

# TRANSMITTAL

To:

**THE COUNCIL**

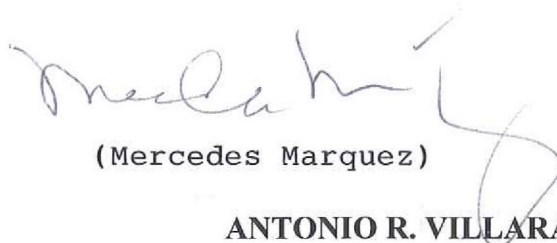
Date:

JAN 29 2013

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Mercedes Marquez)

**ANTONIO R. VILLARAIGOSA**  
Mayor



HOMEOWNERSHIP & PRESERVATION DIVISION

Los Angeles Housing Department

**LAHD**

1200 West 7th Street, 8th Floor, Los Angeles, CA 90017  
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Antonio R. Villaraigosa, Mayor  
Mercedes M. Márquez, General Manager

Council File: New  
Council District: Citywide  
Contact Persons:  
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January 24, 2013

The Honorable Antonio R. Villaraigosa  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST ADOPTION OF RESOLUTION AUTHORIZING THE LOS ANGELES HOUSING DEPARTMENT TO SUBMIT AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN ALLOCATION OF CALHOME GRANT PROGRAM FUNDS OF \$1.5 MILLION AND EXECUTE THE GRANT AGREEMENT.**

**Summary**

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office process this transmittal for Mayor and City Council review and approval. LAHD is requesting the adoption of Resolution and authority to apply to the State of California Department of Housing and Community Development (HCD) for a grant of \$1.5 million, under its CalHome Grant Program. Approval of the recommendations in this transmittal will authorize LAHD to apply for the CalHome grant for \$1.5 million and if awarded, accept the grant funds. The CalHome funds will provide mortgage assistance to low-income, first-time homebuyers seeking to purchase a home in the City of Los Angeles. Applications are due to HCD on March 20, 2013; the grant application, and the approved Resolution, must be submitted to HCD no later than March 20, 2013. Therefore we respectfully request that this matter be scheduled for consideration and approval by the City Council and Mayor before March 20, 2013.

## **Recommendations**

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that:

1. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) for review and forward it to the City Council for consideration and approval immediately thereafter.
2. The City Council:
  - A. AUTHORIZE the General Manager, LAHD, or her designee, to submit an application to the State of California Department of Housing and Community Development (HCD) for the CalHome Grant Program and, if awarded, accept the grant funds, and APPROVE the attached Resolution for this purpose.
  - B. AUTHORIZE the General Manager, LAHD, or her designee, to enter into negotiations with HCD, should LAHD be successful in its application, in order to finalize the budgets and proposed accomplishments for the grant agreement.
  - C. AUTHORIZE the General Manager, LAHD, or her designee, to execute a grant agreement, any amendments thereto, and any other documents necessary between the State of California Department of Housing and Community Development (HCD) and the City of Los Angeles for the disbursement of CalHome Grant Program funds.
  - D. INSTRUCT the General Manager, LAHD, or her designee, to report back on the actual amount of grant funds awarded, Controller's Instructions, and other related actions necessary to implement the program.
3. The Mayor concur with the action of the City Council.

## **Background**

On January 23, 2013 HCD announced the release of its NOFA offering \$49 million for the CalHome General Program. The application for the CalHome General Program is due no later than March 20, 2013.

The Los Angeles Housing Department (LAHD) is requesting authority to apply to the State of California Department of Housing and Community Development (State HCD) for an allocation of \$1.5 million, to leverage City resources for low-income, first-time homebuyer mortgage assistance. The State HCD is offering funds for homebuyer assistance under its grant program, the CalHome Program, which was authorized by voter-approved Proposition 1C. The CalHome Program offers grants to public and not-for-profit agencies to provide deferred payment loans to low-income homebuyers who earn at or below 80% of the area median income. The purpose of the CalHome Program is to enable low-income households to become homeowners.

The LAHD has successfully applied for and received eight CalHome grants in 2000, 2003, 2004, 2005, 2006, 2008, 2010 and 2011 and has been awarded \$9.25 million from the eight CalHome grants. To date, LAHD has provided purchase assistance loans with CalHome funds to 129 low-income first-time

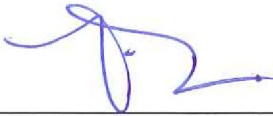
homebuyers, which has helped them achieve the American Dream of homeownership. LAHD anticipates being able to assist an additional 28-30 low-income first-time homebuyers with the existing CalHome funds that LAHD was awarded in 2011. This would bring the total number of CalHome assisted low-income first-time homebuyers to more than 155 homebuyers. If LAHD is awarded an additional CalHome grant in the amount of \$1.5 million, LAHD would be able to assist an additional 25 low-income first-time homebuyers, bringing the total number of homebuyers assisted under the CalHome Program to approximately 180 homebuyers. In the past LAHD would leverage the CalHome grants with the City's federal HOME and Community Development Block Grant (CDBG) grant resources to provide a larger source of funds for LAHD's first-time homebuyer programs. However, in these times of limited resources and reduced federal funding, it is critical that the Housing Department pursue grant funding to support existing programs that benefit low income homebuyers who will purchase homes in the City of Los Angeles. Additionally, current real estate market conditions with mortgage interest rates near historical lows and an abundant supply of affordable homes, offer low-income first-time homebuyers a tremendous opportunity to purchase a home in the City of Los Angeles and achieve the American Dream of homeownership.

No matching funds are required and there is no impact on the General Fund. The State-required resolution by the City Council is attached to this transmittal and must be approved and submitted with the application before March 20, 2013.

**Fiscal Impact Statement**

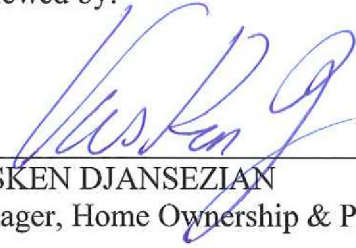
There will be no impact on the City's General Fund.

Prepared by:



TIM DONIS  
Finance Development Officer, I

Reviewed by:



VASKEN DJANSEZIAN  
Manager, Home Ownership & Preservation

Reviewed by:



DOUGLAS SWOGER  
Director, Home Ownership & Preservation

Approved by:




HELMI HISSERICH  
Assistant General Manager

Approved by:



RUSHMORE D. CERVANTES  
Executive Officer

Approved by:



MERCEDES M. MÁRQUEZ  
General Manager

Attachment: Resolution

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ("HCD") FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF THE HCD STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS, on January 23, 2013, HCD issued a Notice of Funding Availability ("NOFA") for the CalHome Program established by Chapter 6 (commencing with Section 50650) of Part 2 of Division 31, Health and Safety Code (the "statute"); and

WHEREAS, pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome Program, subject to the terms and conditions of the statute and the CalHome Program Guidelines adopted by HCD in April 2004; and

WHEREAS, the City of Los Angeles, a city within the State of California (the "City" or the "City of Los Angeles") wishes to apply for and receive an allocation of funds through the CalHome Program; and

WHEREAS, the Los Angeles Housing Department ("LAHD") wishes to submit an application to HCD to obtain an allocation of CalHome Program funds in the amount of \$1.5 million on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

1. LAHD has authority to submit an application to HCD to participate in the CalHome Program in response to the NOFA issued on January 23, 2013, requesting \$1.5 million for use as mortgage assistance to low-income, first-time homebuyers who purchase a home in the City.
2. If the application for funding is approved, the City hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above.
3. The General Manager of LAHD or her designee is authorized to execute in the name of the City, the application, the HCD Standard Agreement, and any and all other documents necessary or required by

HCD for participation in the CalHome Program, and any amendments thereto.

This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES THIS \_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Los Angeles at its meeting held on \_\_\_\_\_, 2013.

\_\_\_\_\_  
CITY CLERK  
CITY OF LOS ANGELES

\_\_\_\_\_  
DATE

(SEAL)