Agenda Item No. 6.1
Application No. 07-179

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**
**December 5, 2007**
**Staff Report**
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM***

*Prepared by Sarah Lester*

**Applicant:** Housing Authority of the County of Marin

**Contact Information:**

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| | | | |
|---|---|---|---|
| **Allocation Amount Requested:** | $5,000,000 | **Converted MCC Authority:** | $1,250,000 |
| **Applicant's Fair Share Amount:** | $952,550 | **Converted MCC Authority:** | $238,137 |

**Participating Jurisdictions:**
County of Marin

**Allocation Information:**

**Date MCCs will be advertised:** August 30, 2007
**Expected date of issuance of first MCC:** January 15, 2008
**Program Status:** Existing program
**Certificate tax credit rate:** 20% (for lower BMR properties) and
15% (for moderate BMR income properties)

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

| | |
|---|---|
| New construction units: | 2 units (50%) with an average mortgage amount of $356,000 |
| Existing resale units: | 2 units (50%) with an average mortgage amount of $285,000 |
| Rehabilitation units: | 0 units (0%) with an average mortgage amount of $0 |
| Totals units: | 4 units with an average mortgage amount of $320,500 |

**The above numbers of units are:** X estimates
_ actual requirements imposed by the Issuer

**Past Performance:**

The application indicates the applicant met the 2006 minimum performance requirement that at least **40%** of the program participants are lower-income households.

The application indicates the applicant expects to meet the 2007 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 $952,550 in tax-exempt bond allocation, on a carryforward basis, which is the Applicant's 2007 fair share amount.

**DESCRIPTION OF PROPOSED PROGRAM:**

- ***Population to be served by the proposed Program (family size, income levels, etc.):***
  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:*** 4

- ***Housing stock to be purchased (types, unit sizes, etc.):***
  According to the Applicant, the housing stock to be purchased will consist of 2-4 bedroom single family; predominantly attached 1,200-2,000 square feet condominiums consisting of both new and resold units. Purchase prices for all new homes will fall under $400,000 with most of the MCCs going to existing units under $350,000.

- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***
  The program will reserve 45% of the MCCs 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:***
  According to the Applicant, MCCs will likely be issued at a rate of 1 MCCs per month.

- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
  According to the Applicant, Marin Housing administers the inclusionary housing units for the cities and towns in Marin County as well as in unincorporated parts of the County. The Applicant states that Marin Housing recently began administering a new federal program, "the American Dream Downpayment Initiative." This federal HOME program provides downpayment and closing cost assistance to very-low income qualified first-time homebuyers. The City of Novato has implemented a down-payment assistance program for its new Hamilton Redevelopment area.

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

**PURCHASE PRICE INFORMATION:**

**The proposed maximum limits are:**

| Unit Type | Average Area Purchase Price* | Non-Target Area Maximum Purchase Price | Target Area Maximum Purchase price |
|---|---|---|---|
| New Units | $477,355 | $429,619 | N/A |
| Existing Units | $477,355 | $429,619 | N/A |

*This is established by (check one):

_X_ IRS safe harbor limitations
___ As determined by special survey
(See application attachment "H" attached)

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

| | |
|---|---|
| New units | $375,000 |
| Existing units | $300,000 |
| Rehabilitated units | N/A |

**MAXIMUM INCOME LIMITATIONS:**

**Area median income on which maximum program limits are based: $86,500**

**Applicable standard that defines the area median income:**

___ HUD statewide median _X_ HUD county MSA median

___ Local median as determined by a special study
(See application attachment "I" attached)

**Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s):** None

**Proposed maximum income limits:**

| Household Size | Non-Target Area | Target Area |
|---|---|---|
| 1-2 persons | $86,500 | N/A |
| 3+ persons | $99,500 | N/A |

**DESCRIPTION OF PUBLIC BENEFITS:**

**Past Program Performance:**

| Year | Amount of Allocation Awarded | Amount of Allocation Used | Number of MCCs Issued | Status of Outstanding MCC Authority |
|---|---|---|---|---|
| 2004 | $2,635,207 | $2,598,816 | 15 | $9,097* |
| 2005 | $2,920,540 | $2,845,372 | 18 | $18,792* |
| 2006 | $0 | $ | 0 | $0 |

* The outstanding MCC authority is insufficient to fund one MCC; this allocation series is in the process of closing out.

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.