Agenda Item No. 7.2 Application No. 15-021

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

September 16. 2015 Staff Report

REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Brian Clark				
Applicant:	County of Contra Costa			
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Allocation Amount Requested:	\$8,505,523	Converted MCC Authority:	\$2,126,381	
Applicant's Fair Share Amount:	\$8,505,523	Converted MCC Authority:	\$2,126,381	
Participating Jurisdictions:	County	of Contra Costa		
Allocation Information:				
Date MCCs will I		July 15, 2015		
Expected issue date		October 15, 2015		
	ogram Status:	Existing		
Certificate ta	x credit rate:	20%		
Type of housing units	to be assisted/a	average mortgage amount:		
New construction units:	15 units (33	%) with an average mortgage amount	t of \$450,000	
Existing resale units:				
Rehabilitated units:				
Total units:	<u> </u>			
The above number	s of units are:	X Estimates		
		Actual requirements imposed by	the Issuer	
Post Porformance				

The application indicates the applicant met the 2014 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 2015 minimum performance requirement that at least 40% of program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve an amount of \$8,505,523 in tax-exempt bond allocation to the County of Contra Costa for the Mortgage Credit Certificate Program. This is the Applicant's 2015 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: 45
- Housing stock to be purchased (types, unit sizes, etc.):

According to the Applicant, the housing stock to be purchased will consist of detatched units and attached condominiums ranging from 2-3 bedrooms and 1-2 bathrooms with square footage from 900 to 1,900 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 40% 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 3 months and the anticipated monthly rate of issuance is 25-30 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for 2 months.
- Other homebuyers assistance programs offered by participating jurisdiction(s): According to the Applicant, the Cities of Antioch, Brentwood, Concord, Oakley and Walnut creek have first-time homebuyer programs that can utilize MCCs. Also, The County of Contra Costa participates as a member of a County Consortium with the Cities of Concord, Walnut Creek, Antioch and Pittsburgh to serve County residents, including making information about the MCC program and homebuyer opportunities more accessible.
- 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	\$663,309		\$596,978	\$729,640
Existing Units	\$663,309		\$596,978	\$729,640
*This is established by (cl	neck one):		RS Safe Harbor limitations s determined by special surv	rey

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

New Units \$550,000 **Existing Units** \$475,000 Rehabilitated Units \$0

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$92,900

Applicable standard that defines the area median income:

HUD statewide median	X HUD county MSA median
Local median as determined by	y a special study

Percent of MCCs reserved for IRS-designated target areas in the jurisdiction(s): 40%

Proposed maximum income limits:

Household Size	Non-Target Area	Target Area
1-2 persons	\$92,900	\$111,480
3+ persons	\$106,835	\$130,060

DESCRIPTION OF PUBLIC BENEFITS:

Past Program Performance:

Year	Amount of Allocation	Amount of Allocation Used	Number of MCCs Issued	Outstanding MCC Authority
2012	\$7,059,414	\$7,045,606	35	\$3,452
2013	\$7,067,129	\$6,902,949	32	\$41,045
2014	\$8,499,375	\$8,471,571	40	\$6,951
2014 Bonus	\$15,000,000	\$6,874,412	28	\$2,031,397

2014 Bonus allocation is still being used and is expected to be depleted within the next couple of months.

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.