



CITY COUNCIL COMMUNICATION

January 12, 2010

SUBJECT: Granting Approval of the Tarrant County Housing Finance Corporation for the use of the proceeds of its Series 2011 Single Family Mortgage Revenue Bonds to Finance Home Mortgages for Single Family Homes located within the City.

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO: Resolution No. 10-1329

ACTION REQUESTED:

Consider Approval of Resolution No. 10-1329, granting approval to the Tarrant County Housing Finance Corporation for the use of the proceeds of its Series 2011 Single Family Mortgage Revenue Bonds to Finance Home Mortgages for Single Family Homes located within the City.

ALTERNATIVES:

- Do Not Approve

SUMMARY OF SUBJECT:

The Tarrant County Housing Finance Corporation has put together a program to originate mortgages within the City. The mortgages are fixed rate and can include some component of down payment assistance. When coupled with the tax credit incentive available to first-time homeowners, it provides an attractive package.

In order to loan within the City, TCHFC needs the City's approval. This approval only allows lending within the community. Any obligation to repay the mortgages or any outstanding debt related to the program remains solely with the homeowner or TCHFC.

Following are some of the pertinent provisions of the program:

- Fixed mortgage rate around 5.00%
- Down payment Assistance = 3.00%
- Sales Price Limit = \$258,691
- Income for 3 or more cannot exceed \$79,500 annually
- Income for 2 or fewer cannot exceed \$66,000 annually
- May not have owned a home in last 3 years

State law requires that cities within Tarrant County with a population greater than 20,000 pass a resolution, to allow qualifying residents of the City to participate in the program.

The adoption of the resolution does not have any financial impact on the City's revenue or obligations.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Resolution No. 10-1329

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office