

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Public Benefits Analysis Single-Family Housing Program Pool Round 1 2002

State and local governmental agencies and joint powers authorities can issue tax-exempt mortgage revenue bonds (MRBs) or mortgage credit certificates (MCCs) 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. 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 2002, California's State ceiling is \$2.587 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as "Program Pools", including the Single-Family Housing Bond Program (SFHB) Pool. For calendar year 2002, the Committee reserved approximately 23.4%, or \$606,584,750 million of the State ceiling for the SFHB Pool. The \$606,584,750 million of bond authority was allocated in two allocation rounds and funded both Mortgage Revenue Bond Programs and Mortgage Credit Certificate Programs.

The Committee awarded a total of \$314,819,710 in the First Allocation Round of 2002. Of this amount, \$266,400,000 was allocated to Mortgage Revenue Bond Programs and \$48,819,710 was allocated to the Mortgage Credit Certificate Programs. These allocations assisted approximately 3,073 first-time homebuyers, of which at least 1,520 will be lower income households and approximately 649 of the 3,073 first-time homebuyers will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Revenue Bond Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$266,400,000	2,624 Total number of below market interest rate loans 1,312 Total number of loans to low income households 630 Total number of loans to homebuyers purchasing newly constructed homes (24% of total)

Mortgage Credit Certificate Programs

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
\$48,819,710	449 Total number of MCCs 208 Total number of MCCs to low income households 19 Total number of MCCs to homebuyers purchasing newly constructed homes (4% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

AMOUNT ALLOCATED	ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS
<u>\$314,819,710</u>	3,073 Total number of below market interest rate loans and MCCs 1,520 Total number of loans and MCCs to low income households 649 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (21% of total)