

# INFORMATIONAL REPORT

**DATE ISSUED:** September 6, 2018

**REPORT NO:** HCR18-073

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of September 13, 2018

**SUBJECT:** Status of Loan Portfolio – Fiscal Year 2018 Fourth Quarter

**COUNCIL DISTRICT:** Citywide

**NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

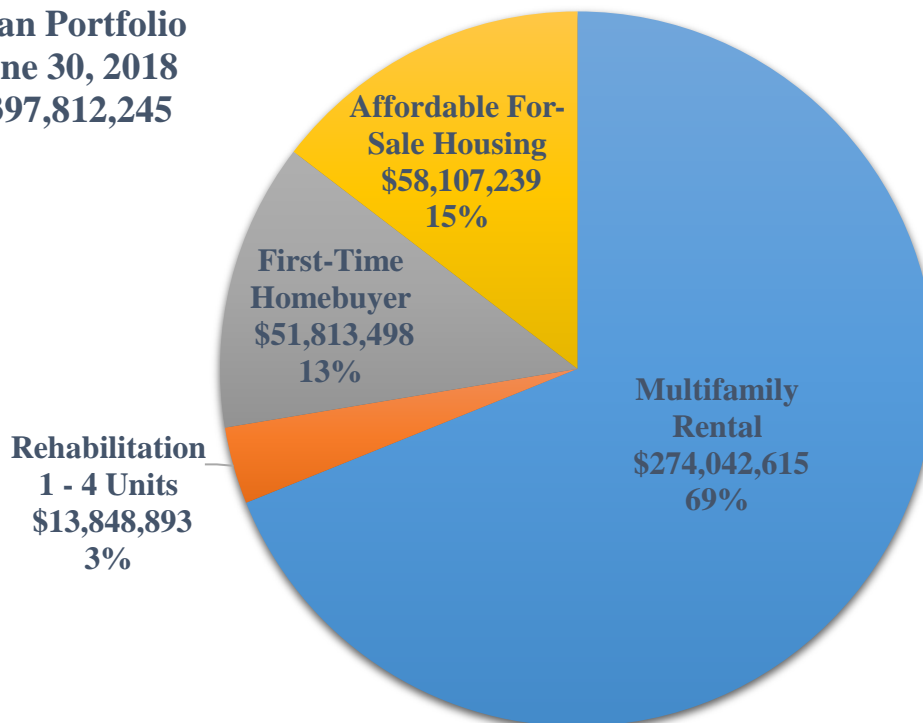
## SUMMARY

Pursuant to San Diego Housing Commission (Housing Commission) Lending Authority Policy No. 600.101, the Housing Commission prepares quarterly reports that provide the following information:

- |                             |   |
|-----------------------------|---|
| 1) Loan Portfolio Summary   | 5) Loans Written-Off/Forgiven           |
| 2) Loans and Grants Awarded | 6) Defaults                             |
| 3) Loans Paid in Full       | 7) Disposition of Foreclosed Properties |
| 4) Loan Payments            |   |

## 1. LOAN PORTFOLIO SUMMARY

**Loan Portfolio**  
**June 30, 2018**  
**\$397,812,245**



Status of Loan Portfolio – Fourth Quarter Fiscal Year 2018  
September 6, 2018

FY18 Q4	Loan Portfolio	Accrued Interest	Loans w/ Payments	Deferred / Residual Receipts Loans	Total Loans
Multifamily Rental	\$ 274,042,615	\$ 40,915,607	16	102	118
Rehabilitation 1 - 4 Units	\$ 13,848,893	\$ 78,014	11	760	771
First-Time Homebuyer	\$ 51,813,498	\$ 4,261,557	5	1,351	1,356
Affordable For-Sale Housing	\$ 58,107,239	\$ -	0	262	262
<b>TOTAL</b>	<b>\$ 397,812,245</b>	<b>\$ 45,255,178</b>	<b>32</b>	<b>2,475</b>	<b>2,507</b>

All loan and grant programs, except the Affordable For-Sale Housing Program, are funded using Federal, State, and Local monies; and are approved in accordance with the General Lending Authority Policy No. 600.101. The Affordable For-Sale Housing Program uses a Promissory Note, representing the difference between (a) the fair market value of the property, and (b) the actual affordable price paid at the time the Affordable Restrictions were recorded.

A Portion of the loan portfolio includes loans serviced on behalf the City of La Mesa. The loans were funded by the City of La Mesa; there was no investment on the part of the Housing Commission. The Housing Commission has an agreement with the City of La Mesa for limited servicing activities.

FY18 Q4	Loan Portfolio	Accrued Interest	Total Loans
La Mesa First-Time Homebuyer	\$ 1,248,360	\$ 349,024	17

## 2. LOANS AND GRANTS AWARDED\*

During the period of April 1, 2018 – June 30, 2018, the Housing Commission awarded loans for \$9,890,721 to create or preserve 138 affordable housing units, assist nine first-time homebuyers, and assist two home rehabilitations:

	FY18 4th Quarter
<b>Rehabilitation</b>	
Households Assisted	2
Clean and Green Loans	\$ 37,788
<b>TOTAL</b>	<b>\$ 37,788</b>
<b>First Time Home buyer</b>	
Households Assisted	9
Closing Cost Assistance Grants	\$ 87,446
Deferred Payment Loans	\$ 515,487
<b>TOTAL</b>	<b>\$ 602,933</b>
<b>Multi Family</b>	
Number of Projects	1
Number of Affordable Units	138
Project Name	Paseo La Paz
Project Type	Family & Individuals
SDHC Assistance	\$ 9,250,000
<b>TOTAL</b>	<b>\$ 9,250,000</b>
<b>TOTAL AWARDED</b>	<b>\$ 9,890,721</b>

\*Loans may have been awarded but amounts are not indicative of total loans disbursed.

### 3. LOANS PAID IN FULL

Below is a summary of the funds collected through loan payoffs during the period of April 1, 2018 – June 30, 2018. The Housing Commission received 47 payoffs which generated \$1,865,115 in program income:

FY18 Q4	# Loans Paid Off	Loan Principal Repaid	Interest/ Shared Equity	*DP/CC Repaid	*DP/CC Interest Received	Total Payoffs
Multifamily Rental	0	\$ -	\$ -			\$ -
Rehabilitation 1 - 4 Units	12	\$ 133,490	\$ 7,840			\$ 141,330
First-Time Homebuyer	35	\$ 1,185,434	\$ 484,620	\$ 45,525	\$ 8,206	\$ 1,723,785
Affordable For-Sale Housing	0	\$ -	\$ -			\$ -
<b>TOTAL</b>	<b>47</b>	<b>\$ 1,318,924</b>	<b>\$ 492,460</b>	<b>\$ 45,525</b>	<b>\$ 8,206</b>	<b>\$ 1,865,115</b>

*\*Down Payment and Closing Cost Assistance Recoverable Grant*

### 4. LOAN PAYMENTS

The Housing Commission loan portfolio is primarily comprised of deferred loans which do not require *fixed* monthly/annual payments. Multifamily Rental loans require annual residual receipts payments based on the developments' available cash flow. Below is a summary of the residual receipts payments, fixed payments and voluntary payments collected during the period of April 1, 2018 – June 30, 2018.

FY Q4	Paid to Principal	Paid to Interest	Total Paid
Multifamily Rental	\$ 449,770	\$ 388,891	\$ 838,661
Rehabilitation	\$ 6,276	\$ 3,996	\$ 10,272
First-Time Homebuyer	\$ 122,043	\$ 71,897	\$ 193,940
<b>TOTAL</b>	<b>\$ 578,089</b>	<b>\$ 464,784</b>	<b>\$ 1,042,873</b>

### 5. LOANS WRITTEN-OFF/FORGIVEN

Below is a summary of the loans written off or forgiven during the period of April 1, 2018 – June 30, 2018.

Loan Type	\$ Forgiven	*\$ Written Off	Authority
Multifamily Rental	\$ -	\$ -	
Rehabilitation 1 - 4 Units	\$ 94,000	\$ -	Forgiven per terms of loan
First Time Homebuyer	\$ -	\$ -	
Affordable For-Sale	\$ -	\$ -	
<b>TOTAL</b>	<b>\$ 94,000</b>	<b>\$ -</b>	

*\*Written Off loans are a result of default activity, i.e., bankruptcy, foreclosure or short sale.*

*\*Forgiven Loans are Rehabilitation loans which are forgiven and cancelled in 10 years. They are incrementally forgiven by 20 percent each year beginning in year six, and consequently, at the end of year 10, the loan balance will be \$0.00.*

## 6. DEFAULTS

Defaults include all Housing Commission loans that are delinquent 30 days or more, and loans for which the senior lien holder has filed a Notice of Default. Historically the vast majority of borrowers are able to cure the default and remain in their home. As of June 30, 2018, the loans in default are as follows:

FY18 Q4	# in Default	\$ in Default	Default Ratio	Default w/ SDHC	Default w/ Senior Lien
Multifamily Rental	0		0.00%	0	0
Rehabilitation 1 - 4 Units	2	\$ 44,276	0.32%	0	2
First-Time Homebuyer	4	\$ 193,837	0.37%	1	3
Affordable For-Sale Housing	1	\$ 52,000	0.09%	1	0
La Mesa First-Time Homebuyer	0			0	0
<b>TOTAL</b>	<b>7</b>	<b>\$ 290,113</b>	<b>0.07%</b>	<b>2</b>	<b>5</b>

## 7. DISPOSITION OF FORECLOSED PROPERTIES

During the fourth quarter of Fiscal Year 2018, there were no loans lost through foreclosure.

Respectfully submitted,

Approved by,

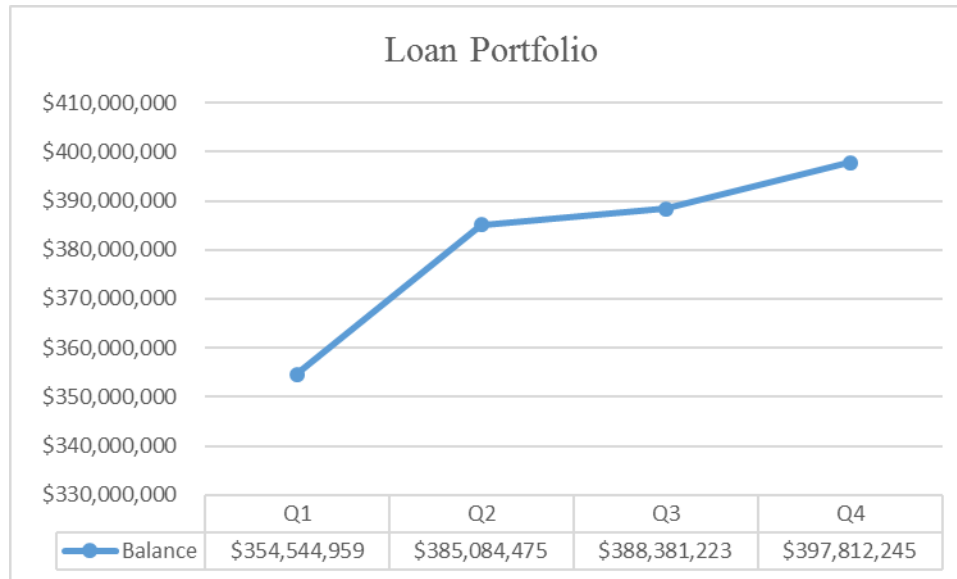
Carrie Tapia  
Housing Programs Manager  
Real Estate Division

Deborah N. Ruane  
Executive Vice President & Chief Strategy Officer  
Real Estate Division

Attachment 1: Fiscal Year 2018 Summary of Activity.

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk 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 in the “Public Meetings” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)

**ATTACHMENT 1**  
**FISCAL YEAR 2018 SUMMARY OF ACTIVITY**  
**July 1, 2017 – June 30, 2018**



Total of Loans and Grants Awarded

Fiscal Year 2018	Q1	Q2	Q3	Q4	Total
Multifamily Rental	\$ 3,100,000	\$ 25,168,500	\$ 4,315,000	\$ 9,250,000	\$ 41,833,500
Rehabilitation 1 - 4 Units	\$ 20,000	\$ 136,146	\$ 25,000	\$ 37,788	\$ 218,934
First Time Homebuyer	\$ 879,525	\$ 1,232,941	\$ 1,424,315	\$ 602,933	\$ 4,139,714
Affordable For-Sale	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 3,999,525</b>	<b>\$ 26,537,587</b>	<b>\$ 5,764,315</b>	<b>\$ 9,890,721</b>	<b>\$ 46,192,148</b>

Number of Affordable Units Produced/Assisted

Fiscal Year 2018	Q1	Q2	Q3	Q4	Total
Multifamily Rental	79	294	108	138	619
Rehabilitation 1 - 4 Units	1	4	1	2	8
First Time Homebuyer	12	25	22	9	68
Affordable For-Sale	0	0	0	0	0
<b>Total</b>	<b>92</b>	<b>323</b>	<b>131</b>	<b>149</b>	<b>695</b>

**ATTACHMENT 1 (continued)**

Total of Loans and Grants Paid in Full (Includes Principal and Accrued Interest)

Fiscal Year 2018	Q1	Q2	Q3	Q4	Total
Multifamily Rental	\$ -	\$ -	\$ 4,320,578	\$ -	\$ 4,320,578
Rehabilitation 1 - 4 Units	\$ 202,159	\$ 160,693	\$ 160,801	\$ 141,330	\$ 664,983
First Time Homebuyer	\$ 748,968	\$ 1,164,570	\$ 855,412	\$ 1,723,785	\$ 4,492,735
Affordable For-Sale	\$ 307,016	\$ 57,000	\$ -	\$ -	\$ 364,016
<b>Total</b>	<b>\$ 1,258,143</b>	<b>\$ 1,382,263</b>	<b>\$ 5,336,791</b>	<b>\$ 1,865,115</b>	<b>\$ 9,842,312</b>

Total of Monthly/Annual Payments on Active Loans (Includes Principal and Accrued Interest)

Fiscal Year 2018	Q1	Q2	Q3	Q4	Total
Multifamily Rental	\$ 1,279,959	\$ 1,643,182	\$ 191,072	\$ 838,661	\$ 3,952,874
Rehabilitation 1 - 4 Units	\$ 4,309	\$ 3,574	\$ 8,571	\$ 10,272	\$ 26,726
First Time Homebuyer	\$ 63,753	\$ 60,107	\$ 109,143	\$ 193,940	\$ 426,943
Affordable For-Sale	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,348,021</b>	<b>\$ 1,706,863</b>	<b>\$ 308,786</b>	<b>\$ 1,042,873</b>	<b>\$ 4,406,543</b>

Total of Loans Forgiven Per Terms of Loan or Written Off Per PO-RED 325.01

Fiscal Year 2018	Q1	Q2	Q3	Q4	Total
Multifamily Rental	\$ -	\$ -	\$ -	\$ -	\$ -
Rehabilitation 1 - 4 Units	\$ 128,932	\$ 137,996	\$ 88,000	\$ 94,000	\$ 448,928
First Time Homebuyer	\$ 20,159	\$ -	\$ 116,441	\$ -	\$ 136,600
Affordable For-Sale	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 149,091</b>	<b>\$ 137,996</b>	<b>\$ 204,441</b>	<b>\$ 94,000</b>	<b>\$ 585,528</b>