



INFORMATIONAL REPORT

DATE ISSUED: May 5, 2015

REPORT NO: HCR15-051

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of June 25, 2015

SUBJECT: Status of Loan Portfolio – Third 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:

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

As of March 31, 2015, the loan portfolio totaled \$329,506,992. The portfolio has four separate categories:

- 1) Multifamily Rental
- 2) Rehabilitation - One to Four Units
- 3) First Time Homebuyer
- 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 third quarter of Fiscal Year (FY) 2015 (January 1, 2015 – March 31, 2015), the Housing Commission generated 32 loans and grants totaling \$3,466,594 that will benefit 121 families. The loans and grants for the third quarter are briefly described below.

- The Home Safe Home team assisted 18 families by originating 23 loans and grants totaling \$265,345; which consists of the following types of projects:

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Status of Loan Portfolio – Third Quarter Fiscal Year 2015

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- 7 - Redevelopment Area Forgivable Loans or Grants / Owner-Occupied - \$175,955
 - 3 - Lead-Based Paint Hazard Control Program Grants / Owner-Occupied - \$14,120
 - 3 - Healthy Homes Production Grants / Owner-Occupied - \$5,880
 - 1 - Deferred Payment Loan / Owner-Occupied - \$20,000
 - 6 - Mobile Home Grants / Owner-Occupied - \$32,640
 - 2 - Lead-Based Paint Hazard Control Program Grants / Rental - \$13,350
 - 1 - Healthy Homes Production Grant / Rental - \$3,400
- The Homebuyer team originated eight loans and grants totaling \$201,249 that assisted four families with the purchase of a home under the Housing Commission's First -Time Homebuyer Program.
 - 4 - 3 Percent Interest, Deferred Payment Loans / 80 percent of San Diego County Area Median Income (AMI) - \$164,503
 - 4 - Closing Cost Assistance Grants / 80 percent of AMI - \$36,746
 - The Housing Finance and Development team funded a construction loan totaling \$3,000,000 to Atmosphere I for the development of 51 supportive housing units and 48 rental units. One additional unit will be available for the on-site manager. The project is located at 1453 Fourth Avenue and the units will be affordable as follows:
 - 30 units at 30 percent AMI
 - 22 units at 45 percent AMI
 - 26 units at 50 percent AMI
 - 21 units at 60 percent AMI

II. Defaults

The overall default ratio, which consists of loans that are 30 days or more delinquent and loans in foreclosure, is 0.12 percent (\$386,718 of \$329,506,992) for this reporting period (See Attachment 1). This is a slight decrease from the second quarter of FY 2015 (\$491,513 of \$326,915,068 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.

	Rehab	FTHB	Multifamily Rental	Affordable For Sale	Total
Loans Requiring Payments	16	9	18	0	43
Deferred/Residual Receipt Loans	945	1,383	92	276	2,696
Total Loans	961	1,392	110	276	2,739
Loans that are Delinquent	1	1	2	0	4
Loans that are in Default	1	2	0	0	3

Of the 43 loans requiring payments, there are four delinquent loans: a) one rehabilitation loan totaling \$7,504; b) a first-time homebuyer loan for \$74,500; and c) two multifamily loans with a total of \$11,716 past due. The four past due loans total \$296,083. (Attachment 2)

In addition, there are a total of three Housing Commission loans in default as shown on Attachment 3: a) one rehabilitation loan totaling \$19,885; and b) two first-time homebuyer loans totaling \$70,750. No payments are required on the Housing Commission’s loans, so the default exists because the borrowers are not making the payments owed the senior lien holder.

III. Modified Loans

During the third quarter of FY15, two loans were modified as outlined in Attachment 4.

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

- Attachments: 1) Loan Portfolio Default Status
 2) Delinquent Loans Requiring Payments
 3) Loans in Foreclosure
 4) Modified Loans

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 March 31, 2015

The Housing Commission's loan portfolio currently totals \$329,506,992. The overall default ratio, which consists of all loans 30 days or more delinquent and loans in foreclosure, is 0.12 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	\$202,482,499	110	.11%
Rehabilitation - Single and Multifamily	17,520,728	961	.16%
First-Time Homebuyer-Market Rate	49,623,430	1,392	.29%
Affordable For-Sale Housing	<u>59,880,335</u>	<u>276</u>	<u>.00%*</u>
	\$329,506,992	2,739	.12%

At the present time, three properties are in foreclosure.

*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 MARCH 31, 2015

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	3/1/2014	\$ 7,504	\$ 195	Principal - \$2,730 Penalties - \$1,255 Total - \$3,985
Multifamily 2-29-0025	GREATER GOLDEN HILL CDC 1825-1827 Felton Street San Diego, CA 92102 <i>Borrower is working on plan for repayment and may be requesting a refinance</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 is working on plan for repayment and may be requesting a refinance</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 and became the owners of the Property. Civic San Diego believes they are in a senior position to the Homeowner's Association.</i>	1	CONDO	1/1/2013	\$ 74,500	\$ 250	Principal - \$7,000 Penalties - \$375 Total - \$7,375
SUB-TOTAL					\$ 296,083		
TOTAL					\$ 296,083		
TOTAL OF FIRST TIME HOMEBUYER, REHAB AND MULTIFAMILY DELINQUENT LOANS REQUIRING PAYMENTS LOAN PORTFOLIO DELINQUENCY = .09%							

ATTACHMENT 2

ATTACHMENT 3

LOANS IN FORECLOSURE As of March 31, 2015

A. Status of Rehabilitation Loans in Foreclosure:

1. G. Rader

2519 Violet Street

San Diego, CA 92105

1 unit – A \$15,000 Memorandum of Lien and a \$4,885 Memorandum of Lien were recorded against the property in fifth and sixth position.

Status:

The first trust deed holder, Fannie Mae, recorded a Notice of Default against the property because the March 1, 2014 payment and all subsequent payments have not been paid. The 90-day reinstatement period has ended and a Trustee's Sale has been scheduled for May 11, 2015. The owner has filed bankruptcy. Authorization for the Trustee's Sale to proceed without Housing Commission participation was approved pursuant to Housing Commission Policy 600.103.

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. In October 2012 another Chapter 13 bankruptcy was filed by Mrs. Domingo (without her spouse). She is on a 5-year repayment plan through the bankruptcy court. The court is sending payments directly to the lender. Authorization for the Trustee's Sale to proceed without Housing Commission participation was approved pursuant to Housing Commission Policy 600.103.

2. A. Carmel
3050 Rue D 'Orleans, No. 350
San Diego, CA 92110
1 unit – A \$47,750 Shared Appreciation Loan was recorded against the property in third position.

Status:

The first trust deed holder, Bank of America, recorded a Notice of Default against the property because the November 1, 2009 payment and all subsequent payments have not been paid. The 90-day reinstatement period will end May 5, 2015.

SAN DIEGO HOUSING COMMISSION
 MODIFIED LOANS
 AS OF MARCH 31, 2015

PROJECT NUMBER NAME / ADDRESS	OUTSTANDING PRINCIPAL BALANCE	LOAN TYPE	TERMS	COMMENTS
ANGWAY 4300 Newton Ave, No. 17 San Diego, CA 92113	114,690.00	Affordable For Sale Housing	Affordable Loan No Payments	Husband was added to title and he assumed the Housing Commission's affordable documents.
HERNANDEZ 7461 Gatewood Lane San Diego, CA 92114	\$ 56,950.00	First Time Homebuyer	3% Loan No Payments	Wife was added to title and she assumed the Housing Commission's loan.

ATTACHMENT 4