THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE May 28, 2008 Staff Report REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

<mark>pplicant:</mark>	County of S	an Mateo		
Contact Informa	tion:			
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	Address:	264 Harbo	or Boulevard, Bldg. A	
		Belmont,	CA 94002	
	Phone:	(650) 802-	-5045	
Allocation Amou	nt Requested:	\$5,000,000	Converted MCC Authority:	\$1,250,000
pplicant's Fair	Share Amount:	\$4,868,873	Converted MCC Authority:	\$1,217,218
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The application indicates the applicant expects to meet the 2008 minimum performance requirement that at least **40%** of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve a reduced amount of \$4,868,873 in tax-exempt bond allocation, which is the Applicant's 2008 fair share amount.

DESCRIPTION OF PROPOSED PROGRAM:

The proposed Program expects to serve a diverse ethnic composition. According to the Applicant, last year's performance indicates that 77% of the MCCs issued were to ethnic minorities and a similar mix is expected for 2008. According to information provided in the application, 64% of the 2007 homebuyers had household incomes at or below 80% of the area median income.

- Estimated number of first-time homebuyers to be assisted: 26
- *Housing stock to be purchased (types, unit sizes, etc.):* According to the Applicant, as in the past, they expect that high housing prices will restrict most if not all purchases to condos with purchase prices in the \$300,000 to \$500,000 price range.
- Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.: None.
- *Expected duration MCCS will be available and anticipated monthly rate of issuance:* According to the Applicant, given an average issuance rate of two (2) certificates per month for the 2007 allocation cycle and an estimated 26 certificates available from the 2008 allocation, the anticipated duration is approximately 13 months.
- Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, 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, South San Francisco, and San Mateo County Community College District. The Applicant states that all down payment assistance programs offered can be used in conjunction with the MCC Program. In addition, the County, Foster City and Menlo Park are participants in the California Housing Finance Agency (CalHFA) Affordable Housing Partnership Program (AHPP)

• Any other features unique to the proposed Program: None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

Unit	A	Non-Target Area Maximum	Target Area Maximum
Unit	Average Area		
<u>Type</u>	Purchase Price*	Purchase Price	Purchase price
New Units	\$670,531	\$603,478	\$0
Existing Units	\$775,541	\$697,987	\$0
*This is establish	ed by (check one):	IRS safe harbor lim X As determined by (See application atta	

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

New units	\$397,500
Existing units	\$425,500
Rehabilitated units	Not Applicable

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$94,300

Applicable standard that defines the area median income:

_____HUD statewide median _______ HUD county MSA median

____ Local median as determined by a special study (See application attachment "I" attached)

Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 0%

Proposed maximum income limits:

Household Size	Non-Target Area	Target Area
1-2 persons	\$94,300	\$0
3+ persons	\$108,445	\$0

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of	Amount of	Number of	Status of Outstanding
	Allocation Awarded	Allocation Used	<u>MCCs Issued</u>	MCC Authority
2005*	\$0	\$0	13	\$0
2006*	\$0	\$0		\$0
2007	\$2,727,011	\$2,423,776		\$75,808

* Applicant did not apply for 2005 and 2006 MCC allocation.

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.