

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 13, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: City of Los Angeles

Contact Information:

Name: Helmi Hisserich
Address: 1200 W. 7th Street
Los Angeles, CA 90017
Phone: (213) 808-8662

Allocation Amount Requested: \$25,670,000 **Converted MCC Authority:** \$6,417,500

Applicant's Fair Share Amount: \$25,670,000 **Converted MCC Authority:** \$6,417,500

Participating Jurisdictions:

City of Los Angeles

Allocation Information:

Date MCCs will be advertised: June 19, 2017
Expected issue date of first MCC: February 11, 2018
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 4 units (3%) with an average mortgage amount of \$321,082
Existing resale units: 123 units (97%) with an average mortgage amount of \$249,967
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 127 units with an average mortgage amount of \$252,207

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

Past Performance:

The Applicant received an allocation in program year 2016. Therefore, the 2016 minimum performance requirement that at least 40% of the program participants are lower-income households or located in a Qualified Census Tract does not apply.

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 an amount of \$25,670,000 in tax-exempt bond allocation to the City of Los Angeles for the Mortgage Credit Certificate Program. This is the Applicant's 2017 fair share amount on a carryforward basis.

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$90,100

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	\$90,100	\$108,120
3+ persons	\$124,338	\$174,073

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	\$30,340,634	\$30,257,806	178	\$20,707
* 2015	\$30,552,813	\$20,737,187	119	\$2,453,907
2016	Did not apply	N/A	N/A	N/A

* Regarding the remaining 2015 outstanding MCC authority, the Applicant states that they expect to issue the balance of the authority indicated before the use of the new MCC Authority and by the federal expiration date of December 31, 2017.

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.