

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**October 19, 2016**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**MORTGAGE CREDIT CERTIFICATE PROGRAM**

*Prepared by: Sarah Lester*

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**Applicant:** City and County of San Francisco

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**Contact Information:**

**Name:** Jeanne Lu  
**Address:** One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
**Phone:** (415) 701-5548

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**Allocation Amount Requested:** \$8,829,698      **Converted MCC Authority:** \$2,207,425

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**Applicant's Fair Share Amount:** \$8,829,698      **Converted MCC Authority:** \$2,207,425

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**Participating Jurisdictions:**

City and County of San Francisco

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**Allocation Information:**

**Date MCCs will be advertised:** November 1, 2016  
**Expected issue date of first MCC:** February 19, 2017  
**Program Status:** Existing  
**Certificate tax credit rate:** 15%

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

New construction units: 27 units (54%) with an average mortgage amount of \$250,000  
Existing resale units: 23 units (46%) with an average mortgage amount of \$350,000  
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000  
Total units: 50 units with an average mortgage amount of \$296,000

**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 2015 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 2016 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 \$8,829,698 in tax-exempt bond allocation to the City and County of San Francisco for the Mortgage Credit Certificate Program. This is the Applicant's 2016 fair share amount on a carryforward basis.



**MAXIMUM INCOME LIMITATIONS:**

**Area median income on which maximum program limits are based:** \$137,015

**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):** 40%

**Proposed maximum income limits:**

<u>Household Size</u>	<u>Non-Target Area</u>	<u>Target Area</u>
1-2 persons	\$137,015	\$164,418
3+ persons	\$157,567	\$191,821

**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>
2012	\$5,415,899	\$5,404,880	26	\$2,755
2013	\$5,391,249	\$5,390,504	33	\$186
2014	\$16,526,618	\$14,562,155	96	\$491,116

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.