

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool Round 3 2003

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 interest payments made annually on the program participants 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 2003, California's State ceiling is \$2.633 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 2003, the Committee reserved approximately \$624 million, or 23.7% of the State ceiling for the Single-Family Pool. The \$624 million of bond authority will be allocated in two allocation rounds and will fund both Mortgage Revenue Bond Programs and Mortgage Credit Certificate Programs.

The Committee awarded \$5,130,141 to the County of Sonoma for the Single-Family Housing Mortgage Credit Certificate Program in the Third Allocation Round of 2003. This allocation will assist approximately 30 first-time homebuyers, of which at least 12 will be lower income households and approximately 6 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$5,130,141	30 Total number of MCCs 12 Total number of MCCs to low income households 6 Total number of MCCs to homebuyers purchasing newly constructed homes (20% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$5,130,141</u>	30 Total number of MCCs 12 Total number of MCCs to low income households 6 Total number of MCCs to homebuyers purchasing newly constructed homes (20% of total)