Agenda Item No. 5.2 Application No. 17-039

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:		Authority of	the County of Marin	
Contact Information:	Na: Addr Pho	ess: 40 Sa	arol Kazarian 20 Civic Center Drive n Rafael, CA 94903 15) 491-2550	
Allocation Amount Requ	iested:	\$4,000,000	Converted MCC Authority:	\$1,000,000
Applicant's Fair Share A	mount:	\$1,670,285	Converted MCC Authority:	\$417,571
City of San Rafael, Ci	a, Town of		of Larkspur, City of Mill Valley, Cit Tiburon and County of Marin	y of Novato, Town of San Anselmo,
Expected iss Cert Type of housi	sue date of Prog dificate tax ng units to	ram Status: credit rate:	September 30, 2017 January 10, 2018 Existing 20% average mortgage amount:	
New construction Existing resale Rehabilitated Total	units:	13 units (67 0 units (0%	(%) with an average mortgage amount (%) with an average mortgage amount (6) with an average mortgage amount (h and average mortgage amount of \$2	t of \$270,000 of \$000,000
The above	numbers	of units are:	X Estimates Actual requirements imposed by	the Issuer
least 40% of t	he program	participants	met the 2016 minimum performance are lower-income households or local expects to meet the 2017 minimum p	ted in a Qualified Census
			am participants will be lower-income	

Recommendation:

Staff recommends that the Committee approve \$4,000,000 in tax-exempt bond allocation to the Housing Authority of the County of Marin for the Mortgage Credit Certificate Program 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: 19
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of predominately attached homes ranging from 1-3 bedrooms with square footage from 1,000-2,000 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 10% 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 9-12 months and the anticipated monthly rate of issuance is 1-2 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for 12-24 months.

Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, its program may be used in connection with County downpayment assistance funds available for below market rate ("BMR") units at Headlands II, Braun Court and Marin City USA. In addition, the program may be used in connection with WISH downpayment assistance loans/grants and a silent second assistance program provided by the City of Novato for the Hamilton Redevelopment area.

• 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	\$650,793	\$585,714	\$715,872
Existing Units	\$650,793	\$585,714	\$715,872
*This is established by (c	· —	RS Safe Harbor limitations As determined by special surv	vey

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

New Units	\$320,000
Existing Units	\$320,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$115,300

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	\$115,300	\$138,360
3+ persons	\$159,114	\$222,760

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2014	\$2,009,342	\$1,950,868	10	\$14,619
2015	\$2,001,921	\$1,924,944	12	\$19,244
2016	\$2,998,000	\$2,844,312	14	\$38,422
2016	\$2,678,824	\$2,174,366	9	\$126,115

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.