



SAN DIEGO
HOUSING
COMMISSION

HOUSING AUTHORITY REPORT

DATE ISSUED: May 6, 2010

REPORT NO: HAR 10-037

ATTENTION: Members of the Housing Authority
For the Agenda of June 29, 2010

SUBJECT: Proposed Fiscal Year 2011 Budget Revision - Shea Homes Limited Partnership
Funds (Citywide)

REQUESTED ACTION:

Approval of a Fiscal Year 2011 budget revision to place \$435,000 of Shea Homes Limited Partnership Funds in Homeownership Loans and Grants.

STAFF RECOMMENDATION:

That the Housing Authority approve an amendment to the Fiscal Year 2011 Homeownership Loans and Grants budget to include \$435,000 in Shea Home Limited Partnership Funds.

SUMMARY:

In June 2000, the San Diego Housing Commission (Housing Commission) received a payment of \$483,300 from Shea Homes Limited Partnership (Shea funds) to satisfy affordable housing requirements of a discretionary building permit for market rate homes. The Housing Commission used 10 percent of the funds for administration and the balance of \$435,000 was to fund a demonstration program that would encourage private investment in developing new affordable homeownership opportunities. Unlike the Housing Commission's First Time Homebuyer Program which provides funds on a first-come-first-serve basis to purchase homes within the City of San Diego, the Shea funds were to be reserved for specific developments. In December 2001, the Housing Commission awarded the funds to Urban Village Office and Townhomes being developed by City Heights Revitalization LP and Casitas De La Florecitas being developed by Casa Familiar. The Shea funds were available to moderate income (100 percent of area median income [AMI]) first time homebuyers purchasing a new home in these two developments. The assistance was to be in the form of a shared equity loan. None of the buyers who purchased homes in those developments met the eligibility requirements; therefore the Shea funds remain unspent.

Housing Commission staff is requesting authorization to amend the Fiscal Year 2011 Homeownership Loans and Grants budget to include the \$435,000 of Shea funds. The funds would be used to assist eligible moderate income buyers earning up to 100 percent of AMI (\$74,900 for a family of four) by providing funds for shared appreciation loans up to 17 percent of the purchase price or for closing cost assistance recoverable grants up to four percent of the purchase price. The average shared appreciation loan is \$39,700 and the average closing cost assistance recoverable grant is \$8,500. These funds would help approximately 10 families purchase their first home.

May 6, 2010

Proposed Fiscal Year 2011 Budget Revision – Shea Homes Limited Partnership Funds

Page 2

FISCAL CONSIDERATIONS:

The addition of \$435,000 in Shea funds would result in an increase to the Homeownership Loans and Grants Fiscal Year 2011 budget, bringing the Fiscal Year 2011 Homeownership budget to \$3,715,675.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

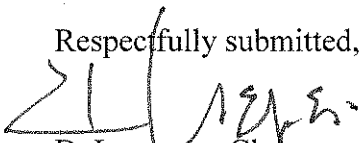
On December 21, 2001, the Housing Commission approved the award of funding for the Shared Equity Demonstration Program for newly constructed homeownership developments. On June 6, 2000, the Housing Authority approved the proposed Shared Equity Demonstration Program for newly constructed homeownership developments.

Housing Commission will consider this item on June 18, 2010. Staff will be available at the Housing Authority meeting to report on the outcome.

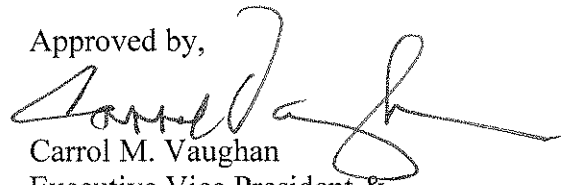
ENVIRONMENTAL REVIEW:

This activity is not a project within the meaning of the California Environmental Quality Act (CEQA) pursuant to Section 15060 (c)(3) of the State CEQA guidelines. This activity is also exempt from review under the National Environmental Policy Act per 24.CFR 58.34(a)(3).

Respectfully submitted,


D. Lawrence Clemens
Senior Vice President

Approved by,


Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Shea Homes

	Beginning Balance	Interest	Admin	Program	Balance
3/30/2001	519,050.95	5,470.84	-	-	524,521.79
6/30/2002	524,521.79	15,026.73			539,548.52
6/30/2003	539,548.52	7,863.37	(97,299.63)	(82,000.00)	368,112.26
6/30/2004	368,112.26	5,087.81	(13,891.01)		359,309.06
6/30/2005	359,309.06	7,732.82	(8,561.61)		358,480.27
6/30/2006	358,480.27	14,269.14	(7,689.37)		365,060.04
6/30/2007	365,060.04	17,994.14	(15,581.54)		367,472.64
6/30/2008	367,472.64	16,397.41	(20,233.30)		363,636.75
6/30/2009	363,636.75	8,030.19			371,666.94
5/31/2010	371,666.94	4,858.56			376,525.50
		102,731.01	(163,256.46)	(82,000.00)	