

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 27, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Sarah Lester

Applicant: County of San Mateo

Contact Information:

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Allocation Amount Requested: \$4,858,604 **Converted MCC Authority:** \$1,214,651

Applicant's Fair Share Amount: \$4,858,604 **Converted MCC Authority:** \$1,214,651

Participating Jurisdictions:

Cities of Atherton, Belmont, Brisbane, Burlingame, 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 and the County of San Mateo

Allocation Information:

Date MCCs will be advertised: March 30, 2009
Expected issue date of first MCC: June 28, 2009
Program Status: Existing
Certificate tax credit rate: 15%

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

New construction units: 14 units (54%) with an average mortgage amount of \$290,000
Existing resale units: 12 units (46%) with an average mortgage amount of \$345,000
Rehabilitation units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 26 units with an average mortgage amount of \$315,385

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:

Staff recommends that the Committee approve an amount of \$4,858,604 in tax-exempt bond allocation to the County of San Mateo 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 and family sizes with a minimum of 40% of the households at or below 80% of the median income adjusted by household size.
- **Estimated number of first-time homebuyers to be assisted:** 26
- **Housing stock to be purchased (types, unit sizes, etc):**
According to the Applicant, the housing stock to be purchased will consist of mostly if not all 1 and 2 bedroom condominiums with purchase prices ranging from \$300,000 to \$500,000.
- **Specific reservations of MCCs for purposed such as low-income targeting, new construction, etc.:**
According to the Applicant, the program will reserve 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 13 months and the anticipated monthly rate of issuance is 2 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, homebuyer down payment assistance programs are currently available form 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) Affordale Housing Partnership Program (AHPP).
- **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	\$ 708,494	\$ 637,645	N/A
Existing Units	\$ 708,494	\$ 637,645	N/A

*This is established by (check one):
 IRS Safe Harbor limitations
 As determined by special survey
 CalHFA Sales Price limits (High Cost Area only)

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

New Units	\$ 397,500
Existing Units	\$ 425,500
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$96,800

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): N/A

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 96,800	N/A
3+ persons	\$ 111,320	N/A

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	\$ 0	\$	0	\$ 0
2007	\$ 2,727,011	\$ 2,668,664	15	\$ 14,587
2008	\$ 4,868,873	\$ 4,617,010	29	\$ 62,966

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.