

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool 2010 Summary

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 power 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 2010, California's State ceiling is \$3.326 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 2010, the Committee reserved approximately \$750 million or 22.5% of the State ceiling for the Single-Family Housing Pool. The \$750 million of bond authority will be allocated throughout the 2010 calendar year.

The Committee awarded a total of \$377,861,538 of the 2010 State Ceiling to the Single-Family Housing Program and authorized the use of \$53,667,867 in 2009 carryforward allocation. Of this amount, \$181,529,405 was allocated to Mortgage Credit Certificate Programs and \$250,000,000 was allocated to Mortgage Revenue Bond Programs, which includes \$25,000,000 awarded to the California Department of Veteran Affairs. These allocations will assist approximately 2,392 first-time homebuyers, of which at least 956 will be lower income households and approximately 599 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$181,529,405	1,121 Total number of MCCs 447 Total number of MCCs to low income households (40% of total) 168 Total number of MCCs to homebuyers purchasing newly constructed homes (15% of total)

Mortgage Revenue Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$250,000,000	1,271 Total number of below market interest rate loans 509 Total number of loans to lower income households (40% of total) 431 Total number of loans to homebuyers purchasing newly constructed homes (34% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$431,529,405</u>	2,392 Total number of below market interest rate loans and MCCs 956 Total number of loans and MCCs to low income households (40% of total) 599 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (25% of total)