

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 20, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Brian Clark

Applicant:	Sacramento Housing & Redevelopment Agency on behalf of the County of Sacramento
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Contact Information:	
Name:	Susan Perry
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Allocation Amount Requested:	\$15,247,070	Converted MCC Authority:	\$3,811,768
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Applicant's Fair Share Amount:	\$15,247,070	Converted MCC Authority:	\$3,811,768
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Participating Jurisdictions:	
	County of Sacramento

Allocation Information:	
Date MCCs will be advertised:	June 18, 2016
Expected issue date of first MCC:	September 20, 2016
Program Status:	Existing
Certificate tax credit rate:	20%

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

New construction units:	10 units (11%) with an average mortgage amount of \$228,000
Existing resale units:	84 units (89%) with an average mortgage amount of \$200,000
Total units:	94 units with an average mortgage amount of \$202,979

The above numbers of units are: X Estimates

Past Performance:	
	The application indicates the applicant met the 2015 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 2016 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 \$15,247,070 in tax-exempt bond allocation to the Sacramento Housing & Redevelopment Agency on behalf of the County of Sacramento for the Mortgage Credit Certificate Program. This is the Applicant's 2016 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:*** 94
- ***Housing stock to be purchased (types, unit sizes, etc.):***
According to the Applicant, the housing stock to be purchased will consist of detached units, attached half-plex units and attached condominiums having on average 3 bedrooms and 1 - 2 bathrooms.
- ***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 24 months and the anticipated monthly rate of issuance is 5 - 8 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for 11 - 18 months.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***
According to the Applicant, Sacramento Housing & Redevelopment Agency offers up to \$40,000 in down payment assistance to eligible homebuyers through the CalHome First-Time Homebuyer Mortgage Assistance Program. Sacramento Housing & Redevelopment Agency also has a Homebuyer Assistance Program Layering Policy which allows homebuyers to layer the MCC program with the down payment assistance program.
- ***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	\$497,590	\$447,831	\$547,349
Existing Units	\$497,590	\$447,831	\$547,349

*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	\$265,000
Existing Units	\$218,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$85,800

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	\$85,800	\$100,100
3+ persons	\$85,800	\$100,100

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>
2013	\$0	\$0	0	\$0
2014	\$11,368,467	\$11,366,552	70	\$479
2015	\$0	\$0	0	\$0

Applicant did not apply for MCC allocation in 2013 and 2015. Balance of 2014 authority is not sufficient to issue an additional MCC.

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.