

HOUSING AUTHORITY REPORT**DATE ISSUED:** December 29, 2009**REPORT NO:** HAR 10-004**ATTENTION:** Members of the Housing Authority
For the Agenda of January 26, 2010**SUBJECT:** Offer to Purchase 3051 Camino Aleta (Council District 8)**REQUESTED ACTION:**

Recommend Housing Authority acceptance of the \$214,800 offer to purchase the property located at 3051 Camino Aleta.

STAFF RECOMMENDATION:

1. Determine the property located at 3051 Camino Aleta to be surplus in accordance with the provisions of California Health and Safety Code 34315.7 and Housing Commission Policy No. 600.103; and to find that such determination will allow the Housing Commission to sell the property to a qualified buyer under provisions of Health and Safety Code Sections 34325.7;
2. Accept the \$214,800 offer to purchase the property at 3051 Camino Aleta as submitted by C. M. Horriat; and
3. Authorize the President and Chief Executive Officer, or designee, to execute any and all documents and receive the sale proceeds.

SUMMARY:

The subject property, located at 3051 Camino Aleta, is located in the Mercedes Hill neighborhood in the Otay Mesa area of San Diego (Attachment 1 – Location Map). This single family dwelling was built in 1988 and has two bedrooms and two baths. The home has 1,132 square feet, a two car garage and considered to be in average condition.

In February 2003, the Housing Commission funded a \$63,750 shared equity loan (HOME funds) to Sergio Castaneda and Laura V. Mederos de Castaneda. The terms of the loan and grant required continuous owner occupancy and stated the property could not be sub-let, leased, or rented. The Castaneda family moved to central California and rented the property in violation of the loan documents. The Housing Commission initiated the foreclosure action based on the fact the terms of the loan were breached. A Trustee's Sale was held on behalf of the Commission on October 20, 2009. There were no bidders at the sale and title to the property reverted to the Housing Commission. The property was acquired subject to a first trust deed loan held by Bank of America.

In accordance with Housing Commission Loan Defaults, Foreclosures, and Disposition of Property Acquired Policy No. 600.103, the Chief Executive Officer analyzed the subject property to determine if it should be added to the Housing Commission's management portfolio and kept as an affordable housing resource. Based on the costs to maintain a single separate unit, the decision was made to sell the home. On November 10, 2009 the property was offered for sale through a public notice in compliance with the conditions set forth in California Health and Safety Code Section 34315.7. No offers were received.

The property is located in a targeted area under the City's Neighborhood Stabilization Program (NSP). The home was offered for sale in its "as-is" condition to all buyers preapproved under the Housing Commission's NSP guidelines at one percent below the market value. Based on a full appraisal completed

December 2, 2009, the estimated market value for Camino Aleta is \$217,000. According to the NSP guidelines, if more than one buyer was interested in purchasing a home, a random drawing would be held to select the buyer. Four letters of interest were received and through the drawing, C. M. Horriat was selected. The proposed buyer has submitted an Offer to Purchase 3051 Camino Aleta for \$214,800 and the Housing Commission accepted the offer, pending Housing Authority approval.

Sales price	\$214,800
Less:	
Bank of America	
Principal balance	\$159,920
Funds to reinstate and monthly payments	\$ 19,344
Housing Commission	
Charge off loan	63,750
Expenses incurred to date	2,802
5% real estate agent fee	10,740
2% estimated closing costs	4,296
Estimated Net Loss	\$ 46,052

FISCAL CONSIDERATIONS:

Sale of the property, with closing in February 2010, for \$214,800 would result in the recovery of approximately \$17,698 of the \$63,750 in HOME shared equity loan funds, plus sufficient funds to pay all expenses incurred to date.

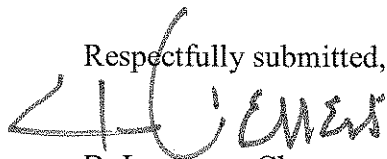
PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On January 15, 2010, the Housing Commission Board approved the requested action and recommended the item move forward to the Housing Authority for final approval.

ENVIRONMENTAL REVIEW:

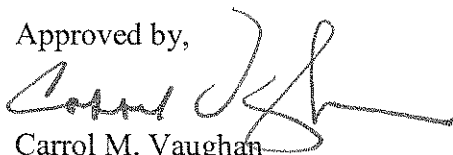
This activity is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060©(3) of the state CEQA guidelines (the activity is not a project as defined in Section 15378). The project is categorically excluded from review under the National Environmental Protection Act pursuant to Section 58.35(b)(5).

Respectfully submitted,



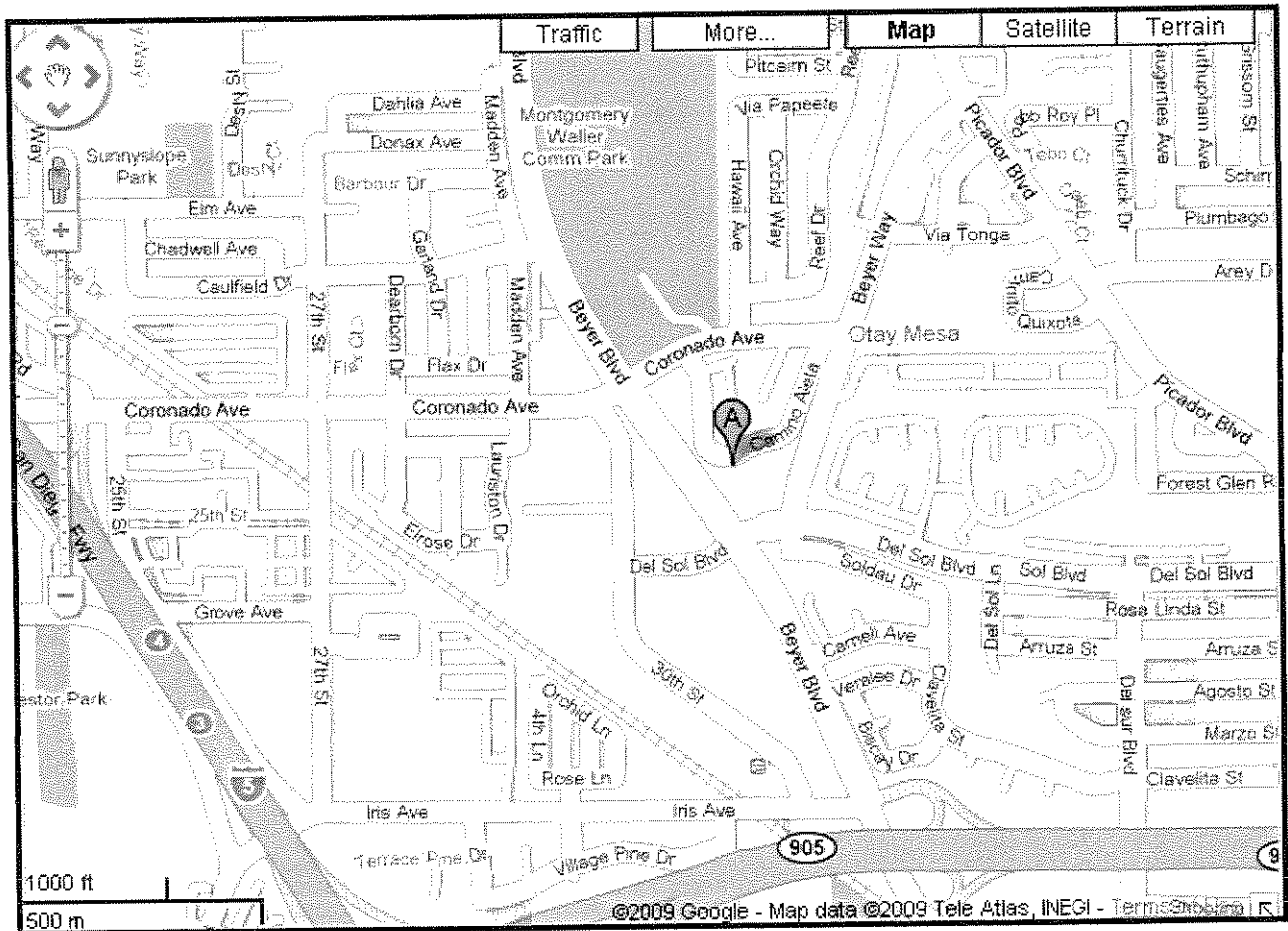
D. Lawrence Clemens
Senior Vice President

Approved by,



Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Location Map:



Address:

 **3051 Camino Aleta**
San Diego, CA 92154