

Perkins, Leslie

From: Gabe del Rio [gdelrio@chworks.org]
Sent: Monday, July 09, 2012 6:32 PM
To: Alvarez, Council Member David; Councilmember Todd Gloria; Zapf, Council Member Lorie; Lightner, Councilmember Sherri
Cc: Moreno, Vivian; Ison, Pamela; 'pajanor@housingcollaborative.org' (pajanor@housingcollaborative.org); Sue Reynolds; Perkins, Leslie; 'shall@sandiego.gov'; 'tknowles@sandiego.gov'; 'nrodriguez@onlinecpi.org'; 'ccrawford@onlinecpi.org'; 'David Lagstein'; 'Michael T. Mercurio Esq. (mmercurio@sdar.biz)'
Subject: UPDATE RE: Upcoming LU&H issue regarding foreclosed homes...
Importance: High

Honorable Councilmembers and Staff,

After sending the communication below, we were able to receive a copy of the latest language included in the PVPO and have reviewed it in full. We were also informed that the City Attorney would be weighing in and forming the final language on this – which allayed some concerns that we had to get this language fully refined during the proposal process. —

We (CHW and HOC) also met with CPI and ACCE, and are pleased to report that our two main concerns with this proposal (affecting homeowners in hardship & revenues supporting code enforcement for this purpose) – have been mostly met, and we are no longer in opposition to this proposal. Additionally, we have offered to convene the HOC's policy committee, interested stakeholders, and board members to discuss the matter, dispel some myths that are out there, hear concerns and stories of negative and positive impacts from other cities, and maybe even find some consensus on issues or solutions that others haven't yet thought of. Convening industry forces (private NPs, public agencies/governments, lenders, Realtors, attorneys) and finding ways to collaborate on assisting homeowners, renters and our communities at large – is exactly what the HOC does. While we want to add value with this work; we also don't want to further delay a long process – and feel that we can do so without disrupting the Committee's or the full Council's timelines.

The current proposed PVPO language makes it clear that the revenues will be directed to enforcement/abatement, and the "Responsible Party" has been named as the Lender/Service rather than the homeowner, during the default period leading up to foreclosure – our only remaining concern is the timing of registration. We are hoping to hear a simple legal response to this concern, which would indemnify homeowners from future action against them by the Lender/Service for fees incurred during the period of default - when the Lender/Service was not the owner of record. This is where some updated language may especially be needed.

Finally, we also hope to see the work that was previously done with the Mayor's Task Force and Councilman Gloria's office on the APO, reinvigorated and out of it's current stall in the City Attorney's office.

Looking forward to seeing you all on Wednesday.

Best,

Gabe del Rio
 Chief Business Officer

Founding Chairman, Housing Opportunities Collaborative



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From: Gabe del Rio
Sent: Thursday, July 05, 2012 2:19 PM
To: 'davidalvarez@sandiego.gov'; 'toddgloria@sandiego.gov'; 'loriezapf@sandiego.gov'; 'sherrylightner@sandiego.gov'
Cc: 'vmoreno@sandiego.gov'; 'pison@sandiego.gov'; 'pajanor@housingcollaborative.org' (pajanor@housingcollaborative.org); Sue Reynolds; 'lrperkins@sandiego.gov'
Subject: Upcoming LU&H issue regarding foreclosed homes...
Importance: High

Honorable Councilmembers,

As you probably know, Community HousingWorks and the Housing Opportunities Collaborative (along with our member orgs) are the two leading forces in stemming the foreclosure crisis locally. I am writing this communication on behalf of both organizations; as Chief Business Officer for CHW and as the Board Chair for the HOC – also having discussed this with both Sue and Vino.

CHW has directly served up to 2000 households a year since the crisis began and closed more loan modifications than any other organization in the region. In addition, CHW led the entire County's efforts (including the City of San Diego) to gain NSP2 funds – learning through that process, that we didn't qualify or meet the needs test for abandoned foreclosed homes and blight – but that rather that San Diego's healthier-than-most marketplace, means that foreclosed homes are re-purchased and put back into service at a rapid pace. The HOC has been bringing together the public and private sectors to reach out to borrowers in trouble, make sure they find help, and that we catch the scammers along the way. Those efforts mean that the Collaborative is talking to homeowners, attorneys, lenders, housing counselors, and regulators at all times. Lastly; Vino, Sue and I all sat on the Mayor's task force along with the City Attorney's office, and were charged with looking at the abandoned and foreclosed home regulations already held by the City. We found that the existing regulations were adequate to enforce issues of blight or abandonment whereby properties aren't maintained and become a nuisance to the block. Additionally, we recognized that if a fee schedule were to implemented – it should occur after a foreclosure takes place, should be reasonable in nature & application, and should drive revenues to the Code Enforcement division – where resources are most needed in order to enforce both the letter and the spirit of the proposed language. The updated proposal; put forth and later tabled, by Councilman Gloria's office is one that answers to those potential enhancements to the existing codes mentioned above.

I'm reaching out to you both today – as I recently learned of next weeks LU&H meeting and the continued push for similar, but very troubled regulations, as proposed by the leadership at ACCE and CPI, and now being moved forward by Councilman Alvarez. You can imagine the need to reach out in this instance – as we normally support most of their efforts, and especially those of Councilman Alvarez. Many months ago, we met with both leaders of CPI and ACCE several times, and outlined the areas of the proposed language that we found troubling – along with the general concern that they were barking up a tree that factually isn't a real problem – and based on the data, is no longer occurring at the scale it was, especially in LMI communities (who were hit hard and hit first). Making the trigger point occur on notice of Trustee Sale, not upon foreclosure, is a particular issue that we feel would negatively impact homeowners and our communities. There are scenarios possible with this proposed legislation that could literally make the situation worse for neighborhoods and cause additional liability for the City and property owners.

Both CHW and HOC specifically do not support their proposal. We both suggest that if you wish to make enhancements, you do so through a process that involves the experts in this work and builds upon the previous efforts of so many professionals. We would be happy to be at the table, to find that solution!

We plan to be at the LU&H meeting and to speak against this issue. Since you may have thought or assumed otherwise, it's important you know, before we go into that meeting. We will be reaching out to both Claire and David as well, just to let them know that we still don't agree on this particular issue and that we plan on going on record with our stance.

Best Wishes,

Gabe del Río
Chief Business Officer

Founding Chairman
Housing Opportunities Collaborative



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