THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE December 5, 2007 Staff Report REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

	by Sarah Lester	untry of Con Enong	inne		
Applicant:	City and Co	ounty of San Francisco			
Contact Informa					
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	Address:		an Ness Avenue, 5 th Floor		
		San Francisco	o, CA 94103		
	Phone:	(415) 701-553	31		
Allocation Amou	int Requested:	\$20,000,000	Converted MCC Authority:	\$5,000,000	
Applicant's Fair	Share Amount:	\$3,001,014	Converted MCC Authority:	\$750,254	
llocation Inform	ity and County of S nation: Date MCCs will I		March 5, 2008		
Expected	date of issuance of		April 3, 2008		
Lapootea		ogram Status:	Existing program		
		ax credit rate:	15%		
Type of h	ousing units to be	assisted/average	e mortgage amount:		
New cons	struction units: 12	2 units (80%) with	n an average mortgage amount of \$30	00,000	
Existing r	esale units:	3 units (20%) with	h an average mortgage amount of \$45	50,000	
Rehabilita	ation units:	<u>0</u> units (0 %) with	an average mortgage amount of \$0		
То	otals units: 15	units with an ave	erage mortgage amount of \$329,702		
The abov	e numbers of unit	are: $\underline{\mathbf{X}}$ est	timates		
		_ act	ual requirements imposed by the Issu	ler	
Past Performanc		analia and model	e 2006 minimum performance require		

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 \$3,001,014 in tax-exempt bond allocation, on a carryforward basis, which is the Applicant's 2007 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

- *Population to be served by the proposed Program (family size, income levels, etc.):* The Applicant states that the average household size is expected to be 2.30, which is smaller than the statewide average of 2.8 persons per household in 2000.
- Estimated number of first-time homebuyers to be assisted: 15
- *Housing stock to be purchased (types, unit sizes, etc.):* The Applicant indicates that a mix of single family detached units, condominiums and townhouses, consisting of 1, 2 and 3 bedroom units will be purchased.
- Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.: The Applicant states that it will reserve 40% of the MCCs for households earning 80% or less of the area median income and or who will purchase a unit in one of the City's qualified census tracts.
- *Expected duration MCCS will be available and anticipated monthly rate of issuance:* According to the Applicant, with the requested amount of allocation, MCCs are expected to be available for 9-18 months. The anticipated rate of issuance is 5-10 MCCs issued per month.
- Other homebuyers assistance programs offered by participating jurisdiction(s):

The Applicant states that the City of San Francisco offers homeownership opportunities through its <u>Downpayment Assistance Loan Program</u> (DALP), <u>American Dream Downpayment Initiative</u> (ADDI) and <u>Homeownership Assistance Loan Fund</u>, which are essential components of the City's Single Famliy homeownership program. According to the Applicant, the Homeownership Assistance Loan Fund is limited to units previously developed and the MCC Program, DALP and ADDI funds represent the only significant home purchase opportunities in the City for most first-time low and moderate-income homebuyers in the current and foreseeable market.

• Any other features unique to the proposed Program:

According to the Applicant, the Mayor's Officer of Housing conducts training of all participating lenders and provides them with a processing manual and all documents needed to process the MCC application.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

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Unit <u>Type</u>	Average Area Purchase Price*	Non-Target Area Maximum <u>Purchase Price</u>	Target Area Maximum <u>Purchase price</u>
New Units	\$660,536	\$594,482	\$726,589
Existing Units	\$738,344	\$664,509	\$812,178
*This is establish	ned by (check one):	IRS safe harbor lim	

X 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	\$450,000
Rehabilitated units	Not Applicable

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$121,933

Applicable standard that defines the area median income:

HUD statewide median	HUD county MSA median
<u>X</u> Local median as determined by a speci	al study

(See application attachment "I" attached)

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

Proposed maximum income limits:

Household Size	Non-Target Area	Target Area
1-2 persons	\$121,933	\$135,720
3+ persons	\$140,223	\$158,340

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation Awarded	Amount of Allocation Used	Number of <u>MCCs Issued</u>	Status of Outstanding <u>MCC Authority</u>
2004	\$8,330,790	\$8,328,634	67	\$539
2005	\$9,253,045	\$9,252,494	54	\$138*
2006	\$5,428,248	\$5,395,787	31	\$8,115 **

* Expires December 31, 2007

** Expires December 31, 2008

Applicant did not receive any allocation for program year 2003

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.