

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by John Weir

Applicant: City of Oceanside

Contact Information:

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Allocation Amount Requested: \$ 1,180,094 **Converted MCC Authority:** \$295,023

Applicant's Fair Share Amount: \$ 1,180,094 **Converted MCC Authority:** \$295,023

Participating Jurisdictions: City of Oceanside

Allocation Information:

Date MCCs will be advertised: June 16, 2008
Expected date of issuance of first MCC: October 31, 2008
Program Status: Existing Program
Certificate tax credit rate: 20%

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

New construction units:	0 units (%) with an average mortgage amount of \$
Existing resale units:	6 units (100%) with an average mortgage amount of \$236,000
Rehabilitation units:	0 units (0%) with an average mortgage amount of \$0
Totals units:	6 units with an average mortgage amount of \$236,000

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

Past Performance:

The application indicates the applicant met the 2007 minimum performance requirement that at least **40%** of the program participants are lower-income households.

The application indicates the applicant expects to meet the 2008 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve the requested amount of \$1,180,094 in tax-exempt bond allocation, which is the Applicant's 2008 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

The proposed Program expects to serve small families (average size 2) purchasing mostly attached units.

- ***Estimated number of first-time homebuyers to be assisted:*** 6
- ***Housing stock to be purchased (types, unit sizes, etc.):***
According to the Applicant, the housing stock to be purchased will consist of attached single family dwellings and condominiums, with resale purchase prices averaging \$300,000. The average unit is expected to be 3 bedrooms, 1.5 baths, ranging from 800-900 square feet.
- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***
The program will reserve 20% of the certificates for federally designated target areas and 40% 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, the City of Oceanside provides a down-payment assistance program, the remainder will use 95% to 100% financing.
- ***Any other features unique to the proposed Program:***
None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Maximum Purchase Price</u>	<u>Target Area Maximum Purchase price</u>
New Units	\$ 479,053	\$ 431,147	\$ 526, 958
Existing Units	\$ 407,953	\$ 367,157	\$ 448,748

*This is established by (check one):
 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	\$ N/A
Existing units	\$ 300,000
Rehabilitated units	\$ N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$ 72,100

Applicable standard that defines the area median income:

- HUD statewide median
- 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): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 72,100	\$ 86,520
3+ persons	\$ 82,915	\$ 100,940

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

<u>Year</u>	<u>Amount of Allocation Awarded</u>	<u>Amount of Allocation Used</u>	<u>Number of MCCs Issued</u>	<u>Status of Outstanding MCC Authority</u>
2005	\$0	\$N/A	N/A	\$N/A
2006	\$1,189,102	\$1,189,102	4	\$0
2007	\$661,777	\$577,389	4	\$21,095

The Applicant did not apply for MCC allocation in 2005.

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.