

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: Sarah Lester

Applicant: County of Solano

Contact Information:

Name: Lark Ferrell
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1000 Webster Street
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Allocation Amount Requested: \$2,058,896 **Converted MCC Authority:** \$514,724

Applicant's Fair Share Amount: \$2,167,258 **Converted MCC Authority:** \$541,815
Applicant is assigning 5% of its fairshare to CRHMFA Homebuyers Fund.

Participating Jurisdictions:

Cities of Dixon, Fairfield, Rio Vista, Suisun City and the County of Solano

Allocation Information:

Date MCCs will be advertised: March 13, 2009
Expected issue date of first MCC: June 18, 2009
Program Status: Existing
Certificate tax credit rate: 15%

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

New construction units: 0 units (0%) with an average mortgage amount of \$000,000
Existing resale units: 16 units (100%) with an average mortgage amount of \$215,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 16 units with and average mortgage amount of \$215,000

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 \$2,058,896 in tax-exempt bond allocation to the County of Solano 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:** 16
- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, 90% of the housing stock to be purchased will consist of existing, detached single-family homes. The homes are anticipated to have three bedrooms and two baths with an average purchase price ranging from \$200,000 to \$230,000. The remaining 10% of the assisted homes are expected to be smaller existing two bedroom and one bath attached condominium units with average purchase prices below \$100,000.
- **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 8 months and the anticipated monthly rate of issuance is 2 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, the City of Dixon operates a down payment assistance program to help low and moderate-income households purchase homes (funded by the Dixon Redevelopment Agency); the City of Fairfield also offers a first time homebuyer assistance program which provides deferred loans of up to \$40,000 to qualified low-income buyers (funded with State HOME funds); and the City of Suisun City also operates a first time homebuyer program for eligible low and moderate-income homebuyers who are purchasing foreclosed properties in Suisun City (funded with Redevelopment Agency funds).
- **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	\$ 541,261	\$ 487,135	N/A
Existing Units	\$ 541,261	\$ 487,135	N/A

*This is established by (check one): IRS Safe Harbor limitations
 As determined by special survey
 Cal HFA Sales Price limits (High Cost Area only)

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

New Units	N/A
Existing Units	\$ 215,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$79,400

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): N/A

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 79,400	N/A
3+ persons	\$ 91,310	N/A

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	\$ 2,172,994	\$ 1,687,976	12	\$ 121,255

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.