Agenda Item No. 7.1 Application No. 17-027

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

November 15, 2017 Staff Report

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

Prepared by:						
Applicant:	Sacramento Housing & Redevelopment Agency on behalf of the County of Sacramento					
Contact Information			_			
Name:			Susan Perry			
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Allocation Amount	Requested: \$9	9,522,757	Converted MCC Authority:	\$2,380,689		
Applicant's Fair Sh	nare Amount: \$9	9,522,757	Converted MCC Authority:	\$2,380,689		
Participating Juris County of Sacra Cordova		of Sacrame	ento, Citrus Heights, Elk Grove, Fo	Isom, Galt, Isleton and Rancho		
Allocation Informa						
	te MCCs will be adv		October 15, 2017			
Expec	ted issue date of firs		January 15, 2018			
	Program Certificate tax cree		Existing			
	Cermicate tax cre	un rate:	20%			
Type of	housing units to be	assisted/av	verage mortgage amount:			
	_		b) with an average mortgage amount	t of \$225,000		
Existing			b) with an average mortgage amount			
Rehabil			with an average mortgage amount			
	Total units: 55	units with	and average mortgage amount of \$2	216,091		
The a	above numbers of u	nits are:	X Estimates			
			Actual requirements imposed by	the Issuer		
Past Performance:						
			net the 2016 minimum performance			
	% of the program par	ticipants ar	re lower-income households or locat	ted in a Qualified Census		
Tract.						
The anni	ligation indicates the	annliaant a	vincets to most the 2017 minimum	arfarmanaa		
i ne appi	neation indicates the	appneant e	expects to meet the 2017 minimum p	errormance		

Recommendation:

Staff recommends that the Committee approve an amount of \$9,522,757 in tax-exempt bond allocation to the Sacramento Housing & Redevelopment Agency on behalf of the County of Sacramento for the Mortgage Credit Certificate Program. This is the Applicant's 2017 fair share amount.

requirement that at least 40% of program participants will be lower-income households.

DESCRIPTION OF PROPOSED PROGRAM:

- Population to be served by the proposed Program (family size, income levels, etc.):
 - According to the Applicant, the proposed Program expects to serve all ethnic groups and family sizes with a minimum of 40% of the households at or below 80% of the median income adjusted by household size.
- Estimated number of first-time homebuyers to be assisted: 55
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of a mix of detached single family dwellings, half-plex units and condominiums ranging from 3 bedrooms and 1-2 bathrooms. The average sale price is expected to be approximately \$230,000 and new construction price to be approximately \$289,000.

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

According to the Applicant, the program will reserve at least 20% of the certificates for federally designated target areas and at least 40% of the MCCs for families with incomes 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 are expected to be available for 24 months and the anticipated monthly rate of issuance is 5-8 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for about 8 months.

• Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, Sacramento Housing & Redevelopment Agency offers up to \$40,000 in down payment assistance to eligible homebuyers through the CalHome First-Time Homebuyer Mortgage Assistance Program. Sacramento Housing & Redevelopment Agency also has a Homebuyer Assistance Program Layering Policy which allows homebuyers to layer the MCC program with the down payment assistance program.

• Additional features unique to the proposed Program:

None indicated.

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PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit Type	Average Area Purchase Price*	Non-Target Area Max Purchase Price	Target Area Max Purchase Price	
New Units	\$500,000	\$450,000	\$550,000	
Existing Units	\$500,000	\$450,000	\$550,000	
*This is established by (o		IRS Safe Harbor limitations As determined by special surve	ey	

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

New Units	\$289,000
Existing Units	\$230,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$89,040 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 \$89,040 \$89,040 3+ persons \$103,880 \$103,880

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2014	\$11,368,467	\$11,366,552	70	\$479
2015	Did Not Apply	N/A	N/A	N/A
2016	\$15,247,070	\$11,686,560	68	\$890,128

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.