Agenda Item No. 4.1 Application No. 09-030

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

March 25, 2009

Staff Report

REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: John Weir					
Applicant:					
Contact Information:	Name: Address: Phone:	Susan Per 630 I Stre Sacramen (916) 264	et to, CA 95814		
Allocation Amount Requested:	\$20	,000,000	Converted MCC Authority:	\$5,000,000	
Applicant's Fair Share Amount	\$9,	,358,969	Converted MCC Authority:	\$2,339,742	
Participating Jurisdictions:		•	mento, Cities of Sacramento, Citrus I eton, and Rancho Cordova.	Heights, Elk Grove,	
Allocation Information:					
Date MCCs will Expected issue date Pr Certificate	of first M cogram Sta	ICC: Maj atus: Exi	oruary 25, 2009 y 25, 2009 sting		
Type of housing units to be assisted/average mortgage amount: New construction units: 8 units (13%) with an average mortgage amount of \$215,000 Existing resale units: 52 units (88%) with an average mortgage amount of \$189,000 Total units: 60 units with and average mortgage amount of \$192,250 The above numbers of units are: X Estimates Actual requirements imposed by the Issuer					
least 40% of the pro	gram partic	plicant exp	the 2008 minimum performance recover-income households. ects to meet the 2009 minimum performance recover-income households.	ormance	

Recommendation:

Staff recomends that the Committee approve a reduced amount of \$9,358,969 in tax-exempt bond allocation to the Sacramento Housing and Redevelopment Agency for the Mortgage Credit Certificate Program. This is the Applicant's 2009 fair share amount.

Agenda Item No. 4.1 Application No. 09-030

DESCRIPTION OF PROPOSED PROGRAM:

- According to the Applicant, the expected population to be served will be made up of a diverse
 ethnic composition. The previous year's performance indicates that 44% of the MCCs issued
 were to ethnic minority households. The expected average median income level to be served
 is 78%.
- Estimated number of first-time homebuyers to be assisted: 60
- 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, half-plexes and condominiums with an average family size of three.

• Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:

The program will reserve 20% of the allocation 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.:

 Based on the information provided, MCCs are calculated to be issued at a rate of 5 MCCs per month.
- Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, three programs offer home buyer assistance. First among them is the FTHB Program which provides up to \$40,000 for down payment and closing costs to low-income first time homebuyers. Second is the newly added American Dream Downpayment Initiative Program which provides up to \$10,000 to low income first time homebuyers to be used for down payment and closing costs. Third is the Target Area Homebuyer Program. All three, including MCCs can be layered in a single transaction.

• Additional features unique to the proposed Program:

None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

	Average Area	Non-Target Area Max	Target Area Max Purchase
Unit Type	Purchase	Purchase Price	Price
New Units Existing Units	\$ 477,355 \$ 477,355	\$ 429,620 \$ 429,620	\$ 525,091 \$ 525,091
*This is established	by (check one):	X IRS Safe Harbor limita As determined by spec	

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

New Units \$ 220,000 Existing Units \$ 195,000

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$71,000

Applicable standard that defines the area median income:

HUD statewide median

X HUD county MSA median

Local median as determined by a special study

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	\$	\$71,000	\$ \$85,200	
3+ persons	\$	\$81,650	\$ \$99,400	

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year			Amount of Allocation Used	Number of MCCs Issued	•	Outstanding MCC Authority	
2006	\$	\$0	\$	\$0	0	\$	0
2007	\$	\$5,220,794	\$	\$5,197,420	35	\$	5,843
2008	\$	\$9,338,223	\$	\$8,264,244	59	\$	268,495

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.