

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: Sarah Lester

Applicant: County of Santa Clara

Contact Information:

Name: Tracy Cunningham
Address: 70 West Hedding Street, 7th Floor
San Jose, CA 95110
Phone: (408) 299-5796

Allocation Amount Requested: \$25,000,000 **Converted MCC Authority:** \$6,250,000

Applicant's Fair Share Amount: \$12,052,516 **Converted MCC Authority:** \$3,013,129

Participating Jurisdictions:

County of Santa Clara

Allocation Information:

Date MCCs will be advertised: January 11, 2013
Expected issue date of first MCC: April 11, 2013
Program Status: Existing
Certificate tax credit rate: 15%

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

New construction units: 14 units (22%) with an average mortgage amount of \$313,240
Existing resale units: 50 units (78%) with an average mortgage amount of \$312,246
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000
Total units: 64 units with an average mortgage amount of \$312,463

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

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.

Recommendation:

Staff recommends that the Committee approve a reduced amount of \$12,052,516 in tax-exempt bond allocation to the County of Santa Clara for the Mortgage Credit Certificate Program. This is the Applicant's 2013 fair share amount.

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 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	\$105,000	\$126,000
3+ persons	\$120,750	\$147,000

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	\$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.