



AGENDA REPORT

TO: FRED BLACKWELL
CITY ADMINISTRATOR

FROM: Michele Byrd

SUBJECT: Quarterly Report on Foreclosure Issues

DATE: April 8, 2014

City Administrator
Approval

Date

4/10/14

COUNCIL DISTRICT: City-wide

RECOMMENDATION

Staff recommends that the Committee accept this quarterly informational report:

**Quarterly Tracking Report on Housing Foreclosure and Outcome Data
from Related City Programs.**

BACKGROUND

This report responds to the standing request of the Community and Economic Development Committee for a quarterly report tracking housing foreclosure data and outcomes from City of Oakland programs designed to help address problems caused by foreclosures.

ANALYSIS

I. RESIDENTIAL FORECLOSURE DATA & TRENDS

National information on foreclosure issues shows the following trends in many urban communities, with recovering local economies, have continued this past quarter:

1. Continued significant decline in foreclosure activities.¹
2. Sale prices are up and availability of houses for sale is beginning to increase in tight markets.²

¹ Foreclosure Forecast for 2014 Anticipated Impact on Housing Market, March 23, 2014, www.loanlove.com

² Bloomberg News, Home Sellers Return for Spring Market as Buyers Get Relief, February 7, 2014

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3. The prior increase in short sales³ has now declined in Oakland, which appears to be primarily due to completion activities from the National Mortgage Settlement Agreement.
4. A slow-down of investors purchasing foreclosed properties in hot housing markets like Oakland's.⁴

National Mortgage Settlement Agreement & Aftermath

Regarding the National Mortgage Settlement Agreement (NMSA) negotiated with five (5) major banks: Ally, Bank of America, Citibank, JP Morgan Chase, and Wells Fargo, according to the latest Monitor's report, "there continue to be issues with the loan modification process, single point of contact, and customer records."⁵ The Monitor is continuing to assess servicer performance. Problems with dual tracking still occur, some of which are not covered under the protections of the new California Homeowner Bill of Rights Act. Many consumers have filed complaints with the federal Consumer Financial Protection Bureau (CFPB) concerning mortgage servicing, loan modification and foreclosure activities by servicers.⁶

In addition to information from the last quarter's report regarding new settlement agreements arrived at by federal regulators with major financial institutions, Credit Suisse Group AG (CSGN), Switzerland's second-biggest bank, agreed to pay \$885 million to settle lawsuits by the Federal Housing Finance Agency over mortgages sold to Fannie Mae and Freddie Mac.⁷

Oakland Data

Recent market data reflects the continuing recovery of Oakland's housing market and decline of foreclosure activities. However, other data and information also demonstrate the impact of Oakland's escalating housing market on low to moderate income households in terms of housing affordability, access, and conditions.

A. Foreclosure Activities Continue to Decline From Last Year

Average monthly Notice of Default (NOD) filings are up 19 percent from last quarter, with 84 and 81 filed in January and February respectively. This represents a higher average than 3 out of the 4 quarters in 2013, but is still 29% lower than the recent peak last Spring.

³ New York Times, Despite Aid, Borrowers Still Face Foreclosure, 2/21/13

⁴ USA Today, As Prices Rise, Rental Home Investors Seek New Markets, January 22, 2013

⁵ Office of Mortgage Settlement Oversight, Summary of Compliance A Report from the Monitor of the National Mortgage Settlement Agreement, June 19, 2013

⁶ Washington Post, Consumers lodge thousands of complaints against firms that service mortgages, February 4, 2014

⁷ Bloomberg Business Week, Credit Suisse to Pay \$885 Million to Settle U S Mortgage Cases, March, 21, 2014

Oakland NOD Filings

Period	Qtr	Avg/Mo
2012 Q1	609	203
Q2	613	204
Q3	494	165
Q4	410	137
2013 Q1	224	75
Q2	305	102
Q3	215	72
Q4	211	70
January 2014		84
February 2014		81
Q1 2mo Avg		83
Change in Avg since last Qtr:		+19%
Year-Over-Year: Jan 2013 - Jan 2014		-29%

January 2013: 117

More information, including foreclosure activities by specific major lenders is available at *Attachment A*.

Short sale activity has continued to fluctuate slightly but with overall decline: average monthly sales for less than the value owed are down 31% from the last quarter and 52% from last year. **However, a greater share of short sales are happening for properties that have not had a default filed in the last 180 days, up from 68% in the first quarter of 2013 to 84% on average in January and February of 2014.** Re-sales or “flips” of short sale purchases are down to just a few per month.

Oakland Short Sale Trends

Period	w/NOD in last 180 days		All	
	Qtr	Avg/Mo	Qtr	Avg/Mo
2012 Q1	95	32	235	78
Q2	120	40	301	100
Q3	159	53	342	114
Q4	116	39	341	114
2013 Q1	73	24	231	77
Q2	54	18	260	87

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Q3*	17	6	96	32
Q4	24	8	162	54
2014 January		6		45
February		11		29
Change from last quarter		6%		-31%
Change from last year		-65%		-52%

* 2013 Q3 figures adjusted down from last quarter's report to correct for data entry errors

Trustee sales have fluctuated for the first two months of this quarter around the lows of the second half of 2013. Investors continue to be less active at auction, a trend that began last Spring. About 47% of auctioned properties became bank owned in January and February of 2014, equating to 14 homes per month on average

Auction Outcomes		All Auctions		Auction to REO%
Period	Qtr	Avg/Mo		
2012 Q1	405	135		71%
Q2	278	93		62%
Q3	266	89		57%
Q4	231	77		60%
TOTAL 2012	1180	98		63%
2013 Q1	161	54		55%
Q2	151	50		26%
Q3	103	34		38%
Q4	105	35		40%
TOTAL 2013	520	43		40%
2014 January		36		50%
February		21		43%
TOTAL 2013 Year to Date	57	29		47%

B. Housing Market Prices Continue to Escalate While Sales Continue to Decline With Implications for Income Inequality

Following state-wide trends, residential property sales in Oakland this quarter are down sharply from the peaks seen in the spring and fall of 2013: down 49% from last quarter and 37% from last year. Non-distressed market sales have seen the sharpest declines, down by 54% from last quarter and 35% from last year. Distressed sales including short sales, foreclosure auctions, and

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sales from REO have tapered off at a slightly slower rate this quarter, dropping 41% from last quarter.

Oakland Sales Trends

Period	Reg. Market Sales		Non-Market/ Distressed Sales		All Sales	
	Qtr.	Avg/Mo	Qtr.	Avg/Mo	Qtr.	Avg/Mo
2012 Q1	280	93	685	228	965	322
Q2	514	171	861	287	1375	458
Q3	554	185	748	249	1302	434
Q4	668	223	688	229	1356	452
2013 Q1	556	185	533	178	1089	363
Q2	885	295	518	173	1403	468
Q3	879	293	494	165	1373	458
Q4	796	265	616	205	1413	471
2014 January		135		149		284
February		107		65		172
Average/Mo		121		107		228
Change from last Qtr		-54%		-41%		-49%
Change from last year		-35%		-40%		-37%

Oakland's housing prices continue to skyrocket and Oakland is considered to be one of the nation's fastest-moving housing markets.⁸ According to realtor.com, Oakland's current median listing price of \$475,000 increased \$7,500 from last quarter's median listing price and reflects an increase of 18.6% from last year's prices.⁹

In addition, Oakland's foreclosure crisis, which led to home loss for 1 in 14 Oakland households and then to subsequent investor purchases, has contributed to dramatically rising rents. In the prior quarter, as compared to 2012, reports show that Oakland saw a 15% increase in rents across apartment buildings and a 10.3% rent increase in buildings of 50 units or more.¹⁰ These increases were in addition to the 11.5% increase in rents from 2011 to 2012.

The high cost of housing may also be a contributing factor in Oakland's existing income inequality by discouraging low to moderate income households from moving into or pushing

⁸ <http://www.homebuyinginstitute.com/news/homes-selling-faster-440/>

⁹ <http://www.realtor.com/data-portal/Real-Estate-Statistics.aspx>

¹⁰ San Francisco Chronicle; "Rents Soaring Across Region," October 25, 2013 (10.3% increase from 2012 for buildings over 50 units from source RealFacts, 15% increase across all apt buildings from source Lovely)

existing households out of Oakland. In a recent Brookings Institution study, Oakland was ranked the 7th city in the nation for the highest income inequality.¹¹ The income inequality analysis was based upon the distance between households at the top 5% by income and ones at the bottom 20%. In Oakland, households at the lowest 20% income earn \$17,646 while those at the highest 5% income earn \$223,965 for a ratio difference of 12.7. Incomes for both the 20% lowest and 5% highest income households declined from 2007 to 2012, which resulted in no change in the income inequality gap between those years.¹²

C. Recent Reports Show Demographic Shifts, Displacement Risks, and Housing Habitability Concerns

As reported in prior quarters, the profile of current Oakland homeowners in foreclosure crisis has changed dramatically in the past several years. Currently, 90% of Oakland families in foreclosure have owned their home for at least 6 years, with over one-third of them owning their homes for more than 10 years. Many of the families City staff are assisting have owned their homes for decades, including over 50 years, or residing in family legacy homes passed down through multiple generations

As discussed in prior reports, the dynamics of Oakland's foreclosure crisis have significantly contributed to the current problems of housing access and affordability for many long-time residents, both homeowners and tenants. Alameda County Public Health Department, in a recent report with Causa Justa::Just Cause, recently released new demographic data,¹³ including the following:

- Oakland neighborhoods experiencing or at significant risk of displacement include North Oakland, San Antonio and West Oakland. Chinatown, Fruitvale, Central East Oakland and Elmhurst are experiencing increasing property values and susceptibility to displacement forces
- Between 1990 and 2011, the median monthly rent in late-stage gentrifying neighborhoods increased by \$280, or 30%, and areas experiencing ongoing gentrification saw the largest increase in median housing values (a \$274,760 increase).
- Between 1990 and 2011, the percentage of Oakland residents who are African American decreased from 43% to 26%, the largest drop by far across any group. During this same

¹¹ Brookings Institution, Alan Berube, All Cities Are Not Created Unequal, February 20, 2014 The top 6 cities for income inequality were, by ranking order, Atlanta, San Francisco, Miami, Boston, Washington DC, and New York

¹² Income for the 20% lowest income declined by \$1,062 and for the 5th highest income declined by \$14,059 Id.

¹³ "Gentrification, Displacement and Public Health Why Neighborhood Change Matters for Health in Oakland" Fact Sheet, Alameda County Public Health Dept and Causa Justa Just Cause, March 18, 2014

period, the percentage of homeowners in North Oakland who are African American dropped from nearly 50% to 25%.

- The increased housing costs and demographic character shifts associated with gentrification may exacerbate the following conditions:
 - rent burden and overcrowding;
 - the closure of vital community institutions and health and social services;
 - existing social and health inequities within neighborhoods,
 - the eviction rate for low-income tenants; and
 - homelessness resulting from the above impacts.
- Displacement of residents from their homes and neighborhoods increases:
 - financial hardship due to relocation costs, loss of assets, and increased transportation costs resulting from longer commutes;
 - disruptions to employment and income and decreased educational performance;
 - psychological distress;
 - disruption to routine medical care;
 - the migration of African American households to higher poverty neighborhoods; and
 - community fragmentation and social network disruption, resulting in increased health problems and intra-community violence.
- Displacement widens income inequality and increases segregation, while also increasing greenhouse gas emissions that result from longer commutes.

At the same time many residents are experiencing displacement risks, significant areas of Oakland have serious housing habitability problems. A recent report by Urban Strategies Council, prepared for the Alameda County Healthy Homes Alliance, found the following:¹⁴

- In over two-thirds of Oakland census tracts, at least 90% of the housing stock was built before 1979 and poses a potential risk of lead paint hazards that are highly toxic for developing children.
- Forty-six percent of both renters and owners spend 35% or more of their household income for housing. To afford a two-bedroom apartment at the fair market rent of \$1,361, a renter household would need an annual income of \$54,440, which translates to 3.27 full time minimum wage jobs or 1.9 full time living wage jobs.
- A lack of affordable housing is linked to diminished capacity to pay for childcare, health insurance, and healthy, nutritious food. The health impacts of these trade-offs include increased hypertension, stress and household instability.

¹⁴ "Building an Indicator Base for Healthy Housing Issues in Oakland," prepared for the Alameda County Healthy Homes Alliance by Urban Strategies Council, November 2013

- 81% of vacant homes in Oakland, 3,620, have been vacant for at least 3 years. Vacant homes are most highly concentrated in West Oakland, where 7% to 15% of homes were vacant as of June 2013.
- Foreclosed homes sitting vacant have an increased prevalence of mold growth due to poor ventilation and lack of required maintenance. Vacancy further strains municipal services through increased crime, toxic dumping and vandalism, which negatively impact public safety and neighborhood stability, while depressing property values of neighboring homes.
- From 2003 to 2013, the City's Building Services Division received over 32,500 complaints regarding occupied blight (interior habitability issues and structural defects), over 8,500 complaints for exterior blight, and nearly 7,000 complaints for work without a permit.
- Areas with the largest numbers of occupied blight complaints are nearly all in the City's low to moderate income flatland neighborhoods. In the neighborhoods of Longfellow, Hoover/Foster, the San Antonio, Fruitvale, Lower Maxwell Park and Havenscourt, as many as 6 out of 10 households filed a code enforcement complaint regarding habitability or structural defects between 2003 and 2013.

II. FORECLOSURE PREVENTION & MITIGATION PROGRAM STATUS

On October 16, 2012, Council approved funds for new and expanded activities to prevent and mitigate foreclosures, including the following:

- Direct outreach to homeowners with a NOD and tenants living in NOD properties.
- Hotline services for tenants and homeowners in distress to connect to appropriate services.
- Housing counseling and legal services.
- City escalation team to work with Bank escalation teams.
- ROOT loan fund program to preserve homeownership for qualified distressed families.
- Reporting of violations of National Mortgage Settlement Agreement or the new State Homeowner Bill of Rights Act to the State Monitor or Attorney General's office.

In the first year of the foreclosure prevention and mitigation initiative: outreach workers made over 4,000 attempts and ultimately reached nearly 800 homeowners and tenants occupying NOD and REO homes to provide information about available resources; over 350 homeowners received housing counseling or legal services to prevent or mitigate foreclosure; and over 200 tenants in properties affected by default and foreclosure received tenant counseling or legal services. These efforts kept over 90 homeowner households and over 50 tenant households in their homes, and provided alternative housing solutions for 23 other families.

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In the first two months of 2014, interim outreach efforts to NOD properties have reached 19 tenants, 24 homeowners, and connected an additional 4 homeowners with foreclosure sale dates to legal services. Starting this month, outreach workers will go door-to-door in Oakland neighborhoods that have been impacted by the foreclosure crisis and escalating housing costs to inform homeowners and tenants about housing rights and resources, in addition to foreclosure-related assistance. Also in the first two months of 2014, over 84 homeowners have accessed legal services, including 10 that have successfully obtained loan modifications, and 6 tenants have received assistance with foreclosure-related housing issues, including eviction prevention. For more details about performance outcomes, see *Attachment B*.

The ROOT Loan Fund Program

Funded by the remainder of the City's federal Neighborhood Stabilization Program funds, \$650,000, the ROOT program was a 12-18 months pilot program to better understand the specific challenges involved in securing homeownership for qualified current or former distressed homeowners. The following are highlights of lessons learned from the pilot experience:

- Through the City's intervention and initial partnership by Wells Fargo, major lenders were willing to participate in the ROOT program.¹⁵ This was a major hurdle that prevented the effectiveness of similar attempts in other jurisdictions that the City and its partners were able to overcome. For example, Bank of America had agreed to waive its internal policy prohibiting a short sale if it resulted in the home going back to the original owner in order to work with the City on the ROOT pilot
- The process involved in assisting individual homeowners is very cumbersome and time-consuming, and yet invaluable in helping elderly and long-time residents preserve their homes. The ROOT model serves homeowners who could sustain mortgage payments if they were re-set to market or subsidized value and have challenges that traditional loss mitigation processes are not able to resolve, such as a completed foreclosure, inflated market value of their home, or failure to meet loss mitigation guidelines. The ROOT nonprofit administrator, Community Housing Development Corp (CHDC), reviewed 25 Oakland households for the ROOT program with the following results: 3 passed underwriting review and successfully kept their homes; 7 had insufficient income or were in active bankruptcy; 5 received a loan modification or other alternative housing solution through other City partnership efforts; 4 did not have a current hardship; 3 withdrew from consideration; 2 had banks such as Freddie Mac that couldn't participate; and 1 is a pending case.

¹⁵ The exceptions were Fannie Mae and Freddie Mac due to the Federal Housing Finance Agency's administrative policy prohibiting principal reduction

- The ROOT pilot program, with the available NSP funds, was able to assist three Oakland homeowners preserve their homes, including one who recently lost her home to foreclosure as a result of a predatory transaction. All three homeowners owned their homes for decades, and are senior citizens, community leaders and stabilizing forces in their neighborhoods. All three homeowners are also African American and reside in neighborhoods that were historic bastions of African American homeownership. While the public subsidy involved in the original transactions was significant, the community benefits to assisting these homeowners include public health and safety outcomes. In addition, once their loans season and are able to be sold in the secondary market, the funds will recycle and be able to assist additional families.
- With the escalating market value of Oakland's homes especially in areas that used to have high rates of African American homeownership, the City needs foreclosure prevention strategies that address the gap between affordability and market value, such as the new flexible Home Preservation Loan Fund that the City and its partners recently created.
- Another significant outcome of the ROOT pilot has been changing the prevailing nonprofit development model which was based upon the acquisition of vacant foreclosed properties, rehabilitation, and re-sell to new homeowners. Single family property nonprofit developers, such as Hello Housing, Self Help, Habitat for Humanity, and the Oakland Community Land Trust, are now open to considering purchasing occupied foreclosed properties as a way to preserve those families in their homes.

In a post-NSP funding landscape, the City is working with its partners to develop new home preservation tools. We are currently working with Hello Housing and Self Help to assist two long-time Oakland families who both recently lost their homes to foreclosure as a way to pilot new strategies.

Jobs for Oakland Residents

In addition to staff currently employed with the funded organizations, the outreach organizations employed eight employees to conduct street outreach on a part-time basis, all of whom are Oakland residents.

National Learning Community

There is continuing interest from other communities regarding the City's foreclosure prevention and mitigation plan and staff has provided information and/or assistance to the following communities this quarter: Seattle, Chicago, and Brockton, Massachusetts, as well as presented Oakland's programs at convenings organized by the San Francisco Federal Reserve and HOPE Now, and Harvard Law School's Legal Aid Bureau.

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Addressing Critical Gaps—New Home Preservation and Anti-Displacement Efforts

As discussed in prior reports, staff has been working with the National Fair Housing Alliance (NFHA) and local organizations to address the new challenges that Oakland homeowners and renters currently face. The following is an update of the new resources and efforts.

Homeownership Preservation Loan Fund: The Unity Council has agreed to administer the new fund that would provide grants up to \$50,000 per household for families who need gap funds as part of a home preservation strategy. The new Fund started last month and has helped one Oakland household in distress keep her home with several other families in the application process.

Tenant Anti-Displacement—*The Pay It Forward Fund:* Catholic Charities has agreed to administer the new \$250,000 dedicated to provide rental housing assistance grants of up to \$5,000 per household for tenant families being pushed out of their rental housing. The grant agreement between Catholic Charities and NFHA is pending.

Community Buying Program—Transforming Abandoned Properties into New Affordable Housing with Minimal Public Subsidy: Hello Housing, the City's selected nonprofit administrator, working with City staff, has secured priority buying commitments from Fannie Mae, Wells Fargo, and the National Community Stabilization Trust. Implementation details are being worked on as part of these new pilot efforts. There are currently three pending offers to Wells Fargo and Fannie Mae. In addition, coordination between Hello Housing is occurring with City Code Enforcement staff to prioritize disposition strategies for properties with code enforcement problems.

We are also working on the development of disposition strategies for 53 abandoned properties that did not sell in the prior pilot auction program that the City and County had developed. The goal is to transform these abandoned properties, mainly vacant lots, into new affordable ownership or rental housing and for the lots that are not buildable into community gardens or other public benefit use. To facilitate achieving these goals, we may need to return to Council with requests that may include the following:

- The City Council resolution approving the pilot auction program resolves "that the Council approves the removal of City liens from the 75 properties identified in Exhibit A, *should the property be sold at auction*, for purposes of facilitating the purchase and active reuse of these properties in the county Auction program."¹⁶ We may need to seek Council clarification that the "auction process" contemplated by Council includes the disposition of properties that did not sell in the formal auction but are available for municipal governmental and nonprofit disposition post-auction as provided by State guidelines.

¹⁶ Council Resolution No 84057 C M S , October 2, 2012

- The Council resolution further resolves that “City proceeds from the County auction program would be allocated towards repayment of the Development Services Fund 2415 negative fund balance.” The sale of 22 properties in the pilot program has resulted in the payment of \$1,187,822.24 to the City. The City’s hard costs incurred on the original pilot 75 properties was \$1.3 million over a period of up to 15 years and the City had classified these as costs unlikely to be recovered. Staff proposes that proceeds from any new sale of the remaining 53 properties to community buyers be set aside to subsidize rental housing for households earning below 80% of Area Median Income.

Bigger Scale Prevention Efforts

Like other communities around the nation hard hit by the foreclosure crisis, the City of Oakland has been attempting to develop bigger scale prevention solutions beyond the labor-intensive individual by individual homeownership preservation strategies. As discussed in prior reports, the City has been working with national, state, and local groups on the development of a possible distressed mortgage notes sale program. As experienced by prior efforts,¹⁷ there are significant challenges to the effectiveness of such programs, including the following:

- The willingness or current ability of lenders to sell distressed mortgage notes that are disaggregated by locality rather than bundled into larger geographies.
- The relatively low numbers of homeowners in distress who could sustain new mortgage payments even with a re-setting of mortgage to market value and some subsidy assistance from the new Oakland Homeownership Preservation fund.
- Effective alternative disposition strategies for the families who cannot sustain homeownership and for properties which are vacant.
- The financial viability and sustainability of operating the programs.

Staff is engaging in due diligence regarding a possible pilot program utilizing HUD loans in Oakland and possible partnership with the State and their federally funded Keep Your Home California resources.

¹⁷ For example, staff conducted due diligence on the efforts of the Mortgage Resolution Fund, a national partnership to assist homeowners in Illinois and Ohio through the purchase of mortgage notes
<http://mortgageresolutionfund.org/>

III. FORECLOSED PROPERTIES PROGRAM STATUS

The following is a quarterly and year-to-date summary of performance outcomes from the City's Foreclosed and Defaulted Properties Registration, Inspection, and Maintenance Programs. Specific information, including performance by major lenders is provided in *Attachment A*.

Time Period	Registrations	Properties Inspected	Charges Directly Collected
Q. 1/1/2014— 3/30/2014	316	112	\$192,962 total • \$60,391 reg fees ¹⁸ • \$132,570 penalties
YTD 7/1/2013— 3/31/14	971	348	\$958,514 total • \$143,058 reg fees ¹⁹ • \$815,455 penalties

Proactive inspections of 101 foreclosed and defaulted properties this quarter found only one case of minor blight at a bank-owned property and 2 cases of minor blight at properties in default. The defaulted cases show no signs of abandonment and the owner was notified of the violations and given 30 days to abate. In addition, 11 properties were inspected this quarter to follow up with new complaints regarding blighted defaulted or foreclosed properties. Four of these complaints were verified and abated timely, 8 are in the abatement period, and one case resulted in penalties for untimely abatement but is now clean and secure. Information in Attachment A provides violations numbers for specific lenders/servicers.

Staff continues to deal with unauthorized occupants and associated blight and nuisance activity in abandoned and/or defaulted or foreclosed properties, but successful coordination with the police department and lender contracted maintenance companies over the past several quarters has reduced the number of active cases. Four successful cleanups were completed by lender contractors this quarter with OPD standby assistance and one is pending. Properties with a history of break-ins are monitored regularly.

IV. STATUS OF INVESTOR OWNED FORECLOSED AND DEFAULTED PROPERTIES PROGRAM

In November 2012, the City Council passed an ordinance requiring the registration, inspection, and maintenance of formerly foreclosed or defaulted properties purchased by investors. The new program, including a new online registration portal, launched in early August 2013. Registration notices were issued to 85 properties between August 2013 and March 2014. The following is a summary of program status:

¹⁸ An additional \$8,905 in Rec/Tech restricted fees were collected

¹⁹ An additional \$21,094 in Rec/Tech restricted fees were collected

- 42 properties have registered.
- 9 new registrations are pending.
- 19 properties were determined to be exempt.
- 26 penalties have been assessed for failure to register.
- 4 cases have been closed with no violations and another 4 with timely abatement.
- 21 cases have incomplete registrations and pending inspections.
- 15 registered properties have abatement in progress.
- 37 new notices to register are pending.

Of the 24 inspections conducted so far, 20 properties were issued a Notice of Violation and given 30 to 60 days to abate the conditions. Fifteen inspections are pending

V. DEVELOPMENT OF PROACTIVE PROGRAMS AND POLICY RECOMMENDATIONS

As provided in past reports, staff has been working with community partners and national experts to develop new strategies and identify new resources and/or policies to address the City's current housing challenges in the aftermath of the foreclosure crisis. The City has asked Urban Strategies Council and Policy Link, funded by NFHA, to work with us to develop a long-term housing plan, the Oakland Housing Equity Roadmap, to identify possible new policy, program, or revenue strategies to address the following:

1. Production of new affordable housing units.
2. Preservation of existing affordable subsidized and non-subsidized housing stock.
3. Improving habitability conditions of existing housing.
4. Transforming abandoned properties into new housing opportunities, especially long-term affordable housing.
5. Development of viable incentives and other strategies for private real estate community participation

Staff has or will be meeting with different stakeholder groups, including the following: ACCE, Alameda County Public Health Department, CJJC, East Bay Rental Housing Association, Jobs and Housing Coalition, OCO, Oakland Realtors Association, East Bay Housing Organization, and others.

We anticipate the completion of the Oakland Housing Equity Roadmap by the end of June 2014, in time for the next quarterly report

SUSTAINABLE OPPORTUNITIES

Economic: Oakland's foreclosure crisis has had devastating economic impact to residents, neighborhoods, economic development efforts, and City revenues. Blighted foreclosed or defaulted properties have resulted in significant expenditures of limited City resources including

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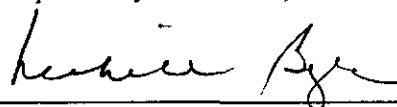
Code Enforcement, Police, Fire, and City Attorney. The City's proactive strategies will foster Oakland's economic goals.

Environment: Vacant or unmaintained foreclosed or defaulted properties have impacted the City's physical environment, as well as the health of residents. The City's proactive strategies will foster Oakland's environmental goals.

Social Equity: The foreclosure crisis has disproportionately impacted lower income residents who reside in flatland neighborhoods. The crisis has also significantly contributed to the current affordable housing crisis. The City's proactive strategies will foster social equity goals.

For questions regarding this report, please contact Margaretta Lin, Departments of Housing and Community Development and Planning and Building, at 510-238-6314.

Respectfully submitted,



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**Attachment A: Foreclosure Data
& Properties Status**

**Attachment B: Foreclosure
Prevention Performance
Outcomes**

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ATTACHMENT A Foreclosure Data and Programs

		Foreclosure Events			Registrations					Inspections								
		NOD/REO Filings			Notice of Default			Foreclosed / REO			Inspected Properties				Abatement			
Time Period	Bank*	NOD	Trustee Sale	REO	Total NOD	Occupied	Vacant	Total REO	Occupied	Vacant	Proactive		New Complaints		Total Violations	Pending	Timely	Penalties
											Inspected	Violations	Inspected	Violations**				
Current Qtr. Jan - Mar 2014																		
Major Lenders	BofA	8	2	1	5	3	2	0	0	0	7	0	0	0	0	0	0	1
	Chase	7	2		58	58	0	2	1	1	15	0	1	1	1	1	0	0
	Fannie Mae	6	2	2	2	1	1	25	16	9	0	0	1	1	1	1	0	0
	Freddie Mac		4	4	0	0	0	1	1	0	0	0	0	0	0	0	0	0
	US Bank	9			3	3	0	0	0	0	0	0	0	0	0	0	0	0
	Wells	38	5	3	78	77	1	3	2	1	43	0	1	1	1	0	1	0
					0	0	0	0	0									
Other Lenders	Ocwen	16			32	29	3	4	1	3	13	0	1	1	1	0	1	0
	Nationstar	18	4	4	19	18	1	1	0	1	3	1	4	4	5	3	2	0
	Bank of NY	7			0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Deutsche Bk	2	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	One West		7	4	0	0	0	1	0	1	0	0	0	0	0	0	0	0
	SP Servicing	1			32	31	1	8	4	4	12	0	1	1	1	1	0	0
	Others***	55	10	3	41	35	6	1	0	1	8	0	2	2	2	2	0	0
	Total	167	37	22	270	255	15	46	25	21	101	1	11	11	12	8	4	1
FY to Date July 2013 - Mar 2014																		
Major Lenders	BofA	23	6	4	49	34	15	5	1	4	26	1	2	2	3	1	1	2
	Chase	50	16	5	94	80	14	4	1	3	43	2	3	3	5	1	4	0
	Fannie Mae	12	3	3	2	1	1	42	26	16	13	2	5	5	7	3	2	2
	Freddie Mac	0	4	4	1	0	1	1	1	1	3	1	0	0	1	1	0	0
	US Bank	33	9	4	8	6	2	0	0	0	6	0	0	0	0	0	0	0
	Wells	119	24	10	329	317	12	17	10	7	99	2	4	4	6	1	5	0
					153	148	5	7	1	6	44	1	1	1	2	1	1	0
Other Lenders	Ocwen	50	5	2	153	148	5	7	1	6	44	1	1	1	2	1	1	0
	Nationstar	46	18	15	59	56	3	2	0	2	11	1	6	6	7	3	4	0
	Bank of NY	19	4	2	0	0	0	0	0	0	2	1	2	2	3	2	1	0
	Deutsche Bk	19	2	2	1	1	0	2	0	2	8	1	0	0	1	0	1	0
	One West	30	9	6	4	4	0	1	0	1	4	0	1	1	1	0	0	1
	SP Servicing	10	0	0	57	54	3	12	5	7	27	0	2	2	2	1	0	1
	Others***	195	77	23	105	88	17	16	4	11	29	0	7	7	7	3	4	0
	Total	606	177	80	862	789	73	109	49	60	315	12	33	33	45	17	23	6

Notes on Methodology

*There are often multiple entities involved in the loan for a defaulted or foreclosed property, including the lender or investor/note holder and the servicer that manages the loan payments. Properties are assigned to the primary responsible party based on a combination of information pulled from public records and details provided in the registry.

**Proactive inspections this quarter found 3 blighted bank-owned properties and 5 blighted properties in the default stage, with mostly minor violations. Only 1 of the defaulted properties is included in the table above because the lender is being pursued for abatement due to potential abandonment by the owner.

*** In the case of Trustee Sales, this number includes sales to a 3rd party as well as lenders not uniquely identified above.

Attachment B: Foreclosure Prevention Service Outcomes, Jan-Feb 2014

Status	Outreach (OCCUR Jan-Feb)	Homeowner Inquiries (HAC Jan-Feb)	Homeowner Legal Services (HERA Nov-Feb)	Tenant Hotline (CJJC Jan-Feb)	Tenant Counseling (CJJC Jan-Feb)	Tenant Legal Services (Centro Legal & EBCLC Jan-Feb)
HHs Reached or Served	250 attempts 47 reached	13	84	2	3	Total 3 2 EBCLC 1 Centro
Outcomes	<ul style="list-style-type: none"> • 19 tenants referred to services • 24 homeowners referred to services • 4 clients with sales dates referred directly to HERA 	<ul style="list-style-type: none"> • 13 referred to HERA 	<ul style="list-style-type: none"> • 10 loan mod completed • 1 other help keeping home • 28 loan mods or help to save home pending • 40 brief legal service or counseling • 5 referred to ROOT or Homeowner Rescue Fund 	2 Case management	2 Pending 1 Referred to Legal Services	<u>EBCLC</u> 2 Pending <u>Centro</u> 1 Stopped Eviction