# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE July 18, 2012

# Staff Report

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

Prepared by: Sarah Lest	er				
Poplicant: Housing Authority of the County of Marin					
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<b>Allocation Amount Requested</b>	<b>d:</b> \$5,000	0,000 Converted MCC Authority:	\$1,250,000		
Applicant's Fair Share Amou	<b>int:</b> \$1,690	0,549 <b>Converted MCC Authority:</b>	\$422,637		
<b>Participating Jurisdictions:</b>					
Sausalito and the County of		selmo and Tiburon; Cities of Larkspur,	Mill Valley, Novato, San Rafael,		
<b>Allocation Information:</b>					
Date MCCs w		<b>3</b> /			
Expected issue date of first MCC:		ICC: July 19, 2012	<b>C:</b> July 19, 2012		
Program Status		C	us: Existing		
Certificate tax credit rate:		te: 18%			
Type of housing u	nits to be assis	sted/average mortgage amount:			
New construction units	s: 7 unit	ts (55%) with an average mortgage amou	unt of \$200,500		
Existing resale units	s: 5 unit	its (45%) with an average mortgage amount of \$200,500			
Rehabilitated units		units (0%) with an average mortgage amount of \$000,000			
Total units		units with and average mortgage amount of \$200,500			
The above num	bers of units	are: X Estimates			
		Actual requirements imposed	by the Issuer		

The application indicates the applicant met the 2011 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 2012 minimum performance requirement that at least 40% of program participants will be lower-income households.

## **Recommendation:**

Staff recomends that the Committee approve a reduced amount of \$1,690,549 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 2012 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: 12
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of 1,200-2,000 square feet, 2-4 bedroom single family predominantly attached homes. The 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 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 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 donwpayment assitance funds specifically available for Below Market Rate units at Headland II, Braun Court and Marin City USA. The City of Novato has a downpayment assistance program for its Hamilton Redevelopment Area. The Applicant also states that although limited because of high housing costs, other available programs include CalHFA and ACCESS (taxable bond or no-bond) 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	_	Target Area Max Purchase Price	
New Units	\$738,987	\$665,088	\$812,886	
<b>Existing Units</b>	\$738,987	\$665,088	\$812,886	
*This is established by (cl	neck one):	X IRS Safe Harbor limitations As determined by special survey		

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: \$103,000

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): 0%

Proposed maximum income limits:

\_\_\_\_\_Household Size \_\_\_\_\_Non-Target Area \_\_\_\_\_\_Target Area

1-2 persons \$103,000 \$123,600

# **DESCRIPTION OF PUBLIC BENEFITS:**

3+ persons

## **Past Program Performance:**

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2009	\$1,691,259	\$1,658,648	12	\$8,153
2010	\$3,308,741	\$2,630,988	18	\$169,438
2010 S	\$1,688,429	\$1,168,548	7	\$129,970

\$118,450

\$144,200

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.