

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 19, 2014
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: City of Los Angeles

Contact Information:

Name: Manuel Bernal
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Allocation Amount Requested: \$30,340,634 **Converted MCC Authority:** \$7,585,159

Applicant's Fair Share Amount: \$30,340,634 **Converted MCC Authority:** \$7,585,159

Participating Jurisdictions:

City of Los Angeles

Allocation Information:

Date MCCs will be advertised: January 13, 2014
Expected issue date of first MCC: May 18, 2014
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 5 units (3%) with an average mortgage amount of \$231,851
Existing resale units: 159 units (97%) with an average mortgage amount of \$231,851
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 164 units with and average mortgage amount of \$231,851

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

Past Performance:

The application indicates the applicant met the 2013 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 2014 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 \$30,340,634 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2014 fair share amount.

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$82,800

Applicable standard that defines the area median income:

HUD statewide median HUD county MSA median *

Local median as determined by a special study

*High Cost Area

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	\$95,220	\$99,360
3+ persons	\$109,503	\$133,308

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>
2011	\$26,487,493	\$26,427,373	202	\$15,030
2012	\$27,241,317	\$25,528,248	170	\$428,267
2013	Did Not Apply	N/A	0	\$0

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.