

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 19, 2019

CAO File No. 0220-00540-1344

Council File No. 17-1352

Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department Transmittal dated February 28, 2019; Received by the City Administrative Officer on March 12, 2019; Additional Information Received through March 14, 2019

Subject: **REQUEST FOR AUTHORITY TO ACCEPT THE 2018 COMMUNITY REINVESTMENT ACT (CRA) GRANT FROM ONEWEST BANK, A DIVISION OF CIT BANK, N.A., FOR THE CITY'S LOW INCOME PURCHASE ASSISTANCE HOMEOWNERSHIP PROGRAM AND REQUEST FOR AUTHORITY TO APPLY FOR THE 2019 CRA GRANT**

RECOMMENDATIONS

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

1. Adopt recommendations A. through D. of the related Housing and Community Investment Department (HCID) transmittal (Report) dated February 28, 2019 relative to the request for authority to accept the 2018 Community Reinvestment Act (CRA) Grant for the Low Income Purchase Assistance Homeownership Program and the authority to apply for the 2019 CRA Grant.
2. Instruct the HCID to report back upon receipt of the 2019 grant award, and request authority to accept and expend funds, at that time.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to accept the 2018 Community Reinvestment Act (CRA) Grant from OneWest Bank, a division of CIT Bank, N.A., in the amount of \$400,000 to provide additional funds for the Low Income Purchase Assistance Homeownership Program (LIPA). The LIPA program provides purchase assistance in the form of a subordinate "soft second" loan to first-time, low-income homebuyers to purchase a home in the City of Los Angeles. The HCID also requests authority to apply for the 2019 CRA Grant in the amount of \$400,000. This Office concurs with the recommendations of the Department, with the addition of instructing the HCID to report back to the Mayor and Council if the 2019 grant is

awarded, and request authority to accept and expend funds at that time.

The HCID first successfully applied for a \$400,000 CRA Grant in December 2017 and fully utilized the grant to assist 28 low-income households. In November 2018, the HCID applied for the 2018 CRA Grant in the amount of \$500,000 and was awarded a total of \$400,000. The HCID will use the 2018 CRA grant to supplement existing HOME Investment Partnerships Program (HOME) funds available for the LIPA program. With the additional \$400,000 from OneWest Bank, HCID plans to provide \$90,000 in loans for approximately 28 households. Of the \$90,000, \$75,000 will come from existing HOME funds and \$15,000 will come from CRA funds.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommended actions in this report comply with City Financial Policies in that the Low Income Purchase Assistance Homeownership Program is fully funded by the HOME Investment Partnerships Program funds and the Community Reinvestment Act Grant.

RHL:MOF:02190113C