

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: John Weir

Applicant: County of Contra Costa

Contact Information:

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Allocation Amount Requested: \$45,000,000 **Converted MCC Authority:** \$11,250,000

Applicant's Fair Share Amount: \$6,909,914 **Converted MCC Authority:** \$1,727,479

Participating Jurisdictions:

Cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, and Walnut Creek and the County of Contra Costa.

Allocation Information:

Date MCCs will be advertised: November 4, 2009
Expected issue date of first MCC: March 1, 2010
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 31 units (20%) with an average mortgage amount of \$400,000
Existing resale units: 125 units (80%) with an average mortgage amount of \$350,000
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 156 units with an average mortgage amount of \$360,000

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

Past Performance:

The application indicates the applicant met the 2008 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 2009 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Because there is sufficient allocation available to fund all December 16 allocation requests, staff recommends that the Committee waive the fairshare allocation cap.

Staff recommends that the Committee approve an amount of \$45,000,000 in tax-exempt bond allocation to the County of Contra Costa for the Mortgage Credit Certificate Program on a carryforward basis.

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$89,300

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 | \$ 89,300 | \$ 107,160 |
| 3+ persons | \$ 102,695 | \$ 125,020 |

DESCRIPTION OF PUBLIC BENEFITS:

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> |
|-------------|-----------------------------|----------------------------------|------------------------------|----------------------------------|
| 2006 | \$ 6,933,497 | \$ 6,933,267 | 26 | \$ 58 |
| 2007 | \$ 3,869,268 | \$ 3,823,738 | 15 | \$ 11,383 |
| 2008 | \$ 6,918,955 | \$ 6,906,786 | 29 | \$ 3,042 |

Pursuant to CDLAC Procedures Section 18.I.E.1.,2., 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.