

CITY OF LOS ANGELES  
CALIFORNIA

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Interim City Clerk



ERIC GARCETTI  
MAYOR

Office of the  
CITY CLERK

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When making inquiries relative to  
this matter, please refer to the  
Council File No.

January 15, 2014

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To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 12-0592,  
at its meeting held January 14, 2014.

City Clerk  
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OFFICE OF THE CITY CLERK  
Mayor's Time Stamp  
RECEIVED  
2014 JAN 14 PM 4:05  
CITY OF LOS ANGELES

**FORTHWITH**

City Clerk's Time Stamp  
CITY CLERK'S OFFICE  
2014 JAN 14 PM 3:49  
CITY CLERK  
BY \_\_\_\_\_  
DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 12-0592

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE January 14, 2014

RE: AUTHORIZATION TO APPLY FOR AN ALLOCATION OF MORTGAGE CREDIT CERTIFICATES OF \$25,381,123 FROM THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE TO ASSIST LOW AND MODERATE INCOME INDIVIDUALS AND FAMILIES TO ACHIEVE HOME OWNERSHIP IN THE CITY OF LOS ANGELES

LAST DAY FOR MAYOR TO ACT January 24, 2014  
(10 Day Charter requirement as per Charter Section 341)

**DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY**

APPROVED

✓

\*DISAPPROVED

\*Transmit objections in writing pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 1/15/14

E.G. #

MAYOR

BY \_\_\_\_\_  
DEPUTY

CITY CLERK

2014 JAN 15 PM 3:34

CITY CLERK'S OFFICE

**COUNCIL ACTION**

The City Council ADOPTED the following recommendation(s) contained in a COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER (CAO) which was WAIVED, pursuant to Council Rule 17, by the Chair of the Housing Committee, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying Resolution, attached to the Los Angeles Housing and Community Investment Department (HCIDLA) transmittal dated December 17, 2013 (attached to Council file No. 12-0592), approving the MCC Program and AUTHORIZE the General Manager, HCIDLA, or designee, to apply for an allocation of MCCs and to issue MCCs, per Section 25 of the Internal Revenue Code of 1986, as amended, from the State of California CDLAC for a cumulative total not to exceed \$25,381,123.

2. AUTHORIZE the Controller to:

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a. Establish a new account, 43K407 MCC Program, and appropriate \$170,000 within the Mortgage Credit Certificate Fee (MCCF) Fund No. 643/43:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
43K407	MCC Program	\$170,000

b. Expend funds from MCC Program Account 43K407 not to exceed \$170,000 upon proper demand of the General Manager, HCIDLA, or designee, on an as-needed basis for costs associated with the MCC Program.

c. Decrease account 43J407 MCC Program in the amount of \$102,168.17 within the MCCF Fund No. 643/43.

3. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council actions in this matter, subject to the approval of the CAO, and AUTHORIZE the Controller to implement these instructions.

12-0592

**ADOPTED**

JAN 14 2014

LOS ANGELES CITY COUNCIL

TO THE MAYOR FORTHWITH

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES TO CONTINUE OPERATION OF A MORTGAGE CREDIT CERTIFICATE PROGRAM AND AUTHORIZING AN APPLICATION TO THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE FOR AN ALLOCATION FOR THE ISSUANCE OF MORTGAGE CREDIT CERTIFICATES IN AN AMOUNT NOT TO EXCEED \$25,381,123, AND AUTHORIZING THE GENERAL MANAGER OF THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT TO EXECUTE THE NECESSARY FORMS AND AGREEMENTS, INCLUDING A DEPOSIT CERTIFICATION FORM.

WHEREAS, there is a shortage of decent, safe and sanitary housing in the City of Los Angeles ("City"), particularly of housing affordable to first-time homebuyers; and

WHEREAS, the preservation and encouragement of homeownership is a vital component of the City's strategy for preserving and protecting its communities from forces of decline and disinvestment; and

WHEREAS, the City, in its adopted housing policies has established the preservation and encouragement of homeownership opportunities, particularly for first-time homebuyers, as a major priority for the City and has determined that establishment and adoption of a mortgage credit certificate program is in the best interests of the City, in furtherance of these adopted policies and priorities; and

WHEREAS, Section 25 of the Internal Revenue Code of 1986, as amended, (the "Code") permits and limits the amount of mortgage credit certificates that may be issued in a calendar year by entities within a state, based on an allocation of state mortgage revenue bond authority and further, the Government Code requires a local agency to file an application for a portion of the state mortgage revenue bond and mortgage credit certificate authority according to the procedures and directions of the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of mortgage credit certificates; and

WHEREAS, the procedures established by the CDLAC and adopted pursuant to Section 8869.84 of the Government Code require that participating entities such as the City, deposit into escrow, 1/2 of 1% of the amount of the allocation (not to exceed \$100,000) to be held as insurance that the allocation will be used and establish certain fees which must be paid by the City, and these funds are available from existing resources of the Los Angeles Housing and Community Investment Department ("HCIDLA").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

The recitals hereinabove set forth are true and correct, and the Council so finds. This Resolution is being adopted pursuant to Chapters 1 through 5 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (the "Act"), Ordinance No. 173302 and the Charter of the City (the "Law").

The City, for the purpose of meeting its housing goal of increasing and preserving homeownership, hereby determines to continue to operate a mortgage credit certificate program and declares its intent to issue mortgage credit certificates as authorized by the Code.

The City Council hereby approves and authorizes the General Manager of the HCIDLA or his designee to execute the necessary agreements and declarations necessary to carry out this program.

Pursuant to the Act in accordance with the Law, the City hereby authorizes the General Manager of the HCIDLA or his designee to submit applications and other documents as may be required to the CDLAC for an allocation in an amount not to exceed \$25,381,123 in mortgage credit certificate authority. The General Manager of the HCIDLA is further authorized to expend a maximum of \$600 for each 2013 MCC application, and to pay the CDLAC application fee. The Controller, upon proper demand of the HCIDLA, shall provide a check in the amount of \$600 to accompany each 2013 application to the CDLAC and shall post the required deposit fees with the CDLAC in an amount not to exceed \$100,000 with respect to the program.

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~~This Resolution shall take effect immediately upon its adoption.~~

14<sup>th</sup> APPROVED AND ADOPTED BY THE CITY COUNCIL of the City of Los Angeles this \_\_\_\_\_  
day of January, 2014 at Los Angeles, California.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held JAN 14 2014.

By: Sharon Bruce  
City Clerk

(SEAL)

