

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 15, 2018

CAO File No. 0220-00540-1303

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 September 12, 2018; Received by the City Administrative Officer on September 15, 2018; Additional Information Received through October 12, 2018

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

RECOMMENDATIONS

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

1. Authorize the General Manager of the Los Angeles Housing and Community Investment Department (HCID), or designee, to:
 - a. Submit an application for a Community Reinvestment Act Grant to OneWest Bank, a division of CIT Bank, N.A.;
 - b. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor's action on this matter, subject to the approval of the City Administrative Officer; and,
2. Instruct the HCID to report back upon receipt of grant award, and request authority to accept and expend funds, at that time.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to submit an application for a Community Reinvestment Act (CRA) Grant to OneWest Bank in the amount of \$500,000 to provide funds for the Low Income Purchase Assistance Homeownership Program (LIPA). This program provides purchase assistance to first-time, low-income homebuyers who purchase a home in the City of Los Angeles. No matching funds are required.

In a transmittal dated September 12, 2018 (C.F. 17-1352), the HCID requested authority to apply and accept the funds if awarded. According to Section 14.8(c) of the Administrative Code, a department can request execution of the grant award on the City's behalf when the application contains all elements of a binding commitment. This Office recommends granting authority to apply for the grant and instructing the HCID to report back to Council after the grant has been awarded funds because HCID has yet to finalize all details of the execution agreement with OneWest Bank.

The HCID will use the CRA funds to supplement the existing HOME Investment Partnerships Program funds available for the LIPA program, totaling \$4,000,000. With the additional \$500,000 from OneWest, HCID can provide each household approximately \$90,000 in loans for 34 households. Of the \$90,000, \$75,000 will come from existing funds and \$15,000 will come from CRA funds.

In December 2017, the HCID successfully applied for a \$400,000 CRA grant from OneWest Bank. The HCID is now applying for the maximum amount of \$500,000 allowed under OneWest Bank's budget.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommended actions in this report comply with City Financial Policies in that there is no additional cost to the City to apply for the grant. The Low Income Purchase Assistance Homeownership Program is fully funded by the HOME Investment Partnerships Program Fund and Community Reinvestment Act Grant, if awarded.

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