

HOUSING COMMITTEE REPORT and RESOLUTION relative to authorization to apply to the California Debt Limit Allocation Committee (CDLAC) for an allocation of the State Ceiling on Qualified Private Activity Bonds for a Mortgage Credit Certificate (MCC) in the amount of \$26,837,860.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying RESOLUTION approving the MCC Program and authorizing the General Manager, Los Angeles Housing and Community Development Department (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 CDLAC for a cumulative amount not to exceed \$26,837,860.
2. AUTHORIZE the Controller, or designee, to expend funds from Fund No. 643, Account No. 43L407, in an amount not to exceed \$130,600, upon proper written demand of the General Manager, HCIDLA, or designee, for application costs associated with the MCC Program.
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 on this matter, subject to the approval of the City Administrative Officer (CAO).

Fiscal Impact Statement: The City Administrative Officer (CAO) reports there is no impact to the General Fund. The recommendations contained in the March 19, 2019 CAO report, attached to the Council file, comply with City Financial Policies in that the proposed allocation of up to \$130,600 in MCC Fee Fund monies will fully fund the application for an allocation of Single-Family Mortgage Revenue Bond authority and marketing for the MCC Program .

Community Impact Statement: None submitted.

Summary:

On March 27, 2019, your Committee considered a March 19, 2019 CAO and February 22, 2019 HCIDLA reports and Resolution relative to authorization to apply to the California Debt Limit Allocation Committee for an allocation of the State Ceiling on Qualified Private Activity Bonds for a MCC in the amount of \$26,837,860. According to the CAO, the HCIDLA is requesting authorization to apply for an allocation of Single-Family Mortgage Revenue Bond authority for the MCC Program from the California Debt Limit Allocation Committee (CDLAC) in an amount not to exceed \$26,837,860. As part of the application process, CDLAC requires the City to adopt the attached Resolution authorizing the continued operation of the MCC Program and the submission of the application.

The HCIDLA expects to submit the application prior to the CDLAC deadline of May 17, 2019 for an award allocation at CDLAC's July 17, 2019 meeting. If approved, the anticipated allocation will assist approximately 100 families to become first-time homebuyers. The CAO concurs with the recommendations of the HCIDLA. Additional background and application process

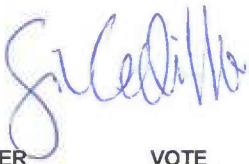
information is included in their transmittal dated February 22, 2019. The HCIDLA has accrued approximately \$211,592 in application fees and penalties in over 20 years of operating the MCC Program. These funds are held in Fund 643 Account 43L407. The HCIDLA is requesting to utilize \$130,600 in MCC Funds for costs associated with the MCC Program, of which \$100,000 will be used for the performance deposit. CDLAC will subsequently authorize the release of the funds upon the award of Single Family Private Activity Bonds, which would then be available for future MCC Program costs. The remaining balance of MCC Funds (\$30,600) will be used for:

1. Contractual services expenditures and fees associated with the program application, including an Initial Application Fee of \$1,200 and an Allocation Award Fee of approximately \$9,400 if the City is awarded an MCC allocation.
2. Marketing purposes with the intention of expanding the MCC Program and being able to reach out to more first-time homebuyers, lenders and other real estate professionals.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the CAO report and detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ASENT
HARRIS-DAWSON:	YES

ARL  
3/27/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**