

**FILED**  
in the office of the Secretary of State  
of the State of California

AUG 6 1981

MARCH FONG EU, Secretary of State

By *[Signature]*  
Deputy

**Executive Department**  
**State of California**

**PROCLAMATION**

By virtue of the authority vested in the office of the Governor of any state by the federal Mortgage Subsidy Bond Tax Act of 1980, I, Edmund G. Brown Jr., as Governor of the State of California, hereby proclaim as follows:

1. Pursuant to 26 USC Section 103A (g) (6) (B), this proclamation shall govern the allocation for the calendar year 1981 of the state ceiling among the governmental units in this state having authority to issue qualified mortgage bonds. Any allocation granted by this proclamation shall become the applicable limit, as that term is used in Section 103A (g) (1) of the code, for the issuer to which such allocation is granted for any qualified mortgage bonds issued by such issuer in calendar year 1981 after the date of this proclamation.
2. Unless the context otherwise requires, the terms defined in this section shall for all purposes of this proclamation have the meanings herein specified.
  - (a) "Allocation" means that principal amount of qualified mortgage bonds which a local agency is allocated pursuant to this proclamation for the calendar year 1981.
  - (b) "Committee" means the Housing Bond Credit Committee established pursuant to Section 51360 of the California Health and Safety Code.
  - (c) "Code" means the federal Internal Revenue Code of 1954, as amended.
  - (d) "Formula allocation" means that principal amount of qualified mortgage bonds which a local agency is allocated pursuant to Section 4 hereof for the calendar year 1981.
  - (e) "Issuer" means a local agency or a redevelopment agency, housing authority or other local entity authorized by the laws of this state to issue qualified mortgage bonds to which a local agency has assigned all or part of its allocation pursuant to this proclamation.
  - (f) "Local agency" means any city, county, or city and county, in this state.
  - (g) "Local bond limit" means, for the calendar year 1981, 66-2/3 percent of the state ceiling for such calendar year, less the amount of all qualified mortgage bonds, if any, issued by local public entities of this state in 1981 prior to the date of this proclamation.
  - (h) "Median household income" means "median household income" as defined by Section 52020 (f) of the California Health and Safety Code.
  - (i) "Qualified mortgage bonds" has the same meaning as that specified in Section 103A of the code, taking into account Section 1 hereof.

(j) "State bond limit" means, for the calendar year 1981, 33-1/3 percent of the state ceiling for such calendar year, less the amount of all qualified mortgage bonds, if any, issued by the state entities referred to in Section 6 in 1981 prior to the date of this proclamation.

(k) "State ceiling" shall be the amount specified by the Committee pursuant to Section 8 of this proclamation.

(l) "Territory" means for any city or city and county, the area within the boundaries of such city or city and county, and for any county, the area within the boundaries of such county not within the boundaries of any city.

3. (a) Any local agency or other local public entity that has issued qualified mortgage bonds during 1981, prior to the date of this proclamation, is required to file with the Committee within 30 days after the date of this proclamation a statement of the amount and date of such issue. Any local agency desiring an allocation for the issuance of qualified mortgage bonds in the calendar year 1981 after the date of this proclamation shall, not more than 30 days prior to the date of issuance of such bonds, file with the Committee a statement of the amount of such bonds to be issued, the amount of such local agency's formula allocation (specifying the respective amounts determined pursuant to subsections (a) and (b) of Section 4 of this proclamation), the amounts of any formula allocations assigned to such local agency pursuant to Section 5 hereof, and that the first condition specified in the next paragraph is satisfied for the granting of an allocation. The Committee is thereupon to advise such local agency of the aggregate amount of allocations previously granted pursuant to this section for the calendar year 1981 and which have not expired and, during the first 60 days after the date of this proclamation, the aggregate amounts of such allocations determined pursuant to subsections (a) and (b), respectively, of Section 4 of this proclamation.

(b) The filing local agency shall be deemed to be granted an allocation in an amount equal to the amount of bonds to be issued as stated by the local agency in its filing if both of the following conditions are met:

(1) The amount of bonds to be issued as stated by the filing local agency, together with the aggregate amount of any allocations previously granted to (even if assigned away by) such local agency for calendar year 1981, does not exceed an amount equal to the sum of the local agency's formula allocation and the formula allocations assigned to such local agency pursuant to Section 5 hereof.

(2) The amount of such bonds to be issued, together with the aggregate amount of allocations previously granted pursuant to this section for the calendar year 1981 and which have not expired as of the date of the local agency's filing with the Committee pursuant to subsection (a) of this section, does not exceed the local bond limit.

(c) Any allocation granted pursuant to subsection (b) of this section shall expire on the earlier of December 31, 1981 or the date 1 days after the date of the local agency's filing with the Committee pursuant to subsection (a) of this section, unless the local agency or the issuer to which the local agency has assigned the allocation files prior to such date of expiration with the Committee a statement that qualified mortgage bonds have been issued in reliance upon such allocation and the amount of such qualified mortgage bond issue. Any amount of such allocation in excess of the amount of such issue shall expire on such date of expiration.

(d) The Committee shall not be responsible for determining whether in fact conditions (1) and (2) of subsection (b) of this section have been met. Such determinations shall be the responsibility of the filing local agency.

4. The formula allocation for any local agency for the calendar year 1981 shall be the sum of the amounts determined pursuant to subsections (a) and (b) of this section, but not in excess of \$250,000,000 and provided that for the first 60 days after the date of this proclamation one-half of the local bond limit shall be reserved exclusively for allocation of the amounts determined pursuant to subsection (b) of this section:

(a) The greatest of the following amounts, less in each case the amount of qualified mortgage bonds issued in 1981 prior to the date of this proclamation for use to provide financing for properties located within the territory of such local agency:

(1) The local bond limit times the ratio of the population of the territory of such local agency for the calendar year 1980 to the population of the State for the calendar year 1980, but not in excess of \$60,000,000,

(2) The local bond limit times the ratio of the amount of growth in population of the territory of such local agency from the calendar year 1975 to the calendar year 1980 to the amount of growth in population of the state over the same period, but not in excess of \$60,000,000.

(3) Twenty million dollars (\$20,000,000).

For purposes of this subsection only, the population of the territory of a local agency for any given calendar year shall be deemed to be the Department of Finance's population estimate for that territory and year as of the effective date of this proclamation.

(b) In the case of qualified mortgage bonds issued pursuant to Part 5 of Division 31 of the California Health and Safety Code, the amount approved by the Committee pursuant to said act or, in the case of any other qualified mortgage bonds, the amount of the portion of the proceeds of such bonds, which by reason of provisions in the resolution or indenture authorizing the issuance of such bonds or by reason of the statute under which such bonds are issued, is limited to being used to provide financing for persons and families whose incomes do not exceed:

(1) 120 percent of the median household income in the case of financing for improving a residence or for residences where the purchaser will be the first occupant.

(2) The median household income where the purchaser will not be the first occupant. However, the issuer shall assure that no less than half the funds allocated for financing where the purchaser will not be the first occupant shall be for households whose income does not exceed 80 percent of such median household income; provided, that the legislative body of the issuer may, by resolution, increase this income limitation to 90 percent of median household income if the legislative body finds that there are insufficient numbers of credit-worthy persons whose income does not exceed 80 percent of median household income. Such a resolution shall be final and conclusive as to the findings required by this subparagraph.

5. Any local agency may by written agreement assign to any other issuer having the authority to issue qualified mortgage bonds under the laws of this state all or any part of said local agency's formula allocation for the calendar year 1981, but only if the assignment is solely for use by the issuer to provide financing for properties located within the territory of the assigning local agency (including a proportionate share of costs of issuance, underwriters discount, capitalized interest, reserve funds and similar expenses associated with the financing), provided that such assignment shall not be deemed ineffective if, after issuance of the bonds and for reasons beyond the control of the issuer, the issuer is unable to use any portion of the proceeds of such bonds to provide financing for properties located within the territory of the assigning local agency, as required by such assigned allocation, and such proceeds are instead used to redeem bonds or to provide financing for properties located within the county within which the assigning local agency is located.
6. There are hereby granted for the calendar year 1981 the following allocations:
  - (a) To the Department of Veterans Affairs, an allocation in the amount of 26 percent of the state bond limit.
  - (b) To the California Housing Finance Agency, an allocation in the amount of 63 percent of the state bond limit.
  - (c) To the Military Department, an allocation in the amount of 3 percent of the state bond limit.
  - (d) To the Regents of the University of California, an allocation in the amount of 8 percent of the state bond limit.
7. The Committee is hereby requested to confirm allocations and maintain appropriate records with respect thereto in the manner and to the extent contemplated by this proclamation and permitted by law.
8. The Committee, pursuant to Section 103A(g)(4) of the code, shall determine the state ceiling for calendar year 1981 as soon as practicable following the date of this proclamation.

9. This proclamation shall remain in effect only until the earlier of January 1, 1982 or the date upon which any legislation which would under the code supersede this proclamation becomes effective.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 6th day of August, 1981.



*Ed R. Brown*  
Governor of California

ATTEST:

*March Fong Eu*  
Secretary of State

By *Peggy M. Semplin*  
Deputy Secretary of State