

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 22, 2010**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

*Prepared by: John Weir*

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**Applicant:** County of Solano

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**Contact Information:**

**Name:** Lark Ferrell  
**Address:** 1000 Webster Street, 1st Floor  
Fairfield, CA 94553  
**Phone:** (707) 428-7457

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**Allocation Amount Requested:** \$2,156,280      **Converted MCC Authority:** \$539,070

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**Applicant's Fair Share Amount:** \$2,156,280      **Converted MCC Authority:** \$539,070

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**Participating Jurisdictions:**

The Cities of Dixon, Fairfield, Rio Vista, Suisun City and the County of Solano.

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**Allocation Information:**

**Date MCCs will be advertised:** June 26, 2010  
**Expected issue date of first MCC:** September 24, 2010  
**Program Status:** Existing  
**Certificate tax credit rate:** 15%

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

Existing resale units: 20 units (100%) with an average mortgage amount of \$179,690  
Total units: 20 units with an average mortgage amount of \$179,690

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

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**Past Performance:**

The application indicates the applicant met the 2009 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 2010 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 an amount of \$2,156,280 in tax-exempt bond allocation to the County of Solano for the Mortgage Credit Certificate Program. This is the Applicant's 2010 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 similar to the County's overall composition, 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:**     20
  
- **Housing stock to be purchased (types, unit sizes, etc):**  
According to the Applicant, the housing stock to be purchased will consist of existing, detached single-family homes. Based on the homes purchased under the County's 2009 allocation, homes are anticipated to have three bedrooms and two baths.
  
- **Specific reservations of MCCs for purposes 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 10 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, the City of Dixon operates a down payment assistance program to help low and moderate income households by providing deferred loans to eligible homebuyers. The City of Fairfield also offers a first time homebuyer program that provides deferred loans up to \$40,000 to qualified buyers. The City of Suisun also operates a first time homebuyer program for eligible low income and moderate income buyers purchasing foreclosed properties.
  
- **Additional features unique to the proposed Program:**  
None indicated.

**PURCHASE PRICE INFORMATION:**

The proposed maximum limits are:

Unit Type	Average Area Purchase Price*	Non-Target Area Max Purchase Price	Target Area Max Purchase Price
New Units	\$ 557,500	\$ 501,750	\$ N/A
Existing Units	\$ 557,500	\$ 501,750	\$ N/A

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

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

New Units	\$	N/A
Existing Units	\$	199,000
Rehabilitated Units	\$	N/A

**MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$79,200

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	\$ 79,200	\$ N/A
3+ persons	\$ 91,080	\$ 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>
2007	\$ 0	\$ 0	0	\$ 0
2008	\$ 2,172,994	\$ 1,956,840	17	\$ 54,039
2009	\$ 2,058,896	\$ 1,752,500	16	\$ 76,599

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.