, over a three-year period, to provide financing for the First Time Homebuyers Program (the Program).

3. Authorize the Executive Director of the Community Development Commission to execute all documents necessary to ensure the issuance of the Bonds by the Authority, following approval as to form by County Counsel.

4. Authorize the Executive Director of the Community Development Commission to apply from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee (CDLAC) to obtain private activity bond allocations for the Bonds to be issued by the Authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to conduct a public hearing to authorize the issuance of the Bonds by the Southern California Home Financing Authority, a joint powers authority of Los Angeles and Orange Counties, to provide financing for the Program.

FISCAL IMPACT/FINANCING:

No County costs will be incurred for the issuance of the Bonds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1982, the Commission has administered the Program, under which Bonds have been issued to provide below market, fixed rate loans to eligible first time homebuyers. Over $1.6 billion in long-term bonds for home mortgages have been issued through the Program, providing financing for 15,000 homes. The $800,000,000 requested includes $500,000,000 for anticipated bond issuances for mortgage loans for first time homebuyers over the next three years and $300,000,000 for an existing drawdown bond facility for mortgage loan pre-payments received from outstanding bond issues or new allocations from CDLAC.

In 1988, your Board authorized the formation of the Authority. Since that time, the Authority has issued 36 series of bonds. The attached Resolution authorizes the Authority to issue the Bonds in one or more series, prior to January 30, 2010, for the Program.

Under the above Program, the current maximum income limits for eligible Los Angeles County homebuyers range from $83,160 for a family of one or two, which is 120% of the area median income, to $97,020 for a family of three or more persons, which is 140% of the area median income. Typically over one-half of the loans are made to homebuyers earning between 80 and 90 percent of the area median income. The Commission also provides incentives to assist low-income households with home purchases, including down payment and closing cost assistance.

The proposed issuance of the Bonds will be conducted in accordance with the Internal Revenue Code of 1986 and Part 5 of Division 31 of the Health and Safety Code of the State of California. Section 147(f) of the Internal Revenue Code of 1986 requires that a notice of the public hearing be published once in a publication of general circulation, at least 14 days prior to the public hearing date. The notice for the public hearing was published in the Los Angeles Times on January 8, 2007.

The attached Resolution was prepared by Kutak Rock, Bond Counsel to the Authority and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

These activities are exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because they involve administrative activities that will not have a physical impact on or result in any physical changes to the environment. The activities are also not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES:

The requested action will permit the issuance of Bonds by the Authority to provide financing for the Program.

Respectfully submitted,

Bobbette A. Glover
for CARLOS JACKSON
Executive Director

Attachment: 1

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS THE APPLICABLE ELECTED REPRESENTATIVE APPROVING THE ISSUANCE OF $800,000,000 OF SOUTHERN CALIFORNIA HOME FINANCING AUTHORITY SINGLE FAMILY MORTGAGE REVENUE BONDS OVER A THREE-YEAR PERIOD

WHEREAS, the Southern California Home Financing Authority (the "Authority"), a joint powers authority, of which the County of Los Angeles (the "County") is a member, is engaging in a home mortgage financing program within the jurisdiction of the Authority (including for such purpose the County) by providing mortgages to qualifying mortgagors for such purpose (the "Program"), pursuant to Chapters 1-5 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"); and

WHEREAS, the Authority expects to issue several series of single family mortgage revenue bonds (the "Bonds") under the Program pursuant to a plan of financing home mortgage loans made to qualified persons and families who purchase homes located within the jurisdiction of the Authority (the "Plan of Financing"); and

WHEREAS, this Board of Supervisors (the "Board") hereby finds and determines that it is in the best interest of the County to participate in the Program in conjunction with the Authority in order to increase the supply of housing available to qualified, first time homebuyers in the County; and

WHEREAS, this Board hereby finds and determines that the Program complies with the land use element and the housing element required to be included in the General Plan of the County by Section 65302 of the Government Code of the State of California; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing will be "private activity bonds" for purposes of the Internal Revenue Code of 1986 (the "Code"); and

WHEREAS, pursuant to Section 147(f) of the Code, prior to their issuance, private activity bonds are required to be approved by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued and by each governmental unit having jurisdiction over the area in which any facility financed by such Bonds is to be located, after a public hearing held following reasonable public notice; and

WHEREAS, the Bonds to be issued pursuant to the Plan of Financing are to be issued by the Authority on behalf of the County and the other member of the Authority, and the financing of home mortgages for homes located in the County will be provided from the proceeds of the Bonds; and

WHEREAS, this Board has caused to be published, at least 14 days prior to the date hereof, in a newspaper of general circulation within the County, a notice that a public hearing would be held on this date regarding the proposed issuance of the Bonds pursuant to the Plan of Financing and the nature and location of the Program; and

WHEREAS, this Board has conducted a public hearing on this date, at which time an opportunity was provided to interested parties to present arguments both for and against the issuance of the Bonds pursuant to the Plan of Financing and the nature and location of the Program; and

WHEREAS, the members of this Board are the applicable elected representatives of the County; and

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by law.

NOW, THEREFORE, BE IT RESOLVED, that this Board does hereby FINDS, DETERMINES, RESOLVES AND ORDERS as follows:

Section 1. The above recitals are true and correct.

Section 2. As the applicable elected representative of the County pursuant to Section 147(f) of the Code, this Board hereby approves the issuance by the Authority of the Bonds in one or more series pursuant to the Plan of Financing in an aggregate principal amount not to exceed $800,000,000 to provide funds for the Program; provided (a) that the first series of Bonds issued pursuant to the Plan of Financing is issued no later than one year after the date of this Resolution and (b) that the last series of Bonds issued pursuant to the Plan of Financing is issued no later than three years after the date of the first series of Bonds issued pursuant to the Plan of Financing. It is the purpose and intent of this Board that this Resolution constitutes approval of the issuance by the Authority of the Bonds by the applicable elected representative of the governmental unit on whose behalf the Bonds are expected to be issued.

Section 3. This Board hereby authorizes the Executive Director of the Community Development Commission, or such officer's designee, to execute applications from time to time, on behalf of the Authority, to the California Debt Limit Allocation Committee in connection with obtaining allocations of private activity volume cap for the Bonds approved by this Resolution.

Section 4. This Board hereby authorizes the use of any funds made available by the issuance of the Bonds to provide for any Program purpose as may be permitted by any indenture, purchase agreement, origination, purchase, pooling and servicing agreement, origination agreement, developer agreement, locality agreement, compliance agent agreement or any other document relating to the Bonds.

Section 5. The officers and employees of the County are hereby authorized and directed, jointly and severally, to do any and all things necessary or advisable in order to effectuate the purposes of this Resolution or the issuance of the Bonds pursuant to the

Plan of Financing, and all actions previously taken by the officers and employees of the County are hereby ratified and approved.

Section 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles, State of California, this ___ day of January 2007.

By _____
Zev Yaroslavsky
Chairman of the Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By Eric Young
Deputy

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