

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 12, 2018**  
**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:** County of Contra Costa

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**Contact Information:**

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**Allocation Amount Requested:** \$7,182,224      **Converted MCC Authority:** \$1,795,556

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**Applicant's Fair Share Amount:** \$7,182,224      **Converted MCC Authority:** \$1,795,556

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**Participating Jurisdictions:**

County of Contra Costa

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**Allocation Information:**

**Date MCCs advertised:** September 17, 2018  
**Expected issue date of first MCC:** December 17, 2018  
**Program Status:** Existing  
**Certificate tax credit rate:** 20%

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

New construction units: 5 units (25%) with an average mortgage amount of \$400,000  
Existing resale units: 16 units (75%) with an average mortgage amount of \$425,000  
Rehabilitated units: 0 units (0%) with an average mortgage amount of \$000,000  
Total units: 21 units with an average mortgage amount of \$418,750

**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 2017 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 2018 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 \$7,182,224 in tax-exempt bond allocation to the County of Contra Costa for the Mortgage Credit Certificate Program. This is the Applicant's 2018 fair share amount on a carryforward basis.

**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:** 21
- **Housing stock to be purchased (types, unit sizes, etc.):**  
According to the Applicant, the housing stock to be purchased will consist of existing detached single family homes and attached condominiums ranging from 2-3 bedrooms and 1-2 bathrooms. The average square footage of the units is 900-2,400 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 issued at the anticipated monthly rate of issuance is 20-25 MCCs per month. However, based on the information provided in the application, MCCs are expected to be available for about 1-2 months.
- **Other homebuyers assistance programs offered by participating jurisdiction(s):**  
According to the Applicant, the Cities of Brentwood, Concord, Oakley, and Walnut Creek have first-time homebuyer programs that can utilize MCC's. The County of Contra Costa also participates as a member of a County Consortium with the Cities of Concord, Walnut Creek, Antioch and Pittsburgh to combine efforts to serve County residents; including making information about the MCC program and homebuyer opportunities more readily accessible.
- **Additional features unique to the proposed Program:**  
None indicated.

**PURCHASE PRICE INFORMATION:**

The proposed maximum limits are:

<u>Unit Type</u>	<u>Average Area Purchase Price*</u>	<u>Non-Target Area Max Purchase Price</u>	<u>Target Area Max Purchase Price</u>
New Units	\$695,294	\$625,765	\$764,823
Existing Units	\$695,294	\$625,765	\$764,823

\*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	\$450,000
Existing Units	\$425,000
Rehabilitated Units	N/A

**MAXIMUM INCOME LIMITATIONS:**

Area median income on which maximum program limits are based: \$139,440

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	\$139,440	\$139,440
3+ persons	\$162,680	\$162,680

**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>
2015	\$8,505,523	\$8,468,336	32	\$9,297
2016	\$11,429,201	\$11,423,321	37	\$1,470
2017	\$7,154,526	\$5,544,358	24	\$402,542

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.