

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: Sarah Lester

Applicant: Housing Authority of the County of Marin

Contact Information:

Name: Carol Kazarian
Address: 4020 Civic Center Drive
San Rafael, CA 94903-4173
Phone: (415) 491-2525

Allocation Amount Requested:	\$5,000,000	Converted MCC Authority:	\$1,250,000
-------------------------------------	-------------	---------------------------------	-------------

Applicant's Fair Share Amount:	\$1,691,259	Converted MCC Authority:	\$422,815
---------------------------------------	-------------	---------------------------------	-----------

Participating Jurisdictions:

Towns of Corte Madera, Fairfax, Anselmo, Tiburon, Cities of Larkspur, Mill Valley, Novato, San Rafael, Sausalito and the County of Marin

Allocation Information:

Date MCCs will be advertised: January 27, 2009
Expected issue date of first MCC: April 22, 2009
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units:	1 units (11%) with an average mortgage amount of \$325,000
Existing resale units:	5 units (89%) with an average mortgage amount of \$325,000
Rehabilitation units:	0 units (0%) with an average mortgage amount of \$000,000
Total units:	6 units with and 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 2008 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 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 \$1,691,259 in tax-exempt bond allocation to the Housing Authority of the County of Marin for the Mortgage Credit Certificate Program. This is the Applicant's 2009 fair share amount.

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 45% of the households at or below 80% of the median income adjusted by household size.

- **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 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 \$360,000.

- **Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:**
 According to the Applicant, the program will reserve 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 9-12 months and the anticipated monthly rate of issuance is 1-2 MCCs per month.

- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
 According to the Applicant, the County has downpayment assistance funds specifically available for BMR units at Headlands II, Braun Court and Marin City USA. The City of Novato has a downpayment assistance program for its Hamilton Redevelopment area.

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

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase</u>	<u>Non-Target Area Max Purchase Price</u>		<u>Target Area Max Purchase Price</u>
New Units	\$ 823,000	\$ 450,000	**	N/A
Existing Units	\$ 823,000	\$ 450,000	**	N/A

*This is established by (check one): IRS Safe Harbor limitations
 As determined by special survey

** According to the Applicant, the Applicant chooses to hold the maximum purchase price for non-targeted areas at \$450,000.

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

New Units	\$ 325,000
Existing Units	\$ 325,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$94,300

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): None

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$94,300	N/A
3+ persons	\$108,445	N/A

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	Did Not Apply	N/A	N/A	N/A
2007	\$952,500	\$952,550	7	\$0
2008	Did Not Apply	N/A	N/A	N/A

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.