THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE March 18, 2015 Staff Report REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

<mark>applicant:</mark>	Gol	den State Finance Authority	
Contact Information:			
Ν	ame: Pete	er Tran	
Add	lress: 121	5 K Street, Ste. 1650	
		ramento, CA 95814	
Pł		5) 444-2615	
llocation Amount Requested:	\$24,379,370	Converted MCC Authority:	\$6,094,843
pplicant's Fair Share Amount:	\$24,366,080	Converted MCC Authority:	\$6,091,520
articipating Jurisdictions:			
County of Orange			
County of Orange			
llocation Information:			
Date MCCs will b	e advertised:	October 1, 2014	
Expected issue date		June 1, 2015	
-	ogram Status:	New	
	x credit rate:	20%	
Type of housing units	to be assisted/av	verage mortgage amount:	
Type of housing units New construction units:			of \$288,185
New construction units:	19 units (13%	b) with an average mortgage amount	
	19 units (13% 127 units (87%	b) with an average mortgage amountb) with an average mortgage amount	of \$195,779
New construction units: Existing resale units:	19 units (13% 127 units (87% 0 units (0%)	 b) with an average mortgage amount b) with an average mortgage amount c) with an average mortgage amount 	of \$195,779 of \$000,000
New construction units: Existing resale units: Rehabilitated units:	19 units (13% 127 units (87% 0 units (0%)	b) with an average mortgage amountb) with an average mortgage amount	of \$195,779 of \$000,000
New construction units: Existing resale units: Rehabilitated units:	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with	b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) and average mortgage amount of \$2	of \$195,779 of \$000,000
New construction units: Existing resale units: Rehabilitated units: Total units:	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with	b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) and average mortgage amount of \$2	of \$195,779 of \$000,000 07,964
New construction units: Existing resale units: Rehabilitated units: Total units:	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with	 b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) with an average mortgage amount c) and average mortgage amount of \$2 <u>X</u> Estimates 	of \$195,779 of \$000,000 07,964
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New construction units: Existing resale units: Rehabilitated units: Total units: The above numbers	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with s of units are:	 b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) with an average mortgage amount c) and average mortgage amount of \$2 <u>X</u> Estimates 	of \$195,779 of \$000,000 07,964
New construction units: Existing resale units: Rehabilitated units: Total units: The above numbers Past Performance:	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with s of units are:	 b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) with an average mortgage amount c) and average mortgage amount of \$2 <u>X</u> Estimates 	of \$195,779 of \$000,000 07,964
New construction units: Existing resale units: Rehabilitated units: Total units: The above numbers Past Performance: The Applicant did not a	19 units (13% 127 units (87% <u>0</u> units (0%) 146 units with s of units are: pply in 2014.	 b) with an average mortgage amount b) with an average mortgage amount b) with an average mortgage amount c) with an average mortgage amount c) and average mortgage amount of \$2 <u>X</u> Estimates 	of \$195,779 of \$000,000 07,964 the Issuer

Recommendation:

Staff recomends that the Committee approve a reduced amount of \$24,366,080 in tax-exempt bond allocation to the Golden State Finance Authority for the Mortgage Credit Certificate Program. This is the Applicant's 2015 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: 146
- *Housing stock to be purchased (types, unit sizes, etc.):* According to the Applicant, the housing stock to be purchased will consist of detached homes and condominiums ranging from 2-4 bedrooms and 1-2.5 bathrooms with square footage from 1000-2200 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 12-18 months and the anticipated monthly rate of issuance is 8-10 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for 9-10 months.

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

According to the Applicant, its program may be used in connection with other local grant and/or subordinate loan programs. Additionally, homebuyers have the option to utilize the Applicant's grant or second mortgage program in conjuction with the MCC Program.

• *Additional features unique to the proposed Program:* None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit Type	Average Area	Non-Target Area	Target Area Max
	Purchase Price*	Max Purchase Price	Purchase Price
New Units	\$679,891	\$611,902	\$747,880
Existing Units	\$679,891	\$611,902	\$747,880

*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	\$414,563
Existing Units	\$330,878
Rehabilitated Units	N/A

Household Size	Non-Target Area	Target Area	
1-2 persons	\$84,900	\$101,880	
3+ persons	\$97,635	\$118,860	

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2011	\$20,482,649	\$18,682,649	112	\$450,000
2012	\$20,250,639	\$19,400,982	85	\$212,414
2013	Did Not Apply	N/A	N/A	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.