THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

December 10, 2014 Staff Report

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

Name: Bernadette Cruz Address: 5555 Arlington Avenue Riverside, CA 92504 Phone: (951) 343-5470 Allocation Amount Requested: \$8,000,000 Converted MCC Authority: \$2,000,000 Applicant's Fair Share Amount: \$17,807,491 Converted MCC Authority: \$4,451,873 Participating Jurisdictions: Cities of Banning, Beaumont, Calimesa, Canyon Lake, Cathedral City, Coachella, Corona, Desert Hot Springs, F Indio, Jurupa Valley, Lake Elsinore, La Quinta, Menifee, Moreno Valley, Murrieta, Norco, Palm Desert, Palm S Perris, Riverside, San Jacinto, Temecula, Wildomar and the unincorporated areas of the County of Riverside Allocation Information: Date MCCs will be advertised: June 11, 2014 Expected issue date of first MCC: December 24, 2014 Program Status: Existing Certificate tax credit rate: 20% Type of housing units to be assisted/average mortgage amount: New construction units: 5 units (10%) with an average mortgage amount of \$248,619 Existing resale units: 43 units (90%) with an average mortgage amount of \$000,000 Total units: 48 units with and average mortgage amount of \$000,000 Total units: 48 units with and average mortgage amount of \$206,287 The above numbers of units are: X Estimates Actual requirements imposed by the Issuer	Applicant:		Co	unty of Riverside		
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The Applicant did not apply for its 2013 fairshare. Therefore, the 2013 minimum performance requirement that at least 40% of the program participants are lower-income households or located in a Qualified Census Tract does not apply.

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:

The Applicant is only requesting \$8,000,000 of its \$17,807,491 2014 fairshare portion of the Single Family Housing Pool.

Staff recommends that the Committee approve a reduced amount of \$8,000,000 in tax-exempt bond allocation to the County of Riverside for the Mortgage Credit Certificate Program on a carryforward basis.

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: 48
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of approximately 71% of the units will be single family homes and the remaining 29% will be condominiums and PUD (Planned Unit Developments). The average number of bedrooms will be 3 and the average purchase price will be approximately \$309,762.

• 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 information provided in the application, based on the County's 2012 data, MCCs are expected to be available for 10-12 months and the anticipated monthly rate of issuance is 5 MCCs per month.

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

According to the Applicant, in addition to the MCC program, the County and several cities offer assistance programs for first time homebuyers (FTHB). The County of Riverside offers three downpayment assistance programs that include a silent 2nd loan up to 30% of the purchase price. In addition, 9 of the 24 participating jurisdictions have one or more FTHB programs that feature a combination of deferred low interest loans, non-repayable grants, silent 2nd liens and other gap financing.

• Additional features unique to the proposed Program:

None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit Type Average Are Purchase Price		Non-Target Area Max Purchase Price	Target Area Max Purchase Price	
New Units	\$512,821	\$461,539	\$564,103	
Existing Units	\$512,821	\$461,539	\$564,103	
This is established by (cl	neck one): X	IRS Safe Harbor limitations As determined by special survey		

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

New Units	\$254,404
Existing Units	\$197,388
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$68,100 Applicable standard that defines the area median income: X 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:** Household Size Non-Target Area Target Area 1-2 persons \$68,100 \$81,720 3+ persons \$78,315 \$95,340

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2011	\$13,839,850	\$13,827,790	129	\$3,015
2012	\$14,812,646	\$13,924,842	88	\$221,951
2013	Did Not Apply	N/A	NA	N/A

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.