

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool December 13, 2006 Allocation

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 2006, California's State ceiling is \$2.890 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 2006, the Committee reserved approximately \$500 million or 17.3% of the State ceiling for the Single-Family Housing Pool. The \$500 million of bond authority will be allocated throughout the 2006 calendar year.

The Committee awarded a total of \$291,993,355 of the 2006 State Ceiling on December 13, 2006 to the Single-Family Housing to three Mortgage Credit Certificate Programs and two Mortgage Revenue Bond Programs. This allocation will assist approximately 1,120 first-time homebuyers, of which at least 457 will be lower income households and approximately 337 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Revenue Bond Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$261,867,000	985 Total number of below market interest rate loans 394 Total number of loans to lower income households (40% of total) 281 Total number of loans to homebuyers purchasing newly constructed homes (28% of total)

Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$30,126,355	135 Total number of MCCs 63 Total number of MCCs to low income households 56 Total number of MCCs to homebuyers purchasing newly constructed homes (42% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$291,993,355</u>	1,120 Total number of MCCs 457 Total number of MCCs to low income households 337 Total number of MCCs to homebuyers purchasing newly constructed homes (30% of total)