

**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 San Diego

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**Contact Information:**

**Name:** Bonnie Petrach  
**Address:** 3989 Ruffin Road  
San Diego, CA 92123  
**Phone:** (858) 694-4810

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**Allocation Amount Requested:** \$10,705,262    **Converted MCC Authority:** \$2,676,316

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**Applicant's Fair Share Amount:** \$10,705,262    **Converted MCC Authority:** \$2,676,316

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**Participating Jurisdictions:**

Cities of Carlsbad, Coronado, El Cajon, Encinitas, Imperial Beach, National City, Poway, San Marcos, Santee, Vista, and the County of San Diego.

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**Allocation Information:**

**Date MCCs will be advertised:** June 6, 2010  
**Expected issue date of first MCC:** October 15, 2010  
**Program Status:** Existing  
**Certificate tax credit rate:** 20%

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

Existing resale units: 54 units (100%) with an average mortgage amount of \$250,000  
Total units: 54 units with an average mortgage amount of \$250,000

**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 \$10,705,262 in tax-exempt bond allocation to the County of San Diego for the Mortgage Credit Certificate Program. This is the Applicant's 2010 fair share amount.



**MAXIMUM INCOME LIMITATIONS:**

**Area median income on which maximum program limits are based:** \$78,500

**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):** 20%

**Proposed maximum income limits:**

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$ 78,500	\$ 94,200
3+ persons	\$ 90,275	\$ 109,900

**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	\$ 5,935,940	\$ 5,935,940	44	\$ 0
2008	\$ 10,585,084	\$ 10,585,084	66	\$ 0
2009-01	\$ 10,713,706	\$ 10,713,706	66	\$ 0
2009-02	\$ 15,000,000	\$ 7,008,228	34	\$ 1,997,943

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.