

CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE

Estimated Public Benefits Single-Family Housing Program Pool 2006 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 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.

After allocations were made on December 13, 2006, there was a balance of allocation remaining in various pools. In order to ensure that no amount of allocation was lost, the Committee approved the transfer of the remaining \$258,625,729 allocation from the various pools to the Single-Family Housing Program Pool and awarded the allocation to the California Housing Finance Agency on a carryforward basis, which means that the applicant was authorized to carry forward the Allocation to calendar year 2007. The carryforward allocation raised the Single-Family Housing Program Pool allocation awarded to a total of \$654,520,689 in 2006. Of this total amount, \$573,827,456 was allocated to Mortgage Revenue Bond Programs and \$80,693,233 was allocated to Mortgage Credit Certificate Programs. The 2006 Single-Family Housing allocations will assist approximately 2,473 first-time homebuyers, of which at least 989 will be lower income households and approximately 773 will purchase newly constructed homes.

SUMMARY OF ALLOCATIONS

Mortgage Revenue Bond Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$573,827,456	2,132 Total number of below market interest rate loans 853 Total number of loans to lower income households (40% of total) 657 Total number of loans to homebuyers purchasing newly constructed homes (31% of total)

Mortgage Credit Certificate Programs

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
\$80,693,233	341 Total number of MCCs 136 Total number of MCCs to low income households (40% of total) 116 Total number of MCCs to homebuyers purchasing newly constructed homes (34% of total)

TOTAL SINGLE-FAMILY HOUSING PROGRAM

<u>AMOUNT ALLOCATED</u>	<u>ESTIMATED NUMBER & DESCRIPTION OF PUBLIC BENEFITS</u>
<u>\$654,520,689</u>	2,473 Total number of below market interest rate loans and MCCs 989 Total number of loans and MCCs to low income households (40% of total) 773 Total number of loans and MCCs to homebuyers purchasing newly constructed homes (31% of total)