

Date: 2/13/13
Submitted in HCED Committee
Council File No: 13-0122
Item No.: 4

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER *Report from the CAO*

Date: February 12, 2013
CAO File No. 0220-00540-1028
Council File No. 13-0122
Council District: All

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Transmittal from the Los Angeles Housing Department dated January 24, 2013; received by the City Administrative Officer on January 31, 2013

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

SUMMARY

The Los Angeles Housing Department (LAHD) 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 2013 CalHome Program (CalHome). The LAHD also requests authority to negotiate and execute the CalHome grant agreement. The CalHome funds provide mortgage assistance to low-income, first-time homebuyers seeking to purchase homes in the City of Los Angeles. The grant application and the approved Resolution must be submitted to HCD by March 20, 2013.

On January 22, 2013, HCD released a Notice of Funding Availability (NOFA) offering \$49 million for the 2013 CalHome General Program. 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 LAHD applied for and received eight CalHome grants in 2000, 2003, 2004, 2005, 2006, 2008, 2010 and 2011 for total of \$9.25 million in grant awards. To date, LAHD has provided purchase assistance loans with CalHome funds to 129 low-income first-time homebuyers. With the CalHome funds awarded in 2011, LAHD anticipates being able to assist an additional 28 to 30 low-income homebuyers, which would bring the total number of CalHome assisted home purchases to between 157 and 159. If LAHD is awarded an additional \$1.5 million, the Department would be able to assist an additional 25 low-income, first-time homebuyers, for a total of approximately 180 homebuyers.

RECOMMENDATIONS

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

1. Authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to submit an application to the State of California Department of Housing and Community Development requesting \$1.5 million in 2013 CalHome Program grant funding;
2. Authorize the General Manager of LAHD, or designee, if awarded a 2013 CalHome Program Grant, to 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, subject to the approval of the City Attorney as to form;
3. Adopt the Resolution provided as the Attachment to this report authorizing the submittal of the CalHome Grant Program application and the execution of the grant agreement; and,
4. Instruct the General Manager of LAHD to report back to the Council and Mayor, if awarded a 2013 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 Los Angeles Housing Department to apply for and accept a 2013 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.

Attachment

MAS:MMR:02130078C

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)