



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 20-423, Version: 1

- a. Receive information on Golden State Finance Authority (GSFA) per Board Referral #2019.17
- b. Approve request to have Monterey County join the Golden State Finance Authority (a Joint Powers Authority) as a Member. (ADDED VIA ADDENDA)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive information on Golden State Finance Authority (GSFA) per Board Referral #2019.17.
- b. Approve request to have Monterey County join the Golden State Finance Authority (a Joint Powers Authority) as a Member.

SUMMARY:

It is recommended that the Board of Supervisors approve Monterey County joining Golden State Finance Authority (GSFA), a Joint Powers Authority (JPA), as a full-voting member. Monterey County has been an Associate Member of GSFA since 2011. Monterey County recently became a Member of the Rural County Representative of California (RCRC), an affiliated entity of GSFA, which makes Monterey County eligible to become a Member of GSFA.

GSFA is a California Joint Powers Authority and a duly constituted public entity and agency, the mission of which is to provide affordable housing and contribute to the social and economic well-being of California residents. The Authority was organized in 1993 and exists under, and by virtue, of Articles 1-4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

GSFA develops and administers programs that provide a source of financing for residential home purchases or refinances, commercial and residential energy efficiency improvement projects, multi-family housing construction and rehabilitation projects, and city and/or county infrastructure improvements.

GSFA has distinguished itself as a leader in housing finance in California for over two decades, helping over **78,000 individuals and families** purchase a home. GSFA has provided more than **\$550 million in down payment assistance** and participated in financing over 35,000 energy efficiency improvement projects across California. If the recommended action is approved, Monterey County would join thirty-five other counties as a member of the JPA.

GSFA provides financing programs for residents of Monterey County. Rural County Representatives of California (RCRC) created California Rural Home Mortgage Finance Authority (CRHMFA) in 1993 to be a vehicle to assist individuals and families with the purchase of a home. The County of Monterey became an Associate Member of a Joint Powers Authority (JPA) with California Rural Home Mortgage Finance Authority (CRHMFA) in 1996. In 2015, the CRHMFA changed its name to the Golden State Finance Authority (GSFA). Over the years, GSFA expanded to include financing programs for multi-family residences and energy retrofit programs and has recently initiated a program designed to finance infrastructure development.

On June 7, 2016, the Board of Supervisors approved assignment of Monterey County's 2016 allocation from the California Debt Limit Allocation Committee (CDLAC) to GSFA for inclusion in their Mortgage Revenue

Bond financing for the Mortgage Credit Certificate (MCC) program, authorized and consented to all Golden State Finance Authority 2016 and 2017 Programs, and authorized the Economic Development Director to send a letter to the CDLAC requesting the assignment and certifying that the use is consistent with the County's adopted Housing Element.

The County is a member of Rural County Representatives of California (RCRC). Currently, sitting on the RCRC Board is Supervisor Chris Lopez (with Supervisor John Phillips, as the alternative board member for the County). The County may also become a board Member of Golden State Finance Authority (GSFA) to represent its residents' interests. There are no dues associated with membership and joining would provide Monterey County with voting membership on the GSFA board. Currently 35 of the 37 RCRC member counties are also full Members of GSFA. Another 20 counties, including Monterey County, are Associate Members. An Associate Member of GSFA does not have a voting membership.

Should the County of Monterey choose to join GSFA as a Member, the County can complete and submit the enclosed GSFA Joint Powers Agreement and a completed resolution (sample attached).

DISCUSSION:

GSFA is a Joint Powers Authority (JPA) serving both rural and urban Californians since 1993.

Currently, there are 35 California counties that are Members and another 20 counties are Associate Members. Monterey County has been an Associate 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.

In September of 2011, GSFA instituted the Mortgage Credit Certificate (MCC) program in Monterey County. Since then, 58 households have been assisted with MCCs and 134 have been assisted with down payment and/or closing cost loans and grants. The current County allocation from CDLAC is \$2,937,834.

The MCC Program reduces the federal income taxes paid by first-time homebuyers. Eligible first-time homebuyers receive a tax credit, reducing the amount of their federal income tax by 20% of the annual interest they pay on their mortgage. Program participants have the option to utilize their tax credit immediately and reduce the current amount of federal income tax withheld from their wages. The tax credit may also assist in qualifying for a home loan.

Residents in Monterey County can access this program through their mortgage lender if they qualify.

In California, over 78,000 families have participated in GSFA housing finance programs totaling over \$12.7 billion and more than 34,000 families have benefitted from home energy retrofits totaling over \$800 million.

By assigning the County's allocation to GSFA, the County assists Monterey County residents to benefit from programs offered and administered by GSFA.

GSFA's mission is to provide affordable housing and contribute to the social and economic well-being of California residents.

OTHER AGENCY INVOLVEMENT:

The County Counsel Office has reviewed this report and approved as to form.

FINANCING:

There is no fiscal impact on the General Fund or on revenues.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Mortgage Credit Certificate Program provides homeownership opportunities in the unincorporated areas of Monterey County to Low- and Moderate-income households.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development

☐ Administration

☒ Health & Human Services

☐ Infrastructure

☐ Public Safety

Prepared by: _____
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Approved by: _____
Nicholas E. Chiulos, Assistant County Administrative Officer, Ext. 5145

Attachments:

Board Report

Attachment A - GSFA JPA no Signature Pages

Attachment B - GSFA Monterey County - PPT Presentation

Attachment C - Resolution

Resolution