



*County of San Mateo*  
*Human Services Agency*  
*Office of Housing*

DATE December 20, 2000  
 HEARING DATE January 23, 2001

TO: Honorable Board of Supervisors 

FROM: Maureen Borland, Director, Human Services Agency  
 Steve Cervantes, Director, Office of Housing 

SUBJECT: RESOLUTION AUTHORIZING THE OFFICE OF HOUSING TO SUBMIT AN APPLICATION FOR ALLOCATION OF QUALIFIED PRIVATE ACTIVITY BONDS FOR CONVERSION TO MORTGAGE CREDIT CERTIFICATE AUTHORITY AND AUTHORIZING THE SET ASIDE OF HOUSING AND COMMUNITY DEVELOPMENT FUNDS AS EVIDENCE OF THE REQUIRED PERFORMANCE DEPOSIT

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**RECOMMENDATION**

Adopt a resolution authorizing the Director of the Office of Housing to file an application with the California Debt Limit Allocation Committee (CDLAC) for an allocation from the State's Qualified Private Activity Bonds for conversion to Mortgage Credit Certificates and authorizing the set aside of Community Development funds equal to .5% of the allocation amount requested, not to exceed \$100,000, as evidence of the required performance deposit.

**BACKGROUND**

The Mortgage Credit Certificate (MCC) program provides financial assistance to eligible first-time home buyers in the form of an annual federal tax credit for up to 15% of the mortgage interest paid. This credit effectively increases the recipient's disposable income, thus enhancing their purchasing power.

Since 1989, the County has issued over \$42 million in Mortgage Credit Certificates, which have helped more than 1,600 families purchase their first homes in San Mateo County. All of the cities in San Mateo County, with exception of the Town of Hillsborough, have executed cooperation agreements with the County, thereby making the program available countywide. At this time, the County administers the program on behalf of the participating cities at no charge to those cities.

The MCC Program is now a well established program. Housing and Community Development has formed a cooperative working partnership with local mortgage brokers, lenders and Realtors. There are currently 75 Banks, Savings & Loans, Mortgage Bankers, and Mortgage Brokers, participating in the program. As partners, we have collaborated in a number of First-time Homebuyers Informational Workshops throughout the County, helping to educate prospective home buyers. Ultimately, this understanding of the community's needs, results in lenders offering more affordable loan programs that help applicants to successfully purchase homes.

**DISCUSSION**

CDLAC will not announce the 2001 State Ceiling on Tax-exempt Private Activity Bonds until mid January. Therefore, the County will not know its actual allocation amount until that time.

This resolution has been approved by the County Counsel's Office.

**PERFORMANCE MEASURE**

Performance Measure	Actual FY1999-2000	Projected FY2000-2001
Certificates Issued	76	76*

\* Allocation amount to be granted is unknown. Projected performance is based on allocation received for calendar year 2000.

**FISCAL IMPACT/FINANCING ISSUES**

The CDLAC application fees and the County's administrative expenses are covered by fees paid by MCC applicants, fees charged to participating mortgage brokers and lenders, and revenue earned by HCD for monitoring bond-funded housing developments. No general fund revenues are involved.

The State required performance deposit is released when the first MCC is issued and remains in County control until released.

RESOLUTION NO. \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the County of San Mateo has operated a countywide Mortgage Credit Certificate (MCC) Program since 1989, and

**WHEREAS**, the County of San Mateo has issued over \$42 million in Mortgage Credit Certificates, and

**WHEREAS**, the County of San Mateo administers First Time Homeownership programs which are designed to be used in conjunction with the Mortgage Credit Certificate, and

**WHEREAS**, the County needs additional MCC authority to serve the needs of participants of the County's homeownership program, the homeownership assistance programs offered by many of the cities throughout San Mateo County, and first-time homebuyer programs offered to the general public through private lenders,

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that this Board of Supervisors authorize the Director of the Office of Housing to prepare and submit to the California Debt Limit Allocation Committee, an application for a private activity bond allocation in the amount of \$20 million to be converted to authority to issue Mortgage Credit Certificates in the amount of \$5 million for and on behalf of the County of San Mateo and the Clerk of this Board shall provide a certified copy of this resolution for inclusion as part of the application, and

**BE IT FURTHER RESOLVED** that Housing and Community Development funds equal to 5% of the requested allocation amount, not to exceed \$100,000, may be set aside to meet the performance deposit requirement of the California Debt Limit Allocation Committee and the County Manager is authorized to execute the State's Deposit Certification Form on behalf of the County,

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