

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 27, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: John Weir

Applicant: Sonoma County Community Development Commission

Contact Information:

Name: Danny Fred
Address: P.O. Box 45
Novato, CA 94948
Phone: (415) 898-1750

Allocation Amount Requested: \$3,183,159 **Converted MCC Authority:** \$795,790

Applicant's Fair Share Amount: \$3,183,159 **Converted MCC Authority:** \$795,790

Participating Jurisdictions:

Cities of Sonoma, Cotati, Cloverdale, Healdsburg, Petaluma, Santa Rosa, Rohnert Park, Sebastopol, the Town of Windsor, and the County of Sonoma.

Allocation Information:

Date MCCs will be advertised: March 26, 2009
Expected issue date of first MCC: June 25, 2009
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 2 units (13%) with an average mortgage amount of \$260,000
Existing resale units: 13 units (88%) with an average mortgage amount of \$260,000
Total units: 15 units with an average mortgage amount of \$260,000

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 an amount of \$3,183,159 in tax-exempt bond allocation to the Sonoma County Community Development Commission 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 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:** 15

- **Housing stock to be purchased (types, unit sizes, etc.):**
 According to the Applicant, the housing stock to be purchased will consist of mainly of single-family residences with 12% to 15% of the stock consisting of condominiums and townhomes.

- **Specific reservations of MCCs for purposed such as low-income targeting, new construction, etc.:**
 According to the Applicant, there are no federally designated target areas in the jurisdiction. The Applicant states they 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, all MCC are expected to be issued before the end of the year which translates to an anticipated issuance rate of 2 MCCs per month.

- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
 According to the Applicant, many jurisdictions utilize silent second downpayment assistance programs. The City of Santa Rosa participates in the CalHFA program for first time homebuyers which allows CHFA to make 100% LTV loans within the City of Santa Rosa.

- **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 Price*</u>	<u>Non-Target Area Max Purchase Price</u>	<u>Target Area Max Purchase Price</u>
New Units	\$ 643,202	\$ 578,882	NA
Existing Units	\$ 643,202	\$ 578,882	NA

*This is established by (check one): IRS Safe Harbor limitations
 CalHFA Sales Price Limit

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

New Units	\$ 300,000
Existing Units	\$ 300,000

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$80,200

Applicable standard that defines the area median income:

 HUD statewide median X 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): NA

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 80,200	NA
3+ persons	\$ 92,230	NA

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

<u>Year</u>	<u>Amount of Allocation</u>	<u>Amount of Allocation Used</u>	<u>Number of MCCs Issued</u>	<u>Outstanding MCC Authority</u>
2006	\$ 0	\$ 0	0	\$ 0
2007	\$ 0	\$ 0	0	\$ 0
2008	\$ 3,197,908	\$ 2,604,100	12	\$ 148,452

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.