

REPORT TO CITY COUNCIL

DATE: JULY 26, 2005

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

FROM: GREG RAMIREZ, CITY MANAGER

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: REPEAL RESOLUTION NO. 04-1345 AND APPROVE RESOLUTION NO. 05-1382, ADOPTING THE MORTGAGE CREDIT CERTIFICATE PROGRAM AND AUTHORIZING STAFF TO INITIATE AN APPLICATION AND TO EXECUTE A COOPERATIVE AGREEMENT FOR PARTICIPATION

The purpose of this item is to repeal Resolution No. 04-1345 and replace it with Resolution No. 05-1382. Resolution No. 04-1345, approved by City Council on November 10, 2004, pertained to the adoption of the Mortgage Credit Certificate (MCC) Program in cooperation with the County of Los Angeles, and authorized staff to submit an application for participation to the California Debt Limit Allocation Committee. The Resolution included a cooperative agreement between the County of Los Angeles and the City of Agoura Hills for issuance of the mortgage credit certificates, with authority granted to the City Manager to sign the final agreement.

The MCC Program is a component of the City's First Time Homebuyer's Program, and is operated by the Los Angeles County Community Development Commission (CDC). The Program offers the first time homebuyer a federal income tax credit, reducing the amount of federal taxes the holder of the certificate would need to pay. The program can also help the first time homebuyer qualify for a loan by allowing a lender to reduce the housing expense ratio by the amount of tax savings.

Minor changes have been made to Resolution No. 04-1345 (which is attached) to ensure consistency with State requirements for participation in the Program. These include mostly reference changes and clarification of terms. The changes have been reviewed by and are acceptable to the City Attorney. No changes to the cooperative agreement are necessary. Upon approval of Resolution No. 05-1382, staff will submit the necessary application to the State and forward the cooperative agreement to the County for approval, along with the City Resolution and a one-time fee of \$2,000 to the County for participation in the Program.

RECOMMENDATION

Staff recommends that the City Council Approve Resolution No. 05-1382, adopting the Mortgage Credit Certificate Program in cooperation with the County of Los Angeles; authorizing staff to initiate an application to the California Debt Limit Allocation Committee for an allocation for the issuance of mortgage credit certificates and the transfer of such allocation to the County of Los Angeles; and authorizing staff to execute a Cooperative Agreement between the City of Agoura Hills and the County of Los Angeles for the issuance of mortgage credit certificates. Resolution No. 05-1382 also repeals Resolution No. 04-1345.

Attachments:

- Attachment A: Resolution No. 05-1382 (with Exhibit 1: Cooperative Agreement)
- Attachment B: Resolution No. 04-1345