



INFORMATIONAL REPORT

DATE ISSUED: March 28, 2018

REPORT NO: HCR18-039

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 6, 2018

SUBJECT: Status of Loan Portfolio – Fiscal Year 2018 Second Quarter

COUNCIL DISTRICT: Citywide

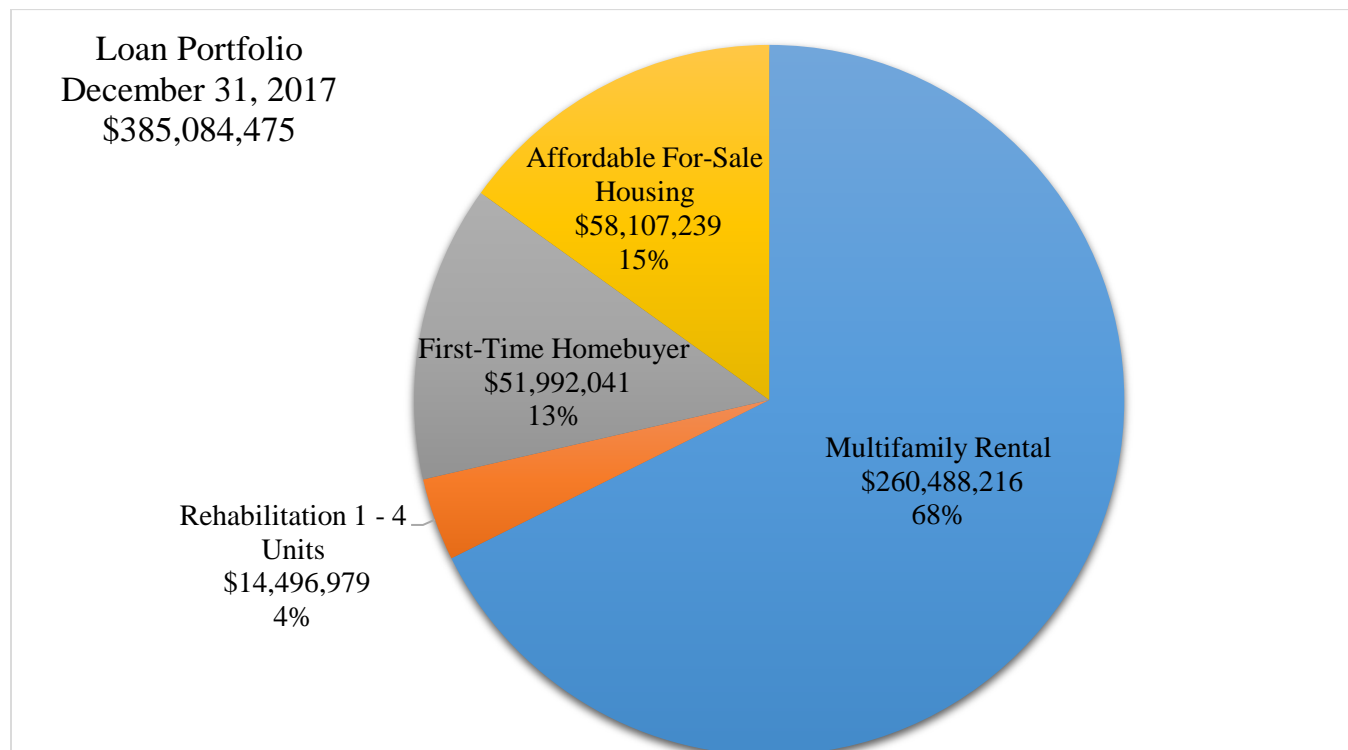
NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

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
- 2) Loans and Grants Recorded
- 3) Loans Paid in Full
- 4) Loan Payments
- 5) Loans and Grants Written Off
- 6) Defaults
- 7) Disposition of Foreclosed Properties

1. LOAN PORTFOLIO SUMMARY



March 28, 2018

Status of Loan Portfolio – Fiscal Year 2018 October 1, 2017 – December 31, 2017

FY18 Q2	Principal Balance	Loans w/ Payments	Deferred Loans	Total Loans
Multifamily Rental	\$ 260,488,216	15	101	116
Rehabilitation 1 - 4 Units	\$ 14,496,979	12	790	802
First-Time Homebuyer	\$ 51,992,041	5	1374	1,379
Affordable For-Sale Housing	\$ 58,107,239	0	265	265
TOTAL	\$ 385,084,475	32	2530	2562

All loan and grant programs, except the Affordable For-Sale Housing Program, are funded using Federal, State, and Local monies; 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.

A portion of the loan portfolio includes loans serviced on behalf the City of La Mesa. The 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.

FY18 Q2	Principal Balance	Total Loans
La Mesa First-Time Homebuyer	\$ 1,368,360	18

2. LOANS AND GRANTS FUNDED

During the period of October 1, 2017 – December 31, 2017, the Housing Commission recorded loans for \$26,537,587 in assistance to create or preserve 298 affordable housing units, assist 25 first-time homebuyers, and assist one home rehabilitation:

Rehabilitation				
Households Assisted	4			
Redevelopment Area Loans	\$ 136,146			
First-Time Homebuyer				
Households Assisted	25			
Closing Cost Grants	\$ 191,408			
Deferred Payment Loans	\$ 1,041,533			
TOTAL	\$ 1,232,941			
Multifamily				
Project Name	The Zephyr	The Lofts at Normal Heights	Stella	Bluewater
Project Type	Homeless Veterans	Homeless Veterans	Homeless Veterans	Family & Homeless Veterans
Number of Affordable Units	84	52	79	79
SDHC Loan	\$ 3,000,000	\$ 5,200,000	\$ 7,500,000	\$ 9,468,500
TOTAL	\$ 26,537,587			

March 28, 2018

Status of Loan Portfolio – Fiscal Year 2018 October 1, 2017 – December 31, 2017

3. LOANS PAID IN FULL

Below is a summary of the funds collected through loan payoffs during the period of October 1, 2017 – December 31, 2017. The Housing Commission received 43 payoffs, which generated \$1,382,263 in program income:

FY18 Q2	# Loans Paid Off	Loan Principal Repaid	Interest / Shared Equity	*DP/CC Repaid	*DP/CC Interest Received	Total Payoffs
Multifamily Rental	0					\$ -
Rehabilitation 1 - 4 Units	11	\$ 150,600	\$ 10,093			\$ 160,693
First-Time Homebuyer	31	\$ 968,690	\$ 177,728	\$ 14,641	\$ 3,511	\$ 1,164,570
Affordable For-Sale	1	\$ 57,000				\$ 57,000
TOTAL	43	\$ 1,176,290	\$ 187,821	\$ 14,641	\$ 3,511	\$ 1,382,263

**Down Payment and Closing Cost Assistance Recoverable Grant*

4. LOAN PAYMENTS

The Housing Commission loan portfolio is primarily composed of deferred loans, which do not require *fixed* monthly / annual payments. Multifamily Rental loans require annual residual receipts payments based on the developments available cash flow. Below is a summary of the residual receipts payments, fixed payments and voluntary payments collected during the period of October 1, 2017 – December 31, 2017.

FY18 Q2	Paid to Principal	Paid to Interest	Total Paid
Multifamily Rental	\$ 1,548,112	\$ 95,070	\$ 1,643,182
Rehabilitation 1 – 4 Units	\$ 3,376	\$ 198	\$ 3,574
First Time Homebuyer	\$ 41,492	\$ 18,615	\$ 60,107
Affordable For-Sale			\$ -
TOTAL	\$ 1,592,980	\$ 113,883	\$ 1,706,863

5. LOANS AND GRANTS WRITTEN-OFF / FORGIVEN

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

FY18 Q2	\$ Forgiven	*\$ Written Off	Authority
Multifamily Rental	\$ -	\$ -	
Rehabilitation 1 - 4 Units	\$ 137,996	\$ -	Forgiven per terms of loan
**First Time Homebuyer	\$ 191,408	\$ -	Service Released Per PO-RED 325.01
Affordable For-Sale	\$ -	\$ -	
TOTAL	\$ 137,996	\$ -	

**Written Off loans are a result of default activity, i.e., bankruptcy, foreclosure or short sale.*

***The first-time homebuyer forgiveness represents the closing cost assistance grants forgiven as per the terms of the program.*

March 28, 2018

Status of Loan Portfolio – Fiscal Year 2018 October 1, 2017 – December 31, 2017

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. Historically the vast majority of borrowers are able to cure the default and remain in their home. As of December 31, 2017, the loans in default are as follows:

FY18 Q1	# in Default	\$ in Default	Default Ratio	Default w/ SDHC	Default w/ Senior Lien
Multifamily Rental	0		0.00%		
Rehabilitation 1 - 4 Units	5	\$ 68,930	0.48%	1	4
First-Time Homebuyer	8	\$ 348,912	0.67%	1	7
Affordable For-Sale Housing	2	\$ 199,877	0.34%		2
TOTAL	15	\$ 617,719	0.16%	2	13

7. DISPOSITION OF FORECLOSED PROPERTIES

During the second quarter of Fiscal Year 2018, there were no loans lost through foreclosure.

Respectfully submitted,

Carrie Tapia

Carrie Tapia
Housing Programs Manager
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Executive Vice President & Chief Strategy Officer
Real Estate Division

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the “Public Meetings” section of the San Diego Housing Commission website at www.sdhc.org