

# **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

## **Estimated Public Benefits Single-Family Housing Program Pool 2004 Round 1**

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRB) or mortgage credit certificates (MCC) to assist first-time homebuyers purchase homes. These agencies and authorities may issue MRBs, the proceeds of which back below market interest rate mortgages. As an alternative to issuing MRBs, state and local governmental agencies and joint powers authorities may issue MCCs. The value of the credit equals up to 20% of the interest payments made annually on the program participant's first mortgage. Homebuyers use the MCC to reduce their federal tax liability by applying the credit to their net tax due. Homebuyers may purchase single-family homes, either free-standing detached homes, condominiums or townhouses. Program participants must meet program income limits and must purchase a home that falls within the program's purchase price limitations.

The California Debt Limit Allocation Committee is responsible for administering California's annual tax-exempt private activity bond program, known as "the annual State ceiling". For calendar year 2004, California's State ceiling is \$2.838 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Single-Family Housing Program Pool. For calendar year 2004, the Committee reserved approximately \$662 million, or 23.3% of the State ceiling for the Single-Family Housing Pool. The \$662 million of bond authority will be allocated in two allocation rounds.

The Committee awarded a total of \$91,238,781 for Single-Family Housing Mortgage Credit Certificate Programs in the First Allocation Round of 2004. These allocations will assist approximately 583 first-time homebuyers, of which at least 234 will be lower income households and approximately 80 will purchase newly constructed homes.

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## SUMMARY OF ALLOCATIONS

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### Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER &amp; DESCRIPTION OF PUBLIC BENEFITS</u>
\$91,238,781	583 Total number of MCCs 234 Total number of MCCs to low income households 80 Total number of MCCs to homebuyers purchasing newly constructed homes (14% of total)

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### TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER &amp; DESCRIPTION OF PUBLIC BENEFITS</u>
<b><u>\$91,238,781</u></b>	583 Total number of MCCs 234 Total number of MCCs to low income households 80 Total number of MCCs to homebuyers purchasing newly constructed homes (14% of total)