

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 14, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Louise Eller

Applicant: Housing Authority of the County of Marin

Contact Information:

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Allocation Amount Requested: \$2,678,824 **Converted MCC Authority:** \$669,706

Applicant's Fair Share Amount: \$2,678,824 **Converted MCC Authority:** \$669,706

Participating Jurisdictions:

County of Marin. Cities of Larkspur, Mill Valley, Novato, San Rafael and Sausalito. Towns of Corte Madera, Fairfax, San Anselmo and Tiburon.

Allocation Information:

Date MCCs will be advertised: October 14, 2016
Expected issue date of first MCC: January 12, 2017
Program Status: Existing
Certificate tax credit rate: 20%

Type of housing units to be assisted/average mortgage amount:
New construction units: 5 units (33%) with an average mortgage amount of \$210,000
Existing resale units: 10 units (67%) with an average mortgage amount of \$220,000
Total units: 15 units with an average mortgage amount of \$216,667

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

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 \$2,678,824 in tax-exempt bond allocation to the Housing Authority of the County of Marin for the Mortgage Credit Certificate Program. This is the Applicant's 2016 fair share amount 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:** 15
- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, the housing stock to be purchased will consist of predominantly attached homes ranging from 1 to 3 bedrooms and 1 to 2.5 bathrooms with square footage from 1,200 to 2,000 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 9 to 12 months and the anticipated monthly rate of issuance is 1 to 2 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, The County of Marin has down payment assistance funds specifically available for BMR units at Headlands II, Braun Court and Marin City USA. The City of Novato has a silent second assistance program for its Hamilton Redevelopment area. Another available down payment assistance program available to eligible homebuyers is the Workforce Initiative Subsidy for Homeownership (WISH), which can be initiated by Marin Housing with funding provided by the Federal Home Loan Bank.
- **Additional features unique to the proposed Program:**
MCC's are also issued for qualifying Market-Rate homebuyers at a consistent rate.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Max Purchase Price</u>	<u>Target Area Max Purchase Price</u>
New Units	\$655,317	\$589,785	\$720,849
Existing Units	\$655,317	\$589,785	\$720,849

*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	\$250,000
Existing Units	\$250,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$107,700

Applicable standard that defines the area median income:

___ HUD statewide median x 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): 10%

Proposed maximum income limits:

Household Size	Non-Target Area	Target Area
1-2 persons	\$137,015	\$147,600
3+ persons	\$157,568	\$172,200

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2013	\$1,690,549	\$1,690,549	12	\$0
2014	\$2,009,342	\$1,950,868	10	\$14,619
2015	\$2,001,921	\$1,924,944	12	\$19,244

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.