

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: John Weir

Applicant: Sacramento Housing and Redevelopment Agency

Contact Information:

Name: Susan Perry
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Allocation Amount Requested: \$20,000,000 **Converted MCC Authority:** \$5,000,000

Applicant's Fair Share Amount: \$9,358,969 **Converted MCC Authority:** \$2,339,742

Participating Jurisdictions: County of Sacramento, Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton, and Rancho Cordova.

Allocation Information:

Date MCCs will be advertised: February 25, 2009
Expected issue date of first MCC: May 25, 2009
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 8 units (13%) with an average mortgage amount of \$215,000
Existing resale units: 52 units (88%) with an average mortgage amount of \$189,000
Total units: 60 units with and average mortgage amount of \$192,250

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

Past Performance:

The application indicates the applicant met the 2008 minimum performance requirement that at least **40%** of the program participants are lower-income households.

The application indicates the applicant expects to meet the 2009 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 \$9,358,969 in tax-exempt bond allocation to the Sacramento Housing and Redevelopment Agency for the Mortgage Credit Certificate Program. This is the Applicant's 2009 fair share amount.

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

New Units	\$ 220,000
Existing Units	\$ 195,000

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$71,000

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	\$ 71,000	\$ 85,200
3+ persons	\$ 81,650	\$ 99,400

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>Outstanding MCC Authority</u>
2006	\$ 0	\$ 0	0	\$ 0
2007	\$ 5,220,794	\$ 5,197,420	35	\$ 5,843
2008	\$ 9,338,223	\$ 8,264,244	59	\$ 268,495

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.