

**TRANSMITTAL**

To:

**THE COUNCIL**

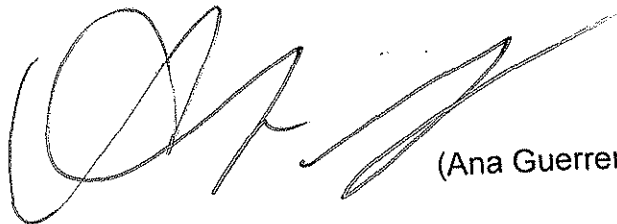
Date:

**MAY 29 2014**

From:

**THE MAYOR**

**TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.**



(Ana Guerrero)

**ERIC GARCETTI**  
Mayor



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2014 MAY 20 AM 11:55

CITY OF LOS ANGELES

Eric Garcetti, Mayor  
Usanora D. Cervantes, Interim General Manager

Council File: New  
Council District: Citywide  
Contact Persons:  
Tim Donis 808-8538  
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May 13, 2014

Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST ADOPTION OF RESOLUTION AUTHORIZING THE LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT TO SUBMIT AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR AN ALLOCATION OF CALHOME GRANT PROGRAM FUNDS OF \$1.5 MILLION AND EXECUTE THE GRANT AGREEMENT.**

**Summary**

The Los Angeles Housing and Community Investment Department (HCIDLA) is requesting the adoption of Resolution and authority to apply to the State of California Department of Housing and Community Development (HCD) for a grant of \$1.5 million, under its CalHome Grant Program. Approval of the recommendations in this transmittal will authorize HCIDLA to apply for the CalHome grant for \$1.5 million and if awarded, accept the grant funds. The CalHome funds will provide mortgage assistance to eligible low-income, first-time homebuyers seeking to purchase a home in the City of Los Angeles. The CalHome grant application and approved Resolution is due to HCD on or before July 10, 2014. Therefore it is requested that this matter be scheduled for consideration and approval by the City Council and Mayor before July 10, 2014.

### **Recommendations**

The General Manager of the Los Angeles Housing and Community Investment Department (HCIDLA) respectfully requests that:

1. Your Office schedule this transmittal at the next available meeting(s) of the appropriate City Council committee(s) for review and forward it to the City Council for consideration and approval immediately thereafter.
2. The City Council take the following actions:
  - A. AUTHORIZE the General Manager, HCIDLA, or his designee, to submit an application to the State of California Department of Housing and Community Development (HCD) for the CalHome Grant Program and APPROVE the attached Resolution for this purpose; and, if awarded, accept the grant funds.
  - B. AUTHORIZE the General Manager, HCIDLA, or his designee, to enter into negotiations with HCD, should HCIDLA be successful in its application, in order to finalize the budgets and proposed accomplishments for the grant agreement.
  - C. AUTHORIZE the General Manager, HCIDLA, or his designee, to execute a grant agreement, any amendments thereto, and any other documents necessary between the State of California Department of Housing and Community Development (HCD) and the City of Los Angeles for the disbursement of CalHome Grant Program funds.
  - D. INSTRUCT the General Manager, HCIDLA, or his designee, to report back on the actual amount of grant funds awarded, Controller's Instructions, and other related actions necessary to implement the program.
3. The Mayor concur with the action of the City Council.

### **Background**

On April 29, 2014, HCD announced the release of its NOFA offering \$43 million for the CalHome General Program. The application for the CalHome General Program is due no later than July 10, 2014.

The Los Angeles Housing and Community Investment Department (HCIDLA) is requesting authority to apply to HCD for an allocation of \$1.5 million to leverage City resources for low-income, first-time homebuyer mortgage assistance. The CalHome Program was authorized by voter-approved Proposition 1C and offers grants to public and not-for-profit agencies to provide deferred payment loans to eligible, low-income homebuyers who earn at or below 80% of the area median income. The purpose of the CalHome Program is to enable low-income households to become homeowners.

The HCIDLA has successfully applied for and received nine CalHome grants in 2000, 2003, 2004, 2005, 2006, 2008, 2010, 2012 and 2013 and has been awarded \$10.75 million from the nine CalHome grants. To date, HCIDLA has provided purchase assistance loans with CalHome funds to 148 low-income first-time homebuyers, which has helped them achieve the American Dream of homeownership. HCIDLA anticipates being able to assist an additional 30 low-income first-time homebuyers with the

existing CalHome funds that HCIDLA was awarded in 2012 and 2013. This would bring the total number of CalHome assisted low-income first-time homebuyers to approximately 178 homebuyers. If HCIDLA is awarded an additional CalHome grant in the amount of \$1.5 million, HCIDLA would be able to assist an additional 25 low-income first-time homebuyers, bringing the total number of homebuyers assisted under the CalHome Program to approximately 203 homebuyers. In the past HCIDLA would leverage the CalHome grants with the City's federal HOME Investment Partnerships Program (HOME) funds and Community Development Block Grant (CDBG) funds to provide a larger source of funds for HCIDLA's first-time homebuyer programs. However, in these times of limited resources and reduced federal funding, it is critical that the HCIDLA pursue grant funding to support existing programs that benefit low income homebuyers who will purchase homes in the City of Los Angeles. Current real estate market conditions such as historically low mortgage interest rates and continued demand for homeownership offer eligible low-income, first-time homebuyers a greater opportunity to purchase a home in the City of Los Angeles and achieve the American Dream of homeownership with the assistance of the City.

No matching funds are required and there is no impact on the General Fund. The State-required resolution by the City Council is attached to this transmittal and must be approved and submitted with the application before July 10, 2014.

**Fiscal Impact Statement**

There will be no impact on the City's General Fund.

Prepared by:



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TIM DONIS  
Finance Development Officer I

Reviewed by:



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GLORIA TORRES  
Finance Development Officer II

Reviewed by:



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MANUEL BERNAL  
Director, Housing Finance and Development

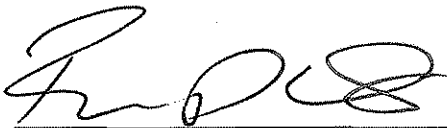
Approved by:



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HELMI HISSERICH  
Assistant General Manager

Approved by:



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RUSHMORE D. CERVANTES  
Interim General Manager

Attachment: Resolution

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT ("HCD") FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF THE HCD STANDARD AGREEMENT AND ANY AMENDMENTS THERETO IF SELECTED; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS, on April 29, 2014, HCD issued a Notice of Funding Availability ("NOFA") for the CalHome Program established by Chapter 6 (commencing with Section 50650) of Part 2 of Division 31, Health and Safety Code (the "statute"); and

WHEREAS, pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome Program, subject to the terms and conditions of the statute and the CalHome Program Guidelines adopted by HCD in April 2004; and

WHEREAS, the City of Los Angeles, a city within the State of California (the "City" or the "City of Los Angeles") wishes to apply for and receive an allocation of funds through the CalHome Program; and

WHEREAS, the Los Angeles Housing and Community Investment Department ("HCIDLA") wishes to submit an application to HCD to obtain an allocation of CalHome Program funds in the amount of \$1.5 million on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

1. HCIDLA has authority to submit an application to HCD to participate in the CalHome Program in response to the NOFA issued on April 29, 2014, requesting \$1.5 million for use as mortgage assistance to low-income, first-time homebuyers who purchase a home in the City;
2. If the application for funding is approved, the City hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above;
3. The Interim General Manager of HCIDLA or his designee is authorized to execute in the name of the City, the application, the HCD Standard Agreement and any amendments thereto, and any and all other

documents necessary or required by HCD for participation in the CalHome Program.

This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LOS ANGELES THIS \_\_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Los Angeles at its meeting held on \_\_\_\_\_, 2014.

\_\_\_\_\_  
CITY CLERK  
CITY OF LOS ANGELES

\_\_\_\_\_  
DATE

(SEAL)