

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: County of Alameda

Contact Information:

Name: Michelle Starratt
Address: 224 W. Winton Avenue, Room 108
Hayward, CA 94544
Phone: (510) 670-5207

Allocation Amount Requested:	\$15,000,000	Converted MCC Authority:	\$3,750,000
-------------------------------------	--------------	---------------------------------	-------------

Applicant's Fair Share Amount:	\$10,138,120	Converted MCC Authority:	\$2,534,530
---------------------------------------	--------------	---------------------------------	-------------

Participating Jurisdictions:

Cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Pleasanton, San Leandro, Union City and the unincorporated areas of Alameda County

Allocation Information:

Date MCCs will be advertised: January 21, 2009
Expected issue date of first MCC: April 20, 2009
Program Status: Existing
Certificate tax credit rate: 15%

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

New construction units: 5 units (8%) with an average mortgage amount of \$300,000
Existing resale units: 56 units (92%) with an average mortgage amount of \$275,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 61 units with an average mortgage amount of \$277,041

The above numbers of units are: x 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:

Staff recommends that the Committee approve a reduced amount of \$10,138,120 in tax-exempt bond allocation to the County of Alameda for the Mortgage Credit Certificate Program. This is the Applicant's 2009 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 with family sizes from 1-6 persons with approximately 50% of the households at or below 80% of the median income adjusted by household size.
- **Estimated number of first-time homebuyers to be assisted:** 61
- **Housing stock to be purchased (types, unit sizes, etc.):**
 According to the Applicant, the housing stock to be purchased will consist of primarily either single family homes or new and existing condominiums with various square footage throughout the different market areas within the County ranging from 800 - 1,600 square feet.
- **Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:**
 According to the Applicant, the program will reserve 30% of the certificates for federally designated target areas and 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 Applicant, MCCs are expected to be available for 24 months. Based on the information provided in the application, the anticipated monthly rate of issuance is 5 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
 According to the Applicant, cities throughout the County are providing direct assistance to qualified first time home buyers, in conjunction with the MCC Program. The Applicant states that direct loans (as secured second deeds of trust) are available to assist in meeting down payment requirements and to defray
- **Additional features unique to the proposed Program:**
 None indicated.

PURCHASE PRICE INFORMATION:

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase</u>	<u>Non-Target Area Max Purchase Price</u>	<u>Target Area Max Purchase Price</u>
New Units	\$ 650,777	\$ 585,699	\$ 715,855
Existing Units	\$ 744,648	\$ 670,183	\$ 819,113

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

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

New Units	\$ 300,000
Existing Units	\$ 275,000
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$86,100

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): 30%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$86,100	\$103,320
3+ persons	\$99,015	\$120,540

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

<u>Year</u>	<u>Amount of Allocation Awarded</u>	<u>Amount of Allocation</u>	<u>Number of MCCs Issued</u>	<u>Outstanding MCC Authority</u>
2006	\$ 10,130,417	\$ 1,546,782	7	\$ 2,145,909
2007	\$ 2,022,879	\$ 1,776,693	8	\$ 61,547
2008	\$ 5,664,060	\$ 5,585,107	16	\$ 19,738

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.