DATE: December 6, 2011

TO: The Mayor
The Council

FROM: Miguel A. Santana, City Administrative Officer

REFERENCE: Los Angeles Housing Department Transmittal dated October 21, 2011; Received by the City Administrative Officer on November 10, 2011

SUBJECT: AUTHORITY TO EXECUTE A GRANT AGREEMENT WITH THE STATE OF CALIFORNIA FOR A DISASTER RECOVERY INITIATIVE GRANT OF UP TO $8.5 MILLION RELATIVE TO 2008 SAYRE WILDFIRE AND DISASTER PLANNING

SUMMARY

On October 21, 2011, the Los Angeles Housing Department (LAHD) submitted a transmittal to the Mayor relative to acceptance of a Disaster Recovery Initiative (DRI) grant from the State of California Department of Housing and Community Development (HCD) for up to $8.5 million to assist disaster victims of the 2008 Sayre wildfire and to support the City’s disaster planning efforts. Of the $8.5 million, the Department reports that the State has formally awarded $5 million and has given verbal notice that an additional $3.5 million will be awarded shortly. To meet the November 20, 2013 deadline for expending the funds and completing the project, the Department requests authority at this time to accept both grant allotments, pending approval of the subsequent award. While the DRI grant is primarily for assistance to disaster victims, a limited amount of funds may be used for “forward thinking hazard mitigation planning.” To this end, the LAHD included two proposals from the Emergency Management Department (EMD) in the grant application which were also funded through the DRI. Assuming the State awards the full $8.5 million, the Departments propose it be allocated as follows:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>LAHD Funding</th>
<th>EMD Funding</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeownership Assistance Program</td>
<td>$3,630,000</td>
<td>-</td>
<td>$3,630,000</td>
</tr>
<tr>
<td>Affordable Rental Housing Project</td>
<td>4,500,000</td>
<td>-</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Disaster Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Arroyo Street Evacuation Plan</td>
<td></td>
<td>$125,000</td>
<td>125,000</td>
</tr>
<tr>
<td>• Logistics Commodity Points of Distribution Plan</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Program Administration</td>
<td>90,000</td>
<td>10,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Activity Delivery</td>
<td>70,000</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,290,000</strong></td>
<td><strong>$210,000</strong></td>
<td><strong>$8,500,000</strong></td>
</tr>
</tbody>
</table>
The Homeownership Assistance Program will provide purchase assistance financing to individuals affected by the 2008 wildfire disasters that occurred at or near the Oakridge Manufactured Home Community located at 15444 Glenoaks Boulevard, Sylmar, California by providing up to $75,000 to purchase a new, manufactured home in the Oakridge Manufactured Home Community or up to $60,000 for a home outside the Oakridge community but within the City of Los Angeles. These funds are a loan program of “last resort” for fire victims who have exhausted all other sources of assistance such as insurance proceeds and other disaster assistance funding. The loan may be used for down payment, closing costs, and acquisition financing and is available to low or moderate income individuals only. The zero-interest loans are due after 30 years or when the property is sold or its title transferred, whichever comes first. Loan repayment proceeds will revert to the LAHD Disaster Housing Fund for future disaster relief.

The Los Angeles Housing Partnership (LAHP), an experienced low-income housing developer with whom the LAHD has worked successfully for many years, will act as developer and managing general partner for the Affordable Rental Housing Project. The project will finance the development of 60 vacant lots in the Oakridge Manufactured Home Community, including costs for planning, permitting, landscaping, unit installation and appliances, and the purchase of 60 new manufactured homes (10 two bedroom and 50 three bedroom units). One unit will be for an on-site manager and the remaining will be for households making 50-60 percent of area median income, including five homes fully accessible to households with disabilities as required by Federal Section 504 regulations. Due to the project being financed in part through Low Income Housing Tax Credits, governed by the IRS Code, Section 42, renting households will be eligible to purchase the units after 15 years. The total cost of this project will be $12.6 million, including DRI and the following additional funds:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disaster Recovery Initiative Grant</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Tax-exempt Mortgage Revenue Bonds</td>
<td>2,800,000</td>
</tr>
<tr>
<td>4 Percent Low Income Housing Tax Credits</td>
<td>4,453,585</td>
</tr>
<tr>
<td>Affordable Housing Program of the Federal Home Loan Bank</td>
<td>600,000</td>
</tr>
<tr>
<td>Los Angeles Housing Partnership/Deferred Developer Fee</td>
<td>175,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,528,585</strong></td>
</tr>
</tbody>
</table>

The LAHD expects work on the 60 lots to begin in July 2012 and for all units to be occupied by October 2012.

Subsequent to Council and Mayor approval (C.F. 11-0538) for issuance of $9,375,000 tax-exempt mortgage revenue bonds for the Oakridge project, the Department submitted applications for Tax-exempt Mortgage Revenue Bonds and Four Percent Low Income Housing Tax Credits to the California Debt Limit Allocation Committee and the California Tax Credit Allocation Committee who will consider the requests on December 14, 2011 and February 1, 2012 respectively. The LAHD Department expects approval of the application so that this part of the project will be fully funded.
Relative to the EMD, two projects were funded by the DRI grant: 1) The Arroyo Street Evacuation Plan ($125,000) which will fund phase one of an effort to improve emergency response for the area through stakeholder collaborative meetings, evaluating area conditions, development of an evacuation plan, and education of the public relative to disaster preparedness; and, 2) The Logistics Commodity Points of Distribution Plan ($75,000) which will help the EMD identify potential sites for distribution of life-sustaining commodities to disaster victims and develop site-specific plans for each location, including facility use strategies, security plans, traffic management plans, and a series of maps and images of the area. The EMD requests authority to release a Request for Proposals (Attachment C of the October 21, 2011 LAHD Report) to select consultants for the planning projects.

The DRI grant provides LAHD and EMD with funds for administrative and programmatic work, including $90,000 to LAHD for grant administration and $70,000 for homeownership staff to conduct the program, and $10,000 for EMD to oversee the consultant contracts.

Unlike the City’s ability to electronically request and receive entitlement grant funds directly from the U.S. Department of Housing and Urban Development (HUD) in a few days, the DRI reimbursement requests must be reviewed and approved by the State HCD, which will then draw down funds from HUD before reimbursing the City. This process is expected to take up to two months. Because of this delay and the need to make timely payments for second mortgage loan funds for buyer’s escrow accounts, the LAHD transmittal requested authority for a Reserve Fund loan to front-fund these costs. During discussion of the Department’s transmittal with the CAO, it was determined that LAHD could use other LAHD funds for the same purpose as the requested Reserve Fund loan. The LAHD and CAO are therefore reviewing available LAHD funding for this purpose and will report back to Council with additional recommendations requesting authority to use alternate funding sources to front-fund the Homeownership Assistance Program loan expenses. The Emergency Management Department also identified a need for front funding its expenses due to cash-flow issues resulting from the grant being on a reimbursement basis. However, the EMD also reviewed alternate sources of funding for its cash flow needs and confirmed it will be able to manage this issue without a Reserve Fund loan.

Subsequent to the release of its report to the Mayor, the LAHD identified that Council approval of the attached LAHD Home Ownership Assistance DRI Program Guidelines (Attachment A) is needed in addition to the other recommendations in this report. These guidelines are standard for LAHD’s low income home ownership assistance programs and define all eligibility and program requirements required under the DRI grant for homebuyer assistance.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, LAHD, or his designee, to execute a grant agreement, any amendments thereto, and any other documents necessary between the California Department of Housing and Community Development (HCD) and the City of Los Angeles for the receipt and disbursement of a Disaster Recovery Initiative (DRI) Program grant for an amount up to $8,500,000;
2. Approve the attached LAHD Home Ownership Assistance, DRI Program Guidelines (Attachment A);

3. Authorize the General Manager, LAHD, or his designee, to:

  A. Accept the DRI grant and receive deposits and reimbursements from the DRI Program in an amount up to $8,500,000 to deposit into DRI Fund XX, Department 43;

  B. Issue a Letter of Commitment in the amount of $4,500,000 for the Oakridge Family Homes project from the DRI Fund;

  C. Negotiate and execute a construction/permanent loan agreement for the Oakridge Family Homes project in the amount up to $4,500,000, subject to the satisfaction of all conditions and criteria stated in this report, LAHD’s Letter of Commitment, the LAHD transmittal dated October 21, 2011, and subject to approval by the City Attorney as to form;

  D. Execute subordination agreements wherein the City loan and regulatory agreements for the Oakridge Family Homes project are subordinated to the conventional construction and permanent loan;

  E. Receive Reuse account and Mortgage Assistance account interest earned and DRI Program repayments of principal and interest from borrowers for soft-second loans to low-income home buyers in accordance with Federal and State guidelines and all local rules and ordinances of the City of Los Angeles;

  F. Receive Reuse account and Residual Receipts account interest earned and DRI Program residual receipts repayments from the limited partnership established for the DRI-funded multifamily reconstruction project at Oakridge Manufactured Home Community in accordance with Federal and State guidelines and all local rules and ordinances of the City of Los Angeles;

3. Authorize the Controller to:

  A. Establish a new interest bearing fund, Fund Number XX, entitled “State HCD-DRI Program,” for receipts and disbursements related to the DRI Program to be administered by LAHD;

  B. To establish and appropriate new accounts within the State HCD-DRI Program, Fund XX, Department 43 as follows, pending the supplemental grant award in the amount of $3,500,000 by the State of California, Department of Housing and Community Development:

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>43H143</td>
<td>Housing</td>
<td>$114,000</td>
</tr>
</tbody>
</table>
C. To expend funds in an amount not to exceed $8,500,000 from the above fund and accounts upon proper written demand of the General Manager, or designee, pending the supplemental grant award;

D. To appropriate Reuse Account 43H721 amounts periodically as program income from loan principal and interest is received and expend funds from this Reuse account when funds are available;

E. To increase appropriations in General Fund 100 Department 43 in FY 2011-12 as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001010</td>
<td>Salaries</td>
<td>$114,000</td>
</tr>
</tbody>
</table>

F. To expend funds in an amount not to exceed $114,000 from the above fund and account upon proper written demand of the General Manager, LAHD, or designee;

G. To increase appropriations in General Fund 100 Department 35 in FY 2011-12 as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001010</td>
<td>Salaries</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

H. Expend funds in an amount not to exceed $10,000 from the above fund and account upon proper written demand of the General Manager, Emergency Management Department (EMD), or designee;

I. To establish and appropriate a new account within the Emergency Operations Fund 392, Department 34 as follows:

<table>
<thead>
<tr>
<th>Account</th>
<th>Account Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>343040</td>
<td>Contractual Services</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

J. Expend funds in an amount not to exceed $200,000.00 from the above fund and account upon proper written demand of the General Manager, EMD, or designee;

4. Authorize the EMD to release a Request for Proposals or Request for Qualifications to solicit consultants to prepare the Arroyo Street Evacuation Plan ($125,000) and the Logistics...
ATTACHMENT A

LOS ANGELES HOUSING DEPARTMENT (LAHD)
2011 DISASTER RECOVERY INITIATIVE (DRI) PROGRAM

Version 1.1  12/05/11
Commodities Points of Distribution Plan ($75,000) and report back with contract recommendations;

5. Request the City Attorney to assist LAHD with the modification of documents and the negotiations that are necessary to implement the actions approved herein by the Council;

6. Authorize the General Manager LAHD, or designee, to approve loan agreements and documents with home buyers as part of the DRI program in the standard form approved by City Attorney;

7. Authorize the General Manager, LAHD, or designee, to prepare Controller Instructions and make any necessary technical adjustments, consistent with the Mayor and Council actions on these and other approved projects, subject to the approval of the City Administrative Officer (CAO), and authorize the Controller to implement the instructions; and,

8. Authorize the General Manager, LAHD, or his designee to work with the General Manager, Emergency Management Department (EMD) or his designee, as needed, and to negotiate and execute any necessary documents and agreements with the State Department of Housing and Community Development (HCD) upon the award of additional Disaster Recovery Initiative (DRI) funds, and further authorize the establishment of accounts for those funds similar to those included in this report, subject to the review of the CAO and the City Attorney, and instruct the Controller to implement those instructions.

9. Direct LAHD and the CAO to report back to Council with recommendations for front-funding the Homeownership Assistance Program prior to reimbursement by the DRI grant.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The Disaster Recovery Initiative (DRI) projects will be fully reimbursed by grant funds. Approval of the report recommendations will allow for the expenditure of up to $8.5 million in DRI grant funds for assistance to disaster victims of the Sayre fire and disaster planning programs. These recommendations are in compliance with the City’s Financial Policies in that sufficient DRI funds are available and continued funding of the projects is dependent on continuing availability of DRI grant funding.

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6.0. DISPUTE RESOLUTION, GRIEVANCE AND APPEALS PROCEDURE  


1.0.0 LOAN ORIGINATION POLICIES

1.0.1 2011 Disaster Recovery Initiative (DRI) Program Overview

LAHD's DRI Program offers purchase assistance financing to eligible low-income homebuyers (i.e. victims of the 2008 wildfires) seeking to purchase eligible mobilehomes or other single-family residences, including townhomes and condos in the City of Los Angeles. LAHD provides assistance in the form of a deferred loan (funding in the form of a “Grant” will not be provided) for purchase assistance (down payment, gap and closing costs).

The DRI Program provides a purchase assistance subordinate loan to eligible homebuyers, with incomes up to 80% of Area Median Income (AMI).

Purchase Assistance Amounts/Limits

- LAHD’s Homeownership Unit will provide purchase assistance financing, up to $75,000, to eligible applicants who were affected by the 2008 wildfire disasters and want to purchase a manufactured home at the Oakridge Manufactured Home Community located at 15444 Glenoaks Blvd, Sylmar, California. The interest rate on the City’s DRI loan shall be zero (0%) percent.

- For eligible applicants who were affected by the 2008 wildfire disaster but want to purchase a home outside of the Oakridge Manufactured Home Community, but within the City of Los Angeles, purchase assistance up to $60,000 may be available. The interest rate on the City’s DRI loan shall be zero (0%) percent, but LAHD’s shared appreciation will apply.

The Oakridge Manufactured Home Community, Homeownership Program is a loan program of “last resort” designed for persons affected by the 2008 wildfires who have exhausted all other sources of assistance and may still need funds to purchase a manufactured home or single-family home for permanent housing.

LAHD provides assistance in the form of a deferred payment loan for purchase assistance. The purchase assistance loan may be used for down payment, closing costs and acquisition financing. LAHD will work with participating lenders in order to prequalify interested applicants for a loan.

DRI loan funds may be used towards:

- Half of the down payment required by the first mortgage lender;
- Closing costs of up to 5% of the purchase price;
- Gap financing for the purchase.
LAHD has a website where prospective homebuyers can view the program requirements. The website is http://lahd.lacity.org.

1.1.0 DRI OUTREACH AND MARKETING

All outreach efforts will be performed in accordance with State and Federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the DRI. No person shall be excluded from participation in the Program, denied the benefit of, or be subject to discrimination under any DRI Program activity on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry. The LAHD will ensure that all persons, including those qualified individuals with disabilities have access to the DRI.

1.1.1 Outreach.

The DRI is structured to compliment and supplement the normal private sector process of home buying. Therefore, staff works closely with homebuyer educators, local real estate agents, manufacturers and first mortgage lenders to familiarize them with the program so that when they have an eligible victim of the 2008 wildfires, they can provide information on and utilize the DRI. The DRI program will be advertised on the LAHD website. LAHD has been in communication with Council District 7 as well as management from the Oakridge Manufactured Home Community. Information provided on the http://lahd.lacity.org website includes:

- List of LAHD participating lenders;

  Staff also conducts periodic training workshops for lenders and realtors to:

- Explain the DRI requirements for eligible locations, housing units and homebuyers;

- Review DRI processes to clarify questions and issues;

- Obtain feedback on how the program is working; and

- Encourage them to have potential homebuyers participate in the DRI.

Program information is also sent out in “e-blasts” to a list of approximately 670
lenders and realtors throughout the city.

1.1.2 Fair Housing.

The Fair Housing Lender logo will be placed on all outreach materials. Flyers or other outreach materials, in English and Spanish, which is the primary language of a significant portion of the area residents, will be distributed in the DRI-eligible area.

1.2.0 DRI PROGRAM REQUIREMENTS: ELIGIBLE AREAS, ELIGIBLE PROPERTIES AND OTHER REQUIREMENTS

1.2.1 DRI Eligible Areas.

The DRI Program is available for any eligible property located throughout the City of Los Angeles.

1.2.2 Eligible properties:

1. Mobile homes or other single-family residences, including townhomes and condos must be located in the City of Los Angeles.

2. New or existing mobile homes or single-family residences, including townhomes and condos.

3. The property cannot be currently occupied by tenants.

4. All non-mobilehome properties applying under the DRI program will be inspected by LAHD staff and must pass the LAHD inspection.

1.2.3 Other requirements:

1. All purchase contracts should have the LAHD recommended proper contingencies.

1.2.4 Third Party Verification

In so far as possible, all information provided by the homebuyer and lender will be documented with third party verifications in the file. For example, the DRI loan application will provide current debt and housing information and will be documented by the credit report and income/asset verifications. Review of the Primary Lender's loan underwriting documentation provides basic information about the qualifications of the applicant and substantiates the affordability
provided by the DRI loan. The appraisal, termite and title report will provide information to substantiate the information in the sales contract and guide the construction inspection. The first mortgage lender’s approval letter and estimated closing cost statement should reflect all the information in the loan package and show any contingencies of loan funding. The HUD-1 (Estimated Closing Cost Statement) will provide the final purchase price and outline how much of the closing costs are to be paid by the seller, etc.

1.3.0 Appraisal Requirements

1. The originating/funding Lender (or LAHD) must order the property appraisal from an Appraiser who holds a California Certified Residential License or California Certified General License.

2. The Appraisal must be current to within 60 days from the date that the purchase offer was finalized.

1.4.0 DRI PROGRAM REQUIREMENTS: BORROWERS

1.4.1 Eligible Borrowers must:

- Have been affected by the declared 2008 Wild Fires disaster.

- Earn at or below 80% of the area median income. Occupy the acquired property as their primary residence.

1.5.0 DRI INCOME GUIDELINES FOR APPLICANTS

1.5.1 Maximum Annual Income Limits

All applicants must certify that they meet the household income eligibility requirements and have their household income documented. The income limits in place at the time of loan approval will apply when determining applicant income eligibility. All applicants must have incomes at or below 80% of the area median income (AMI), adjusted for household size, as published by HUD for the calendar year.

2011 HUD Maximum 80% AMI Income Limits for Los Angeles

| Household Size |  |
### 1.5.2 Calculating Annual Income.

The DRI uses the definition of annual income defined in 24 CFR, "Part 5 Annual Income," in determining the eligibility of the applicant and applies that definition in accordance with the procedures and calculations described in the Technical Guide for Determining Income and Allowances for the DRI Program (HUD-1780-CPD). The HUD Income and Allowances Calculator can be found at the following web address:

http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/calculator.cfm

The DRI staff will compare the income the Primary Lender used when qualifying the household to the income limits in the HUD Income Limits Chart. Since the Primary Lender underwrites its loan to FHA or conventional guidelines; it may not calculate the household income or assets in the same way as required by the DRI. Therefore, the DRI Loan Officer will recalculate the income information to make certain that the applicant is eligible for the program, using the following guidelines:

- The income of all adults 18 years of age or older who are part of the household must be included.
- Non-occupant co-signers/co-borrowers on the first mortgage loan will not be allowed.
- All income subject to Part 5 Annual income regulations (HOME Regulations) must be documented.
- Household size will be determined by the borrower(s) and the dependents claimed on their federal tax returns. (If they did not file tax returns then the family has insufficient income to purchase property.)
- Other household members who are not claimed as dependents on the borrower(s) federal tax returns will have to provide supporting...
documentation to prove that they are part of the household (e.g., the recent adoption of a child, a change of child custody, or recent marriage).

- All household members who are 18 years of age and older who say that they do not receive any form of income must sign a No Income Certification form and a release so that LAHD may check their credit reports.

- LAHD will review Credit Reports on all household members, regardless of whether they signed the No Income Certification, to check debt, credit and whether it appears that they have income.

- Lender must project the total gross income (before any deductions have been taken) of the household for the next 12 months.

- Income will be verified by reviewing and documenting tax returns, copies of wage receipts, subsidy checks, bank statements and third party verification of employment forms sent to employers.

- Types of income that must be counted and included to determine program eligibility: Gross wages, salaries, overtime pay, commissions, fees, tips, royalties, and bonuses. Net income from the operation of a business, profession, business activities, and investments.

- Interest, dividends, and other net income of any kind from real or personal property.

- Social Security, VA compensation, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts.

- Unemployment, disability compensation, worker’s compensation, and severance pay.

- Welfare Assistance.

- Alimony and child support.

- All regular pay, special pay, and allowances of a member of the Armed Forces.

All documentation shall be dated within six months prior to loan closing and kept in the applicant file and held in strict confidence.
1.6.0 DRI LOAN FEATURES

1.6.1 Loan amounts and terms.

- Up to $75,000 for applicants who choose to purchase and reside at the Oakridge Manufactured Home Community located in Sylmar, CA. The interest rate on the City’s DRI loan shall be zero (0%) percent.

- Up to $60,000 for applicants who choose to purchase outside the Oakridge Manufactured Home Community. The interest rate on the City’s DRI loan shall be zero (0%) percent, but LAHD’s shared appreciation will apply.

  - 30 years. Deferred, requiring no monthly payments.
  - Zero (0%) percent interest loan, but LAHD’s Shared Appreciation will apply for properties purchased outside of the Oakridge Manufactured Home Community.
  - Loan is due on sale or title transfer.
  - Refinancing of first mortgage is allowed by LAHD under certain conditions.

1.6.2 Mortgage Assistance and Downpayment (Gap) Loan

- DRI staff will encourage participating lenders to maximize the amount of the first mortgage loan in order to ensure that qualified homebuyers receive only the amount of “gap” financing from the DRI needed to purchase the housing unit. First mortgage loans will be analyzed by DRI staff to ensure that the maximum amount has been obtained.

- Shared appreciation loan, requires no monthly payments. Shared appreciation applies only to the mortgage assistance and downpayment (Gap) loan portion. Shared appreciation will only apply to loans which are used to purchase single family residences.

- For loans made for the purchase of a mobilehome, the loan will be due in thirty years (30) from the date of the LAHD Note and Security Agreement; upon the sale of property; title transfer; first mortgage repayment (only in the cases when allowed by first mortgage lender); or if the borrower no longer occupies the property as his/her primary residence. For loans made for the purchase of a single family residence, the loan will be due in thirty years (30) from the date of the LAHD Note, Loan Agreement and Deed of Trust; upon the sale of property; title transfer; first mortgage repayment (only in
the cases when allowed by first mortgage lender); or if the borrower no longer occupies the property as his/her primary residence.

- Gap loan may be used in combination with the City’s Mortgage Credit Certificate (MCC) Program
- Loan may be used to pay for closing costs of up to 5% of the purchase price.
- Although the City may only contribute half of the required first lender down payment amount, the City’s DRI loan can also provide assistance for Closing Costs and Gap Financing (acquisition financing).

1.6.3 Interest Rate and Shared Appreciation

LAHD’s loan shall be a zero (0%) percent interest loan.

LAHD’s Shared Appreciation will apply for properties purchased outside of the Oakridge Manufactured Home Community.

Shared appreciation will only apply to loans made for the purchase of a single family residence. Shared appreciation will not be applicable to mobilehome loans. LAHD’s Percentage Share is equal to the ratio of LAHD’s Purchase Assistance (gap) loan to the total purchase price of the property, up to a maximum ratio of 49.99%. Under the DRI, when the property is sold, the owner will receive credit for selling costs, their downpayment, and documented improvements, additions, and other items that affect the home’s adjusted basis to the property (as defined by the U.S. Internal Revenue Service). Property maintenance costs will not be included as a credit when the owner sells the property.

The end of the loan term, sale of property, transfer of title, repayment of the first mortgage (if allowed by the first mortgage lender) or default triggers repayment of the shared appreciation mortgage.

EXAMPLE:-Not applicable to mobilehome loans

Assume that the buyer purchased a single family residence, condo or townhome for $250,000 and the property is sold for $400,000 sometime in the future. The LAHD’s share of appreciation will be calculated as follows:

Funds:
Purchase Price $250,000
Closing Costs (assumed at 4%) $ 10,000
Total Funds Needed $260,000

Financing:
LAHD Purchase Assistance (Gap) Loan $ 75,000
LAHD’s Shared Appreciation Percentage 30.00%
($75,000/$250,000 = 0.30)
First Mortgage (30 year fixed at 5.00%) $182,500
Borrower Downpayment $ 2,500

Appreciation:
Sales Price (in the future, for example purposes) $400,000
Original Purchase Price ($250,000)
Appreciation $150,000

Borrower Credit for Appreciation:
Appreciation $150,000
Less Transaction Costs (Agent Fees and Closing Costs at 8%) $ 32,000
Less Borrower Initial Downpayment $ 2,500
Net Appreciation Amount $115,500

Amounts Due LAHD:
LAHD Purchase Assistance Loan $ 75,000
LAHD’s Share of Appreciation (30% of $115,500) $ 34,650
Total Due LAHD (For Purchase Assistance and Shared Appreciation) $109,650

Funds To Owner:
Sales Price (in the future) $400,000
Less the Assumed Balance of First Mortgage after 10 years ($148,449)
Less Total Due LAHD ($109,650)
Less Transaction Costs (Agent Fees and Closing Costs at 8%) ($ 32,000)
Equals Subtotal $290,099
Amount of Funds Due Owner $109,901

1.6.4 DRI Down Payment Requirement

- The LAHD does not require that borrowers contribute a minimum down payment to obtain a DRI Purchase Assistance Loan; however, borrowers must still comply with Primary/First Lender down-payment requirements.
The City's DRI loan can provide up to half (1/2) of the first mortgage’s down payment requirement. For example, FHA requires a 3.5% down payment so the City’s down payment contribution would be a maximum of 1.75% if FHA financing is utilized. A Conventional mortgage may require a 10% down payment so the City’s down payment contribution would be a maximum of 5% if conventional financing is utilized.

This is the minimum requirement; borrowers have the option to contribute additional funds towards the purchase.

**EXAMPLE: FHA LOAN REQUIRING A 3.5% DOWN PAYMENT**

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>$250,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closing Costs</td>
<td>$ 7,500</td>
</tr>
<tr>
<td>TOTAL FUNDS NEEDED</td>
<td>$ 257,500</td>
</tr>
</tbody>
</table>

**Required Down Payment By First Mortgage Lender**

(3.5% of purchase price)

<table>
<thead>
<tr>
<th>First Mortgage</th>
<th>$ 193,125</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Buyer Down Payment (1% of purchase price)</td>
<td>$ 2,500</td>
</tr>
<tr>
<td>LAHD DRI Down Payment Portion (Half of required DP)</td>
<td>$ 4,375</td>
</tr>
<tr>
<td>LAHD DRI Closing Costs Portion</td>
<td>$ 7,500</td>
</tr>
<tr>
<td>LAHD Gap Portion</td>
<td>$ 48,125</td>
</tr>
<tr>
<td>Shortfall/Buyer’s additional down payment contribution</td>
<td>$ 1,875</td>
</tr>
<tr>
<td>TOTAL FUNDS TO PURCHASE PROPERTY</td>
<td>$ 257,500</td>
</tr>
</tbody>
</table>

**1.6.5 Other Loan Elements**

- LAHD’s loans consist of a Loan Agreement, Promissory Note and Security Agreement and a Statement of Lien for a mobile home purchase. For a single family residence purchase, loans consist of a Promissory Note, Loan Agreement and Deed of Trust. If any document appears to have wording that is inconsistent with another, the Promissory Note is the controlling document.

- LAHD’s loans may be assumable depending on the funding source. If the funding source allows the loan to be assumed, such language may include, but not be limited to: This Note may be assumable to subsequent qualified
purchasers, subject to the written approval of the Los Angeles Housing Department.

1.7.0 DRI UNDERWRITING CRITERIA

- LAHD will not require a minimum FICO score as a condition of receiving a DRI Purchase Assistance Loan; however, the borrower will be required to meet the credit requirements of the Primary/First Lender as a condition of receiving a Primary/First Loan.

- Ratios:
  - LAHD will not require a minimum or maximum debt ratios as a condition of receiving a DRI Purchase Assistance Loan; however, the borrower will be required to meet the debt ratios of the Primary/First Lender as a condition of receiving a Primary/First Loan.

  - Entire collections debt will be counted towards monthly payment unless Borrower provides proof from collection agency that Borrower is making monthly payments.
  - Debt from a spouse who claims that they do not receive any type of income will be included as part of the monthly household debt.
  - Loans against a borrower’s 401k or other retirement account will be included as monthly debt if the borrower is making monthly payments against the loan.
  - Student loans will not be counted if deferred for at least one year with documentation.
  - Loan payments (that are not for residential real property), such as car loans, where the applicant is a co-signer but can document that the other person on the title is paying the payment in full for at least the most recent 12 months will not be counted.
  - Installment loans will not be counted if less than 10 months remain on the installment loan.
  - Debt that is going to be paid off to lower the “back-end” ratio must be done before the close of escrow. Once LAHD has received the necessary supporting documentation, it will give escrow the authorization that they may proceed to close escrow.
Many factors such as excellent or poor credit history, amount of down payment, and size of loan will influence the decision to approve or disapprove a particular loan. The borrower’s credit history will be reviewed by the DRI staff and documentation of this will be maintained in the loan file. In order to reduce unnecessary expenditure of funds, DRI will rely on a current copy of the borrower’s credit report obtained by the first mortgage lender.

1.8.0 ELIGIBLE FIRST MORTGAGES

- Mobile home mortgages shall be fixed, 20-30 year, fully amortized loans for mobile homes. Single family residence mortgages shall be FHA or Conventional, fixed, 30-40 year, fully amortized loans.

The rate of interest on the Primary/First loan shall be fixed (not an adjustable rate mortgage, ARM) at the current market rate.

- Lender fees cannot exceed 2.0% for loan origination; no discount fees/points to get a market rate loan.

- Combined Loan-to-Value (CLTV) Maximum: LAHD allows up to 105% CLTV; however, FHA or Conventional first mortgage products may require a lower CLTV. The stricter maximum CLTV applies.

1.9.0 LOAN MONITORING PROCEDURES

LAHD will monitor Borrowers and their housing units to ensure adherence to DRI requirements including, but not limited to, the following:

- Owner-occupancy;
- Property tax payment;
- Hazard insurance coverage;
- Good standing on primary loans;
- Maintenance of housing units.
- Impound Account: All households may be required to have impound accounts for
the payment of taxes and insurance to ensure they remain current if required by the Primary/First lender

1.10.0 NON-DISCRIMINATION REQUIREMENTS

The DRI will be implemented in ways consistent with the LAHD’s commitment to non-discrimination. No person shall be excluded from participation in, denied the benefit of, or be subject to discrimination under any DRI activity on the basis of his or her religion or religious affiliation, age, race, color, creed, gender, sexual orientation, marital status, familial status (children), physical or mental disability, national origin, or ancestry.

1.11.0 CONFLICT OF INTEREST REQUIREMENTS

Because some of the funding sources that LAHD may utilize for the DRI Program are Federal funds, in accordance with Title 24, Section 570.611 of the Code of Federal Regulations the following Conflict of Interest requirements apply:

(a) Applicability.

(1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process
or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:
(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

2.0.0 DRI PROCESSES

Homebuyers find an eligible property which meets the DRI requirements as discussed in Section 1.2.2. Homebuyers submit their offer to the seller and have their offer accepted by the seller.

2.1.0 Loan Reservation Process for DRI Lenders – Steps

1. When homebuyer finds an eligible property and executes a purchase contract with a seller, the Lender submits a DRI Loan Reservation Request Package to LAHD via email to: lahd_homeownership@lacity.org.
2. In order to request a Reservation, a Lender must submit all of the following documentation to LAHD in the DRI Loan Reservation Request Package:

i. LAHD DRI Loan Reservation Request Form

ii. A fully-executed, seller-accepted Purchase Agreement with proper contingencies

iii. LAHD's Request for Property Inspection Form for non-mobilehome purchases

iv. LAHD's DRI Loan Worksheet

3. LAHD issues Reservations on a first-come, first-served basis.

4. LAHD notifies Lenders via email on the status of all Reservation requests submitted, as soon as possible, but no later than seven (7) business days from the date Reservation request was received.

5. Once LAHD issues a Reservation, a Lender will have 45 calendar days to submit to LAHD a complete LAHD DRI loan application/package with all necessary attachments. Should the 45-day expiration date fall on a non-City business day, the application is due on the prior business day. LAHD does not grant any extensions and does not offer funding for any property without an active and valid Reservation.

2.2.0 Buyers and Sellers – Steps

1. Buyer is pre-qualified by a Participating Lender for the first mortgage and the DRI Program.

2. Buyer hires a Real Estate Agent and searches for an eligible property. If the buyer is purchasing a mobilehome, the buyer can purchase directly from the manufacturer.

A. The housing unit selection process will be conducted by the homebuyers. Prior to making an offer to purchase an eligible housing unit, homebuyer shall provide seller with a disclosure (Attachment A) containing the following provisions:

1) Homebuyer has no power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement; and
2) Homebuyer's offer is an estimate of the fair market value of the housing unit, to be finally determined by a state licensed appraiser;

3) The seller understands that the housing unit must be either: currently owner-occupied, newly constructed, a renter purchasing the unit, or vacant for four months prior to submission of the purchase offer.

4) If the seller is not provided with a statement of the above three provisions prior to the purchase offer, the seller may withdraw from the agreement after this information is provided.

5. All housing units must be in compliance with State and local codes and ordinances.

6. Housing units located within a 100 year flood zone will be required to provide proof of flood insurance in order to close escrow. The City of Los Angeles is a participant in the National Flood Insurance Program (NFIP) administered by the Federal Emergency Management Agency (FEMA). The NFIP, a federal program, offers flood insurance, which can be purchased through property and casualty insurance agents. These rates depend on many factors, which include the date and type of construction of your home, along with your buildings level of risk. Further information regarding the NFIP can be obtained at www.floodsmart.gov or by calling 888-379-9531.

7. Buyer negotiates the purchase of the property, or mobilehome, with the proper contingencies.

8. Lender submits a DRI Loan Reservation Request Package to LAHD via email to: lahdx_homeownership@lacity.org

9. LAHD issues a Loan Reservation and orders the City property inspection for non mobilehome purchases through HIMS. The Loan Reservation is valid for 45 calendar days.

10. For non mobilehome purchases, Lender is notified by LAHD, or its designee, if the property is Feasible. A property is feasible if it passed the LAHD inspection and meets the HOME property standard requirements. All mobilehome properties will be inspected by the State.

11. Lender submits to LAHD a complete DRI Loan Application with all required attachments before the Reservation Due
Date and no later than three weeks (21 calendar days) before the escrow closing date. LAHD does not charge an Application Fee for the DRI loans.

12. If the loan application is complete, Homeownership (HO) staff will process and fund a loan within three (3) weeks. If it is incomplete, HO staff will send out a Deficiency Notice listing the items that are incomplete, giving a date by which they are due.

13. HO staff verifies applicant eligibility, housing unit and loan eligibility and amount of assistance to be provided consistent with the guidelines. The purchase and sale agreement will be contingent on the household and housing unit meeting DRI eligibility requirements and receiving HO loan approval.

14. LAHD processes the loan and issues a Loan Approval (or Denial) Letter to the Lender and applicant.

15. LAHD sends Request for Check with supporting documentation to Accounting Unit.

16. At the time of escrow closing, the LAHD shall be named as an additional loss payee on fire, flood, if required, and extended coverage insurance for the length of the loan and in an amount sufficient to cover all encumbrances or full replacement cost of the housing unit.

17. LAHD issues funding check and sends it with a check cover letter to Title/Escrow Company for the close of escrow on the property purchased.

2.3.0 DRI LOAN PROCESSING AND APPROVAL – STEPS

2.3.1 Loan Processing Procedures

1. When application package is submitted, The DRI Supervisor assigns the application to a Loan Officer (LO).

2. The LO uses the DRI Loan Process Route to process loan package.

3. LO reviews package for completeness. If not complete, a Loan Deficiency
Notice with a list of missing items will be sent, providing the lender with a two week period within which to forward the required docs. If not received within two weeks, LAHD has the right to cancel the application.

4. The LO reviews and analyzes the application by
   a. Reviewing Underwriting Checklist to determine what items are missing.
   b. Complete Income Analysis Form; reviewing last two months of paycheck stubs and the Verification of Employment. The income determination is valid for six (6) months from the date the HO Manager signs off on the Income Analysis.
   c. If income fits within guidelines, then check tax returns (to verify household size and to verify income) and credit report for FICO score and to verify their debt against information submitted by lender.
   d. Review first (1st) mortgage loan approval letter and lender 1008 Underwriting Summary Form, or similar form for mobile home mortgage, to make sure all information matches.
   e. Review the “Declaration of Citizenship, Alienage and Immigration Status For Purchase Assistance Loan” form to make sure the applicant filled out and executed the form. Review the supporting documentation to ensure that the applicant is eligible for federal public benefit assistance. If the LO is not sure as to the eligibility of the applicant, the LO would need to discuss the issue with the Supervisor.
   f. Verify property is in City of Los Angeles by getting a printout from the City of Los Angeles’ My Neighborhood website www.lacity.org, or ZIMAS website http://zimas.lacity.org/
   g. Review appraisal report, for single family residences, to:
      • Make sure that it is less than 60 days old;
      • Verifies census tract, APN and number of bedrooms;
      • To make sure that there are no tenants at the property;
      • To obtain appraised value.
5. Obtain Environmental (NEPA) Clearance from Environmental Review Section.

6. For non mobilehome purchases, obtain the property inspection feasibility report from the HO Supervisor.

7. Reviewing the following for completeness and accuracy:
   - Lender’s Uniform Residential Application, Credit Reports, Verification of Employment, & Check Stubs;
   - LAHD Home Buyer Application, LAHD Income Analysis Form & No Income Certification Form (if applicable); and
   - Federal Income Tax Returns or Tax Transcripts.

8. Review estimated closing cost statement to make sure it is current (within 30-45 days); making sure there are no outrageous closing costs;

9. Review escrow instructions contained in package.

10. Enter all required information into HIMS and Homeownership Access database; input vesting information.

11. Review preliminary title report, for single family residences, for input; and copy of legal description for LAHD loan;

12. LO needs to review to ensure that the applicant has exhausted all other sources of assistance such as insurance proceeds, Federal Emergency Management Agency (FEMA) Loans/Grants, and other similar types of funds. Additionally, the DRI loan funds may not be used for activities reimbursable by or for which funds are made available by FEMA, the Army Corps of Engineers (ACE), United States Department of Agriculture (USDA) or Small Business Administration (SBA).

13. Once LO has all information begins to fill out DRI Internal Financial Worksheets containing the Soft second worksheet, Income analysis and Financial analysis worksheets to see what the back-end, loan to value (LTV) and combined loan to value (CLTV) ratios are. If back end ratio is above 42% then lender must provide memo identifying two Compensating Factors.
14. If there are problems with the applicant's eligibility or underwriting, the LO will discuss the problem(s) with his/her supervisor to contact the lender by telephone or email to see whether the problem can be resolved. The lender will have 10 business days within which to resolve the problem. If the problem cannot be resolved, the LO issues a Letter of Denial stating the reason(s) why the application has been deemed ineligible.

15. If the project “spins-out” for any reason except LAHD’s Letter of Denial, then the entire lender application package is returned to the first mortgage lender who provided it. If the project spins out due to LAHD’s Letter of Denial, then LAHD will maintain all application materials received to-date until after the next HUD monitoring visit.

16. If all are ok, then the LO prepares forms per the loan processing worksheet.

17. LO will:

- Give completed IDIS form to appropriate HO staff person.
- Get sign-off from DRI Supervisor and HO Manager.
- Call the borrower to set up loan signing date. When that is obtained, LO prepares and prints loan docs with signing date.
- Take docs and other forms to AGM for sign-off.
- Email loan approval letter to the lender.

18. The Borrower(s) signs the promissory note, loan agreement, and statement of lien for mobile home purchases, or promissory note, loan agreement, and deed of trust for single family residence purchases and statutory lending notices (right of rescission, etcetera) for the GAP loan.

19. LO will:

- Send docs to City Clerk’s Office; get signature and stamp.
- Request loan number from Portfolio Management thru HIMS and take copies of docs to Portfolio Management.
• Make copies of documents for Accounting, including the original Request for Disbursement and forward the whole package to Accounting after Portfolio Management provides loan number.

• Send documents to Escrow, including LAHD lender instructions, (only original is Deed of Trust) thru UPS 2nd Day or Ground service. The Statement of Lien, for mobile home purchases, is filed with the Department of Housing and Community Development, Division of Codes and Standards, Registration and Titling Section. The deed of trust, for single family residences, and the request for copy of notice of default are recorded at the same time with the Registrar-Recorder/County Clerk.

20. Accounting emails that check is ready.

21. Once the LO receives the email from Accounting that the check is ready to be picked up, the LO will:

• Email the lender that check has been prepared.

• Verify that the escrow company has sent the evidence of insurance, copy of termite report, and executed page 5 of LAHD’s lender instructions before releasing the check to the Title Company. Once LO has received all three documents, then the LO contacts Title Company for pick-up of check and request that check be placed in escrow for subject property.

• Prepare Funding Notification to DRI Manager.

• Call the Escrow Company, approximately two (2) weeks after giving the Escrow Officer the approval to close escrow to see if escrow has closed. If escrow has yet to close the LO will need to follow up every two (2) weeks to see when escrow closes.

• After the close of escrow need to make sure that the requested documents, per LAHD’s escrow instructions, are returned from escrow. The LO should make notations in the loan file every time they call the Escrow Company to request the closing documents.

22. Close out loan file – Steps

• Collect certified copies of documents listed on LAHD DRI Purchase Lender’s Instructions from Escrow;
• Process loan payment if refund is received from Escrow after loan closing;

• Go into HIMS and enter the escrow close date and change project status from Open to Closed;

• Give organized and complete file to clerical staff.

3.0.0 VARIANCES FROM POLICIES

Variances from these policies and procedures shall only be granted by the Director of Homeownership and Preservation –

• Under extraordinary and extenuating circumstances;

• If HUD regulations have changed;

• If, due to changes in the housing market, a variance will make the program more efficient and/or effective; or

• If granting a variance will further the goals, purposes, and effectiveness of the DRI and conform to all applicable HUD guidelines.

4.0.0 RIGHTS AND RESPONSIBILITIES OF THE HOMEBUYER

The applicant is responsible for submitting true and accurate financial and other information required to document eligibility for the program. The applicant is also responsible for notifying the LAHD, in writing, of any change in household composition or income within ten (10) calendar days of such change if any such change occurs prior to the close of escrow. Failure to provide updated information shall result in the applicant being permanently excluded from the program. The applicant is also responsible for:

1. Properly maintaining all installed items/components to help minimize premature failure or damage.

2. Maintaining required property insurance for the duration of the lien.

5.0.0 RESPONSIBILITIES OF THE LOS ANGELES HOUSING DEPARTMENT

The LAHD is responsible for
1. Determining eligibility of the property and the applicant/borrower;
2. Underwriting the mortgage assistance loan;
3. Administering the program in a professional manner that ensures maximum effectiveness, efficiency, and customer satisfaction.
4. Documenting project files in compliance with all applicable HUD regulations.

6.0. DISPUTE RESOLUTION, GRIEVANCE AND APPEALS PROCEDURE

6.1 Financial Assistance

As described in Section 2.3.1 #14

If there are problems with the applicant’s eligibility or underwriting, the LO will discuss the problem(s) with his/her supervisor to contact the lender by telephone or email to see whether the problem can be resolved. The lender will have 10 business days within which to resolve the problem. If the problem cannot be resolved, the LO issues a Letter of Denial stating the reason(s) why the application has been deemed ineligible.

If the applicant’s appeal is in regard to borrower, property or financial eligibility and LAHD’s response in the Letter of Denial accurately describes the reasons why the applicant is ineligible for the program, LAHD’s decision is final.

Key staff of the DRI/ADDI Assistance Program are:

- Loans: Gloria Ortiz, telephone 213-808-8972; email gloria.ortiz@lacity.org
- Homeownership Unit Manager: Vasken Djansezian, telephone 213-808-8978; email vasken.djansezian@lacity.org
- DRI Director: Doug Swoger, telephone: 213-808-8948; email douglas.swoger@lacity.org.