

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 17, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: Housing Authority of the City of San Diego

Contact Information:

Name: Carrie Tapia
Address: 1122 Broadway, # 300
San Diego, CA 92101
Phone: (619) 578-7497

Allocation Amount Requested: \$25,000,000 **Converted MCC Authority:** \$6,250,000

Applicant's Fair Share Amount: \$8,862,850 **Converted MCC Authority:** \$2,215,713

Participating Jurisdictions:

City of San Diego

Allocation Information:

Date MCCs will be advertised: March 15, 2017
Expected issue date of first MCC: June 13, 2017
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 0 units (0%) with an average mortgage amount of \$000,000
Existing resale units: 41 units (100%) with an average mortgage amount of \$268,990
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 41 units with an average mortgage amount of \$268,990

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

Past Performance:

The Applicant did not apply for its 2016 fair share allocation, therefore, the minimum performance requirement that at least **40%** of the program participants are lower-income households or located in a Qualified Census Tract is not applicable.

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

Recommendation:

Staff recommends that the Committee approve a reduced amount of \$8,862,850 in tax-exempt bond allocation to the Housing Authority of the City of San Diego for the Mortgage Credit Certificate Program. This is the Applicant's 2017 fair share amount.

Expected average sales prices of the estimated units to be assisted:

New Units	\$0
Existing Units	\$350,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$102,000

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	\$102,000	\$102,000
3+ persons	\$119,000	\$119,000

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	\$10,414,228	\$10,127,472	57	\$71,689
2014 (LS)*	\$14,585,772	\$13,467,720	62	\$279,513

* LS = Lump Sum

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.