

The City of Los Angeles continues to face a Housing Crisis. A nationwide study from the Joint Center for Housing Studies at Harvard University says that nearly 60 percent of renters are paying too much of their income towards simply putting a roof over their heads. In addition, the growing gap between owners and renters in Los Angeles continues to grow.

A study issued last year by UCLA noted that although rents and home prices in metro L.A. nearly match costlier markets such as San Francisco and New York, typical incomes in metro L.A. are significantly lower. Angelinos with jobs, cannot find suitable housing for their families. In addition, there may be many residents in the City who are simply unable to purchase a home due to an inability to secure a down payment or pay for the closing costs.

Adding to the challenge: more demand for rental units, including from former homeowners who lost their properties to foreclosure. Thanks in part to the mortgage crisis and in part to young adults putting off buying, the region's homeownership rate has fallen from 52% in 2007 to 48% today, and the number of owner-occupied homes has dropped by 115,000.

The low and uneven construction of rental units, combined with too few at affordable levels, and the decrease in home purchases creates a standard economic dynamic of increasing demand and inelastic supply. As the City continues to discuss increasing our Housing supply and moving towards initiating new revenue sources, it is also prudent to discuss new homeownership opportunities.

For many years, the City of Los Angeles has helped low income residents invest in themselves and their communities by providing economic support towards a new home purchase. The Los Angeles Housing and Community Investment Department(HCID)has a Low Income Purchase Assistance Program which helps first-time, low income homebuyers purchase homes by providing loans to cover the down payment, acquisition, and closing costs.


In the 42nd Consolidated Plan budget, which was recently adopted by the City Council, HCID reported that since 2011, the City has funded over 500 homeownership loans for first time buyers throughout the City. The City allocates up to \$60,000 per family to fund the first time buyer programming for first-time homebuyers who have not had an ownership interest in any real property at any time during the last three years. Homebuyers must also occupy the property as their principal residence.

There may be a need to review HCID's current program and our overall homeowner assistance programs. Exploring other options, partnership opportunities, and additional outreach could help address the increasing divide between renters and home buyers; helping to alleviate the rental market and contribute to the overall wellbeing of the City.


I THEREFORE MOVE that the City Council instruct the City Administrative Officer (CAO), in cooperation with the City Legislative Analyst (CLA) and the Housing and Community Investment Department (HCID), report on a comprehensive review of the HCID current homeownership assistance program; including (1) the number of applicants the program receives; (2) the percentage of applications that are accepted and denied; (3) HCID public outreach on the program's availability; (4) recommendations on how to increase participation.

I FURTHERMOVE that the City Council instruct the CAO to report on how to maximize current monies in the HCID first time homebuyer program, and how any additional money would help promote larger homeownership in the City.

PRESENTED BY:

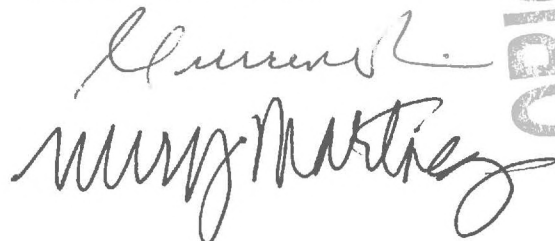

GILBERT A. CEDILLO
Councilman, 1st District

PRESENTED BY:


HERB WESSON
Councilman, 10th District

SECONDED BY:





APR 20 2016

ORIGINAL