

HOUSING COMMITTEE REPORT relative to re-opening and enhancing the City's Low-Income Purchase Assistance (LIPA) and Moderate-Income Purchase Assistance (MIPA) Program home ownership assistance loan programs.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA), or designee, to:
  - a. Enter into a Memorandum of Understand (MOU) with the Neighborhood Housing Services of Los Angeles County (NHS) to leverage HCIDLA funds to increase the purchase assistance loan amount to LIPA and MIPA Program homebuyers, based on the Term Sheet entitled Attachment G accompanying the HCIDLA report to the Mayor dated May 1, 2017, and subject to the approval City Attorney approval as to form and legality.
  - b. Reopen the MIPA Program, using up to \$3,000,000.00 of penalty fees received from the Foreclosure Registry Program Fund for MIPA Program homebuyer loans (\$2,728,700.00), and for staff salaries, lease, general administration and support costs and other related program costs (\$271,300.00).
2. REQUEST the City Attorney to assist the HCIDLA with the negotiations, preparation and execution of an MOU with the NHS.
3. AUTHORIZE the Controller to:
  - a. Establish the following accounts within the Foreclosure Registry Program Fund No. 56V, as follows:

Account No. Title

43N258 Moderate Income Purchase Assistance  
43N259 MIPA Loan Repayment

- b. Transfer appropriations within the Foreclosure Registry Program Fund No. 56V, as follows:

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
From: 43M411	Unallocated	\$2,749,000.00

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
To: 43N258	Moderate Income Purchase Assistance	\$2,728,700.00
43N143	HCIDLA	14,700.00
43N299	General Fund Related Costs	<u>5,600.00</u>
	Title:	\$2,749,000.00

c. Increase appropriations in the following accounts:

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
100/43/1010	Salaries	\$13,400.00
100/43/6030	Leasing	<u>1,300.00</u>
		Total: \$14,700.00

d. Expend funds upon proper written demand of the General Manager, HCIDLA, or designee.

e. Appropriate into Account No. 43N259 - MIPA Loan Repayment within the Foreclosure Registry Program Fund No. 56V upon receipt or program income from loan repayments and shared appreciation.

4. INSTRUCT the City Clerk to place on the agenda for the first regular meeting on or after JULY 1, 2017, the following items:

a. Transfer appropriations within the Foreclosure Registry Program Fund No. 56V, as follows:

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
From: 43M411	Unallocated	\$242,819.50

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
To: 43P143	HCIDLA	\$167,419.50
43P299	General Fund Related Costs	<u>75,400.00</u>
		Total: \$242,819.50

b. Increase appropriations in the following accounts:

<u>Account No.</u>	<u>Title</u>	<u>Amount</u>
56V/43/P143	HCIDLA	\$8,180.50
100/43/1010	Salaries	160,100.00
100/43/6030	Leasing	<u>15,500.00</u>
		Total: \$183,780.50

5. AUTHORIZE the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments, subject to the approval of the City Administrative Officer (CAO); and, AUTHORIZE the Controller to implement these instructions.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. The above recommendations comply with City financial policies in that the proposed re-opening of the MIPA program and expansion of the LIPA and MIPA programs will be fully funded by grant funds, Foreclosure Registry penalty fees and funding from the NHS.

Community Impact Statement: None submitted.

SUMMARY

In a report to the Mayor and Council dated June 20, 2017, the CAO discusses several requests from the HCIDLA to enhance the City's home ownership assistance programs. First, HCIDLA requests authority to re-open MIPA using existing staff and \$3,000,000 in Foreclosure Registry penalty fees. The Department will report back if additional staff is needed.

The CAO goes on to report that HCIDLA also requests authority to negotiate and execute an MOU with NHS to leverage City funding to increase the purchase assistance loan amount for the LIPA and MIPA programs. Under LIPA, homebuyers can receive purchase assistance up to \$60,000 from the City and up to \$30,000 from NHS, for a total maximum purchase assistance amount of \$90,000. MIPA Program homebuyers can receive purchase assistance up to \$60,000 from the City and up to \$15,000 from NHS, for a total maximum purchase assistance amount of \$75,000.

The CAO further reports that the LIPA Program can provide assistance to approximately 60-80 low-income households, and MIPA Program up to approximately 40-50 moderate-income households. The CAO recommends approval of HCIDLA's requests.

At its meeting held June 21, 2017, the Housing Committee discussed this matter with representatives of the CAO, HCIDLA, and NHS. Committee members praised the programs and discussed opportunities for expansion and greater outreach to prospective buyers. Committee recommended that Council approve HCIDLA's requests as recommended by the CAO.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES <i>CC</i>
KORETZ:	ABSENT
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**