

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 12, 2012
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Crystal Alvarez

Applicant: County of Orange

Contact Information:

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Allocation Amount Requested: \$20,250,639 **Converted MCC Authority:** \$5,062,660

Applicant's Fair Share Amount: \$20,250,639 **Converted MCC Authority:** \$5,062,660

Participating Jurisdictions:

County of Orange

Allocation Information:

Date MCCs will be advertised: October 8, 2012
Expected issue date of first MCC: February 1, 2013
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 7 units (9%) with an average mortgage amount of \$290,801
Existing resale units: 70 units (91%) with an average mortgage amount of \$332,008
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 77 units with an average mortgage amount of \$328,175

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 \$20,250,639 in tax-exempt bond allocation to the County of Orange for the Mortgage Credit Certificate Program. This is the Applicant's 2012 fair share amount 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:** 77
- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, the housing stock to be purchased will consist of both condominiums and detached homes. The average unit will have 2.5 bedroom and 1200 square feet.
- **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 5 months and the anticipated monthly rate of issuance is 15 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, down payment assistance programs are providing high dedication and commitment throughout the County toward purchase opportunities for those struggling to achieve homeownership.
- **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	\$748,462	\$673,616	\$823,308
Existing Units	\$748,462	\$673,616	\$823,308

*This is established by (check one): IRS Safe Harbor limitations
 As determined by special survey

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

New Units	\$412,530
Existing Units	\$338,826

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$85,300

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:

Household Size	Non-Target Area	Target Area
1-2 persons	\$85,300	\$102,360
3+ persons	\$98,095	\$119,420

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2009	\$14,000,000	\$13,912,121	77	\$21,970
2010	\$20,493,580	\$19,963,458	119	\$132,531
2011	\$20,482,649	\$16,546,507	94	\$984,036

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.