



INFORMATIONAL REPORT

DATE ISSUED: September 19, 2007
REPORT NO: HCR07-75
SUBJECT: Disposition of San Diego Housing Commission Controlled Real Estate
2007 Annual Report (Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

Annually, Loan Management staff presents a report that lists all real estate owned or controlled by the Housing Commission and Housing Authority. Each Housing Commission and Housing Authority owned/controlled site has been listed as follows: Rental Properties (Attachment 1) and Property Currently Under Development or Available for Development (Attachment 2). Attachment 1 includes 1,366 units of HUD conventional public housing. On September 10, 2007 HUD approved the Housing Commission's request to withdraw from the Public Housing Program.

If the Housing Commission had acquired any properties through a foreclosure or similar action, they would be listed. Since the last reporting date of September 15, 2006, the Housing Commission has not acquired any properties through a foreclosure nor are there other properties available for sale. Actual disposition would require Housing Commission and Housing Authority approvals.

It is recommended that the properties listed in Attachments 1 and 2 continue to be held or controlled by the Housing Commission and Housing Authority.

Respectfully submitted,

Cissy Fisher
Director Housing Finance & Development

Approved by,

Elizabeth C. Morris
President & Chief Executive Officer

Attachments: 1 – Housing Commission Controlled Rental Properties
2 – Housing Commission Controlled Properties Under Development or Available
for Development

ATTACHMENT 1

HOUSING COMMISSION CONTROLLED RENTAL PROPERTIES

As of September 17, 2007

NO. OF UNITS

SITE

136 Units

435 13th Street (Hotel Metro)

Status - 55-year ground lease to San Diego SRO Limited Partnership, which owns and manages the buildings. The ground lease of Housing Commission owned site will expire in October 2044. Housing Commission has received approval to sell the first position loan to Centre City Development Corporation (CCDC) and negotiate a possible sale to CCDC.

57 Units

434 13th Street (Hotel 434)

Status - 55-year ground lease to San Diego SRO Limited Partnership, which owns and manages the buildings. The ground lease of a Housing Commission site will expire in October 2044. Housing Commission has received approval to sell the first position loan to Centre City Development Corporation (CCDC) and negotiate a possible sale to CCDC.

500 Units

4302 West Point Loma Blvd. (Mariner's Cove)

Status - 55-year ground lease to Lincoln Mariners Associates Limited, a California limited partnership, which owns and manages the project. The ground lease of Housing Authority owned site will expire in November 2037.

One Unit

3974 Bancroft

Status - This Housing Authority owned unit is within a Public Housing apartment complex. HUD did not permit this one-bedroom unit to be included as a part of our large family Public Housing Site 049-050. The unit is rented to a very low-income household.

One Unit

3984 Bancroft

Status - This Housing Authority owned unit is within a Public Housing apartment complex. HUD did not permit this one-bedroom unit to be included as a part of our large family Public Housing Site 049-050. The unit is rented to a very low-income household.

One Unit

4225 44th Street

Status - This Housing Authority owned unit is within a Public Housing apartment complex. HUD did not permit this one-bedroom unit to be included as a part of our large family Public Housing Site 049-050. The unit is rented to a very low-income household.

One Unit

4261 45th Street

Status - This Housing Authority owned unit is within a Public Housing apartment complex. HUD did not permit this one-bedroom unit to be included as a part of our large family Public Housing Site 049-050. The unit is rented to a very low-income household.

One Unit **4239 Marge Way**

Status - This Housing Commission owned house was purchased as a part of a group of houses pursuant to a favorable option under an old HUD program. Because of the cracked slab, the property could not be included in Public Housing or sold. The unit is rented to a very low-income household.

120 Units **2065 Via Las Cumbres, University Canyon North**

Status - HUD Annual Contributions Contract (ACC) expired on July 5, 2005. A Re-Use Plan was approved by the Housing Commission and Housing Authority to convert the development to a mixed income site. The Housing Commission is awaiting HUD approval for 36 units of the 120 units to be designated and utilized as conventional public housing.

113 Units **6 Sites, State Rental Housing Construction Program**

Status - State funding agreement requires the housing on the Housing Authority owned sites be rented to low and very low-income families and disabled persons. The agreement provides for an annual annuity. The State funds these sites as two separate projects. The first project consists of 35 units on five sites and the contract expires on July 28, 2013. The second project consists of 78 units and the State contract expires on April 5, 2015.

1,366 Units **137 Sites, HUD Conventional Public Housing**

Status - HUD Annual Contributions Contract provides operating subsidies for very low-income families, seniors and disabled occupying these Housing Authority owned sites. The Housing Commission is currently awaiting HUD ACC amendment to allow for the creation of an additional 36 units to be located at Housing Commission's mixed income development at University Canyon North. On September 10, 2007, HUD approved the disposition of 1,366 units of Public Housing. HUD has also approved an application for 1,366 Section 8 Vouchers; receipt of vouchers will allow the disposition to go forward.

132 Units **Maya Apartments**

Status - Housing Commission acquired this project in FY95; 41 units are affordable to very low-income families and the remaining 91 units are rented at market rates.

32 Units **Elm and Gregory (Golden Villas)**

Status - 55-year ground lease (expiring December 2053) to John B. Walsh. This lease was assigned in March 1997, to San Diego Golden Villas, a California limited partnership. The construction of a 32-unit rental project was completed in December 1997. The majority of the units (28) are rented to very low-income families, and four units are rented to families earning no more than 60 percent of area median income. This is a Housing Authority owned site.

130 Space Mobile **204 West Calle Primera (Rancho Del Rio Mobile Home Park)**
Home Park

Status - 55-year ground lease to Rancho Del Rio, a California limited partnership, which owns and manages the mobile home park. The ground lease of land owned by the City of San Diego

will expire August 2039. There are 39 spaces with coaches available to households earning no more than 80 percent of area median income. Rancho Del Rio is negotiating to sell its interest in the lease.

Parking Lot 252 16th Street

Status - The Housing Commission acquired the site in 1986 for 75 SRO units; the zoning changed reducing the number of rooms, which made the project no longer feasible. On January 31, 2003, the Housing Commission Board approved revising the lease terms to \$50 per parking space, per month or \$13,200 for the first year. Each subsequent year the lease payment will be increased by 4.5 percent or the percentage increase in the Consumer Price Index, whichever is greater. The term of lease was also modified to five years commencing March 1, 2003. At the end of five years the lease converts to a month-to-month rental agreement. Current lessees are Richard and Lavenda Lee Jones, as Trustees of the Jones Family Trust.

34 Units 2170 Front Street (Parker-Kier Building aka: Del Mar Apartments)

Status - Housing Commission acquired from Port District and rehabilitated the project. The property is leased to The Association for Community Housing Solutions to manage and operate the 34 units. The occupants of 11 units are very low-income people, one unit is for the on-site manager, and the remaining 22 units are rented to very low-income people with mental illness as participants in the Shelter Plus Care Program. The property is fully occupied. The lease will expire in March 2008.

75 Units 5207 52nd Place, Casa Colina del Sol

Status - 65-year ground lease to Casa Colina, L.P., which owns and manages the building. 74 units provide very low-income senior housing under a Project-Based Section 8 Housing Assistance Payment Contract. The ground lease of this Housing Commission owned site will expire in February 2069. A \$646,128 rehabilitation contract was completed in December 2004 which included installation of energy efficient windows and doors, retrofitting of the main entry for accessibility and modernization of the community room and its kitchen.

8 Units 7410 and 7412 Cuvier Street (La Jolla Marine Apartments)

Status - Housing Commission acquired the building from the nonprofit agency Strongly Oriented for Action and was assigned the lease agreement for the land with the City of San Diego. The ground lease will expire in November 2027.

91 Units 5252 El Cajon Boulevard

Status - In November 2004, the Housing Commission acquired the property from Ken-Tal Housing Partners, L.P. A 55-year ground was then executed between the same two parties. The ground lease will expire in November 2069. The Notice of Completion was recorded August 2006 for this 91-unit project known as Talmadge Senior Village; and it is now fully leased up.

ATTACHMENT 2

HOUSING COMMISSION CONTROLLED PROPERTIES CURRENTLY UNDER DEVELOPMENT OR AVAILABLE FOR DEVELOPMENT

As of September 17, 2007

VACANT LAND /
NO. OF UNITS

SITE

Vacant Land **Famosa Blvd & Nimitz Blvd. (Site 428)**

Status - The Housing Authority acquired Site 428 from the City Council in July 1981 for a proposed low-income housing development. Housing Commission has met with opposition in developing property and has been unsuccessful in past attempts to sell the land. The site will be assessed for possible development during the next year.

Vacant Land **2893 Boston Avenue**

Status - Acquired by the Housing Commission in 1989 for Public Housing. When the HUD award was reduced, the Commission split the lot into two separate lots known as 2883 and 2893 Boston Avenue. In 1994 the construction of the five Public Housing units was completed on 2883 Boston Avenue. The Housing Commission is exploring alternative plans for development at 2893 Boston Avenue.

Vacant Land **4310 Dawson Avenue**

Status - In March 2005, the Housing Commission purchased this vacant .883-acre site. The plan is to lease the site for a 65-year term to Housing Development Partners in partnership with Chelsea Investment Corporation. This partnership to develop an 88-unit senior housing apartment complex. A planned Residential Development/CUP permit has been obtained and the project is awaiting the results of the July 9% tax credit round to complete the financing. If successful in this round, construction will start in January 2008.