THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

March 21, 2012 Staff Report

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

Prepared by: Sarah Lester			
Applicant:	Co	unty of Riverside	
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Allocation Amount Requested:	\$14,812,646	Converted MCC Authority:	\$3,703,162
Applicant's Fair Share Amount:	\$14,812,646	Converted MCC Authority:	\$3,703,162
Indio, Lake Elsinore, La Quinta,	Moreno Valley	a, Canyon Lake, Cathedral City, Coac y, Murrieta, Norco, Palm Desert, Pali prated areas of the County of Riversic	m Springs, Perris, Riverside, San
Allocation Information: Date MCCs will b Expected issue date o Pro Certificate ta	of first MCC: gram Status:	December 21, 2011 April 4, 2012 Existing 15%	
Type of housing units to New construction units: Existing resale units: Rehabilitated units: Total units:	2 units (1% 132 units (999 0 units (0%	werage mortgage amount: (a) with an average mortgage amount (%) with an average mortgage amount (a) with an average mortgage amount (a) and average mortgage amount of \$1	of \$184,059 of \$000,000
The above numbers	of units are: _	X Estimates Actual requirements imposed by	the Issuer
		net the 2011 minimum performance in the lower-income households or located	
		expects to meet the 2012 minimum per participants will be lower-income l	

Recommendation:

Staff recomends that the Committee approve an amount of \$14,812,646 in tax-exempt bond allocation to the County of Riverside for the Mortgage Credit Certificate Program. This is the Applicant's 2012 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: 134
- Housing stock to be purchased (types, unit sizes, etc):

According to the Applicant, the housing stock to be purchased will consist of approximately 69% of the units will be single family homes and the remaining 31% will be condominiums and PUD (Planned Unit Developments). The average number of bedrooms will be 3 with 2 baths and the average purchase price will be approximately \$203,030.

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

According to the Applicant, the program will reserve at least 20% 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 information provided in the application, based on the County's 2011 data, MCCs are expected to be available for 15 months and the anticipated monthly rate of issuance is 9 MCCs per month.

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

According to the Applicant, in addition to the MCC program, the county and several cities offer assistance programs for first time homebuyers (FTHB). The County of Riverside offers three downpayment assistance programs that include a silent 2nd loan up to 20% of the purchase price. In addition, 9 of the 22 participating jurisdictions have one or more FTHB programs that feature a combination of deferred low interest loans, non-repayable grants, silent 2nds liens and other gap financing.

• 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	_	et Area Max chase Price
New Units	\$506,329	\$455,696	\$	556,962
Existing Units	\$506,329	\$455,696	\$	556,962

*This is established by (check one):	X IRS Safe Harbor limitations	
		As determined by special survey

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

New Units	\$234,000
Existing Units	\$202,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$71,400 Applicable standard that defines the area median income: HUD county MSA median X HUD statewide median Local median as determined by a special study 20% Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): **Proposed maximum income limits:** Household Size Target Area Non-Target Area 1-2 persons \$71,400 \$85,680 3+ persons \$82,110 \$99,960

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2009	\$18,721,101	\$18,687,288	14	\$8,453
2010	Did Not Apply	N/A	N/A	N/A
2011	\$13,839,850	\$1,668,200	177	\$3,042,913

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.