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Item No.: 3


REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 10, 2014

CAO File No. 0220-00540-1093
Council File No. 13-0122
Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer 

Reference: Transmittal from the Housing and Community Investment Department dated May 13, 2014; received by the City Administrative Officer on June 4, 2014

Subject: **REQUEST FOR AUTHORIZATION TO APPLY FOR CALHOME GRANT PROGRAM FUNDS AND TO EXECUTE THE GRANT AGREEMENT**

SUMMARY

The Housing and Community Investment Department (HCID) requests adoption of a 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 Program (CalHome). The HCID also requests authority to negotiate and execute the CalHome grant agreement, if grant funds are awarded. The CalHome funds will be used to provide mortgage assistance to eligible low-income, first-time homebuyers seeking to purchase homes in the City of Los Angeles. The grant application and approved Resolution must be submitted to HCD before the July 10, 2014 deadline for 2014 CalHome Program application. This Office concurs with HCID's requests.

BACKGROUND

On April 29, 2014, HCD announced the release of its Notice of Funding Availability (NOFA) offering \$43 million for the CalHome General Program. The application for the CalHome General Program is due no later than July 10, 2014. The CalHome Program offers grants to public and not-for-profit agencies to provide deferred payment loans to homebuyers who earn at or below 80 percent of the area median income. The purpose of the CalHome Program is to enable low-income households to become homeowners.

The HCID has successfully applied for and received nine CalHome grants in 2000, 2003, 2004, 2005, 2006, 2008, 2010, 2012 and 2013, and has been awarded \$10.75 million from the nine CalHome grants. To date, HCID has provided purchase assistance loans with CalHome funds to 148 low-income first-time homebuyers. With the CalHome funds awarded in 2012 and 2013, HCID anticipates being able to assist an additional 30 low-income first-time homebuyers, which would bring the total number of CalHome assisted low-income first-time homebuyers to approximately 178 homebuyers. If HCID is awarded an additional \$1.5 million in CalHome grant

funds, HCID would be able to assist an additional 25 low-income first-time homebuyers for a total of approximately 203 homebuyers assisted using CalHome grant funds.

RECOMMENDATIONS

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

1. Authorize the General Manager, Housing and Community Investment Department, (HCID), or designee, to:
 - a. Submit an application to the State of California Department of Housing and Community Development (HCD) requesting \$1.5 million in 2014 CalHome Program Grant funding; and
 - b. Negotiate and execute the CalHome Grant agreement, any amendments thereto, and any other required documents relative to the City's participation in the CalHome Program, if awarded a 2014 CalHome Program Grant, and subject to the approval of the City Attorney as to form;
2. Adopt the Resolution attached to the HCID transmittal dated May 13, 2014, authorizing the submittal of the CalHome Grant Program application and the execution of the grant agreement; and,
3. Instruct the General Manager, HCID, or designee, to report to the Council and Mayor, if awarded a 2014 CalHome Program Grant, with the amount of the CalHome Grant award and requests for approval of any necessary implementing actions prior to expenditure of any CalHome Grant Funds.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. No matching funds are required. The recommendations of this report authorize the Housing and Community Investment Department to apply for and accept a 2014 CalHome General Program grant in the amount of \$1.5 million issued by the California Department of Housing and Community Development. The recommendations comply with City Financial Policies in that grant funds fully fund program expenditures.