



## INFORMATIONAL REPORT

**DATE ISSUED:** April 23, 2020

**REPORT NO:** HCR20-034

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of May 1, 2020

**SUBJECT:** Status of Loan Portfolio – Fiscal Year 2020 Second Quarter

**COUNCIL DISTRICT:** Citywide

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

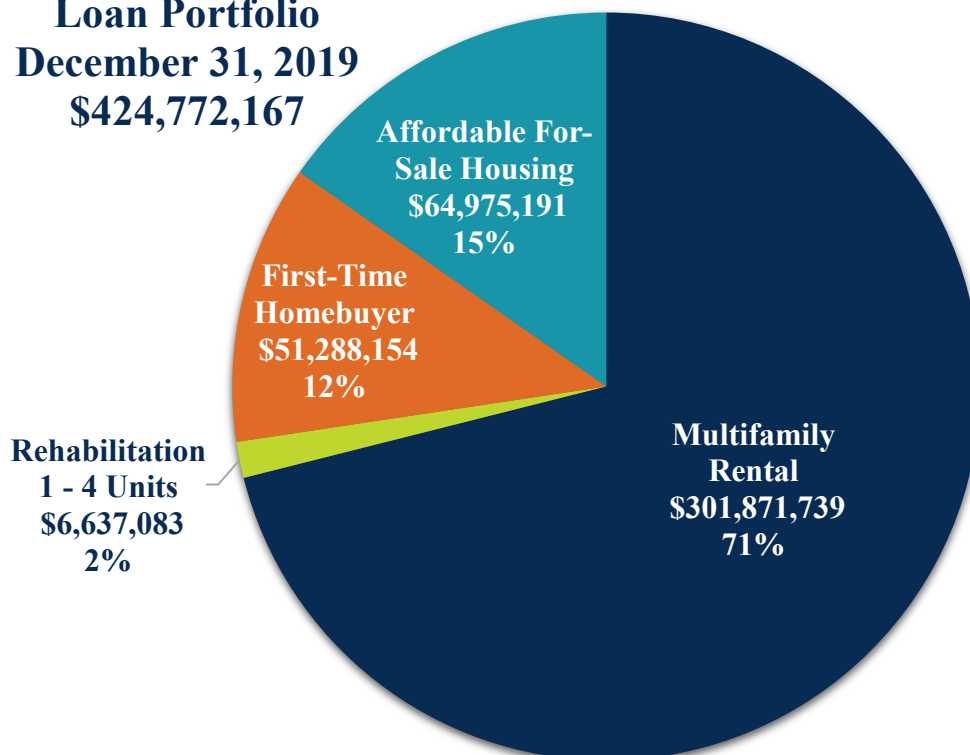
### SUMMARY

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

### 1. LOAN PORTFOLIO SUMMARY

**Loan Portfolio**  
**December 31, 2019**  
**\$424,772,167**



FY20 Q2	Loan Portfolio	Accrued Interest	Amortized / Min. Payment Loans	Deferred / Residual Receipts Loans	Total Loans
Multifamily Rental	\$ 301,871,739	\$ 49,345,001	21	101	122
Rehabilitation 1 - 4 Units	\$ 6,637,083	\$ 55,171	8	436	444
First-Time Homebuyer	\$ 51,288,154	\$ 4,814,225	6	1,271	1,277
Affordable For-Sale Housing	\$ 64,975,191	\$ -	0	274	274
<b>TOTAL</b>	<b>\$424,772,167</b>	<b>\$54,214,397</b>	<b>35</b>	<b>2,082</b>	<b>2,117</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.

FY20 Q2	Principal	Accrued Interest	Total Loans
La Mesa First-Time Homebuyer	\$ 1,143,360	\$ 388,632	15

**2. LOANS AND GRANTS FUNDED\***

During the period of October 1, 2019 – December 31, 2019, the Housing Commission recorded 8 loans.

FY20 2nd Quarter	
<b>First Time Homebuyer</b>	
Households Assisted	3
Closing Cost Assistance Grants	\$ 10,000
Deferred Payment Loans	\$ 189,015
<b>TOTAL</b>	<b>\$ 199,015</b>
<b>Affordable For-Sale Housing</b>	
Households Assisted	1
Deferred Payment Loans	\$ 488,473
<b>TOTAL</b>	<b>\$ 488,474</b>
<b>Multi Family</b>	
Total Projects	4
Affordable Units	576
<b>TOTAL</b>	<b>\$ 21,600,000</b>
<b>14th &amp; Commercial Apartments</b>	
Affordable Units	323
HOME	\$ 3,800,000
Inclusionary	\$ 2,350,000
<b>14C VHHP</b>	
Affordable Units	80
HOME	\$ 2,900,000
Inclusionary	\$ 2,450,000
<b>Quality Inn</b>	
Affordable Units	91
CDBG	\$ 5,240,000
<b>Benson Place</b>	
Affordable Units	82
CDBG	\$ 4,760,000
HTF	\$ 100,000
<b>TOTAL AWARDED</b>	<b>\$ 22,287,489</b>

*\* Loans funded are not necessarily indicative of loans disbursed.*

The Housing Commission also administers (excluding Servicing) the County of San Diego’s First-Time Homebuyer (FTHB) program. The Housing Commission will begin reporting on County activity and balances as part of this Informational Report commencing this fiscal year.

FY20 Q2	Assistance Provided	Total Loans
San Diego County FTHB Loans	\$ 238,850	3

**3. LOANS PAID IN FULL**

Below is a summary of the funds collected through loan payoffs during the period of October 1, 2019 – December 31, 2019. The Housing Commission received 25 payoffs, which generated \$1,033,052 in program income:

Loan Type	# Loans Paid Off	Loan Principal Repaid	Loan Int./Shared Appreciation Received	*DP/CC Repaid	*DP/CC Interest Received	Total Payoffs
Multifamily Rental	0	\$ -	\$ -	\$ -	\$ -	\$ -
Rehabilitation 1 - 4 Units	4	\$ 39,962	\$ -	\$ -	\$ -	\$ 39,962
First-Time Homebuyer	21	\$ 798,673	\$ 188,945	\$ 4,200	\$ 1,272	\$ 993,090
Affordable For-Sale Housing	0	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>25</b>	<b>\$ 838,635</b>	<b>\$ 188,945</b>	<b>\$ 4,200</b>	<b>\$ 1,272</b>	<b>\$ 1,033,052</b>

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

**4. LOAN PAYMENTS**

The Housing Commission loan portfolio is primarily composed 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 October 1, 2019 – December 31, 2019.

Loan Type	Principal	Interest	Total
Multifamily Rental	\$ 5,618	\$ 218,925	\$ 224,543
Rehabilitation	\$ 15,002	\$ 641	\$ 15,643
First-Time Homebuyer	\$ 93,135	\$ 40,798	\$ 133,933
<b>TOTAL</b>	<b>\$ 113,756</b>	<b>\$ 260,364</b>	<b>\$ 374,120</b>

**5. LOANS AND GRANTS WRITTEN-OFF / FORGIVEN**

Below is a summary of the loans and grants written off or forgiven during the period of October 1, 2019 – December 31, 2019.

Loan Type	\$ Forgiven Principal Per Terms of Loan	\$ Written Off Principal	Total
Multifamily Rental	\$ 305,556	\$ -	\$ 305,556
Rehabilitation 1 - 4 Units	\$ -	\$ -	\$ -
First Time Homebuyer	\$ -	\$ 97,435	\$ 97,435
Affordable For-Sale	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 305,556</b>	<b>\$ 97,435</b>	<b>\$ 402,991</b>

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

**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 December 31, 2019, the loans in default are as follows:

FY20 Q2	# in Default	\$ in Default	Default Ratio	Default w/ SDHC	Default w/ Senior Lien
Multifamily Rental	0	\$ -	0.00%	0	0
Rehabilitation 1 - 4 Units	1	\$ 5,000	0.08%	1	0
First-Time Homebuyer	2	\$ 82,511	0.16%	2	0
Affordable For-Sale Housing	1	\$ 140,578	0.22%	1	0
La Mesa First-Time Homebuyer	0	\$ -	0.00%	0	0
<b>TOTAL</b>	<b>4</b>	<b>\$ 228,089</b>	<b>0.05%</b>	<b>4</b>	<b>0</b>

**7. DISPOSITION OF FORECLOSED PROPERTIES**

During the second quarter of Fiscal Year 2020, the Housing Commission sold a long-term affordable for-sale unit it had acquired as Real Estate-Owned (REO) through foreclosure in the prior fiscal year. The unit was sold to another income-eligible buyer with the affordable restrictions being assumed by the new buyer.

Respectfully submitted,

*Sujata Raman*

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Approved by,

*Jeff Davis*

Jeff Davis  
Executive Vice President and Chief of Staff  
San Diego Housing Commission

Docket materials are available online in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)