

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 27, 2018

CAO File No. 0220-00540-1270

Council File No. 16-1301-S1

Council District: Citywide

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated February 5, 2018; Received by the City Administrative Officer March 23, 2018

Subject: **REQUEST FOR AUTHORIZATION TO WRITE OFF LOAN LOSSES FOR CALENDAR YEARS 2010 THROUGH 2017**

RECOMMENDATION

That the Council, subject to the approval of the Mayor, adopt the recommendations of the Housing and Community Investment Department (HCID) report dated February 5, 2018 relative to the write-off of loan losses for calendar years 2010 through 2017.

SUMMARY

The Housing and Community Investment Department (HCID) requests authorization to write-off loan losses from 56 loans in the total amount of \$2,966,029.39 resulting from third-party foreclosures and short pay agreements during calendar years 2010 through 2017. The Department reports that five loans representing \$219,687.10 of the requested write-off amount resulted from third-party foreclosures and 51 loans representing \$2,746,342.29 resulted from short sale payments accepted by HCID to prevent foreclosures and allow the recovery of a portion of the loan amount. The amount requested for write-off represents the principal amount only and does not include accrued interest for 14 interest bearing loans with a total principal amount of \$630,746.92. The Department has stated that interest for write-offs is generally calculated after the approval is granted for the write-off. Additionally, it should be noted that nine loans with a total principal amount of \$519,558.83 utilized General Fund that was previously appropriated to affordable housing programs. Two of the General Fund loans, with a total principal amount of \$39,280.83, are interest bearing. There is no impact to the General Fund, as the repayment amounts from the General Fund loans were anticipated to be re-invested in HCID's affordable housing programs.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund as a result of the recommendation of this report. The recommendation complies with City Financial Policies in that the requested write-off of loan losses for 56 loans will not impact the General Fund as the loans were originally funded by grant funds or previous appropriations from the General Fund to support HCID affordable housing programs.

RHL:NSC:02180092C