

## **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

### **Estimated Public Benefits Single-Family Housing Program Pool 2009 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 2009, California's State ceiling is \$3.308 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 2009, the Committee reserved approximately \$500 million or 15.1% of the State ceiling for the Single-Family Housing Pool. The \$500 million of bond authority will be allocated throughout the 2009 calendar year.

The Committee awarded a total of \$759,993,666 of the 2009 State Ceiling to the Single-Family Housing Program and authorized the use of \$98 in 2008 carryforward allocation. Of this amount, \$306,317,469 was allocated to Mortgage Credit Certificate Programs and \$453,676,197 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 3,593 first-time homebuyers, of which at least 1,439 will be lower income households and approximately 495 will purchase newly constructed homes.

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## SUMMARY OF ALLOCATIONS

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### Mortgage Credit Certificate Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS	
\$303,317,469	1,646	Total number of MCCs
	660	Total number of MCCs to low income households (40% of total)
	277	Total number of MCCs to homebuyers purchasing newly constructed homes (17% of total)

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### Mortgage Revenue Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS	
\$453,676,197	1,947	Total number of below market interest rate loans
	779	Total number of loans to lower income households (40% of total)
	218	Total number of loans to homebuyers purchasing newly constructed homes (11% of total)

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### TOTAL SINGLE-FAMILY HOUSING PROGRAM

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS	
<b><u>\$759,993,666</u></b>	3,593	Total number of below market interest rate loans and MCCs
	1,439	Total number of loans and MCCs to low income households (40% of total)
	495	Total number of loans and MCCs to homebuyers purchasing newly constructed homes (14% of total)