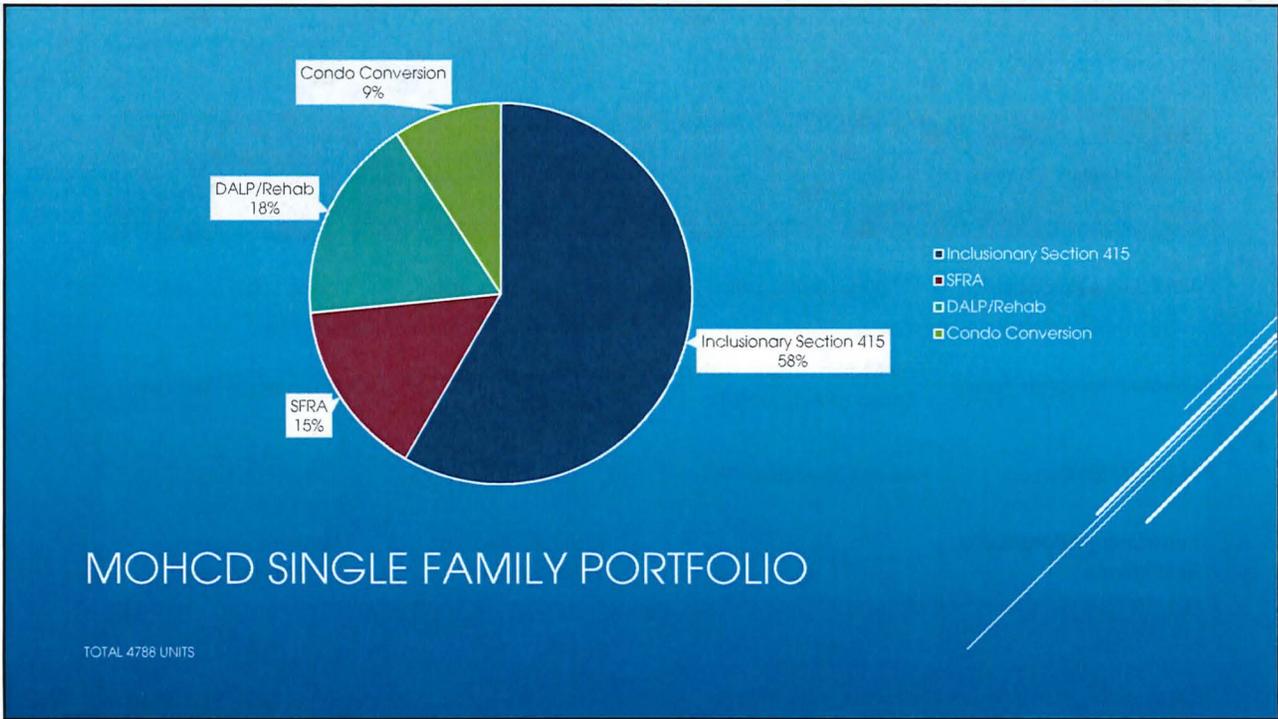


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SUBMITTED + PRESENTED

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

San Francisco Redevelopment Agency (SFRA)
Transferred Affordable Housing Assets
October 21, 2016



- ▶ Stabilize target areas
- ▶ Expand opportunities for lower income households for limited wealth generation
- ▶ Create community benefits from homeownership opportunities

SFRA PROGRAM GOALS

SFRA ASSET DESCRIPTION

	Shared Appreciation Forms A B O 1981-2004	Restricted Resale Form C-LEP 2003-present	Inclusionary Section 415 1992-present
Affordable Purchase	60% - 80% of AMI	80% -120% of AMI	90%-100% of AMI
Resale Price after Year 4	Fair Market Value with a Share of Appreciation	Calculated at AMI Level with HOA	Calculated at AMI Level
Right of First Refusal	Yes, at Fair Market Value	Yes, at Affordable Price	Yes, at Affordable Price
Permanent Affordability Restrictions	No	Restrictions lost at Foreclosure	Restrictions <u>survive</u> Foreclosure

SFRA ASSET TOTALS

	SFRA Target Area	Units Produced	Currently Active	Lost to Foreclosure
Form O	Western Addition, Bayview	151	52	0
Form H	Habitat for Humanity	22	22	0
Form A	Bayview Hunters Point	104	76	2
Form B	Western Addition, Mission, Bayview, Candlestick	168	145	0
Form C	Financial District, Candlestick, Mission Bay, Western Addition	415	426	4
Total		860	721	.8%

SUCCESSFUL FORECLOSURE INTERVENTION

MOHCD and HomeownershipSF - 24 units avoiding foreclosure

- HomeownershipSF:
 - Asian, Inc.
 - Mission Economic Development Agency (MEDA)
 - LGBT Center
 - San Francisco Housing Development Corporation (SFHDC)
 - Balance (formerly Consumer Credit Counseling Services of San Francisco)
- Housing and Economic Rights Advocates (HERA)

RESOURCES FOR SUSTAINABLE HOMEOWNERSHIP

Post Purchase Resources Provided by MOHCD and its Non-profit Partners

- Quarterly homeowner workshops - maintenance, refinance, taxes & insurance, budgeting, estate planning, Homeowners Association rights and responsibilities
- Quarterly newsletter sent out to BMR owners
- Ongoing one-on-one homeownership counseling with expertise in loan modification and foreclosure intervention including Keep Your Home California and other foreclosure intervention resources
- Individual legal representation in disputes with HOA and first mortgage lender and can also provide HOA advice for low-income buildings

IN-HOUSE ASSET MONITORING AND TRACKING

MOHCD Preventative Measures

- Notice of Restrictions on entire portfolio
- Mortgage Assistance Loan Program
- Annual occupancy, title, and insurance monitoring
- Pre-approvals of refinance, title change, and capital improvement requests
- Foreclosure monitoring

IN-HOUSE ASSET MONITORING AND TRACKING

1. Assessor-Recorder Notice of Defaults (NOD) report – coding of restricted properties in 2017
2. MOHCD reaches out to the owner by all means of communication available (email, phone, regular mail, certified mail) and provides owner with their resale price to illustrate potential loss of equity should home foreclose
3. MOHCD contacts the NOD lender or trustee
4. PropertyRadar report provides real time information on foreclosure sale date filings

CASE STUDIES

BERRY STREET

1. MOHCD employed the help of all available partners to reach owner
2. Owner was nonresponsive to USPS mail, certified mail, door knocking, phone, email
3. MOHCD collected \$386k – the difference between the liens against the property and the sale price



FEDERAL STREET

1. MOHCD employed the help of all available partners to reach owner
2. Owner was responsive and opted to sell the unit rather than foreclose
3. Unit was sold to a new low-income first-time homebuyer

FORECLOSURE INTERVENTION IN THE ERA OF THE SFRA

- Similar experience to MOHCD's loss of units because of non-cooperative homeowners
- When given notice, SFRA offered financial help.
- Worked with homeowners to sell their unit and retain equity
- Bid for and purchased units at auction sale

WHAT'S MOHCD'S CURRENT PLAN TO SAVE LIMITED EQUITY HOMES?

- Continue funding resources and taking preventative measures to avoid foreclosure.
- Annual Budget approved by the Board includes funding which MOHCD can use to purchase affordable units that would otherwise be lost to foreclosure.
- With a source of funds in place, MOHCD will exercise its First Right of Refusal to purchase a unit prior to foreclosure even when there is an absent or non-cooperative homeowner.