

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 16, 2015
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: *Brian Clark*

Applicant: City of Los Angeles

Contact Information:

Name: Timothy Elliot
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Allocation Amount Requested: \$30,552,813 **Converted MCC Authority:** \$7,638,203

Applicant's Fair Share Amount: \$30,552,813 **Converted MCC Authority:** \$7,638,203

Participating Jurisdictions: City of Los Angeles

Allocation Information:

Date MCCs will be advertised: April 1, 2015
Expected issue date of first MCC: November 16, 2015
Program Status: Existing
Certificate tax credit rate: 18%

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

New construction units: 5 units (3%) with an average mortgage amount of \$247,139
Existing resale units: 180 units (97%) with an average mortgage amount of \$247,139
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 185 units with an average mortgage amount of \$247,139

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

Past Performance:

The application indicates the applicant met the 2014 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 2015 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 \$30,552,813 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2015 fair share amount

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$99,600

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): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$99,600	\$99,600
3+ persons	\$116,200	\$116,200

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	\$27,220,168	182	\$5,287
2014	\$30,340,634	\$19,175,587	115	\$2,791,262

For 2014, the Applicant expects to issue the remaining authority before the use of new MCC Authority and by the federal expiration date of December 31, 2016. Applicant has reserved the majority of the remaining 2014 authority.

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.