

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

Prepared by: Crystal Alvarez

Applicant: County of San Diego

Contact Information:

Name: Maria Cavarlez
Address: 3989 Ruffin Road
San Diego, CA 92123
Phone: (858) 694-4805

Allocation Amount Requested: \$10,966,415 **Converted MCC Authority:** \$2,741,604

Applicant's Fair Share Amount: \$10,966,415 **Converted MCC Authority:** \$2,741,604

Participating Jurisdictions:

Cities of Carlsbad, Chula Vista, Coronado, El Cajon, Encinitas, Escondido, Imperial Beach, Lemon Grove, National City, San Marcos, Santee, Vista and the San Diego County unincorporated area.

Allocation Information:

Date MCCs will be advertised: June 25, 2013
Expected issue date of first MCC: October 30, 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: 51 units (100%) with an average mortgage amount of \$270,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 51 units with an average mortgage amount of \$270,000

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 \$10,966,415 in tax-exempt bond allocation to the County of San Diego 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:** 51

- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, the housing stock to be purchased will consist of 2-3 bedrooms detached homes ranging from 900-1400 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 5-6 months and the anticipated monthly rate of issuance is 10 MCCs per month.

- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, all jurisdictions participating in the MCC program offer a wide selection of downpayment assistance programs. In addition, the County of San Diego's downpayment and closing cost assistance program offers deferred loans and subordinate financing.

- **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	\$715,385	\$643,847	\$786,924
Existing Units	\$715,385	\$643,847	\$786,924

*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	\$0
Existing Units	\$282,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: [REDACTED]

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): [REDACTED]

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	\$10,705,262	\$10,705,262	62	0
2011	\$10,771,321	\$10,771,321	57	0
2012	\$10,457,982	\$7,694,033	35	\$690,987

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.