



SAN DIEGO
HOUSING
COMMISSION

REVISED INFORMATIONAL REPORT

DATE ISSUED: January 15, 2014

REPORT NO: HCR15-001

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 16, 2015

SUBJECT: Status of Loan Portfolio – First Quarter Fiscal Year 2015

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 listing the following:

- all loans funded during the reporting period;
- all loans delinquent by 30 days or more;
- all loans in foreclosure; and
- the disposition of foreclosed properties.

As of September 30, 2014, the loan portfolio totaled \$325,678,831. The portfolio has four separate categories:

- 1) Multifamily Rental;
- 2) Rehabilitation - One to Four Units;
- 3) First-Time Homebuyer; and
- 4) Affordable For-Sale Housing Program.

All loan programs, except the Affordable For-Sale Housing Program, are funded using federal, state and local monies; all program loans are approved and funded in accordance with the General Lending Authority Policy No. 600.101. The Affordable For-Sale Housing Program uses a Promissory Note that represents the difference between (a) the fair market value of the property at the time it is purchased, and (b) the actual affordable price paid to purchase the property.

I. Loan and Grant Funds

During the first quarter of Fiscal Year 2015 (July 1, 2014 – September 30, 2014), the Housing Commission generated 102 loans and grants totaling \$4,595,251 that will benefit 88 families. A summary for the first quarter is provided below.

- The Home Safe Home team assisted 24 families by originating 41 loans and grants totaling

\$342,336, which consists of the following types of programs:

- 3 - Redevelopment Area Forgivable Loans or Grants / Owner-Occupied - \$63,816
 - 13 - Lead-Based Paint Hazard Control Program Grants / Owner-Occupied - \$81,428
 - 11 - Healthy Homes Production Grants / Owner-Occupied - \$42,568
 - 5 - Deferred Payment Loans / Owner-Occupied - \$93,839
 - 1 - Neighborhood Stabilization Loan / Owner-Occupied - \$5,060
 - 5 - Mobile Home Grants / Owner-Occupied - \$27,535
 - 2 - Lead-Based Paint Hazard Control Program Grants / Rental - \$26,090
 - 1 - Healthy Homes Production Grant / Rental - \$2,000
- The Loan Management team originated 60 loans and grants totaling \$1,752,915 that assisted 32 families with the purchase of a home under Housing Commission's First-Time Homebuyer Program.
 - 24 - 3 Percent Interest, Deferred-Payment Loans / 80 percent of San Diego Area Median Income(AMI) - \$1,139,312
 - 23 - Closing Cost Assistance Grants / 80 percent of AMI - \$192,498
 - 8 - 3 Percent Interest, Deferred-Payment Loans / 100 percent of AMI - \$385,032
 - 5 - Closing Cost Assistance Grants / 100 percent of AMI - \$36,073
 - The Housing Finance and Development team funded a construction loan totaling \$2,500,000 to WJJ CIC, L.P. for Independence Point, a 32-unit rental housing project located at 327 South Willie James Jones Avenue. This property will be affordable to families earning from 30 to 60 percent of AMI.

II. Defaults

The overall default ratio, which consists of loans that are 30 days or more delinquent and loans in foreclosure, is 0.13 percent (\$413,338 of \$325,678,831) for this reporting period (See Attachment 1). This is a slight decrease from the fourth quarter of Fiscal Year 2014 (\$495,481 of \$322,264,967 or 0.15 percent). The figures include all Housing Commission loans that are delinquent, as well as loans for which the senior lien holder has filed a Notice of Default. The senior lien in foreclosure means that the Housing Commission loan is in default under the agreed upon terms.

There are two types of loans in the Housing Commission loan portfolio:

1. Loans requiring monthly or annual payments; and
2. Loans that are deferred or have residual receipts repayment terms.

The following table provides a summary of the various loans in the loan portfolio.

	Rehab	First- Time Homebuyer	Multifamily Rental	Affordable For-Sale	Total
Loans Requiring Payments	17	10	19	0	46
Deferred/Residual Receipt Loans	946	1,385	99	280	2,710
Total Loans	963	1,395	118	280	2,756
Loans that are Delinquent	1	1	2	0	4
Loans that are in Default	2	2	0	0	4

Of the 46 loans requiring payments, there are two delinquent loans: a) a rehabilitation loan totaling \$8,284; and b) a first-time homebuyer loan for \$74,500. Of the 2,710 deferred loans, there are two delinquent multifamily loans; the amount due to the Housing Commission totals \$11,716 (residual receipt payments). The six past-due loans total \$296,863. (See Attachment 2)

In addition, there are a total of four Housing Commission loans in default as shown on Attachment 3: a) two rehabilitation loans totaling \$52,675; and b) two first-time homebuyer loans totaling \$63,800. No payments are required on the Housing Commission's loans, so the default exists because the borrowers are not making the payments owed to the senior lien holder.

Respectfully submitted,

Vicki Monce

Vicki Monce
 Loan Services Manager
 Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
 Senior Vice President
 Real Estate Division

- Attachment(s): 1) Loan Portfolio Default Status
 2) Delinquent Loans Requiring Payments
 3) Loans in Foreclosure

Hard copies are available for review during business hours in the main lobby 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 on the San Diego Housing Commission website at www.sdhc.org.

ATTACHMENT 1

LOAN PORTFOLIO DEFAULT STATUS AS OF SEPTEMBER 30, 2014

The Housing Commission's loan portfolio currently totals \$325,678,831. The overall default ratio, which consists of all loans 30 days or more delinquent and loans in foreclosure, is 0.13 percent. The following is the present status by loan category:

<u>Loan Type</u>	<u>Loan Portfolio</u>	<u># Loans</u>	<u>Default Ratio</u>
Multifamily Rental	\$199,477,183	118	.11%
Rehabilitation - Single and Multifamily	17,461,877	963	.35%
First-Time Homebuyer-Market Rate	48,859,436	1,395	.28%
Affordable For-Sale Housing	<u>59,880,335</u>	<u>280</u>	<u>.00%*</u>
	\$325,678,831	2,756	.13%

At the present time, four properties are in foreclosure. A summary of the Housing Commission loans are reflected within this report in Attachment 3.

*Any defaulted affordable for-sale housing loans are not funds actually disbursed by the Housing Commission. The promissory note for the affordable restricted units represents the difference between the fair market value of the property at the time of the original purchase and the actual affordable price paid to purchase the property.

SAN DIEGO HOUSING COMMISSION
 PAYMENTS REQUIRED - DELINQUENT LOANS
 AS OF SEPTEMBER 30, 2014

LOAN NUMBER	NAME/ PROPERTY ADDRESS/ STATUS	NO. OF UNITS	TYPE OF PROPERTY	DUE DATE	PRINCIPAL BALANCE	MONTHLY / ANNUAL PRINCIPAL & INTEREST PAYMENT	AMOUNT PAST DUE
30+ DAYS DELINQUENT							
	None in this quarter.						
SUB-TOTAL							
60+ DAYS DELINQUENT							
	None in this quarter.						
SUB-TOTAL							
90+ DAYS DELINQUENT							
	None in this quarter.						
SUB-TOTAL							
120+ DAYS DELINQUENT							
Rehab 3-27-0019	LUSAIN 3038 Clay Avenue San Diego, CA 92113 <i>Borrower is on a repayment plan.</i>	1	SFR	11/1/2013	\$ 8,284	\$ 195	Principal - \$2,535 Penalties - \$1,196 Total - \$3,731
Multifamily 2-29-0025	GREATER GOLDEN HILL CDC 1825-1827 Felton Street San Diego, CA 92102 <i>Borrower has requested a restructuring of the financing.</i>	2	Duplex	4/24/2013	\$ 121,410	Residual Receipts	\$ 4,926
Multifamily 2-90-0003	GREATER GOLDEN HILL CDC 1801-1803 Gregory Street San Diego, CA 92102 <i>Borrower has requested a restructuring of the financing.</i>	2	Duplex	4/24/2013	\$ 92,669	Residual Receipts	\$ 6,790
FTHB 4-R9-1206	ASMUS 1080 Park Blvd. No. 605 San Diego, CA 92101 <i>CCDC loan - HOA filed a Notice of Default. Civic San Diego may offer a Forbearance Agreement if HOA brought current.</i>	1	CONDO	1/1/2013	\$ 74,500	\$ 250	Principal - \$5,750 Penalties - \$300 Total - \$6,050
SUB-TOTAL					\$ 296,863		
TOTAL					\$ 296,863		
GRAND TOTAL OF FIRST TIME HOMEBUYER, REHAB AND MULTIFAMILY DELINQUENT LOANS REQUIRING PAYMENTS LOAN PORTFOLIO DELINQUENCY = 0.09%							

ATTACHMENT 2

ATTACHMENT 3

LOANS IN FORECLOSURE As of September 30, 2014

A. Status of Rehabilitation Loans in Foreclosure:

1. R. Schulke

1995 Isla Del Carmen
San Diego, CA 92173

1 unit – A \$22,675 Memorandum of Lien was recorded against the property in third position.

Status:

The first trust deed holder, First Magnus Financial Corporation, recorded a Notice of Default against the property because the September 1, 2013 payment and all subsequent payments have not been paid. The 90-day reinstatement period ended May 20, 2014. The Trustee has not yet recorded the Notice of Trustee's Sale.

2. K. Hodge

4961 Lace Place
San Diego, CA 92102

1 unit – A \$30,000 Redevelopment Area Deed of Trust was recorded against the property in second position.

Status:

The first trust deed holder, Bank of America, recorded a Notice of Default against the property because the May 1, 2014 payment and all subsequent payments have not been paid. The 90-day reinstatement period will end December 24, 2014. Ms. Hodge submitted an application to her lender for a loan modification and she is waiting for approval.

B. Status of First-Time Homebuyer Loans in Foreclosure:

1. M. Domingo and F. Reyes

9380 Twin Trails Drive, No. 102
San Diego, CA 92129

1 unit – A \$23,000 Shared Equity Loan was recorded against the property in second position.

Status:

The first trust deed holder, Bank of America, recorded a Notice of Default against the property because the November 10, 2010 payment and all subsequent payments have not been paid. A Trustee's Sale was held on March 22, 2011. That sale was subsequently rescinded because the borrower filed a Chapter 13 bankruptcy on March 21, 2011. The bankruptcy was terminated August 24, 2012. A Trustee's Sale date has not been scheduled.

2. E. Bryers, II

5328 Encina Drive

San Diego, CA 92114

1 unit – A \$38,000 Three Percent Interest Loan (CalHome funds) and a \$2,800 Three Percent Interest Loan (HOME funds) were recorded against the property in second and third position.

Status:

The first trust deed holder, World Wide Credit Corporation, recorded a Notice of Default against the property because the October 1, 2013 payment and all subsequent payments have not been paid. A Notice of Trustee's Sale was recorded setting the sale date for September 12, 2014. Mr. Bryers submitted an application to his lender for a loan modification and Trustee's Sale date was postponed to December 15, 2014.