

City of Los Angeles

Tiena Johnson Hall, General Manager
Tricia Keane, Executive Officer

Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager
Craig Arceneaux, Acting Assistant General Manager



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1910 Sunset Blvd, Ste 300
Los Angeles, CA 90026
Tel: 213.808.8808

housing.lacity.gov

August 27, 2025

Council File: 17-1352
Council Districts: Citywide
Contact Persons: Malek Allen (213) 808-8836
Gloria Torres (213) 808-8930

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REPORT REGARDING THE 2025 COMMUNITY DEVELOPMENT GRANT APPLICATION TO FIRST CITIZENS BANK FOR THE CITY'S LOW INCOME PURCHASE ASSISTANCE (LIPA) HOMEOWNERSHIP PROGRAM, AND REQUEST FOR AUTHORITY TO EXPEND THE NINTH GRANT OF \$200,000, RECEIVED JUNE 11, 2025, AND THE OPTION TO APPLY FOR THE TENTH GRANT OF UP TO \$400,000 IN 2026

SUMMARY

In reference to the Mayor and City Council's instruction (C.F. No. 17-1352) to report back on the Community Development Grant awarded by the First Citizens Bank (which merged with CIT Bank, N.A., in January 2022), the General Manager of the Los Angeles Housing Department (LAHD) respectfully requests authority to accept and expend the 2025 Community Development Grant of \$200,000 received on June 11, 2025, from First Citizens Bank for the City's Low Income Purchase Assistance (LIPA) Homeownership Program.

LAHD will leverage the First Citizens Bank Grant funds with LAHD's LIPA Program funds. The LIPA Program provides purchase assistance to first-time, low-income homebuyers who purchase homes in the City of Los Angeles. The assistance is provided in the form of a deferred-payment "soft second" loan to be used toward acquisition gap financing, the lender-required down payment, and closing costs. In combination with LAHD's LIPA Program funds, the 2025 grant funds, in the amount of \$200,000, will assist approximately 14 low-income families.

Additionally, LAHD requests the authority to have the option to apply for the 2026 Community Development Grant of up to \$400,000 from First Citizens Bank 2026 grant allocation. The 2026 Community Development Grant application is due to First Citizens Bank in April 2026.

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of the Los Angeles Housing Department (LAHD), or designee, to accept and expend the 2025 Community Development Grant of \$200,000 awarded to LAHD by First Citizens Bank, for its Low Income Purchase Assistance (LIPA) Homeownership Program;
 - B. AUTHORIZE the City Controller to:
 - i. Appropriate \$200,000 into Account 43P647 LIPA - OneWest Bank Grant, within the LAHD Small Grants and Awards Fund No. 49N, for the Community Development Grant funds from First Citizens Bank;
 - ii. Appropriate into Account 43P648 LIPA - OneWest Bank Loan Repayment, within Fund No. 49N, upon receipt of program income from loan repayments and shared appreciation;
 - iii. Expend funds from the above accounts upon proper written demand of the General Manager of LAHD, or designee;
 - C. AUTHORIZE the General Manager of LAHD, or designee, to submit an application for the 2026 Community Development Grant of up to \$400,000 to First Citizens Bank, for the LIPA Homeownership Program. -
 - D. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and any necessary technical adjustments consistent with Mayor and City Council actions, subject to the approval of the City Administrative Officer (CAO), and instruct the Controller to implement the instructions.

BACKGROUND

Since 2017, LAHD has successfully applied for and received \$2,800,000 in grants from First Citizens Bank for the LIPA Program. See Table 1 below:

TABLE 1	
Previous First Citizens Bank Grants to LAHD	
Month/Year	Amount
December 2017	\$400,000
December 2018	\$400,000
September 2019	\$400,000
August 2020	\$400,000
May 2021	\$300,000
August 2022	\$300,000
August 2023	\$200,000
May 2024	\$200,000
May 2025	\$200,000
Total	\$2,800,000

Of the combined total grant funds prior to the May 2025 grant, 100% were fully expended by LAHD, assisting 170 low-income families in purchasing their first homes under the LIPA Program. The March 2025 grant is the ninth grant awarded to the City of Los Angeles by First Citizens Bank.

First Citizens Bank Community Development Grant

The Community Development Grant is offered by First Citizens Bank headquartered in Raleigh, North Carolina, and provides grants on an annual, invitation-only basis, to non-profit organizations and governmental agencies that mainly provide community development services in the bank's assessment areas such as Los Angeles. First Citizens Bank defines community development activities as affordable housing, essential community services, economic development, and activities that revitalize or stabilize low- or moderate-income geographies, designated disaster areas, or distressed or underserved middle-income geographies. First Citizens Bank, at its sole discretion, determines the grant amount award that has been approved by their Executive Committee.

Low Income Purchase Assistance (LIPA) Program

In order to augment LAHD's homebuyer program funds and assist more low-income families to purchase homes in the City, LAHD proposes to combine the 2025 First Citizens Bank Grant funds with the LIPA Program funds. The LIPA loan maximum is up to \$161,000 and assists households with incomes up to 80% of the Area Median Income (AMI). The LIPA loan carries zero interest; however, it has a shared appreciation component, which is a ratio of the City's loan amount to the home purchase price. The loan, along with the shared appreciation amount, is due upon sale of the home, title transfer, first mortgage repayment, or at the end of 30 years as a balloon payment. Attachment A to this report provides a description of the LIPA Program features and requirements and Attachment B provides a summary of the LIPA Program loans funded by Council District, covering the last five fiscal years.

The 2025 low-income limits, as established by the U.S. Department of Housing and Urban Development (HUD), are as follows:

HUD 2025 Low-Income Limits								
Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Annual Household Income Limit	\$84,850 or less	\$96,950 or less	\$109,050 or less	\$121,150 or less	\$130,850 or less	\$140,550 or less	\$150,250 or less	\$159,950 or less

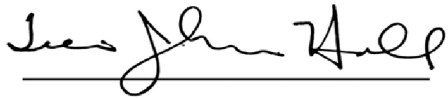
2026 First Citizens Bank Community Development Grant Application

LAHD requests authorization for the Department to apply for the upcoming 2026 grant allocation, and if awarded, LAHD anticipates using the 2026 award, anticipated to be up to \$400,000, as part of our LIPA program to assist approximately 27 low-income first-time homebuyer households. LAHD proposes utilizing the First Citizens Bank Grant by combining up to \$146,000 in LIPA Program funds, with up to \$15,000 in First Citizens Bank Grant funds per household, to equal a total LIPA loan amount of up to \$161,000 per household.

FISCAL IMPACT

There is no impact on the General Fund. The recommendations in this report will authorize LAHD to accept and expend the 2025 First Citizens Bank Community Development Grant of \$200,000 to assist more low-income homebuyers and to authorize LAHD to apply for the 2026 First Citizens Bank Community Development Grant of up to \$400,000.

Approved By:

A handwritten signature in black ink, appearing to read "Tienna Johnson Hall", is written over a horizontal line.

TIENA JOHNSON HALL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

ATTACHMENT A - LIPA PROGRAM DESCRIPTION
ATTACHMENT B - LIPA LOANS FUNDED

Attachment A
City of Los Angeles
Low Income Purchase Assistance (LIPA) Program

The Low Income Purchase Assistance (LIPA) Program helps first-time, low-income homebuyers purchase homes in the City of Los Angeles by providing loans to cover down payment, closing costs, and acquisition costs.

The City's homeownership program funds are leveraged with private mortgage financing and other assistance programs to maximize the homebuyer's purchasing power. The LIPA Program offers purchase assistance of up to \$161,000 for households earning up to 80% of the Area Median Income (AMI). LIPA loans carry a zero percent interest rate and are due upon sale, title transfer, repayment of the first mortgage, or in 30 years as a balloon payment. The loan includes a shared appreciation provision, based on the ratio of the loan amount to the purchase price, which requires borrowers to repay the principal plus a share of the appreciation upon repayment of the LIPA loan.

The program features and requirements are outlined below:

Homebuyer Eligibility:

- First-time homebuyers who have not had an ownership interest in any real property in the past three years
- U.S. Citizens, Lawful Permanent Residents, or other Qualified Aliens
- Household income must be within the program limits
- Minimum 1% down payment from the borrower's own funds
- Homebuyer must occupy the home as their primary residence
- Homebuyer must complete 8 hours of a homebuyer education and housing counseling provided by an LAHD and HUD-approved homebuyer education provider
- Homebuyer must have a minimum middle FICO credit score of 660

LIPA Loan Features:

- Loan up to \$161,000
- Zero Percent (0%) interest rate
- Deferred, with no monthly payments required
- Shared appreciation provision in which the City receives a specified percentage of the appreciation in property value
- Loan with shared appreciation is due on sale, title transfer, first mortgage repayment, or in 30 years as a balloon payment

Property Eligibility:

- Home must be located in the City of Los Angeles
- Includes regular sales, approved short sales/pays, foreclosed properties, and REOs
- 1-unit, single-family homes including condominiums and townhouses
- Properties cannot be tenant-occupied unless the tenant is the prospective homebuyer
- No purchase price limit

2025 Income Limits

Household Size	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
Annual Household Income Limit	\$84,850 or less	\$96,950 or less	\$109,050 or less	\$121,150 or less	\$130,850 or less	\$140,550 or less	\$150,250 or less	\$159,950 or less

Attachment B
Low Income Purchase Assistance (LIPA) Loans Funded by Council District
July 1, 2020 - June 30, 2025
(Past 5 Fiscal Years)

CD	Loans Funded	Percent of Total Loans Funded	Total Assistance Amount	Percent of Assistance Amount
1	9	3.69%	\$1,137,893	3.62%
2	9	3.69%	\$1,311,594	4.17%
3	43	17.62%	\$5,563,253	17.68%
4	17	6.97%	\$2,288,293	7.27%
5	6	2.46%	\$600,616	1.91%
6	29	11.89%	\$3,623,363	11.52%
7	33	13.52%	\$4,167,680	13.25%
8	22	9.02%	\$2,963,066	9.42%
9	10	4.10%	\$1,270,331	4.04%
10	8	3.28%	\$954,209	3.03%
11	2	0.82%	\$286,049	0.91%
12	11	4.51%	\$1,550,635	4.93%
13	4	1.64%	\$431,000	1.37%
14	7	2.87%	\$892,829	2.84%
15	34	13.93%	\$4,418,256	14.04%
Total	244	100.00%	\$31,459,067	100.00%

LIPA Loans Funded by Council District

