



Legislation Text

File #: 18-1898, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 7/18/2018

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration to adopt Resolution No. 2018-053, approving the City of Corona's participation in the County of Riverside Mortgage Credit Certificate Program.

RECOMMENDED ACTION:

That the City Council adopt Resolution No. 2018-053, approving the City of Corona's Participation in the County of Riverside Mortgage Credit Certificate Program.

ANALYSIS:

The Riverside County (County) Board of Supervisors has authorized the County of Riverside Economic Development Agency (County EDA) to apply for the California Debt Limit Allocation Committee for an allocation of Mortgage Credit Certificates (MCC). The City of Corona (City) can participate in the County MCC Program for mortgage loans available to first-time homebuyers in Corona. Adoption of this Resolution is necessary for the City to participate in the County's MCC Program.

A MCC entitles qualified homebuyers to reduce the amount of federal income tax liability for an amount equal to 20% of the mortgage interest paid during the year on their primary mortgage loan. The advantage being that the homebuyers' federal income tax liability is directly reduced by the amount of the tax credit which can qualify the homebuyers' more easily for their primary mortgage as loan-lenders may factor the tax credit when underwriting the loan application which may lead the homebuyers' to qualify for a larger loan amount and/or improve the homebuyers' qualifying debt ratio. Additionally, if the amount of the MCC exceeds the homebuyers' tax liability, the unused portion of the credit can be carried forward to the next three years or until used, whichever comes first. To qualify, recipients must be first-time homebuyers defined as a person who has not had an ownership interest in improved-upon residential real property for the previous three (3) years and meet the annual income limits. MCC Program recipients' may select from a variety of dwelling types meeting the program purchase price limits - homes may be new or re-sale, detached or attached single-family, condominium, co-op units, or manufactured structure on a permanent foundation. Home purchase

prices are capped and must be located within the city limits of a participating City or unincorporated County.

The City has participated in the County's MCC Program since 1990 and to date approximately 180 MCC credit certificates have been issued to Corona first-time homebuyers. Staff recommends approval of this Resolution to participate in the MCC program.

COMMITTEE ACTION:

No committee action taken.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

There is no fiscal impact.

ENVIRONMENTAL ANALYSIS:

No environmental analysis required.

PREPARED BY: CYNTHIA LARA, ADMINISTRATIVE SERVICES MANAGER II

REVIEWED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Exhibits:

1. Resolution No. 2018-053
2. Attachment K - Housing Element Certification Form for MCC Program