

changed its name to the Golden State Finance Authority (GSFA). The current allocation from CDLAC is \$4,460,131. By assigning the County's allocation to GSFA, the County assists Monterey County residents to benefit from programs offered and administered by CHF.

DISCUSSION:

GSFA is a Joint Powers Authority (JPA) serving both rural and urban Californians since 1993. Currently, there are 31 California counties that are Members and another 23 counties and cities that are Associate Members. Monterey County has been a Member since 1996. Membership in GSFA has many advantages for individual counties, the most important having to do with the assignment/transfer of all, or a portion of, the county's state allocated funds for single-family housing initiatives to GSFA.

Since 1993, CHF has offered mortgage loan programs featuring low interest rates and down payment and/or closing cost assistance in a variety of forms to low-to-moderate income individuals and families in California. GSFA has also expanded to provide competitive financing and grants to homeowners interested in making energy efficiency improvements to their home as part of the GSFA [Residential Energy Retrofit Program](http://www.chfloan.org/Programs/Energy/energy_program.html) [<http://www.chfloan.org/Programs/Energy/energy_program.html>](http://www.chfloan.org/Programs/Energy/energy_program.html).

GSFA loan programs are designed to provide affordability as well as down payment and/or closing assistance to eligible homebuyers in California. The most sought after are the tax-exempt bond programs which often feature below-market interest rates and grants. GSFA's tax-exempt bond programs are offered exclusively to the GSFA Member and Associate Member counties and cities that assign all, or a portion of, their state allocation to GSFA.

Assignment of the County's Allocation to GSFA can result in highly successful homeownership programs for county citizens. Each year, the California Debt Limit Allocation Committee (CDLAC) distributes the federal government's private activity bond allocation throughout the state. One of CDLAC's priorities in the annual allocation process is to promote housing for low to moderate income families and individuals. A percentage of the annual state debt ceiling is reserved for Single Family Housing (\$400 million for 2016). Typically, half of the reserve is awarded to the state housing agency (CalHFA) while the remaining is distributed to each county and some cities on a per capita basis and made available through an application process. Counties apply for the funds and stipulate how they will use the funds to support single-family housing initiatives.

Applicants must demonstrate ability to use the allocation within the time frame required and for the purposes of issuing either Mortgage Revenue Bonds or Mortgage Credit Certificates or both. The MCC Program is especially desirable as it provides a dollar-for-dollar tax credit to first-time homebuyers while also helping them qualify for a mortgage loan. GSFA's affiliate housing entity National Homebuyers Fund, Inc. (NHF) administers the MCC program for GSFA which results in a savings to the county in both time and resources.

GSFA's has extensive experience issuing both taxable and tax-exempt bonds which is invaluable to counties. GSFA combines the assigned allocations to take advantage of competitive pricing when issuing bonds. GSFA also covers the costs associated with bond issuance and program development which eliminates a significant cost to the participating jurisdiction.

OTHER AGENCY INVOLVEMENT:

In other counties, the Housing Authority may administer the MCC program. We have discussed that option with the Executive Director of the Housing Authority of the County of Monterey. At this time, the Housing Authority supports the recommended action.

FINANCING:

There is no impact on the General Fund.

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Approved by: _____
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Attachments:
Letter of Assignment of County's 2016 CDLAC Allocation
Attachment K: Housing Element Certification Form
(Attachments are on file with the Clerk of the Board)