

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 13, 2013**  
**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 Alameda

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**Contact Information:**

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**Allocation Amount Requested:** \$30,000,000    **Converted MCC Authority:** \$7,500,000

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**Applicant's Fair Share Amount:** \$10,165,840    **Converted MCC Authority:** \$2,541,460

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**Participating Jurisdictions:**

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

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**Allocation Information:**

**Date MCCs will be advertised:** January 2, 2013  
**Expected issue date of first MCC:** May 16, 2013  
**Program Status:** Existing  
**Certificate tax credit rate:** 15%

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

New construction units: 0 units (0%) with an average mortgage amount of \$000,000  
Existing resale units: 56 units (100%) with an average mortgage amount of \$300,000  
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000  
Total units: 56 units with an average mortgage amount of \$300,000

**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 2012 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 2013 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 a reduced amount of \$10,165,840 in tax-exempt bond allocation to the County of Alameda for the Mortgage Credit Certificate Program. This is the Applicant's 2013 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:***      56
  
- ***Housing stock to be purchased (types, unit sizes, etc.):***  
 According to the Applicant, the housing stock to be purchased will consist of single family homes and existing condominiums. The square footage of the homes vary throughout the different market areas within the County, but range from approximately 800 square feet for a condominium or townhome suitable for a small family of up to 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 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 two year and the anticipated monthly rate of issuance is subject to market conditions.
  
- ***Other homebuyers assistance programs offered by participating jurisdiction(s):***  
 According to the Applicant, the county works with the participating cities to establish programs for targeting low income households and combing the MCC with other forms of home buyer assistance. Cities throughout the County are providing direct assistance to qualified first time home buyers, in conjunction with the MCC Program. Direct loans (as secured second deed of trust) are available to assist in meeting down payments requirements and to defray closing costs in some cities of Alameda County.
  
- ***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	\$748,462	\$673,616	\$823,308
Existing Units	\$748,462	\$673,616	\$823,308

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

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

New Units	\$350,000
Existing Units	\$30,000
Rehabilitated Units	\$275,000

**MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$89,200

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): 20%

Proposed maximum income limits:

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$89,200	\$107,040
3+ persons	\$102,580	\$124,880

**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>
2010	\$10,162,887	\$10,062,554	38	\$25,083
2011	\$10,187,159	\$10,167,252	41	\$4,977
2012	\$10,149,755	\$10,123,034	27	\$6,680

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.