

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 18, 2015**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

Prepared by: Sarah Lester

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**Applicant:** Golden State Finance Authority

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**Contact Information:**

**Name:** Peter Tran  
**Address:** 1215 K Street, Ste. 1650  
Sacramento, CA 95814  
**Phone:** (916) 444-2615

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**Allocation Amount Requested:** \$24,379,370      **Converted MCC Authority:** \$6,094,843

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**Applicant's Fair Share Amount:** \$24,366,080      **Converted MCC Authority:** \$6,091,520

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**Participating Jurisdictions:**

County of Orange

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**Allocation Information:**

**Date MCCs will be advertised:** October 1, 2014  
**Expected issue date of first MCC:** June 1, 2015  
**Program Status:** New  
**Certificate tax credit rate:** 20%

**Type of housing units to be assisted/average mortgage amount:**

New construction units: 19 units (13%) with an average mortgage amount of \$288,185  
Existing resale units: 127 units (87%) with an average mortgage amount of \$195,779  
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000  
Total units: 146 units with an average mortgage amount of \$207,964

**The above numbers of units are:**  Estimates  
 Actual requirements imposed by the Issuer

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**Past Performance:**

The Applicant did not apply in 2014.

The application indicates the applicant expects to meet the 2015 minimum performance requirement that at least **40%** of program participants will be lower-income households.

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**Recommendation:**

Staff recommends that the Committee approve a reduced amount of \$24,366,080 in tax-exempt bond allocation to the Golden State Finance Authority for the Mortgage Credit Certificate Program. This is the Applicant's 2015 fair share amount.



**MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$84,900

Applicable standard that defines the area median income:

HUD statewide median       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:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$84,900	\$101,880
3+ persons	\$97,635	\$118,860

**DESCRIPTION OF PUBLIC BENEFITS:**

**Past Program Performance:**

<u>Year</u>	<u>Amount of Allocation</u>	<u>Amount of Allocation Used</u>	<u>Number of MCCs Issued</u>	<u>Outstanding MCC Authority</u>
2011	\$20,482,649	\$18,682,649	112	\$450,000
2012	\$20,250,639	\$19,400,982	85	\$212,414
2013	Did Not Apply	N/A	N/A	N/A

Pursuant to Section 5269 of the CDLAC Regulations, 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.