

HOUSING COMMITTEE REPORT and RESOLUTION relative to authorizing an application to the State of California Debt Limit Allocation Committee (CDLAC) for Single Family Mortgage Revenue Bond allocations for the Mortgage Credit Certificate (MCC) Program.

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 Investment Department (HCIDLA), or designee, to apply for an allocation of MCCs from the CLDAC, and to issue the MCCs pursuant to Section 25 of the Internal Revenue Code (IRC) of 1986, as amended, for a cumulative amount not to exceed \$100,000,000.
2. AUTHORIZE the Controller, or designee, to expend funds from Fund 643, Account 43L407, in an amount not to exceed \$130,600, per allocation application round, 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); and, authorize the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact to the General Fund. The proposed allocation of up to \$130,600 will be funded by application fees and penalties for the MCC Program. The recommendations comply with the City's Financial Policies in that sufficient funds are available to fund applications for an allocation of Single-Family Mortgage Revenue Bond authority and marketing for the MCC Program.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on February 26, 2020, the Housing Committee considered the HCIDLA report dated January 7, 2020, CAO report dated February 20, 2020, and Resolution relative to authorizing an application to the CDLAC for Single Family Mortgage Revenue Bond allocations for the MCC Program; and, authorizing the General Manager, HCIDLA, or designee, to issue MCCs pursuant to IRC Section 25 for an amount not to exceed \$100,000,000. The MCC Program is a homebuyer assistance program that provides qualified first-time, low and moderate income homebuyers a Federal income tax credit of 20% of their annual mortgage interest. The MCC credit will be realized every year in which they file their Federal income tax returns throughout the term of the original mortgage. The HCIDLA has successfully obtained allocations of Single Family Mortgage Revenue Bond authority for the MCC Program since 1994. If this application is approved by the CDLAC, the anticipated allocation will assist approximately 390 families to become first-time homebuyers in the City.

After providing an opportunity for public comment, the Committee moved to approve the recommendations contained in the HCIDLA and CAO reports, and Resolution, as detailed

above. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-