



## INFORMATIONAL REPORT

**DATE ISSUED:** July 20, 2017 **REPORT NO:** HCR17-055

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of July 28, 2017

**SUBJECT:** Status of Loan Portfolio – Third Quarter of Fiscal Year 2017

**COUNCIL DISTRICT:** Citywide

**NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

**SUMMARY**

Pursuant to San Diego Housing Commission (Housing Commission) Lending Authority Policy No. 600.101, the Housing Commission prepares quarterly reports that provide the following information:

- |                            |   |
|----------------------------|---|
| 1) Loan Portfolio Summary  | 5) Loans and Grants Written Off         |
| 2) Loans and Grants Funded | 6) Defaults                             |
| 3) Loans Paid in Full      | 7) Disposition of Foreclosed Properties |
| 4) Loan Payments           |   |

Loans paid in full, loan payments and loans and grants written off were incorporated into the quarterly report in Fiscal Year 2017 to provide a comprehensive overview of all loan portfolio activity.

**1. LOAN PORTFOLIO SUMMARY**

The Housing Commission’s loan portfolio, as of March 31, 2017:

FY17 Q3	Loan Portfolio	Loans w/ Required Payments	Deferred / Residual Receipts Loans	Total Loans
Multifamily Rental	\$ 223,640,152	16	94	110
Rehabilitation 1 - 4 Units	\$ 14,672,217	13	830	843
First-Time Homebuyer	\$ 52,309,339	8	1,392	1,400
Affordable For-Sale	\$ 58,727,542	0	269	269
*La Mesa First-Time Homebuyer	\$ 1,368,360	0	18	18
<b>TOTAL</b>	<b>\$ 350,717,610</b>	<b>39</b>	<b>2,629</b>	<b>2,640</b>

\*La Mesa loans were funded by the City of La Mesa; there was no investment on the part of the Housing Commission. The Housing Commission has an agreement with the City of La Mesa for limited servicing activities.

All loan and grant programs, except the Affordable For-Sale Housing Program, are funded using Federal, State, and Local resources and are approved in accordance with the General Lending Authority Policy No. 600.101. The Affordable For-Sale Housing Program uses a Promissory Note, representing the difference between (a) the fair market value of the property, and (b) the actual affordable price paid at the time the Affordable Restrictions were recorded.

## 2. LOANS AND GRANTS FUNDED

During the period of January 1, 2017 – March 31, 2017, the Housing Commission funded \$222,748 in assistance to create or preserve 6 affordable housing units and assist 1 first-time homebuyer:

<b>Rehabilitation</b>		
Households Assisted		6
Redevelopment Area Loans	\$	144,748
<b>TOTAL</b>	<b>\$</b>	<b>144,748</b>
<b>First Time Homebuyer</b>		
Households Assisted		1
Closing Cost Assistance Grants	\$	10,000
Deferred-Payment Loans	\$	68,000
<b>TOTAL</b>	<b>\$</b>	<b>78,000</b>
<b>Rental Housing Finance</b>		
No. of Units		None in FY17 Q3
Project Name		
Project Type		
Residual Receipts Loan		
<b>TOTAL FUNDED</b>	<b>\$</b>	<b>222,748</b>

## 3. LOANS PAID IN FULL

Below is a summary of the principal and interest collected through loans and grants that paid in full during the period of January 1, 2017 – March 31, 2017. The Housing Commission received 28 payoffs resulting in \$8,081,507 in program income:

FY17 Q3	# Loans Paid Off	Loan Principal Repaid	Interest / Shared Equity Received	*DP/CC Repaid	*DP/CC Interest Received	Total Payoff Funds
Multifamily Rental	3	\$ 5,583,514	\$ 1,851,443	\$ -	\$ -	\$ 7,434,957
Rehabilitation 1 - 4 Units	13	\$ 129,994	\$ 3,449	\$ -	\$ -	\$ 133,443
First-Time Homebuyer	11	\$ 304,460	\$ 22,769	\$ 21,343	\$ 3,659	\$ 352,231
Affordable For-Sale	0	\$ 123,691	\$ 37,185	\$ -	\$ -	\$ 160,876
<b>TOTAL</b>	<b>28</b>	<b>\$ 6,141,659</b>	<b>\$ 1,914,846</b>	<b>\$ 21,343</b>	<b>\$ 3,659</b>	<b>\$ 8,081,507</b>

\*Down Payment and Closing Cost Assistance Recoverable Grant

#### 4. LOAN PAYMENTS

Below is a summary of the fixed monthly / annual and voluntary payments collected on active loans during the period of January 1, 2017 – March 31, 2017. The Housing Commission received \$97,645 in program income during this quarter.

FY17 Q3	Paid to Principal		Paid to Interest		Total Paid
Multifamily Rental	\$	4,741	\$	14,229	\$ 18,970
Rehabilitation 1 – 4 Units	\$	4,990	\$	3,519	\$ 8,509
First-Time Homebuyer	\$	51,126	\$	19,040	\$ 70,166
Affordable For-Sale	\$	-	\$	-	-
<b>TOTAL</b>	<b>\$</b>	<b>60,857</b>	<b>\$</b>	<b>36,788</b>	<b>\$ 97,645</b>

#### 5. LOANS AND GRANTS WRITTEN OFF / FORGIVEN

Below is a summary of the loans and grants written off or forgiven during the period of January 1, 2017 – March 31, 2017.

FY17 Q3	\$ Forgiven		\$ Service Released		Authority
Multifamily Rental	\$	-	\$	-	
Rehabilitation 1 - 4 Units	\$	71,721	\$	62,426	Forgiven per terms of loan Service Released Per PO-RED 325.01
First Time Homebuyer	\$	10,000	\$	-	Per terms of program
Affordable For-Sale	\$	-	\$	-	
<b>TOTAL</b>	<b>\$</b>	<b>81,721</b>	<b>\$</b>	<b>62,426</b>	

Service Released loans are a result of default activity i.e. loan modification, bankruptcy, foreclosure or short sale. Forgiven loans and grants are in accordance with the original terms of the program.

**6. DEFAULTS**

Defaults include all Housing Commission loans that are delinquent 30 days or more, and loans for which the senior lien holder has filed a Notice of Default. In the event of default, staff compares the current property value to the outstanding liens, including Housing Commission principal, accrued interest and fees. Staff will bid at the foreclosure sale if there is sufficient equity to cover all liens, interest and fees. Historically the vast majority of borrowers are able to cure the default and remain in their home. As of March 31, 2017, the loans in default are as follows:

FY17 Q2	# in Default	\$ in Default	Default Ratio	Default w/ SDHC	Default w/ Senior Lien
Multifamily Rental	0	\$ -	0.00%		
Rehabilitation 1 - 4 Units	3	\$ 84,824	0.58%	1	2
First-Time Homebuyer	6	\$ 197,657	0.38%	1	5
Affordable For-Sale Housing	0	\$ -	0.00%		
<b>TOTAL</b>	<b>9</b>	<b>\$ 282,481</b>	<b>0.08%</b>	<b>2</b>	<b>7</b>

**7. DISPOSITION OF FORECLOSED PROPERTIES**

During the third quarter of Fiscal Year 2017, no loans were lost through foreclosure.

Respectfully submitted,

Approved by,

*Carrie Tapia*

*Deborah N. Ruane*

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