

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 18, 2011
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: City of Los Angeles

Contact Information:

Name: Vasken Djansezian
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Allocation Amount Requested: \$26,542,829 **Converted MCC Authority:** \$6,635,707

Applicant's Fair Share Amount: \$26,487,493 **Converted MCC Authority:** \$6,621,873

Participating Jurisdictions:

City of Los Angeles

Allocation Information:

Date MCCs will be advertised: March 14, 2011
Expected issue date of first MCC: August 1, 2011
Program Status: Existing
Certificate tax credit rate: 20% Target 15% Non-target

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

New construction units: 3 units (4%) with an average mortgage amount of \$468,000
Existing resale units: 68 units (96%) with an average mortgage amount of \$468,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 71 units with an average mortgage amount of \$468,000

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

Past Performance:

The application indicates the applicant met the 2010 minimum performance requirement that at least **40%** of the program participants are lower-income households or located in a Qualified Census Tract.

The application indicates the applicant expects to meet the 2011 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 \$26,487,493 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2011 fair share amount.

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$82,800

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	\$82,800	\$99,360
3+ persons	\$95,220	\$115,920

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>
2008	Did Not Apply	N/A	N/A	N/A
2009	\$26,582,984	\$17,065,260	117	\$1,342,655 *
2010	Did Not Apply	N/A	N/A	N/A

NOTE: * \$4,148,102 is currently committed, which means the outstanding MCC authority is \$1,342,655.

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.