THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 18, 2013 Staff Report

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

Applicant:		City a	and County of San Francisco	
Contact Information:	Name: Address: Phone:	San F	ne Lu uth Van Ness Avenue, 5th Floor Francisco, CA 94103) 701-5548	
Allocation Amount Requested	d: \$5,39	91,249	Converted MCC Authority:	\$1,347,812
Applicant's Fair Share Amou	nt: \$5,39	91,249	Converted MCC Authority:	\$1,347,812
Participating Jurisdictions: City and County of San Fra	ıncisco			
	ate of first M. Program St te tax credit nits to be ass: 15 units: 12 units: 0 units:	ACC: Jatus: I rate: I sisted/ave its (56%) its (44%) its (0%) v	October 18, 2013 January 18, 2014 Existing 15% erage mortgage amount:) with an average mortgage amount with an average mortgage amount with an average mortgage amount out average mortgage amount of \$3.	of \$400,000 f \$000,000
The above num	bers of units	are: <u>X</u>	Estimates Actual requirements imposed by	the Issuer
least 40% of the pro- Tract. The application ind	ogram partici	pants are olicant ex	et the 2012 minimum performance is elower-income households or located appects to meet the 2013 minimum per participants will be lower-income leading.	ed in a Qualified Census erformance

Recommendation:

Staff recomends that the Committee approve an amount of \$5,391,249 in tax-exempt bond allocation to the City and County of San Francisco 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: 27
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of single family detached units, condominiums and townhouses. Unit sizes will range from 1, 2 and 3 bedroom unit types.

• 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 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 six months and the anticipated monthly rate of issuance is 5 to 10 MCCs per month.

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

According to the Applicant, the City of San Francisco offers homeownership opportunities through it's Downpayment Assistance Loan Program (DALP) and its Homeownership Assistance Loan Fund are essential components of the City's Single Family homeownership program. The Homeownership Assistance Loan Fund is limited to units previously developed. The Applicant states that the MCC program and DALP funds represent the only significant home purchase opportunities in the City for most first-time low and moderate-income homebuyers in the current and forseeable market.

• Additional features unique to the proposed Program:

The City has adopted a policy of preserving the affordability of both owenership and rental housing to the maximum extent feasible for a period of fifty years. The policy will be applied to those development units and homeownership units that receive both MCCs and down payment assistance loans. The downpayment assistance loans associated with these units will be a second lien with a formula sharing the appreciation between the homeowner and the City. Repayment of shared assistance liens will be used to qualify new low and moderate-income households to purchase the units as they become available for sale.

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 Existing Units	\$748,462 \$748,462		\$673,616 \$673,616	\$823,308 \$823,308
*This is established by (che	eck one):		S Safe Harbor limitations determined by special sur	vey

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

New Units	\$350,000
Existing Units	\$450,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$126,600

Applicable standard that defines the area median income:

____HUD statewide median ____HUD county MSA median
____X Local median as determined by a special study

Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 40%

Proposed maximum income limits:

_____Household Size _____Non-Target Area ______Target Area

Household Size	Non-Target Area	Target Area	
1-2 persons	\$126,600	\$151,920	
3+ persons	\$145,590	\$177,240	

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2010	\$17,520,369	\$17,514,913	100	\$1,364
2011	\$5,537,757	\$5,531,917	28	\$1,460
2012	\$5,415,899	\$4,224,250	22	\$297,912

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.