

COMMUNICATION FROM VICE CHAIR, HOUSING COMMITTEE relative to authorization to establish an account and receive and expend Homebuyer Assistance Grant funds awarded from the California Department of Housing and Community Development CalHome program in the amount of \$1.5 million.

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. Receive and deposit CalHome Program IX grant fund advances and reimbursements into the HCIDLA's existing CalHome Trust Fund account up to the entire grant award amount of \$1.5 million.
  - b. Receive interest earned and CalHome IX Program repayments of principal and interest from low-income home buyers in accordance with federal and State guidelines and all local rules and ordinances of the City of Los Angeles.
  - c. Appropriate the interest and program income to the previously established CalHome Fund 46X, 43E721 CalHome Reuse Acct-Program Income Account. The CalHome Program requires one Reuse Account be established for all CalHome Program grants to receive interest accrued, loan repayments and other program income.
  - d. Use funds in the Affordable Housing Trust Fund (AHTF, Fund 44G) as an advance to Fund 46X CalHome Trust Fund as working capital until fully reimbursed by the California Department of Housing and Community Development.

2. AUTHORIZE the Controller to:

- a. Establish a new CalHome Trust Fund account; and, appropriate funds within this account (CalHome Trust Fund 46X, Department 43) for FY 2013-14 as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
43K923	CalHome IX Mortgage Assistance - Advances & Reimbursements	\$1,500,000

- b. Expend funds from CalHomeTrust Fund 46, Department 43, Account 43K923, CalHome IX Mortgage Assistance - Advances & Reimbursements, not to exceed \$1,500,000, upon proper written demand by the General Manager, HCIDLA, or designee, for soft-second loans to low-income homebuyers in accordance with applicable State and federal guidelines and all local rules and ordinances of the City of Los Angeles.
- c. Transfer \$375,000 Cash from AHTF Fund 44G/43 as an advance to be fully reimbursed upon receipt of Cal Home Trust Fund 46X/43.

- d. Establish a Balance Sheet Account in the AHTF Fund 44G to record the receivables account from Fund 46X/43 CalHome Trust Fund and corresponding Balance Sheet Liability Account to record payables in the latter fund.
3. AUTHORIZE the General Manager, HCIDLA, or designee to prepare Controller Instructions and to make any necessary technical adjustments consistent with Mayor and Council actions and relative to receipts and appropriation of funds received from interest earned, repayment from borrowers, and reimbursements to other funds for the CalHome Program, subject to approval by the City Administrative Officer (CAO), and AUTHORIZE the Controller to implement such instructions.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact to the General Fund. Approval of the recommendations will result in the acceptance of a \$1.5 million grant from the California Department of Housing and Community Development to provide purchase and down-payment assistance to low-income homebuyers throughout the City. The recommendations are in compliance with City Financial Policies in that grant funds fully pay for program expenditures.

Community Impact Statement: None submitted.

## SUMMARY

At a regular meeting held on September 11, 2013, the Vice Chair of the Housing Committee considered a report from the HCIDLA dated July 23, 2013, and a report from the CAO dated September 9, 2013, relative to authorization for the HCIDLA to receive Homebuyer Assistance Grant funds awarded from the State of California Department of Housing and Community Development (HCD) CalHome Program in the amount of \$1.5 million, establish an account, and other related accounting actions to allow for the expenditure of the grant funds.

Representatives of the CAO and the HCIDLA provided a brief overview of the matter and responded to related questions from the Committee Vice Chair. The HCIDLA reported that it previously applied for a CalHome grant and is now requesting authorization to accept the \$1.5 million grant awarded from the California HCD in order to provide downpayment assistance for low income first time homebuyers in the City of Los Angeles. The HCIDLA is also requesting authorization for the Controller to establish an account for the CalHome grant and appropriate funds within the account.

After providing an opportunity for public comment, the Committee Vice Chair recommended that Council approve the recommendations in the CAO report. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER FELIPE FUENTES, VICE CHAIR  
HOUSING COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
CEDILLO:	ABSENT
FUENTES:	YES
WESSON:	ABSENT
BUSCAINO:	ABSENT
PRICE:	ABSENT

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**