

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: John Weir

Applicant: Housing Authority of the County of Marin

Contact Information:

Name: Carol Kazarian
Address: 4020 Civic Center Dr.
San Rafael, CA 94903-4173
Phone: (415) 491-2550

Allocation Amount Requested: \$3,308,741 **Converted MCC Authority:** \$827,185

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

Participating Jurisdictions:

The Cities of Larkspur, Mill Valley, Novato, San Rafael, and Sausalito; the Towns of Fairfax, San Anselmo and Tiburon and the County of Marin.

Allocation Information:

Date MCCs will be advertised: October 16, 2009
Expected issue date of first MCC: January 16, 2010
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 1 units (8%) with an average mortgage amount of \$325,000
Existing resale units: 12 units (92%) with an average mortgage amount of \$325,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 13 units with an 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:

Because there is sufficient allocation available to fund all December 16 allocation requests, staff recommends that the Committee waive the fairshare allocation cap.

Staff recommends that the Committee approve an amount of \$3,308,741 in tax-exempt bond allocation to the Housing Authority of the County of Marin for the Mortgage Credit Certificate Program on a carryforward basis.

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:** 13

- **Housing stock to be purchased (types, unit sizes, etc):**
According to the Applicant, the housing stock to be purchased will consist of predominantly attached, 2-4 bedroom single family units ranging between 1,200 to 2,000 square feet. Purchase prices for all homes will fall under \$400,000 with most of the MCCs going to resale 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. The Authority reserves MCCs for its Below Market Rate Home Ownership Program for households at or below 80% of median income. Typically, these are the only homes affordable to households at this level.

- **Expected duration MCCs will be available and anticipated monthly rate of issuance.:**
According to the Applicant, MCCs are expected to be available for 9 to 12 months and the anticipated monthly rate of issuance is 1 to 2 MCCs per month.

- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, the County has downpayment assistant funds available for 3 BMR developments. The City of Novato has a downpayment assistance program for its Hamilton Redevelopment area. Other available programs include CalHFA and ACCESS loans through the California Rural Home Mortgage Finance Authority.

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

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit Type	Average Area Purchase Price*	Non-Target Area Max Purchase Price	Target Area Max Purchase Price
New Units	\$ 663,309	\$ 596,978	\$ 729,640
Existing Units	\$ 663,309	\$ 596,978	\$ 729,640

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

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$96,800

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	\$ 96,800	\$ N/A
3+ persons	\$ 111,320	\$ 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>
2007	\$ 952,550	\$ 952,550	7	\$ 0
2008	\$ 0	\$ 0		\$ 0
2009	\$ 1,691,259	\$ 1,691,259	7	\$ 0

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.