

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 21, 2015
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: *Brian Clark*

Applicant: California Housing Finance Agency

Contact Information:

Name: Lesli Faulk
Address: PO Box 4034
Sacramento, CA 95812-4034
Phone: (916) 326-8656

Allocation Amount Requested: \$150,000,000 **Converted MCC Authority:** \$37,500,000

Applicant's Fair Share Amount: \$150,000,000 **Converted MCC Authority:** \$37,500,000

Participating Jurisdictions:

Statewide

Allocation Information:

Date MCCs will be advertised: October 2015
Expected issue date of first MCC: January 2016
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 150 units (20%) with an average mortgage amount of \$270,000
Existing resale units: 600 units (80%) with an average mortgage amount of \$245,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 750 units with an average mortgage amount of \$249,993

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 \$150,000,000 in tax-exempt bond allocation to the California Housing Finance Agency 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: Various

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	Various	Various
3+ persons	Various	Various

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	\$270,000,000	\$155,900,160	774	\$28,524,960
2012	\$213,765,000	\$97,697,017	703	\$29,016,996
2013	\$180,000,000	\$163,670,712	763	\$4,082,322
2014	\$80,000,000	\$61,589,358	285	\$4,602,660

The outstanding MCC authority for 2013 and 2014 has been committed and is expected to be exhausted by October 2015.

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.