THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE May 16, 2018 Staff Report

REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lest					
Applicant: Ci	ty and County	of San	Francisco		
Contact Information:					
Contact Information.	Name:	Ieani	ne Lu		
	Address:		uth Van Ness Avenue, 5th Floor		
			Francisco, CA 94103		
	Phone:		701-5548		
Allocation Amount Requeste	d: \$5,55	6,364	Converted MCC Authority:	\$1,389,091	
Applicant's Fair Share Amou	int: \$5,55	6,364	Converted MCC Authority:	\$1,389,091	
Participating Jurisdictions: City and County of San Fra	ancisco				
Allocation Information: Date MCCs v Expected issue d	ate of first M	ICC:	June 15, 2018 September 13, 2018		
Cortifica	Program State tax credit		Existing 15%		
Certifica	te tax credit	iaic.	1570		
Type of housing u	nits to be assi	sted/av	erage mortgage amount:		
New construction unit	s: 16 uni	ts (52%)) with an average mortgage amount	of \$250,000	
Existing resale units	s: 15 uni	ts (48%) with an average mortgage amount	of \$350,000	
Rehabilitated units	Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000				
Total units: 31 units with and average mortgage amount of \$300,000					
The above num	bers of units	are: X	₹ Estimates		
		_	Actual requirements imposed by	the Issuer	
Past Performance:					
			tet the 2017 minimum performance e lower-income households or locate	-	
			expects to meet the 2018 minimum per participants will be lower-income		

Recommendation:

Staff recommends that the Committee approve an amount of \$5,556,364 in tax-exempt bond allocation to the City and County of San Francisco for the Mortgage Credit Certificate Program. This is the Applicant's 2018 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: 31
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of single family detached units, condominiums and townhomes ranging from studio to 3 bedrooms and 1-2 bathrooms.

• Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:

According to the Applicant, the program will reserve at least 40% 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 6 months and the anticipated monthly rate of issuance is 5-10 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for 4 months.

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

According to the Applicant, the City of San Francisco offers homeownership opportunities through its Downpayment Assistance Loan Program (DALP) and its Homeownership Assistance Loan Fund which are essential components of the City's Single Family homeownership program. The Homeownership Assistance Loan Fund is limited to units previously developed. The Applicant states that the MCC program and DALP funds represent the only significant home purchase opportunities in the City for most first-time low and moderate-income homebuyers in the current and foreseeable market.

• Additional features unique to the proposed Program:

None indicated.

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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	\$695,294	\$625,765	\$764,823	
Existing Units	\$695,294	\$625,765	\$764,823	
*This is established by (c	heck one):	IRS Safe Harbor limitations As determined by special survey		

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

New Units	\$300,000
Existing Units	\$400,000
Rehabilitated Units	\$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which	ch maximum program limits are based:	\$145,067			
Applicable standard that defines the area median income:					
HUD statewide me	edianHUD county MSA med	lian			
X Local median as determined by a special study					
Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 40%					
Proposed maximum income limits:					
Household Size	Non-Target Area	Target Area			
1-2 persons	\$145,067	\$174,080			

DESCRIPTION OF PUBLIC BENEFITS:

3+ persons

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2015	Did Not Apply	N/A	N/A	N/A
2016	\$8,829,698	\$8,829,623	61	\$19
2017	\$5,518,810	\$5,452,073	32	\$16,684

\$200,192

\$280,269

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.