

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 17, 2013
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: City of Oceanside

Contact Information:

Name: Margery M. Pierce
Address: Nevada Street Annex, 300 North Coast Highway
Oceanside, CA 92054
Phone: (760) 435-3377

Allocation Amount Requested: \$1,123,444 **Converted MCC Authority:** \$280,861

Applicant's Fair Share Amount: \$1,123,444 **Converted MCC Authority:** \$280,861

Participating Jurisdictions:

City of Oceanside

Allocation Information:

Date MCCs will be advertised: April 18, 2013
Expected issue date of first MCC: August 15, 2013
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 0 units (0%) with an average mortgage amount of \$000,000
Existing resale units: 7 units (100%) with an average mortgage amount of \$200,500
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 7 units with an average mortgage amount of \$200,500

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

Past Performance:

The application indicates the applicant met the 2012 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 2013 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 \$1,123,444 in tax-exempt bond allocation to the City of Oceanside for the Mortgage Credit Certificate Program. This is the Applicant's 2013 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:** 7
- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, at least half of the units are expected to be existing, 3-bedroom, 1.5 bath, detached units, ranging from 1,100 to 1,400 square feet. The remaining will be somewhat smaller condos.
- **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 approximately five (5) months and the anticipated monthly rate of issuance is 1-2 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
None indicated.
- **Additional features unique to the proposed Program:**
None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Max Purchase Price</u>	<u>Target Area Max Purchase Price</u>
New Units	\$715,385	\$643,847	\$786,924
Existing Units	\$715,385	\$643,847	\$786,924

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

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

New Units	N/A
Existing Units	\$224,500
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$72,300

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:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$72,300	\$86,760
3+ persons	\$83,145	\$101,220

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>
2010	Did not apply	N/A	N/A	N/A
2011	Did not apply	N/A	N/A	N/A
2012	\$1,180,000	\$1,150,261	7	\$7,435

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.