

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 10, 2014
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: County of Los Angeles

Contact Information:

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Allocation Amount Requested: \$48,000,000 **Converted MCC Authority:** \$12,000,000

Applicant's Fair Share Amount: \$48,336,010 **Converted MCC Authority:** \$12,084,003

Participating Jurisdictions:

Cities of Alhambra, Artesia, Avalon, Azusa, Baldwin Park, Bellflower, Bell Gardens, Burbank, Carson, Claremont, Commerce, Compton, Covina, Cudahy, Culver City, Diamond Bar, Downey, Gardena, Glendale, Glendora, Hawaiian Gardens, Hawthorne, Huntington Park, Inglewood, Irwindale, Lakewood, Lancaster, La Mirada, La Verne, Lawndale, Lomita, Long Beach, Lynwood, Monrovia, Montebello, Monterey Park, Norwalk, Palmdale, Paramount, Pasadena, Pico Rivera, Pomona, Rancho Palos Verdes, Santa Clarita, San Dimas, San Fernando, Signal Hill, South El Monte, South Gate, West Covina, West Hollywood, Whittier and the unincorporated areas of Los Angeles County

Allocation Information:

Date MCCs will be advertised: January 5, 2015
Expected issue date of first MCC: April 1, 2015
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 3 units (1%) with an average mortgage amount of \$325,000
Existing resale units: 182 units (99%) with an average mortgage amount of \$325,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 185 units with an average mortgage amount of \$325,000

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

Past Performance:

The application indicates the applicant met the 2013 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 2014 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

The Applicant is only requesting \$48,000,000 of its \$48,336,010 fairshare portion of the Single Family Housing Pool.

Staff recommends that the Committee approve a reduced amount of \$48,000,000 in tax-exempt bond allocation to the County of Los Angeles for the Mortgage Credit Certificate Program on a carryforward basis.

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:*** 185
- ***Housing stock to be purchased (types, unit sizes, etc.):***
According to the Applicant, the housing stock to be purchased will consist of single family homes (approximately 75%) and detached and attached condominiums/townhomes (approximately 25%). The average bedroom size will be 3 bedrooms 1 bath with an average purchase price of \$325,000.
- ***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 20 months and the anticipated monthly rate of issuance is 7 MCCs per month.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
Home Ownership Program (HOP)

This program is designed for homebuyers with incomes that do not exceed 80% of HUD median income and can be utilized in the unincorporated area of Los Angeles County or a participating city. This is a silent second trust deed loan program. The maximum loan amount is \$60,000.

Southern California Home Financing Authority (SCHFA)

SCHFA provides down payment and/or closing costs assistance in the form of a gift equal to 4% of the first loan. This program is designed for homebuyers whose income does not exceed 140% of HUD area median income and can be utilized in the county of Los Angeles, excluding the City of Los Angeles areas.

Other Programs

The homebuyer may use downpayment and closing cost assistance programs offered by local jurisdictions where the property is located.

- ***Additional features unique to the proposed Program:***
None indicated.

