

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool November 17, 2010 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 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 \$45,493,580 of the 2010 State Ceiling and authorized the use of \$53,667,867 of available 2009 carryforward allocation increasing the total authorized allocation awarded to \$99,161,447 on November 17, 2010 to the Single-Family Housing Program to two (2) local Mortgage Credit Certificate Programs and one (1) statewide Mortgage Revenue Bond Program. These allocations will assist approximately 602 first-time homebuyers, of which at least 241 will be lower income households and approximately 45 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Credit Certificate Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$74,161,447	470 Total number of MCCs 188 Total number of MCCs to low income households 28 Total number of MCCs to homebuyers purchasing newly constructed homes (6% of total)

Mortgage Revenue Bond Program

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$25,000,000	132 Total number of loans originated 53 Total number of loans to low income households 17 Total number of loans to homebuyers purchasing newly constructed homes (13% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$99,161,447	602 Total number of MCCs and loans originated 241 Total number of MCCs and loans to low income households 45 Total number of MCCs and loans to homebuyers purchasing newly constructed homes (37% of total)
