

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES TO CONTINUE OPERATION OF A MORTGAGE CREDIT CERTIFICATE PROGRAM, TO AUTHORIZE 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 \$26,837,860, TO AUTHORIZE THE GENERAL MANAGER OF THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT TO EXECUTE THE NECESSARY FORMS AND AGREEMENTS, INCLUDING A DEPOSIT CERTIFICATION FORM, AND TO EXPEND A MAXIMUM OF \$10,000 FROM THE PROGRAM FUND FOR PURPOSES OF PROGRAM PROMOTION

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, 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 the City has determined that establishment and adoption of a mortgage credit certificate program ("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 ("HCID"); and

WHEREAS, HCID also has Program Fund (Fund 643) in which it deposits fees that it collects relative to the Program including, but not limited to application fees and late fees from lenders and borrowers; and

WHEREAS, HCID would like to expand the Program so that it may apply for an allocation every year as opposed to every other year and believes this expansion would be assisted through Program promotion.

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").

For the purpose of meeting its housing goal of increasing and preserving homeownership, the City may continue to operate the Program and declare its intent to issue mortgage credit certificates as authorized by the Code.

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

Pursuant to the Act in accordance with the Law, the City hereby authorizes the General Manager of the HCID or his designee to:

- (1) Submit applications and other documents as may be required to the CDLAC for an allocation in an amount not to exceed \$26,837,860 in mortgage credit certificate authority.
- (2) Expend a maximum of \$1,200, payable to the CDLAC, for each 2019 MCC application. The Controller, upon proper demand of the HCID, shall provide a check in the amount of \$1,200 to accompany each 2019 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.
- (3) Pay additional fees (not to exceed \$20,000) related to the MCC application, as necessary. These fees may include, but are not limited to, the MCC Filing Fee to the CDLAC if awarded an MCC allocation and fees paid to a third party consultant for helping HCID staff complete the MCC application.
- (4) Expend a maximum of \$10,000 from the Program Fund (Fund 643) for the purpose of promoting and expanding the Program.

This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE CITY COUNCIL of the City of Los Angeles
this ____ day of _____, 2019 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 _____, 2019.

By: _____
City Clerk

(SEAL)