

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 15, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: City of Oceanside

Contact Information:

Name: Cecilia Barandiaran
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Allocation Amount Requested: \$1,120,520 **Converted MCC Authority:** \$280,130

Applicant's Fair Share Amount: \$1,120,520 **Converted MCC Authority:** \$280,130

Participating Jurisdictions:

City of Oceanside

Allocation Information:

Date MCCs will be advertised: December 21, 2016
Expected issue date of first MCC: April 15, 2017
Program Status: Existing
Certificate tax credit rate: 20%

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

Existing resale units: 5 units (100%) with an average mortgage amount of \$265,685
Total units: 5 units with an average mortgage amount of \$265,685

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

Past Performance:

The application indicates that the applicant met the 2016 minimum performance requirement, which states that at least **40%** of the program participants are lower-income households or located in a Qualified Census Tract.

The application indicates that the applicant expects to meet the 2017 minimum performance requirement, which states that at least **40%** of the program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve an amount of \$1,120,520 in tax-exempt bond allocation to the City of Oceanside for the Mortgage Credit Certificate Program. This is the Applicant's 2017 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:** 5

- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, at least half of the housing stock to be purchased will consist of detached units having 3 bedrooms and 1.5 bathrooms with square footage ranging from 1,100 to 1,400 square feet. The remainder of the housing stock to be purchased will consist of somewhat smaller condominium units.

- **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 4 months and the anticipated monthly rate of issuance is 1-2 MCCs per month.

- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, participants may receive downpayment assistance through the City of Oceanside, the State's CalHome Program or Federal downpayment assistance.

- **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	\$715,385	\$643,847	\$786,924
Existing Units	\$715,385	\$643,847	\$786,924

*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	\$0
Existing Units	\$265,685
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$73,500

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	\$73,500	\$88,200
3+ persons	\$84,525	\$102,900

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>
2014	Did Not Apply	\$0	0	\$0
2015	\$1,123,400	\$1,123,400	5	\$0
2016	Did Not Apply	\$0	0	\$0

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.