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

Applicant:	C	ounty of Santa Clara	
Contact Information:			
N	ame: Ti	racy Cunningham	
Add) West Hedding Street, 7th Floor	
		an Jose, CA 95110	
Ph	ione: (4	08) 299-5796	
Allocation Amount Requested:	\$25,000,00	0 Converted MCC Authority:	\$6,250,000
Applicant's Fair Share Amount:	\$12,052,51	6 Converted MCC Authority:	\$3,013,129
Participating Jurisdictions:			
County of Santa Clara			
Allocation Information:			
Date MCCs will b		5	
Expected issue date of		1	
	gram Status:	•	
Certificate ta	x credit rate:	15%	
••		average mortgage amount:	
New construction units:		2%) with an average mortgage amount	
Existing resale units:		3%) with an average mortgage amount	
Rehabilitated units:	<u>0</u> units (09	%) with an average mortgage amount of	of \$000,000
Total units:	64 units wit	th and average mortgage amount of \$3	12,463
The above numbers	of units are:	X Estimates	
		Actual requirements imposed by	the Issuer
Past Performance:			
The application indicate	s the applicant	t met the 2012 minimum performance	requirement that at
least 40% of the program	m participants	are lower-income households or locate	ed in a Qualified Census
Tract.			
The application indicate	s the applicant	t expects to meet the 2013 minimum p	erformance
		ram participants will be lower-income	
Recommendation:			
		pprove a reduced amount of \$12,052,5	
the County of Sente Cla	ra for the Mor	tgage Credit Certificate Program. Thi	is is the Applicant's 2013 fair share
the County of Santa Cia			

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: 64

• Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant and based on historical trends, the housing stock to be purchased will consist of mainly 3 bedroom detached single-family units and 2 bedroom condominium units.

- 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 5-6 months and the anticipated monthly rate of issuance is 12 MCCs per month.

• Other homebuyers assistance programs offered by participating jurisdiction(s):

According to the Applicant, the County offers additional forms of financing from various other public and private non-profit agencies. The County has a first-time homebuyer (FTHB) downpayment assistance loan program funded through HOME HUD funds. To date, the County has approved 76 loans. The City of San Jose has a deferred 2nd mortgage program targeted to public school teachers for amounts up to \$80,000 at 0% interest, due and payable after 30 years in addition to downpayment assistance programs to certain low-income construction development. FTHBs in San Jose may also apply for down payment assistance from the Neighborhood Housing Services of Silicon Valley. The City of Santa Clara, Campbell, and Mountain View, offer a 0% 2nd mortgage program up to \$50,000 for use in purchasing market rate and below market rate homes. The Housing Trust of Santa Clara County also offers three FTHB assistance loans, ranging from \$6,500 for closing costs, \$85,000 for 2nd mortgages, and \$35,000 mortgage assistance loan.

 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	\$377,970
Existing Units	\$630,160
Rehabilitated Units	N/A

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$105,000

Applicable standard that defines the area median income:

HUD statewide median	X HUD county MSA median
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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:

Household Size	Non-Target Area	Target Area
1-2 persons	\$105,000	\$126,000
3+ persons	\$120,750	\$147,000

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2010	\$12,127,779	\$12,042,200	66	\$21,395
2010 BP	\$12,127,779	\$12,124,614	78	\$791
2011	\$12,166,681	\$12,061,837	71	\$26,211
2011 BP	\$12,166,681	\$12,128,461	68	\$9,555
2012	\$12,013,877	\$11,998,602	64	\$3,819
2012 BP	\$12,013,877	\$6,565,257	37	\$1,362,155

The County of Santa Clara received a 2012 Bonus Pool Allocation in December of 2012 and has a remaining balance of \$1,362,155. The amount equates to approximately 30 MCCs. According to the County, these 30 MCCs will be have been issued right around the time the County intends to issues their first 2013 MCC in mid-April 2013.

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.