

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 16, 2019

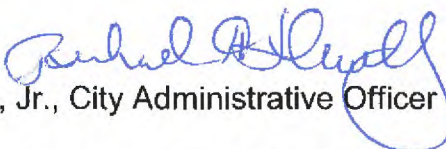
CAO File No. 0220-00540-1395

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 24, 2019; Received by the City Administrative Officer on October 8, 2019; Additional Information Received through October 15, 2019

Subject: **REQUEST FOR AUTHORITY TO ACCEPT THE 2019 COMMUNITY DEVELOPMENT GRANT FROM CIT BANK, N.A., FOR THE CITY'S LOW INCOME PURCHASE ASSISTANCE HOMEOWNERSHIP PROGRAM AND REQUEST FOR AUTHORITY TO APPLY FOR THE 2020 COMMUNITY DEVELOPMENT GRANT**

RECOMMENDATIONS

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

1. Adopt recommendations II. A through D of the related Housing and Community Investment Department (HCID) transmittal dated September 24, 2019 relative to the request for authority to accept the 2019 Community Development Grant for the Low Income Purchase Assistance Homeownership Program and the authority to apply for the 2020 Community Development Grant; and,
2. Instruct the HCID to report back upon notification of the 2020 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 and expend the 2019 Community Development Grant (formerly known as the Community Reinvestment Act (CRA) Grant) in the amount of \$400,000 from CIT Bank, N.A. to supplement existing funds available for the Low Income Purchase Assistance (LIPA) Homeownership Program. The LIPA Homeownership 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 2020 Community Development Grant in the amount of \$400,000 from CIT Bank. 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 2020 grant is

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

The HCID successfully applied for the 2017 and 2018 CRA Grants from CIT Bank and were awarded a total of \$800,000 in grant funds. The CIT Bank funds were used to assist 56 low-income households in purchasing their first homes under the LIPA Homeownership Program. In August 2019, the HCID applied for the 2019 Community Development Grant in the amount of \$400,000 and was awarded the funds in September of 2019. The HCID proposes to leverage the 2019 Community Development Grant funds with existing HOME Investment Partnerships Program (HOME) funds available for the LIPA Homeownership Program. With the additional \$400,000 from CIT Bank, the HCID plans to provide up to \$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 Community Development Grant funds. Additional details regarding the LIPA Homeownership Program and the CIT Bank Community Development Grant can be found in the HCID transmittal dated September 24, 2019.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report comply with City Financial Policies in that they provide for the acceptance of a \$400,000 grant from CIT Bank, N.A., which will partially fund the Low Income Purchase Assistance (LIPA) Homeownership Program. The LIPA Homeownership Program will be fully funded by the HOME Investment Partnerships Program Fund and the 2019 Community Development Grant.

RHL:MOF:02200048C