

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 22, 2010**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

*Prepared by: Sarah Lester*

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**Applicant:** Housing Authority of the County of Marin

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**Contact Information:**

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

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

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**Applicant's Fair Share Amount:** \$1,688,429      **Converted MCC Authority:** \$422,107

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**Participating Jurisdictions:**

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

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**Allocation Information:**

**Date MCCs will be advertised:** July 22, 2010  
**Expected issue date of first MCC:** October 20, 2010  
**Program Status:** Existing  
**Certificate tax credit rate:** 20%

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

New construction units: 6 units (55%) with an average mortgage amount of \$200,500  
Existing resale units: 5 units (45%) with an average mortgage amount of \$200,500  
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000  
Total units: 11 units with and average mortgage amount of \$200,500

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

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**Past Performance:**

The application indicates the applicant met the 2009 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 2010 minimum performance requirement that at least **40%** of program participants will be lower-income households.

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**Recommendation:**

Staff recommends that the Committee approve a reduced amount of \$1,688,429 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 2010 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:**      11
  
- **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 predominately attached and 1,200-2,000 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.
  
- **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 assistant funds available for BMR units at Braun Court and Marin City USA. The Housing Authority also utilizes the American Dream Downpayment Assistance Program for low and moderate income homebuyers. The City of Novato has a downpayment assistance program for its Hamilton Redevelopment area. The City of San Rafael Rdevelopment Agency has a downpayment assistance loan and grant program. Also, the Housing Authority utilizes the WISH downpayment assistance program which is provided by the Federal Home Loan Bank and provides a silent 2nd for homebuyers whice is forgiven at the end of five years. 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	\$708,494	\$637,645	N/A
Existing Units	\$708,494	\$637,645	N/A

\*This is established by (check one):  
 IRS Safe Harbor limitations  
 As determined by special survey  
 Current FHA Loan Limit for the County

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

New Units	\$250,000
Existing Units	\$250,000
Rehabilitated Units	N/A

**MAXIMUM INCOME LIMITATIONS:**

**Area median income on which maximum program limits are based:** \$99,400

**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	\$ 99,400	\$ N/A
3+ persons	\$ 114,310	\$ 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>
2007	\$952,250	\$952,250	7	0
2008	\$1,691,259	\$1,691,259	11	0
2009	\$3,308,741	\$1,143,761	5	\$541,245

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.