

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 15, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
MORTGAGE CREDIT CERTIFICATE PROGRAM

Prepared by: Louise Eller

Applicant: County of Alameda

Contact Information:

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Allocation Amount Requested: \$10,367,000 **Converted MCC Authority:** \$2,591,750

Applicant's Fair Share Amount: \$10,367,013 **Converted MCC Authority:** \$2,591,753

Participating Jurisdictions:

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

Allocation Information:

Date MCCs will be advertised: January 6, 2017
Expected issue date of first MCC: April, 2017
Program Status: Existing
Certificate tax credit rate: 20%

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

New construction units: 4 units (12%) with an average mortgage amount of \$350,000
Existing resale units: 33 units (88%) with an average mortgage amount of \$350,000
Total units: 37 units with an average mortgage amount of \$350,000

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

Past Performance:

The Applicant did not apply in 2016.

The application indicates that the applicant expects to meet the 2017 minimum performance requirement that states that at least **40%** of the program participants will be lower-income households.

Recommendation:

Staff recommends that the Committee approve an amount of \$10,367,000 in tax-exempt bond allocation to the County of Alameda for the Mortgage Credit Certificate Program.

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:** 37
- **Housing stock to be purchased (types, unit sizes, etc.):**
According to the Applicant, the housing stock to be purchased will consist primarily of existing single family homes or new and/or existing condominiums or townhomes with square footage from 800 square feet to 2000 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 24 months and the anticipated monthly rate of issuance is 1.5 MCCs per month.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**
According to the Applicant, The County of Alameda has a new down-payment assistance program in place. The County of Alameda has worked with the participating cities to establish programs for targeting low income households and combining the MCC with other forms of home buyer assistance.
- **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	\$891,912	\$802,721	\$981,103
Existing Units	\$798,953	\$719,058	\$878,848

*This is established by (check one): 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	\$350,000

MAXIMUM INCOME LIMITATIONS:

Area median income on which maximum program limits are based: \$117,000

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	\$117,000	\$117,000
3+ persons	\$136,500	\$136,500

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>
2014	\$12,290,518	\$10,311,886	61	\$494,658
2014*	\$10,000,000	\$335,087	2	\$2,416,228
2015	\$0	\$0		\$0
2016	\$0	\$0		\$0

*Bonus Pool Allocation

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.