

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING PARTICIPATION IN THE MORTGAGE CREDIT CERTIFICATE PROGRAM THROUGH THE COUNTY OF SANTA CLARA

WHEREAS, the Tax Reform Act of 1986 established the Mortgage Credit Certificate Program ("MCC Program") as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, the County of Santa Clara administers the County-wide Mortgage Credit Certificate Program as a Federal Income Tax Credit program; and

WHEREAS, the City of Milpitas seeks to participate in the Mortgage Credit Certificate Program for 2016 and 2017 to assist persons and households of low to moderate income to purchase new and existing single-family residences in the City of Milpitas.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council states its intention to participate with the County of Santa Clara in the Mortgage Credit Certificate Program for 2016 and 2017.
3. The City Council authorizes the City Manager to sign the Cooperative Agreement with the County of Santa Clara on behalf of the City.

PASSED AND ADOPTED this _____ day of _____, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, City Clerk

Jose S. Esteves, Mayor

APPROVED AS TO FORM:

Christopher J. Diaz, City Attorney

**COUNTY OF SANTA CLARA
MORTGAGE CREDIT CERTIFICATE (MCC) PROGRAM**

**MCC COOPERATIVE AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA AND
THE CITY OF MILPITAS**

THIS MCC COOPERATIVE AGREEMENT (the "Cooperative Agreement") is hereby made and entered into as of this 17 day of May 2016, by and between the County of Santa Clara, California, (the "County") and the City of Milpitas (the "City").

WITNESSETH

WHEREAS, the Tax Reform Act of 1984 established the Mortgage Credit certificate Program (hereinafter referred to as the "MCC Program") as a means of assisting qualified individuals with the acquisition of new and existing single family housing; and

WHEREAS, the County and City have determined to engage in an MCC Program pursuant to Chapters 1399, Statutes of 1985 Section 50197, et seq of the Health and Safety Code of the State of California (the "Act") and as authorized by the Internal Revenue Code of 1986 (the "Code") in order to assist individual home purchasers in the County to afford both new and existing homes within the statutory limits as provided for in said Act; and

WHEREAS, in furtherance of the MCC Program, the City or Town Council has authorized the County to apply to the State of California Debt Limit Allocation Committee (CDLAC) in the name of the City for a mortgage bond allocation to be traded for authority to issue Mortgage Credit Certificates ; and

WHEREAS, the County of Santa Clara, Office of Supportive Housing, or its Designee, is administering a County-wide MCC Program; and

WHEREAS, the City and County wish to cooperate with one another pursuant to the Act in the exercise of their powers under the Act for the purposes of the MCC Program; and

WHEREAS, the County will be operating an MCC Program in the County, and the City desires that the Program be applicable to otherwise eligible real property in the City;

WHEREAS, the County, pursuant to the Act, has established the MCC Program, and has determined to cooperate with the City pursuant to the Act and in the exercise of its powers under the Act for purposes of the Program ;and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter provided, the parties hereto agree as follows:

SECTION 1. The words and phrases of this Cooperative Agreement shall, for all purposes hereof unless otherwise defined herein, have the same meanings assigned to such words and phrases in the

Act.

SECTION 2. The County agrees to use its best efforts to undertake the Program and to issue mortgage credit certificates therefore pursuant to the Act and the Code from time to time to the extent that the County receives allocations from the California Debt Limit Allocation Committee ("CDLAC").

SECTION 3. The City represents and warrants to the County that: (i) the City has heretofore adopted a general plan for the City in conformance with the provisions Planning Zoning Law of the State of California (Government Code Sections 6500 et seq.), (ii) said general plan includes a land use element and a housing element *as* required by Government Code Section 65302, and (iii) the Program complies with said land use element and housing element.

SECTION 4. The City agrees that the County may issue mortgage credit certificates under the Program, as specifically set forth in the Act and the Code, with respect to property located within the geographic boundaries of the City and further agrees that the County may exercise any or all of the City's powers for the purpose of issuing mortgage credit certificates pursuant to the Act and the Code with respect to property located within the geographic boundaries of the City.

SECTION 5. This Agreement may be terminated by either party upon 60 days written notice delivered to the other party, provided that termination of this Cooperative Agreement shall not adversely affect the rights of the owners of any mortgage credit certificates issued by the County in connection with the MCC Program. The term of this Agreement shall extend until such termination by written notice.

SECTION 6. The City agrees to undertake such further proceedings or actions as may be necessary to carry out the terms and intent of this Agreement as expressed in the recitals hereto; provided, however, that nothing herein shall require the City to appropriate any funds to the County for services under this Agreement. Funds for the administration of the program shall be derived by the County from the application fees paid by MCC applications administered by the County. These fees shall be collected and retained by the County in all cases administered by the County.

SECTION 7. Nothing in this Cooperative Agreement shall prevent the County from entering in to one or more agreements with other municipal corporations within the County, if deemed necessary and advisable to do so by the County.

SECTION 8. This Cooperative Agreement may be amended by one or more supplemental agreements executed by the County and the City at any time.

SECTION 9. Nothing contained herein shall be interpreted to impose a relationship of partners or joint ventures between the City and the County, except that no such amendment or supplement shall be made which shall adversely affect the rights of the owners of any mortgage credit certificates issued by the County in connection with the Program.

SECTION 10 In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the Parties pursuant to Government Code Section 895.6, the Parties agree that all losses or liabilities incurred by a party shall not be shared pro rata but instead the County and City

