

HOUSING COMMITTEE REPORT relative to request for authority to apply for and accept a Community Reinvestment Act (CRA) grant from OneWest Bank for the City's Low Income Purchase Assistance Homeownership (LIPA) Program.

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. Submit an application for a Community Reinvestment Act grant to OneWest Bank, a division of CIT Bank, NA.
 - 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 (CAO).
2. INSTRUCT the HCIDLA, upon receipt of the grant award, to request authority to accept and expend funds.

Fiscal Impact Statement: The CAO reports that there is no impact to the General Fund. The recommended actions contained in the October 15, 2018 CAO report, attached to the Council file, 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.

Community Impact Statement: None submitted.

Summary:

On October 24, 2018, your Committee considered October 15, 2018 CAO and September 12, 2018 HCIDLA reports relative to a request for authority to apply for and accept a Community Reinvestment Act grant from OneWest Bank for the City's LIPA Program. According to the CAO, the HCIDLA is requesting authority to submit an application for a CRA Grant to OneWest Bank in the amount of \$500,000 to provide funds for the LIPA Program. 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 its September 12, 2018 HCIDLA report, the HCIDLA is requesting authority to apply and accept the funds if awarded. According to Los Angeles Administrative Code Section 14.8(c), a Department can request execution of the grant award on the City's behalf when the application contains all elements of a binding commitment.

The CAO is recommending granting authority to apply for the grant and instructing the HCIDLA to report back to Council after the grant has been awarded funds because HCIDLA 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, HCIDLA 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 HCIDLA 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. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations as contained in the October 15, 2018 CAO report and detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	ABSENT
HARRIS-DAWSON:	YES

ARL
10/24/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-