

# **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

## **Public Benefits Analysis Single-Family Housing Program Pool Round 2 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 \$291,122,684 in the Second Allocation Round of 2002. Of this amount, \$154,435,928 was allocated to Mortgage Revenue Bond Programs and \$136,686,756 was allocated to the Mortgage Credit Certificate Program. These allocations assisted approximately 1,672 first-time homebuyers, of which at least 761 will be lower income households and approximately 245 of the 1,672 first-time homebuyers will purchase newly constructed homes.

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## SUMMARY OF ALLOCATIONS

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### Mortgage Revenue Bond Programs

| AMOUNT<br>ALLOCATED | ESTIMATED NUMBER & DESCRIPTION OF PUBLIC<br>BENEFITS  |
|---------------------|---|
| \$154,435,928       | 401 Total number of below market interest rate loans<br>182 Total number of loans to low income households<br>68 Total number of loans to homebuyers purchasing newly<br>constructed homes (14% of total) |

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### Mortgage Credit Certificate Programs

| AMOUNT<br>ALLOCATED | ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS  |
|---------------------|--|
| \$136,686,756       | 1,271 Total number of MCCs<br>579 Total number of MCCs to low income households<br>177 Total number of MCCs to homebuyers purchasing newly<br>constructed homes (17% of total) |

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### TOTAL SINGLE-FAMILY HOUSING PROGRAM

| AMOUNT<br>ALLOCATED         | ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS   |
|-----------------------------|---|
| <b><u>\$291,122,684</u></b> | 1,672 Total number of below market interest rate loans and MCCs<br>761 Total number of loans and MCCs to low income households<br>245 Total number of loans and MCCs to homebuyers purchasing<br>newly constructed homes (15% of total) |