



**CITY OF WASHINGTON, ILLINOIS**  
**City Council Agenda Communication**

**Meeting Date:** April 7, 2025

**Prepared By:** Joanie Baxter, CPA – Finance Director *JB*

**Agenda Item:** 2025 First Time Homebuyer Program

**Explanation:** Attached is an ordinance authorizing the use of the annual volume cap for the Assist 2025 – First Time Homebuyers' Program. As you may recall, the City has participated in this program over the last twenty-four years, which provides qualifying first-time homebuyers mortgage credit certificates (MCC) thus allowing for a 25% federal income tax credit against the mortgage payment. The private activity bonding authority granted to the City is based on \$130 per capita and equals \$2,058,290 for 2025. This ordinance is necessary to show the intent of the City in regard to the allocation of tax-exempt private activity bonding authority and must be approved prior to May 1.

According to the Director, there was only one loan made in the 61571 zip code area under the program in 2024, but they are expecting increased participation for 2025.

The Ordinance is scheduled for First Reading on April 7, 2025 with Second Reading and approval scheduled for April 21, 2025.

**Fiscal Impact:** None.

**Recommendation/Committee Discussion Summary:** Staff recommends approval.

**Action Requested:** Approval of Ordinance at 2<sup>nd</sup> Reading on April 21, 2025.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE APPROVING THE TRANSFER AND  
REALLOCATION OF VOLUME CAP IN CONNECTION WITH  
PRIVATE ACTIVITY BOND ISSUES, AND RELATED  
MATTERS.**

**WHEREAS**, the City of Washington, Tazewell County, Illinois (the "*Municipality*") is a municipality and a home rule unit of government under Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

**WHEREAS**, Section 146 of the Internal Revenue Code of 1986, as amended (the "*Code*"), provides that the Municipality has volume cap equal to \$130 per resident of the Municipality in calendar year 2025, which volume cap may be allocated to certain tax-exempt private activity bonds; and

**WHEREAS**, the Illinois Private Activity Bond Allocation Act, 30 *Illinois Compiled Statutes*, 345/1 *et seq.*, as supplemented and amended (the "*Act*"), provides that a home rule unit of government may transfer and reallocate its allocation of volume cap to any other home rule unit of government, the State of Illinois or any agency thereof or any non-home rule unit of government; and

**WHEREAS**, it is now deemed necessary and desirable by the Municipality to transfer its entire volume cap allocation for calendar year 2025 to the Town of Normal, McLean County, Illinois (the "*Issuer*") to be applied toward the issuance of single family mortgage revenue bonds by the Issuer (the "*Bonds*") or for such other purpose permitted by this Ordinance.

NOW, THEREFORE, Be It Ordained by the City Council of the City of Washington, Tazewell County, Illinois, as follows:

**Section 1.** Pursuant to Section 146 of the Code and the Act, the entire volume cap of the Municipality for calendar year 2025 is hereby transferred and reallocated to the Issuer, which shall issue the Bonds using such transfer of volume cap, without any further action required on the part of the Municipality, and the adoption of this Ordinance shall be deemed to be an allocation of such volume cap to the issuance of the Bonds or other private activity bonds or mortgage credit certificates.

**Section 2.** The Municipality and the Issuer shall maintain a written record of this Ordinance in their respective records during the term that the Bonds or any other such bonds to which such volume cap is allocated remain outstanding.

**Section 3.** The Mayor, the City Clerk and all other proper officers, officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Ordinance.

**Section 4.** The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision of this Ordinance shall for any reason be declared to be invalid, such declaration shall not affect the remainder of the sections, phrases and provisions of this Ordinance.

**Section 5.** All ordinances, resolutions or orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby superseded; and that this Ordinance shall be in full force and effect upon its adoption and approval.

Presented, passed, approved and recorded this \_\_\_\_ day of \_\_\_\_\_, 2025.

Approved:

\_\_\_\_\_  
Mayor

[Seal]

Attest:

\_\_\_\_\_  
City Clerk

Ayes:

\_\_\_\_\_  
\_\_\_\_\_

Nays:

\_\_\_\_\_

Absent or Not Voting:

\_\_\_\_\_

## AFFIDAVIT RELATING TO VOLUME CAP REALLOCATION

City of Washington, Tazewell County, Illinois (the "Municipality") is a home rule unit of local government and a public agency of the State of Illinois and has reallocated \$2,058,290 of private activity bond volume cap allocated to the Municipality in calendar year 2025 (the "Reallocated Volume Cap") to the Town of Normal, McLean County, Illinois ("Normal"). In connection therewith, the Municipality makes the following certifications:

1. The Reallocated Volume Cap was properly allocated to the Municipality for calendar year 2025 and properly reallocated to Normal as authorized by an Ordinance or Resolution duly adopted by the governing body of the Municipality.
2. During calendar year 2025, the Municipality has not (a) applied the reallocated Volume Cap to any issuance of tax-exempt bonds, (b) made any election not to issue qualified mortgage bonds, or (c) surrendered or reallocated the Reallocated Volume Cap to any other political subdivisions within the State of Illinois.
3. The Municipality provided notice to the Governor's Office of the reallocation of the Reallocated Volume Cap to Normal in accordance with the Illinois Private Activity Bond Allocation Act, as amended, and the Guidelines and Procedures issued by the Governor's office under such Act.

Dated: \_\_\_\_\_, 2025

CITY OF WASHINGTON, TAZEWELL  
COUNTY, ILLINOIS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



The Assist Mortgage Credit Certificate ("MCC") program sponsored by the Town of Normal reduces the homebuyer's ongoing cost of borrowing by giving them a federal income tax credit of 25% of the annual mortgage interest paid (up to \$2,000 per year).

### Overview

- Communities join together through an Inter-governmental Cooperation Agreement
- Home rule communities may contribute private activity bond volume cap
- No financial contribution or commitment required from any participant
- Any Illinois municipality can participate

### Qualifying Homebuyers

- First-time Homebuyer or Veteran
- Will occupy the home as their residence
- Meet income and purchase price guidelines

### Mortgage Credit Certificates

- MCC's are a federally authorized program created as an alternative to tax-exempt housing bonds to reduce effective interest costs for qualifying homebuyers
- MCC's allow the homebuyer to qualify for a federal income tax credit equal to a percentage of the interest paid on their home loan each year
- MCC holders still qualify for a regular deduction of the remaining interest paid on their home loan

	Without MCC	With MCC
<b>Mortgage Amount</b>	\$150,000	\$150,000
<b>Mortgage Interest Rate</b>	6.00%	6.00%
<b>Monthly Mortgage Payment</b> (first year interest = \$8,949.89)	\$899.33	\$899.33
<b>MCC Rate</b>	N/A	25%
<b>Monthly Credit Amount</b> (25% of \$8,949.89 up to \$2,000)	N/A	\$166.67
<b>"Effective" Monthly Mortgage Payment</b>	\$899.33	\$732.66





#### PARTICIPATING COMMUNITIES

Village of Arlington Heights  
 Village of Bartonville  
 Champaign County  
 City of Champaign  
 City of Decatur  
 Kendall County

Logan County  
 Macon County  
 McLean County  
 Village of Orland Park  
 Village of Palatine  
 City of Peoria

Village of Romeoville  
 Village of Schaumburg  
 City of Washington  
 Village of Wheeling  
 Will County

INCOME LIMITS*				PURCHASE PRICE LIMITS	
Targeted		Non-Targeted		Targeted	Non-Targeted
<u>1 or 2 People</u>	<u>3 or More</u>	<u>1 or 2 People</u>	<u>3 or More</u>	<u>Targeted</u>	<u>Non-Targeted</u>
\$123,480 to \$134,520	\$144,060 to \$156,940	\$102,900 to \$121,300	\$118,335 to \$139,495	\$624,481	\$510,939

#### PARTICIPATING LENDERS

Compass Mortgage  
 877-793-9362

Fairway Independent Mortgage  
 773-732-6052

First State Mortgage  
 309-664-9100

Guild Mortgage  
 800-971-3864

Nations Lending  
 773-454-8284

Point Mortgage  
 309-287-6773

\*Income Limits vary by County. Please see [www.MonarchAssist.com](http://www.MonarchAssist.com) for more information.