

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 18, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: Golden State Finance Authority

Contact Information:

Name: Peter Tran
Address: 1215 K Street, Ste. 1650
Sacramento, CA 95814
Phone: (916) 444-2615

Allocation Amount Requested: \$150,000,000 **Converted MCC Authority:** \$37,500,000

Applicant's Fair Share Amount: \$87,675,991 **Converted MCC Authority:** \$21,918,998

Participating Jurisdictions:

Counties of Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Orange, Placer, Plumas, San Benito, San Bernardino, San Joaquin, San Luis Obispo, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Ventura, Yolo, Yuba and the Cities of Redding and Vacaville

Allocation Information:

Date MCCs will be advertised: May 25, 2018
Expected issue date of first MCC: July 1, 2018
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 74 units (10%) with an average mortgage amount of \$252,366
Existing resale units: 698 units (90%) with an average mortgage amount of \$241,700
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 772 units with and average mortgage amount of \$242,720

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

Past Performance:

The application indicates the applicant met the 2017 minimum performance requirement that at least **40%** of the program participants are lower-income households or located in a Qualified Census Tract.

The application indicates the applicant expects to meet the 2018 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve the requested amount of \$150,000,000 in tax-exempt bond allocation to the Golden State Finance Authority for the Mortgage Credit Certificate Program. The amount includes the Applicant's 2018 fairshare amount of \$87,675,991 and \$62,324,009 from the Committee's 2018 Allocation on Hold (undesignated reserve).

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: Various

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	Various	Various
3+ persons	Various	Various

DESCRIPTION OF PUBLIC BENEFITS:

\$21,965,359

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>
2015	\$24,379,370	\$21,965,359	79	\$603,503
2015	\$63,833,263	\$63,357,387	79	\$118,969
2016	\$140,157,551	\$133,880,166	689	\$1,569,346
2017	Did Not Apply	Did Not Apply	N/A	N/A

According to the information provided by the Applicant, the remaining 2015 balances have expired and the remaining 2016 balance is still active and is expected to be fully expended within 30 days.

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.