

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2012
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Crystal Alvarez

Applicant: City of Los Angeles

Contact Information:

Name: Vasken Djansezian
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Allocation Amount Requested: \$27,241,317 **Converted MCC Authority:** \$6,810,329

Applicant's Fair Share Amount: \$27,241,317 **Converted MCC Authority:** \$6,810,329

Participating Jurisdictions:

City of Los Angeles

Allocation Information:

Date MCCs will be advertised: July 11, 2012
Expected issue date of first MCC: November 26, 2012
Program Status: Existing
Certificate tax credit rate: 15% for non-target areas and 20% for target area buyers

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

New construction units: 18 units (8%) with an average mortgage amount of \$208,061
Existing resale units: 200 units (92%) with an average mortgage amount of \$208,061
Total units: 218 units with an average mortgage amount of \$208,061

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

Past Performance:

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 recommends that the Committee approve an amount of \$27,241,317 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2012 fair share amount.

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$101,160

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): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$101,160	\$121,392
3+ persons	\$116,334	\$141,624

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	\$14,893,831	\$14,030,341	87	\$215,873
2009	\$26,582,984	\$26,561,091	194	\$5,473
2011	\$26,487,493	\$12,192,226	90	\$3,573,817

Pursuant to Section 5269 of the CDLAC Regulations, 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.