

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 17, 2014**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

Prepared by: Sarah Lester

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**Applicant:** Housing Authority of the County of Marin

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**Contact Information:**

**Name:** Carol Kazarian  
**Address:** 4020 Civic Center Drive  
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**Allocation Amount Requested:** \$2,009,342      **Converted MCC Authority:** \$502,336

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**Applicant's Fair Share Amount:** \$2,009,342      **Converted MCC Authority:** \$502,336

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**Participating Jurisdictions:**  
County of Marin (Towns of Corte Madera, Fairfax, San Anselmo, Tiburon; Cities of Larkspur, Mill Valley, Novato, San Rafael and Sausalito)

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**Allocation Information:**

**Date MCCs will be advertised:** July 3, 2014  
**Expected issue date of first MCC:** October 1, 2014  
**Program Status:** Existing  
**Certificate tax credit rate:** 20% for lower income and 15% for incomes at 80% of median or above

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

New construction units:	8 units (57%) with an average mortgage amount of \$200,500
Existing resale units:	6 units (43%) with an average mortgage amount of \$200,500
Rehabilitated units:	0 units (0%) with an average mortgage amount of \$000,000
Total units:	14 units with and average mortgage amount of \$200,500

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

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**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.

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**Recommendation:**  
Staff recommends that the Committee approve an amount of \$2,009,342 in tax-exempt bond allocation to the Housing Authority of the County of Marin for the Mortgage Credit Certificate Program. This is the Applicant's 2014 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:** 14
- **Housing stock to be purchased (types, unit sizes, etc.):**  
 According to the Applicant, the housing stock to be purchased will consist of single family 1-3 bedroom homes. The homes will range in square footage from 1,200-2,000 square feet. All homes will fall under \$400,000 with most of the MCC's going to resale units under \$300,000.
- **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 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 9-12 months and the anticipated monthly rate of issuance is 1-2 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**  
 According to the Applicant, the County has a downpayment assistance funds specifically available for Below Market Rate units at Headlands II, Braun Court and Marin City.
- **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	N/A
Existing Units	\$748,462	\$673,616	N/A

\*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	\$250,000
Existing Units	\$250,000
Rehabilitated Units	N/A

**MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$97,100

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): N/A

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$97,100	N/A
3+ persons	\$111,665	N/A

**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	Did Not Apply	Did Not Apply	0	\$0
2012	\$1,690,549	\$1,638,440	13	\$13,027
2013	\$1,690,550	\$1,690,549	12	\$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.