

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

All fields must be completed.

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: April 11, 2016

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** For an ordinance authorizing and approving (i) the use of an amount not to exceed \$40,000,000 of Private Activity Bond Volume Cap Allocation for the purpose of making a mortgage credit certificate election; and (ii) the MCC Program Administration Agreement, Lender Participation Agreement and the MCC Program Guidelines.

3. **Requesting Agency:** Finance

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Michael Kerrigan, Sr. Financial Analyst, Cash Risk and Capital Funding
- **Phone:** 720-913-5550
- **Email:** Michael.Kerrigan@denvergov.org

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council)

- **Name:** Michael Kerrigan, Sr. Financial Analyst, Cash Risk and Capital Funding
- **Phone:** 720-913-5550
- **Email:** Michael.Kerrigan@denvergov.org

6. **General description of proposed ordinance including contract scope of work if applicable:**

The purpose of this ordinance is to authorize the City to implement a 2016 MCC Program using \$40,000,000 of private activity bond volume cap allocation, approve the Program Administration Agreement, approve the Lender Participation Agreement, and approve the MCC Program Guidelines. The 2016 MCC Program will benefit qualified low and moderate income first-time homebuyers or homebuyers that have not owned a home in the past three years within the City and County of Denver. Although MCCs are not private activity bonds, the private activity bond volume cap allocation received from the State is required to implement an MCC program.

- a. **Contract Control Number:** N/A
- b. **Duration:** 3 years
- c. **Location:** City wide
- d. **Affected Council District:** N/A
- e. **Benefits:** Qualified first-time homebuyers will be eligible to receive a federal tax credit of up to \$2,000 per year and the program will help encourage homeownership in Denver.
- f. **Costs:** N/A

7. **Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.**

No. The MCCs shall not constitute a debt, a multiple fiscal year obligation or an indebtedness of the City and shall not constitute nor give rise to a pecuniary liability of the City or a charge against the City's general credit or taxing powers.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

Executive Summary

What is an MCC?

The MCC Program offers an annual federal income tax credit to a MCC Program participant, evidenced by the MCC issued once the borrower satisfies the MCC Program's requirements. The tax credit reduces the homeowner's federal income tax liability annually, as long as the homeowner occupies the home as their principal residence. Additionally, the MCC Program allows the tax credit to be used towards qualifying the borrower's income on their mortgage application with a participating mortgage lender.

Program Details

This 2016 MCC Program is replacing the successful 2015 MCC Program which is expected to be exhausted by May 2016.

The MCC Program will utilize \$40,000,000 of the City's private activity bond volume cap allocation and the MCC Program will run from May 17, 2016 to December 31, 2018, or until all MCC's are exhausted. Mortgagors must be either first-time homebuyers or may not have owned a home in the past three years (except in "Targeted Areas" and for Qualified Veterans - see Targeted and Non-Target areas in the chart below). Terms and interest rate of the mortgage loan are set by the lender, however the mortgage rate must be fixed. An application fee and modest issuance fee are also required.

Program Administration Agreement and Program Summary and Guidelines

The City requires an MCC Program Administrator to work with lenders, process application packages, issue MCCs, handle Internal Revenue Service MCC Program compliance matters, and maintain records.

Eligibility Requirements

	Non- Targeted	Targeted
Eligible Area	Entire City and County of Denver	Federally established target areas based on HUD census tracts
Eligible Users	• First-time homebuyers	• Non-first-time homebuyers
Maximum Income	Household of 2 or less \$95,880 Household of 3 or more \$111,860	Household of 2 or less \$95,880 Household of 3 or more \$111,860
Maximum Home Price	1-Unit Home \$439,926 2-Unit Home \$439,926	1-Unit Home \$495,000 2-Unit Home \$495,000

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____