

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 25, 2007**  
**Executive Summary**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

*Prepared by Brady Hill.*

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**Applicant:** County of San Mateo

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**Contact Information:**

**Name:** Scott Coe  
**Address:** 264 Harbor Blvd., Bldg. A  
Belmont, CA 94002  
**Phone:** (650) 802-5045

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**Allocation Amount Requested:** \$5,000,000      **Converted MCC Authority:** \$1,250,000

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**Applicant's Fair Share Amount:** \$2,727,011      **Converted MCC Authority:** \$681,753

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**Participating Jurisdictions:**

Cities of Atherton, Belmont, Burlingame, Brisbane, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, Woodside and the unincorporated areas of San Mateo County

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**Allocation Information:**

**Date MCCs will be advertised:** May 25, 2007  
**Expected date of issuance of first MCC:** August 25, 2007  
**Program Status:** Existing program  
**Certificate tax credit rate:** 15%

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

New construction units: 7 units (47%) with an average mortgage amount of \$358,000  
Existing resale units: 8 units (53%) with an average mortgage amount of \$350,000  
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$0  
Totals units: 15 units with an average mortgage amount of \$353,733

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**Past Performance:**

The Applicant indicates that 47 MCCs were issued in 2004, of which 32 (68%) were issued to households with income at or below 80% of the area median income. This satisfies the 2004 minimum performance requirement that at least 40% of the program participants are lower-income households. The Applicant did not request 2005 or 2006 tax-exempt allocation for the MCC Program.

The application indicates the applicant expects to meet the 2007 minimum performance requirement that at least 40% of program participants will be lower-income households.

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**Recommendation:**

Staff recommends that the Committee approve a reduced amount of \$2,727,011 in tax-exempt bond allocation, which is the Applicant's 2007 fair share amount.

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 25, 2007**  
**STAFF REPORT**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
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**APPLICANT:** County of San Mateo

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Belmont, CA 94002

**Phone:** (650) 802-5045

**ALLOCATION AMOUNT REQUESTED:** \$5,000,000

**CONVERTED MCC AUTHORITY:** \$1,250,000

**PARTICIPATING JURISDICTIONS:** Cities of Atherton, Belmont, Burlingame, Brisbane, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, Woodside and the unincorporated areas of San Mateo County

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**Certificate tax credit rate:** 15%

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

<b>New construction units:</b>	7 units (47%) with an average mortgage amount of \$358,000
<b>Existing resale units:</b>	8 units (53%) with an average mortgage amount of \$350,000
<b>Rehabilitated units:</b>	<u>0</u> units (0%) with an average mortgage amount of \$ N/A
<b>Total units:</b>	<b>15</b> units with an average mortgage amount of \$353,733

**The above numbers of units are:**      estimates  
   actual requirements imposed by the Issuer

**DESCRIPTION OF PROPOSED PROGRAM:**

- ***Population to be served by the proposed Program (family size, income levels, etc.):***  
 The proposed Program expects to serve a diverse ethnic composition and households of 1-4 persons. Because there is a shortage of land on which to build in San Mateo County, new housing projects and the resulting units normally set aside for lower income households are infrequent and in limited supply. However, the county is aware of a few forthcoming BMR (below market rate) units, which we anticipate will consume the majority of this allocation.
- ***Estimated number of first-time homebuyers to be assisted:*** 15  
 However, based on the information contained in the application, the County’s fair share amount will provide approximately 12 MCCs.
- ***Housing stock to be purchased (types, unit sizes, etc.):***  
 According to the Applicant, due to high housing prices, the housing stock to be purchased will consist mostly if not entirely of condominiums, with purchase prices in the \$300,000-\$500,000 range.
- ***Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:***  
 The program will reserve 40% for families with incomes of 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 issued over a 12-month period at a rate of 1-2 MCC issued per month.
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***  
 Homebuyer down payment assistance programs are currently available from San Mateo County, as well as the cities of Foster City, Menlo Park, Millbrae, San Bruno, San Carlos and South San Francisco, and San Mateo County Community College. According to the Applicant, all down payment assistance programs can be used in conjunction with the MCC Program. In addition, San Mateo County, Foster City and Menlo Park are AHPP partners with the California Housing Finance Agency.
- ***Any other features unique to the proposed Program:***  
 None indicated.

**PURCHASE PRICE INFORMATION:**

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Maximum Purchase Price</u>	<u>Target Area Maximum Purchase price</u>
New Units	\$661,606	\$595,445	Not Applicable
Existing Units	\$736,038	\$662,434	Not Applicable

\*This is established by (check one):  
 IRS safe harbor limitations  
 As determined by special survey



**RECOMMENDATION:**

Staff recommends that the Committee approve a reduced amount of \$2,727,011 in tax-exempt bond allocation to the County of San Mateo for the Mortgage Credit Certificate Program. This is the Applicant's 2007 fair share amount.

Prepared by Brady Hill.