



STATE OF CALIFORNIA

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

915 CAPITOL MALL, ROOM 311

SACRAMENTO, CA 95814

TELEPHONE: (916) 653-3255

FAX: (916) 653-6827

www.treasurer.ca.gov

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*Executive Director*

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<p><b>FOR CDLAC USE ONLY</b></p> <p><b>Application No.</b> _____</p> <p><b>Analyst:</b> _____</p>
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**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

**APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM**

ISSUER (Applicant): \_\_\_\_\_

The Applicant hereby makes Application to the California Debt Limit Allocation Committee (“CDLAC” or “Committee”) for the purpose of providing a mortgage credit certificate program as described herein.

The Applicant agrees it is our responsibility to provide the Committee with one original and one duplicate copy of the complete Application, accompanied by a check made payable to the Committee in the amount of \$600 and a completed Performance Deposit Certification form. We understand that succinct answers providing the requested information are required and if additional space is required, each additional page will be clearly labeled. The Applicant agrees that it is also our responsibility to provide all other information that is deemed by the Committee to be necessary to evaluate the Application. The Applicant understands that the Committee may verify the information provided and analyze materials submitted as well as conduct its own investigation to evaluate the Application. The Applicant recognizes that it has a duty to inform the Committee when any information in the Application or supplemental materials is no longer true and to supply the Committee with accurate information.

The Applicant represents that it has read all Government Code sections relevant to the CDLAC Regulations Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (“Regulations”). The Applicant acknowledges that the Committee recommends that the Applicant seek advice from tax counsel.

The Applicant acknowledges that all materials and requirements are subject to change by enactment of federal or state legislation.

In carrying out the development and operation of the proposed program, the Applicant agrees to comply with all applicable federal and state laws regarding unlawful discrimination and will abide by all Committee program requirements.

The Applicant acknowledges that the Application will be evaluated based on federal and state statutes and regulations pertaining to Qualified Private Activity Bonds for existing mortgage credit certificate programs and the

Regulations, which identify the minimum requirements, evaluation criteria, priorities and other standards which will be employed to evaluate Applications.

The Applicant acknowledges that the information submitted to the Committee in this Application or supplemental thereto may be subject to the Public Records Act or other disclosure. The Applicant understands that the Committee may make such information public. The Committee will maintain as confidential, certain financial information, but cannot guarantee confidentiality.

The Applicant declares under penalty of perjury that the information contained in the Application, exhibits, attachments, and any further or supplemental documentation is true and correct to the best of its knowledge and belief. The Applicant understands that misrepresentation may result in the cancellation of an Allocation, and other actions which the Committee is authorized to take.

The Applicant agrees to hold the Committee, its members, officers, agents, and employees harmless from any matters arising out of or related to the awarded Allocation.

The Applicant certifies that it is in compliance with all applicable statutes, laws, rules, and regulations necessary for the transaction of its business.

The Applicant acknowledges that all Application materials are to be delivered to the address below, **by 4:00 p.m.** on the appropriate date at the following address:

The California Debt Limit Allocation Committee  
915 Capitol Mall, Room 311  
Sacramento, CA 95814

\_\_\_\_\_  
Signature of Applicant's Senior Official

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

Date \_\_\_\_\_

Additional information may be obtained by accessing the Committee's web site at <http://www.treasurer.ca.gov/cdlac> or by calling the Committee at (916) 653-3255.

The California Debt Limit Allocation Committee complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the California Debt Limit Allocation Committee in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact the California Debt Limit Allocation Committee at (916) 653-3255 or TDD (916) 654-9922.

# THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

## APPLICATION FOR AN ALLOCATION OF THE STATE CEILING ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

All references to federal statute are cited for information only. Tax Counsel must be consulted as the requirements are subject to change.

### PART I – FINANCING TEAM INFORMATION

1. Name of Applicant (**Entity Converting Bonds**):

Mailing Address:  
City, State, Zip Code:

Federal Identification No.:

*For mailing of official documents:*

Name of Senior Official:  
Title of Senior Official:

Telephone #: (     ) )  
Fax #: (     ) )  
E-mail:

*For questions concerning application:*

Name of Contact Person:  
Title of Contact Person:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     ) )  
Fax #: (     ) )  
E-mail:

2. Name of Tax Counsel Firm (if applicable):

Name of Attorney:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     ) )  
Fax #: (     ) )  
E-mail:

3. Name of Financial Advisor Firm:

Name of Agent:  
Mailing Address:  
City, State, Zip Code:

Telephone #: (     ) )  
Fax #: (     ) )  
E-mail:

## PART II – ALLOCATION INFORMATION

1. Amount of allocation requested: \$

(This is the amount of mortgage revenue bond allocation that will be converted to mortgage credit certificate (MCC) authority.)

2. Issuer's adopted resolution(s) approving the Program and authorizing application to the Committee (Section 5033(b)(4) of CDLAC Regulations). Attach (**Attachment “A”**).

3. Date MCCs will be advertised:

Public notices that MCCs will be issued must be published at least 90 days before any MCC is to be issued. Attach (**Attachment “B”**) a copy of the proposed advertisement.

4. Proposed date of issuance of first MCC:

If a multiple jurisdictional Program, attach (**Attachment “C”**) a list of the participating jurisdictions in which MCCs will be issued (see Section 5031(b) of the CDLAC Regulations).

5. Provide the month and year in which publicly adopted documents for the continuing participating jurisdictions were last submitted to the Committee (see Sections 5031(b) and 5267(b) of CDLAC Regulations):

**Issuers must certify that all necessary resolutions and publicly adopted documents for the continuing participating jurisdictions are in place, or will be in place prior to receiving allocation. If the Program is adding new jurisdictions, attach Attachment “D”, if more than one, label each document in sequential order as “D-1”, “D-2”, etc.) a copy of the publicly adopted document for each new participating jurisdiction (see Section 5031(b) of the CDLAC Regulations).**

**I HEREBY CERTIFY THAT THE NECESSARY PUBLICLY ADOPTED DOCUMENTS OF ALL CONTINUING PARTICIPATING JURISDICTIONS ARE DULY ADOPTED AND IN EFFECT AS OF THIS DATE.** \_\_\_\_\_ (Initials of Senior Official signing page 2 of this Application)

**I FURTHER CERTIFY THAT ALL CURRENT COUNCIL AND/OR BOARD MEMBERS OF THE PARTICIPATING JURISDICTIONS ARE AWARE OF THIS APPLICATION.**  
 \_\_\_\_\_ (Initials of Senior Official signing page 2 of this Application)

7. Indicate the number of units expected to be financed and the average mortgage amount:

<u>Unit Type</u>	<u>Number of Units</u>	<u>% of Total</u>	<u>Average Mortgage Amount</u>
New Units	_____	_____%	\$ _____
Resale Units	_____	_____%	\$ _____
Rehabilitated Units	_____	_____%	\$ _____
Totals	_____	_____%	

Indicate if the above numbers of units are estimates or actual program requirements imposed by the Issuer:

Estimates: \_\_\_\_\_ Program Requirements: \_\_\_\_\_

## PART III – PROGRAM INFORMATION

1. Proposed Program Description.

Attach (**Attachment “E”**) a narrative of the proposed Program that, at a minimum, must include all of the following:

- A. A description of the population to be served (i.e. the ethnicity, family size, and income levels of the expected household participants).
- B. A description of the housing stock expected to be purchased (i.e. the type (detached, condominiums, etc.), units sizes (square footage, bedroom/bath sizes, etc.), and purchase prices).
- C. A description of any specific reservation(s) of MCCs for specific purposes that target lower household incomes, lower purchase prices, new construction units or developments, certain census tracts or neighborhoods, or specific segments of the population to be served. If the program contains a reservation for new construction, include: **a)** a schedule of when new homes or developments are expected to become available, and **b)** a description of the mechanism that is in place to use the allocation if construction is postponed or otherwise delayed.
- D. An indication of the expected length of time that the proposed MCCs are expected to be available and the anticipated monthly rate of MCC issuance over the expected term. Include an explanation of the basis for the anticipated issuance rate and a description of the factors that could influence such rate, either positively or negatively.
- E. A description of other homebuyer assistance programs offered by the participating jurisdiction(s) that will be made available to program participants in conjunction with the proposed MCCs.
- F. A description of any other special features that are unique to the proposed Program.

2. Provide the following demand/supply information:

- A. Total number of home sales in program jurisdiction during the past 12 months: \_\_\_\_\_
- B. Total number of above home sales that met program purchase price limits: \_\_\_\_\_
- C. Average sales price of homes in the Program’s jurisdiction: \_\_\_\_\_
- D. Total number of for-sale units currently on the market in the program jurisdiction: \_\_\_\_\_
- E. Total number of above for-sale units that meet the program purchase price limits: \_\_\_\_\_
- F. Average sales price of the units currently on the market in the Program jurisdiction: \_\_\_\_\_

Additional relevant information may be provided (**Attachment “F”**) that explains the number of MCCs anticipated to be issued and the type of housing expected to be available.

3. Indicate the proposed tax credit rate of the MCCs: \_\_\_\_\_ %  
Explain any change in the MCC tax credit rate from the most recent Allocation award:

4. Answer **“YES”** or **“NO”** to indicate if lenders are required to take into consideration the value of the MCC when qualifying potential homebuyers for a mortgage loan:    YES    NO

If **“NO”**, explain:

5. Attach (**Attachment “G”**) a list of the names and addresses of participating developers and lenders.

6. Answer “Yes” or “NO” to indicate if there are IRS-designated target areas in the jurisdiction(s):

Yes                      No

If “YES”, indicate the percent of MCCs reserved for target areas:                      %

7. Maximum Purchase Prices For purchase price requirements, refer to Internal Revenue Code Section 143(e). The proposed maximum limits are:

<u>Home Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Maximum Purchase Price</u>	<u>Target Area Maximum Purchase price</u>
New Construction		\$0	\$0
Existing Homes		\$0	\$0

\*This is established by (check one):

As determined by special survey. A copy of survey along with tax counsel ~~confirmation~~certification that survey methodology complies with federal law must be provided (**Attachment “H”**). Date of survey may not exceed 12 months.

IRS safe harbor limitations as published along with tax counsel certification that the methodology for calculating limits complies with federal law (Attachment “H”).

Please note that Issuers may institute lower program limits as desired, however, the purpose of this section is to establish maximum purchase prices per I.R.S. Code.

8. What are the expected average sales prices of the estimated units to be assisted?

New units	\$
Existing units	\$
Rehabilitated units	\$

9. Maximum Income Limitations For income requirements refer to Internal Revenue Code Section 143(f). Please provide the information requested below.

a. The maximum Area Median Income\* on which maximum program limits are based is: \$  
Please include tax counsel certification that the methodology for calculating limits complies with federal law (Attachment “I”)

\*This maximum Area Median Income is established by (check one):

Local median as determined by special survey. A copy of survey along with tax counsel ~~confirmation~~certification that survey methodology complies with federal law must be provided (**Attachment “I”**). Date of survey may not exceed 12 months.

HUD Statewide Median

HUD County Median\*\*

**\*\* If High Cost Area, may use current county Very Low (50%) Income Limits for 4 Person households multiplied by 2.**

b. The proposed maximum income limits are:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
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1-2 persons

3+ persons

\$0	\$0
\$0	\$0

## PART IV – MINIMUM REQUIREMENTS

**Applicants are advised to read Section 5266 of the Committee’s Regulations regarding Single-Family Housing Programs when answering the following questions.**

1. Attach (**Attachment “J”**) evidence documenting the proposed Single Family Housing Program will meet the following requirements of Section 5266(a):
  - A. A minimum of **forty percent (40%)** of the participants in the Single Family Housing Program will be households:
    - i. Earning eighty percent (80%) or less of the Applicable Median Family Income of the are in which the program is located; **or**
    - ii. Located in a Qualified Census Tract.

The Executive Director may consider an Applicant’s request to use a combination of A or B, above, to meet this minimum requirement.

- B. An Applicant may request an exemption to the above minimum requirement specified in Section 5266(a) of the CDLAC Regulations. However, in no case may less than **thirty-five percent (35%)** of the participants in the proposed program be households –
  - i. Earning eighty percent (80%) or less of the Applicable Median Family Income of the are in which the program is located; **or**
  - ii. Located in a Qualified Census Tract.

Applicants may use the high-cost area adjustment specifically set forth in 26 U.S.C. Section 143(f)(5) to meet the minimum requirement specified in Section 5266(a) of the CDLAC Regulations.

To be considered for an exemption, attach (**Attachment “J-1”**) convincing documentation, to the satisfaction of the Executive Director, of the programmatic or economic reasons why the minimum requirement specified in Section 5266(a) cannot be met. Attachment J-1 must provide sufficient detailed information to demonstrate that meeting the minimum requirements of Section 5266(a) present an undue financial burden or economic hardship for the Applicant.

2. Attach (**Attachment “K”**) the CDLAC Housing Element Certification Form documenting that the proposed Single Family Housing Program will be consistent with the adopted housing element(s) for the jurisdiction(s) in which the proposed program will be operated. The California Department of Housing and Community Development must have determined the jurisdiction’s adopted housing element to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. In addition, as required under Section 65400 of the Government Code, the jurisdiction must have submitted an annual progress report to the California Department of Housing and Community Development for the preceding 12-month calendar year, as required by Section 5267 of the CDLAC Regulations. **Certification is to be completed by each participating jurisdiction.**
3. The Applicant must meet the minimum requirements of Section 5269 of the CDLAC Regulations that the Applicant:
  - A. Demonstrate that no MCC authority from the year two years prior to the current year remains unused (other than minor amounts that are insufficient to fund one MCC); and
  - B. Certify that any MCC authority remaining from the year prior to the current year will be used before the use of new MCC authority. The Applicant’s certification shall be labeled **Attachment “L”**.

Attachment M (described in PART V-EVALUATION CRITERIA) will be used to determine that the minimum requirements specified in A and B, above, have been met.

An Applicant may request an exemption to the above minimum requirements specified in Section 5270 of the CDLAC Regulations. To be considered for an exemption, attach (**Attachment “L-1”**) convincing documentation, to the satisfaction of the Executive Director, of the programmatic or economic reasons why the minimum requirements specified in Section 5270 cannot be met. Attachment L-1 must provide sufficient detailed information to demonstrate the Applicant’s need to use new Allocation when unused MCC remains (other than minor amounts that are insufficient to fund one MCC) from prior years.

## PART V – EVALUATION CRITERIA

**Applicants are advised to read Section 5275 of the Committee’s Regulations regarding Single-Family Housing Programs when answering the following questions.**

1. Past Program Performance

Attach (**Attachment “M”**, provided with this Application) evidence documenting past Program performance over the last three years.

Attachment M must demonstrate that Mortgage Credit Certificate Program Allocation from prior years has been used to issue Mortgage Credit Certificates.

2. Program Performance Monitoring

Beginning with calendar year 2000 Allocations, Applicants will be required to track the information identified in the Exhibit attached to this form and report that information to Committee as required.

## EXISTING MCCP APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to ensure that a completed application package is filed with the Committee. If an attachment does not apply, please write N/A in the space provided.

Your application package must contain the following:

Check Box	Document Description	Attachment Name
	\$600 initial filing fee. (See Section 5033(b)(2) of CDLAC Regulations.)	N/A
	<u>Signed</u> Performance Deposit Certification Form. (See Section 5033(b)(1) of CDLAC Regulations.)	N/A
	<u>Evidence of Performance Deposit</u> (See Section 5033(b)(1) of CDLAC Regulations)	N/A
	Completed and <u>signed</u> Application with copy. <b>Copy shall be bound in a three ring binder with all attachments labeled.*</b>	N/A
	Issuer's Adopted Resolution(s) authorizing Program & CDLAC Application (See Section 5033(b)(5) of CDLAC Regulations.)	A
	Advertisement of the availability of MCCs (Section 25(e)(5) of the Internal Revenue Code)	B
	List of participating jurisdictions (See Section 5031(b) of CDLAC Regulations)	C
	Publicly adopted documents of participating jurisdictions, if applicable (See Section 5031(b) of CDLAC Regulations)	D
	Program description narrative	E
	Additional demand/supply documentation, if applicable	F
	List of participating developers and lenders, if applicable	G
	<b>Tax Counsel Certification and</b> Special Survey regarding average area purchase prices with certification, if applicable (Section 143(d) of the Internal Revenue Code)	H
	<b>Tax Counsel Certification and</b> Special Survey regarding area median income with certification, if applicable (Section 143(f) of the Internal Revenue Code)	I
	Evidence of Minimum Requirements (Section 5275 of CDLAC Regulations)	J
	Evidence of undue hardship/financial burden regarding Minimum Requirements, if applicable (Section 5275(b)&(c) of the CDLAC Regulations)	J-1
	Evidence of housing element compliance (Section 5267 of the CDLAC Regulations)	K
	Certification regarding use of prior year allocation (Section 5269 of the CDLAC Regulations)	L
	Evidence of undue hardship/financial burden re: Minimum Requirements, if applicable (Section 5270 of the CDLAC Regulations)	L-1
	Evidence of past Program performance (Section 5275 of the CDLAC Regulations)	M
	Required Tracking Information	EXHIBIT
	*Any subsequent mailings of additional application materials should be in <u>duplicate</u> .]	

# ATTACHMENT K

## HOUSING ELEMENT CERTIFICATION FORM FOR APPLICATION FOR AN ALLOCATION OF QUALIFIED PRIVATE ACTIVITY BONDS FOR A SINGLE FAMILY HOUSING MORTGAGE CREDIT CERTIFICATE PROGRAM

*Note: To be completed by each participating jurisdiction.*

Certification of the \_\_\_\_\_ (Participating Jurisdiction)

In connection with the following Qualified Private Activity Bond Application:

**APPLICANT:** \_\_\_\_\_

for a Mortgage Credit Certificate Program.

The undersigned officer of \_\_\_\_\_ (Participating Jurisdiction) hereby certifies as follows:

1. I, \_\_\_\_\_ (Name), am the \_\_\_\_\_ (Title) of \_\_\_\_\_ (Participating Jurisdiction); which is a participating jurisdiction of the proposed Single Family Housing Mortgage Credit Certificate program.

2. The proposed Single Family Housing Program is consistent with the adopted housing elements for \_\_\_\_\_ (Participating Jurisdiction) in which the proposed program will operate.

The California Department of Housing and Community Development has determined the jurisdiction's adopted housing element to be in substantial compliance with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. In addition, as required under Section 65400 of the Government Code, the jurisdiction submitted an annual progress report to the California Department of Housing and Community Development for the preceding 12-month calendar year, pursuant to Section 5267 of the California Debt Limit Allocation Committee Regulations.

\_\_\_\_\_  
Signature of Senior Official

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# ATTACHMENT M

(page1)

In the table below, please provide the information requested that pertains to the allocation awarded:

<u>Year</u>	<u>Amount of Allocation Awarded</u>	<u>Amount of Allocation Used</u>	<u>Number of Loans Originated</u>	<u>Outstanding MCC Authority*</u>
				\$0
				\$0
				\$0

\*Please explain the reason for any outstanding MCC authority, the federal expiration date for using the MCC authority, and the Applicant's plan for expending the MCC authority prior to the expiration date or reasons for not expending the MCC authority prior to the federal expiration date.

In the tables below relating to program performance in the past 3 years, please provide the information that pertains to the number of MCCs issued in a year, *regardless of the year in which the allocation was awarded.*:

**Note: Incomes are as adjusted for family size.**

Year	Total Number of Households Assisted	Number of Households Assisted in Qualified Census Tracts	Percent (%) of Households Assisted in Qualified Census Tracts

	Program Area	No. of Households Assisted with Incomes Below	No. of Households Assisted with Incomes Between			
Year	Median Income	50% of Area Median	51-80% of Area Median	81-100% of Area Median	101-120% of Area Median	121-140% of Area Median
	\$					
	\$					
	\$					

# ATTACHMENT M

(page 2)

Year	Average Area Purchase Price (AAPP) of an Existing Home	Number of Existing Homes Assisted Below 70% of AAPP	Number of Existing Homes Assisted Between 71-90% of AAPP	Number of Existing Homes Assisted Between 91-110% of AAPP
	\$			
	\$			
	\$			

Year	Average Area Purchase Price (AAPP) of a New Home	Number of New Homes Assisted Below 70% of AAPP	Number of New Homes Assisted Between 71-90% of AAPP	Number of New Homes Assisted Between 91-110% AAPP
	\$			
	\$			
	\$			

Year	Number of Rehabilitation Homes Assisted	Average Rehabilitation Loan Amount	Range of Rehabilitation Loan Amounts
		\$	\$
		\$	\$
		\$	\$

**Required information to be tracked for MCC-funded mortgage loans**

Issuers of Mortgage Credit Certificate Programs shall collect the following information for individual mortgage credit certificate recipients and report such data to CDLAC on an annual basis as requested by the Committee's Executive Director. The Committee's staff will consider the information as part of its evaluation of Applications for Allocation of the State Ceiling.

- **Date (month/year) MCC issued**
- **Size of Household** – number of persons in the household
- **Household income** – total household income used for qualification
- **Census tract for home purchased**
- **Mortgage Credit certificate rate**
- **Total home price (\$)**
- **Down payment assistance provided (\$)** – dollar amount of down payment assistance provided by public assistance
- **First mortgage amount (\$)**
- **First mortgage initial interest rate (annual rate %)**
- **Term of first mortgage (term in months)**
- **Year of MCC allocation**
- **Ethnicity of purchaser**
- **Homeownership Assistance loaned/granted on a per 1<sup>st</sup> mortgage basis**