THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE May 16, 2012

Staff Report

REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lesi	er						
Applicant:		Hou	using Authority of the City of San Di	g Authority of the City of San Diego			
Contact Information:							
Name: Address: Phone:		Vicl	Vicki Monce				
		112	1122 Broadway, Suite 300				
		San Diego, CA 92101					
		(619) 578-7491					
Allocation Amount Requeste	d: \$25,00	0,000	Converted MCC Authority:	\$6,250,000			
Applicant's Fair Share Amou	int: \$9,155	5,293	Converted MCC Authority:	\$2,288,823			
Participating Jurisdictions: City of San Diego							
Expected issue d	Program Sta te tax credit r	CC: ntus: rate:	March 1, 2012 August 1, 2012 Existing 18% (15% for Target and 20% fo	r Non-Targeted)			
• •			verage mortgage amount:	44000 000			
New construction unit) with an average mortgage amount of				
Existing resale units: 64 units (100%) with an average mortgage amount of \$205,725							
Rehabilitated units:0 units (0%) with an average mortgage amount of \$000,000							
Total unit	s: 64 unit	s with	and average mortgage amount of \$2	.05,725			
The above nun	abers of units	are:	X Estimates				
			Actual requirements imposed by	the Issuer			
			met the 2011 minimum performance re lower-income households or locat				
	licates the appl	icant e	expects to meet the 2012 minimum p	erformance			

Recommendation:

Staff recomends that the Committee approve a reduced amount of \$9,155,293 in tax-exempt bond allocation to the Housing Authority of the City of San Diego for the Mortgage Credit Certificate Program. This is the Applicant's 2012 fair share amount.

requirement that at least 40% of program participants will be lower-income households.

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: 64
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock will be existing units with most having two or three bedrooms. Approximately 17% will be condominiums with an expected average purchase price of \$252,145.

• Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:

According to the Applicant, the program will reserve at least 20% of the certificates for federally designated target areas and at least 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 24 months and the anticipated monthly rate of issuance is 5-7 MCCs per month. However, based on the rate of issuance information provided in the application, MCCs will be available for 6-months.

• Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, several home buying assistance programs are available: One, a Closing Cost Assistance Grant Program which allows first time home buyers to apply for a recoverable grant up to 4% of purchase price: Two, a Shared Appreciation Program which allows first time home buyers earning 80% or less of AMI to purchase homes with the a 2nd deed from the San Diego Housing Commission (the "Commission"). The Commission in turn will be entitled to a portion of appreciated equity upon the sale of property; and Three, a Deferred Interest Second Deed Program available for first time home buyers purchasing an affordable unit with up to a 3% deferred interest 2nd mortgage.

• 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	\$706,329		\$635,696	\$776,962	
Existing Units	\$706,329		\$635,696	\$776,962	
*This is established by (ch	neck one):		RS Safe Harbor limitations As determined by special surve	ey	

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

New Units	N/A
Existing Units	\$252,145
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$80,300 Applicable standard that defines the area median income: X HUD county MSA median HUD statewide median Local median as determined by a special study 0% Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): Proposed maximum income limits: Household Size Target Area Non-Target Area 1-2 persons \$80,300 \$96,360 3+ persons \$92,345 \$112,420

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2009	\$8,793,731	\$8,732,124	66	\$15,402
2010	\$8,839,762	\$8,374,548	55	\$116,304
2011	\$8,901,947	\$5,161,308	34	\$935,160

Pursuant to Section 5269 of the CDLAC Regulations, the Applicant has:

- 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.