



INFORMATIONAL REPORT

DATE ISSUED: August 27, 2008
REPORT NO: HCR 08-86
SUBJECT: Disposition of San Diego Housing Commission Controlled Real Estate
2008 Annual Report (Citywide)

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION


SUMMARY

Annually, Loan Management staff presents a report listing 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), Properties Currently under Development or Available for Development (Attachment 2) and Property Available for Disposition (Attachment 3). The property available for disposition was acquired through litigation and is an affordable unit that will be sold to a buyer who meets the eligibility requirements.

Since the last reporting date of September 19, 2007, the Housing Commission has acquired title to three other properties not shown on the attachments. Two of the properties were affordable units acquired through litigation and were subsequently resold to eligible buyers. The third property at 3516 Del Sol Blvd. Unit G was acquired through a foreclosure action and it was resold to an investor. Authorization to sell the Del Sol property was approved by a Board and Housing Authority action. The resale of affordable units does not require prior approval; however, they must be sold to buyers meeting the eligibility requirement as stated in the affordability restrictions recorded against the property.

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

Respectfully submitted,


Cissy Fisher
Director of Housing Finance

Approved by,


Carrol M. Vaughan
Interim President & Chief Executive Officer

Attachment(s): 1 – Housing Commission Controlled Rental Properties
2 – Housing Commission Controlled Properties Under Development or Available for
Development
3 – Housing Commission Controlled Properties Available For Disposition

ATTACHMENT 1

HOUSING COMMISSION CONTROLLED RENTAL PROPERTIES

As of September 29, 2008

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 (included as Local Unit, see below)

Status - Title transferred to the Housing Commission November 15, 2007. This unit will be reported in the future as a local unit and shall be affordable at 80 percent area median income (AMI) or market, whichever is less.

One Unit

3984 Bancroft (included as Local Unit, see below)

Status - Title transferred to the Housing Commission November 15, 2007. This unit will be reported in the future as a local unit and shall be affordable at 80 percent AMI or market, whichever is less.

One Unit

4225 44th Street (included as Local Unit, see below)

Status - Title transferred to the Housing Commission November 15, 2007. This unit will be reported in the future as a local unit and shall be affordable at 80 percent AMI or market, whichever is less.

One Unit

4261 45th Street (included as Local Unit, see below)

Status - Title transferred to the Housing Commission November 15, 2007. This unit will be reported in the future as a local unit and shall be affordable at 80 percent AMI or market, whichever is less.

One Unit **4239 Marge Way** (included as Local Unit, see below)

Status - Title transferred to the Housing Commission November 15, 2007. This unit will be reported in the future as a local unit and shall be affordable at 80 percent AMI or market, whichever is less.

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. On November 14, 2007, the Housing Commission received HUD approval for 36 units of the 120 units to be designated and utilized as conventional public housing (see HUD Conventional Public Housing listing below). The remaining 84 unit will be affordable at 80 percent AMI or market rate, whichever is less.

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.

36 Units **One Site, 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. On November 14, 2007, HUD approved amending the ACC to allow 36 units at the Housing Commission's mixed income development at University Canyon North to remain as conventional public housing units. In accordance with the Housing Authority and subsequent HUD disposition approval, all of the previous 1,366 public housing units located on 137 sites were transitioned to private sector housing (see Local Unit listing below); to be affordable with initial occupancy at 80 percent AMI or market rate, whichever is less.

1,371 Units 138 Sites, Local Units

Status - In accordance with Housing Authority and subsequent HUD disposition approval, all 1,366 conventional public housing units were transitioned to Local Units (private sector housing); 1,047 are affordable to households with initial occupancy at 80 percent AMI or market rate, whichever is less; and 319 units affordable for households with initial occupancy (Belden Street, Maryland Street, Meade Avenue and First Avenue) at 50 percent AMI or market rate, whichever is less. On November 14, 2007, title to Housing Authority owned units were transferred to the Housing Commission (3974 and 3984 Bancroft, 4225 44th Street, 42261 45th Street and 4239 Marge Way).

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. The period of

affordability will end September 23, 2013.

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. On March 1, 2008 the lease was modified 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. TACHS leases the property on a month-to-month basis.

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.

ATTACHMENT 2

HOUSING COMMISSION CONTROLLED PROPERTIES CURRENTLY UNDER DEVELOPMENT OR AVAILABLE FOR DEVELOPMENT

As of September 29, 2008

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 the 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 at 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 will develop an 88-unit senior housing apartment complex. A planned Residential Development/CUP permit has been obtained; nine percent tax credits were awarded June 2008. Construction will start in November 2008 with completion in December 2009.

ATTACHMENT 3

HOUSING COMMISSION CONTROLLED PROPERTY
AVAILABLE FOR DISPOSITION
As of September 29, 2008

NO. OF UNITS

SITE

One Unit

14686 Via Fiesta, No. 2

Status – The Housing Authority acquired title to this one bedroom affordable unit at Sycamore Walk on July 28, 2008 through litigation. The owner abandoned the unit. The affordable unit has been listed with a real estate agent and will be sold to a buyer meeting the eligibility criteria. Unit is restricted at 80 percent AMI.