

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Director of Community Development

DATE: April 28, 2020

SUBJECT: Approve Participation in the Riverside County Mortgage Credit Certificate (MCC) Program

PREPARED BY: Lynn Kelly-Lehner, Principal Management Analyst

RECOMMENDATION: That the City Council adopt a resolution entitled:

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA APPROVING PARTICIPATION IN THE
RIVERSIDE COUNTY MORTGAGE CREDIT CERTIFICATE
(MCC) PROGRAM

BACKGROUND: The Riverside County Economic Development Agency is applying to the California Debt Limit Allocation Committee for an allocation of Mortgage Credit Certificates (MCC) in 2020. The City of Temecula is eligible to participate in the MCC Program for loans available for first-time homebuyers in the community. Adoption of the attached resolution is necessary for the City to participate in the MCC Program.

The Riverside County MCC Program allows a qualified buyer to take a dollar for dollar federal tax credit of twenty percent (20%) of the annual interest paid on a mortgage. This credit reduces the federal income taxes of the buyer, resulting in an increase in the buyer's net earnings. Increased buyer income results in increased buyer capacity to qualify for the mortgage loan.

Participation in the MCC Program helps the City to achieve the housing goals and objectives outlined in the Housing Element and the CDBG Consolidated Plan by providing another tool for qualified lower-income homebuyers to purchase a home in Temecula.

FISCAL IMPACT: There is no impact to the General Fund. Potential buyers qualify through a lender to receive the credit directly from the County of Riverside.

ATTACHMENTS:

1. Resolution
2. Housing Element Certification Form (Attachment K)