

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 28, 2011**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

Prepared by: Crystal Alvarez

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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:** \$10,771,321    **Converted MCC Authority:** \$2,692,830

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**Applicant's Fair Share Amount:** \$10,771,321    **Converted MCC Authority:** \$2,692,830

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**Participating Jurisdictions:**

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

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**Allocation Information:**

**Date MCCs will be advertised:** July 6, 2011  
**Expected issue date of first MCC:** October 15, 2011  
**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: X Estimates

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**Past Performance:**

The application indicates the applicant met the 2010 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 2011 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 \$10,771,321 in tax-exempt bond allocation to the County of San Diego for the Mortgage Credit Certificate Program. This is the Applicant's 2011 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:** 54
- **Housing stock to be purchased (types, unit sizes, etc.):**  
According to the Applicant, the housing stock to be purchased will consist of single detached homes and condominiums. The average unit is expected to be 2.5 bedroom, 1.5 baths, ranging from 900-1400 square feet.
- **Specific reservations of MCCs for purposes such as low-income targeting, new construction, etc.:**  
According to the Applicant, the program will reserve at least 20% of the certificates for federally designated target areas and at least 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 5 months and the anticipated monthly rate of issuance is 20 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**  
According to the Applicant, jurisdictions participating in the MCC program offer a wide selection of downpayment assistance programs and affordable, housing projects for low income buyers. In addition to the County of San Diego's Downpayment and Closing Cost Assistance Program offering deferred, subordinate financing, similar programs are offered in Chula Vista, El Cajon, Encinitas, Escondido, San Marcos, Poway and Vista.
- **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	\$697,500	\$627,750	\$ 767,250
Existing Units	\$697,500	\$627,750	\$ 767,250

\*This is established by (check one):  
 IRS Safe Harbor limitations  
 As determined by special survey  
 Current FHA loan limits

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

Existing Units                      \$257,500

**MAXIMUM INCOME LIMITATIONS:**

**Area median income on which maximum program limits are based:** \$75,500

**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	\$75,500	\$90,600
3+ persons	\$86,825	\$105,700

**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>
2008	\$10,585,084	\$10,585,084	66	0
2009-01	\$10,713,706	\$10,713,706	66	0
2009-02	\$15,000,000	\$15,000,000	86	0
2010	\$10,750,262	\$9,399,167	56	\$337,774

Pursuant to Section 5269 of the CDLAC Regulations, 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.