



UFI URBAN FUTURES | Incorporated

Final Urban Futures Report

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Overview

- ▶ Present final report received June 2013
- ▶ Generally review changes made since draft presented to Council in Nov. 2012
- ▶ Present current status of loans on the 18 properties

Final Report: Background

- ▶ On Dec. 6, 2011, Council generated a list of information for financial and affordability covenant information of LHCDC loans it wanted to obtain
- ▶ On Dec. 20, 2011, Council approved the list and approved the City Administrator to enter into an agreement with a consultant to prepare a comprehensive report that would include the information
- ▶ On Jan. 20, 2012, staff issued an RFP to conduct an affordable housing file audit; submissions were due Feb. 23, 2012
- ▶ On Mar. 16, 2012, the City entered into a contract with UFI

Final Report: Background

- ▶ On May 15, 2012, UFI provided an update to Council with concurrence that UFI would return to Council in late July or Aug. with a final report
- ▶ Due to scheduling conflicts and the need for additional research and analysis, dates for reporting to Council in Aug., Sept., and Oct. were rescheduled
- ▶ On Nov. 20, 2012, Urban Futures presented a draft report to Council for review and discussion; staff was directed to develop a policy and implement an integrated monitoring system
- ▶ Cost of contract: \$15,000 plus \$5,150 for unbudgeted costs paid with CDBG funds

About the Report

- ▶ Affordable Housing Analysis with respect to 18 sites
- ▶ Divided into two chapters
 - Analysis of Housing Project Compliance Review
 - Housing Project Financial Summary Analysis
- ▶ To prepare report, UFI obtained copies of City's affordable housing program files including but not limited to loan documents, covenants, and other regulatory agreements and conducted drive-by visits

About the Report

- ▶ Goal: Findings from the report would provide information to staff that would be instrumental in the development of a policy that will create greater accountability from organizations that are awarded funding from the City and improve the City's housing compliance monitoring program

From Draft to Final

- ▶ Final report reflects financing and compliance information as of Nov. 2012
- ▶ Corrections/clarifications made were:
 - Reconciliation of financial summary analysis
 - Clarifications (e.g. sources and amounts of funding, and priority)
 - Finalized (Amended) June 2013
 - Amended Aug. 2013 (see report cover memo to Council)

Recommendations from Report

- ▶ Recommendations of UFI report:
 - Develop a monitoring matrix to identify the various and most restrictive terms of each property
 - Training of individuals responsible for reporting
 - Develop an electronic filing system to help with data collection and file retention
 - Contract out for housing compliance monitoring

Current Status of City/RDA Financing

- ▶ Spreadsheet provides data on:
 - Financing repaid
 - Financing converted to real estate owned through foreclosure process
 - Financing extinguished through foreclosure process
 - Loans still in place

Current Status of City/RDA Financing

Property No. (Corresponding to UFI Report)	Address	Financing Repaid	*	Financing Converted to Real Estate Owned Through Foreclosure Process	*	Financing Extinguished Through Foreclosure Process	*	Loans Still in Place	*
1	120-120 1/2 S. K St.	\$ 12,572	1						
		\$ 21,025	1						
2	203 N. "N" St.			\$ 65,000	4				
				\$ 20,000	2				
3	305-309 N. "K" St.	\$ 156,000	1						
4	328-330 N. "K" St.	\$ 75,000	1			\$ 169,640	2		
						\$ 198,366	3		
						\$ 155,234	3		
5	401-405 W. Chestnut Ave.	\$ 7,800	1						
		\$ 14,200	1						
6	434-438 N. "L" St.	\$ 157,300	1			\$ 46,335	3		
7	500-504 N. "T" St.					\$ 131,982	2		
8	501-513 N. "S" St. & 508 N. "T" St.	\$ 181,050	1			\$ 214,483	2		
9	503, 507 & 507 1/2 N. "B" St & 613 E. Maple Ave.	\$ 115,000	2			\$ 175,193	2		
10	518 N. "T" St.	\$ 135,000	1	\$ 140,000	2	\$ 280,975	5		
		\$ 105,000	1						
11	521-537 N. "T" St.	\$ 53,000	4						
		\$ 227,000	3						
		\$ 227,000	1						
		\$ 297,825	1						
12	709 & 713 N. "E" St.	\$ 132,825	1			\$ 75,000	3		
13	717-721 N. "E" St.	\$ 30,000	2			\$ 50,000	4		
						\$ 30,000	3		
14	725-733 N. "E" St.	\$ 4,302	1			\$ 97,629	3		
		\$ 40,000	1						
15	114 S. "K" St.			\$ 375,000	1				
16	201 & 207 E. College Ave.							\$ 159,000	4
								\$ 608,826	3
								\$ 262,934	3
17	107 E. Ocean Ave.	\$ 70,000	1						
18	112 & 122 N. "H" St.							\$ 700,000	1
								\$ 225,000	2
Totals		\$ 2,061,899		\$ 600,000		\$ 1,624,837		\$ 1,955,760	

* Funding Sources: 1 - RDA, 2 - CDBG, 3 - City HOME, 4 - City State HOME, 5 - LAHTF
 Dark Grey Cells - Financing Extinguished less than Loan Amount - May 1, 2014

Conclusion

- ▶ Information provided consolidates the history of City financing and compliance monitoring
- ▶ The Subrecipient Financial, Programmatic and Monitoring Report Requirement Policy presented this evening is recommended to minimize future risks to the City and improve City monitoring and reporting processes