



**REPORT TO THE CITY COUNCIL**

February 26, 2008

FROM: NICK P. YOVINO, Director  
Planning and Development Department

BY: KEITH BERGTHOLD, Interim Housing Manager  
Housing and Community Development Division

AGENDA ITEM NO.:

COUNCIL MEETING: February 26, 3008

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

SUBJECT: APPROVE A \$53,000 AGREEMENT WITH THE COMMUNITY HOUSING COUNCIL FOR THE "NO HOMEOWNER LEFT BEHIND" FORECLOSURE PREVENTION AND INTERVENTION PROGRAM AND AUTHORIZE THE PLANNING DIRECTOR TO SIGN THE AGREEMENT

**KEY RESULT AREA**

One Fresno

**RECOMMENDATION**

Staff recommends City Council approve a \$53,000 Agreement with the Community Housing Council (CHC) to support the *No Homeowner Left Behind* foreclosure prevention and intervention program, subject to City Attorney approval as to form and authorize the Planning Director to execute the Agreement on behalf of the City.

**EXECUTIVE SUMMARY**

In 2005, the Community Housing Council (CHC), a local non-profit, in collaboration with various public agencies and private organizations, created the Fresno Housing Resource Center (HRC) to promote and support homeownership for families countywide. Operating costs of the HRC is paid, in part, through in-kind contributions from the CHC members, founding partners, sponsors and donors. As a founding partner, the City of Fresno would like to continue to support the HRC through a contribution of \$53,000 for its *No Homeowner Left Behind Program*. Due to the recent and unprecedented foreclosures, the HRC now offers the *No Homeowner Left Behind Program* that helps to preserve home ownership whenever possible and minimize the loss of equity when retention is no longer feasible.

In addition to the requested \$53,000, the Planning and Development Department has already entered into a 30 days services agreement for February 2008 to March 2008 in the amount of 15,000 due to the critical nature and need for immediate funding to ensure the continued services provided by the CHC's Housing Resource Center.

**KEY OBJECTIVE BALANCE**

Approval of the Agreement presents an opportunity to make a positive impact to the Customer Satisfaction, Employee Satisfaction, and Financial Management Key Objectives. The approval impacts the Customer Service aspect by demonstrating the City's commitment to ensuring adequate and affordable housing for low- to moderate-income households. Approval of the recommended action also attributes to Employee Satisfaction by supporting efforts that help to achieve the Housing Element goals of preserving affordable housing. In addition, it demonstrates creative and resourceful Financial Management by encouraging the practice of public-private relationships to sustain affordable housing.

**BACKGROUND**

The Community Housing Council (CHC) of Fresno is a community-based, non-profit 501(c)3 housing organization whose partners and members represent a large cross-section of housing industry professionals. The CHC established the Fresno Housing Resource Center in 2004 as a one-stop housing center in Manchester Center Mall. In 2006, the Housing Resource Center assisted 2,507 low- to moderate-income individuals and families with their housing needs, including rental counseling, homeownership counseling, and foreclosure prevention assistance. The City provided seed funding for the Center in November of 2006. The Center is supported by ongoing contributions from the banking industry, and other funding sources.

In recent months, the Fresno Housing Resource Center has been significantly impacted by the growing community need for foreclosure prevention services. After five years of record-level growth in homeownership, thousands of Fresno's homeowners are now facing delinquency, foreclosure, and loss of their homes, as indicated below.

**Increase in Fresno Second Quarter Foreclosure Rates from 2006 to 2007**

County	2006 Second Quarter Defaults	2007 Second Quarter Defaults	Percent of Increase
Fresno	590	1,380	+133.9%

Source: Data Quick

Date: July, 2007

In response to the local foreclosure crisis, the Community Housing Council developed the No Homeowner Left Behind program to ensure that homeowners have access to timely, accurate, unbiased information and reputable professionals to help them preserve homeownership when feasible, and to minimize loss of equity and other adverse impacts when retention of homeownership is not possible.

No Homeowner Left Behind began offering coordinated, comprehensive foreclosure prevention and intervention services in May 2007, through a network of partners and via a number of active methods such as education, outreach, homeowner counseling, and follow-up. The foreclosure crisis and initiation of a new program has put a financial and operational strain on the Community Housing Council's ability to respond. In November 2007, a proposal was submitted to the City to support this foreclosure prevention program. The proposal to the City is shown as Exhibit A and details the services proposed to be provided and budget thereof.

The Housing and Community Development Commission voted 3-3 not to approve this item.  
 The 10 x 10 Affordable Housing Committee unanimously voted to approve this item.

**FISCAL IMPACT**

The \$53,000 contribution of funds will be made available from program income received from the City's former Rental Rehabilitation Program.

**APPENDICES**

Exhibit A – No Homeowner Left Behind Proposal

**EXHIBIT "A"**  
**CHC - HOUSING RESOURCE CENTER**  
**FY 2007-08**  
**Foreclosure Prevention BUDGET**

<b>Budget Item</b>	<b>Calculation</b>	<b>Other Funds</b>	<b>City Funds</b>
<b>PERSONNEL</b>			
Salaried Staff Positions	Provide rate of pay (hourly/salary) and percentage of time spent on project (full time equivalent) or hours per week	\$12,000	\$28,000
Staff Overhead		\$6,240	-0-
<b>OFFICE</b>			
Rent	Manchester Center	\$8,000	\$22,000
Property Taxes		\$960	-0-
Insurance		\$960	-0-
Utilities		\$3,600	-0-
Janitorial		\$1,920	-0-
Space Improvements		\$5,000	-0-
Furniture		\$5,000	-0-
Computer/Copy/ Fax/ Phone		\$7,500	-0-
Marketing		\$15,000	-0-
Intervention/ Outreach Programs		Regional Services \$ 24,000	City Services \$18,000
Office Supplies and Postage		\$5,000	-0-
Travel		\$1,750	
Other		\$5,000	-0-
<b>Total Contract Services</b>		<b>\$101,930</b>	<b>\$68,000</b>

**No Homeowner Left Behind**  
**Foreclosure Prevention & Intervention Program**

**Overview of Foreclosures in Fresno**

The Community Housing Council (CHC) of Fresno is a community-based, non-profit 501(c)3 housing organization whose partners and members represent a large cross-section of housing industry professionals. The CHC established the Fresno Housing Resource Center in 2004 as a one-stop housing center in Manchester Center Mall. In 2006, the Housing Resource Center assisted 2,507 low- to moderate-income individuals and families with their housing needs, including rental counseling, homeownership counseling, and foreclosure prevention assistance.

In recent months, the Fresno Housing Resource Center has been significantly impacted by the growing community need for foreclosure prevention services. After five years of record-level growth in homeownership, thousands of Fresno's homeowners are now facing delinquency, foreclosure, and loss of their homes, as indicated below.

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Source: Data Quick

Date: July, 2007

Additionally, there has been a significant increase in the number of recorded trustee deeds in Fresno.

**Increase in Fresno Second Quarter Trustee Deeds from 2006 – 2007**

County	2006 Second Quarter Trustee Sales	2007 Second Quarter Trustee Sales	Percent of Increase
Fresno	40	402	+905%

Source: Data Quick

Date: July, 2007

The loss of equity from foreclosures will have a significant impact in Fresno. According to the Center for Responsible Lending, Fresno is predicted to have the fifth highest mortgage foreclosure rate in the country.

**Projected Foreclosure Rates for Subprime Loans Originated in 2006**

Ranking	Metropolitan Statistical Area (MSA)	Projected Foreclosure Rate
1	Merced, CA	25.0%
2	Bakersfield, CA	24.2%
5	Fresno, CA	23.5%

Source: Center for Responsible Lending

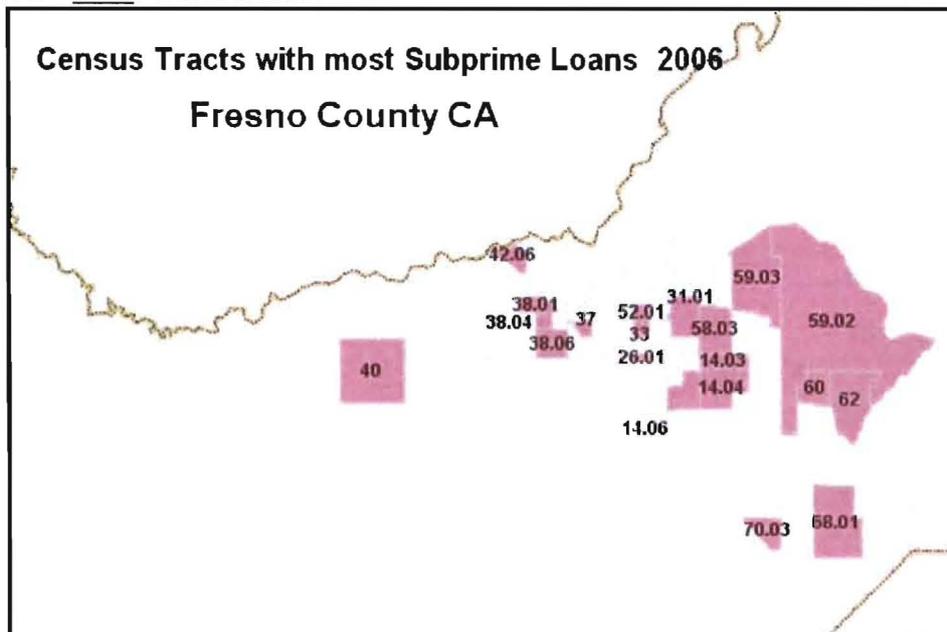
Date: December, 2006

While other Valley communities have higher projected foreclosure rates, the actual number of foreclosures in Fresno is higher, due to the larger population and lending volume in this community.

The next chart identifies the 20 Fresno Census tracts with the largest number of high cost refinance and purchase loans, and the costs to homeowners, lenders, local government, and neighboring homeowners if these loans foreclose. This study, done in October of 2007 by ACORN, provides a startling snapshot of the impact that just a fraction of Fresno's potential foreclosures could have on lenders, neighborhoods, and local governments.

Census Tract	Number of High Cost Loans	Estimated Loss	Estimated Number of Foreclosures	Estimated Cost to Homeowners	Estimated Costs to Lenders & Investors	Estimated Costs to Local Government	Estimated Costs due to Lower Home Values to Neighbors	Council District or Other Impacted Jurisdiction
14.03	105	\$1,949,719	18	\$54,899	\$1,601,846	\$146,603	\$146,371	District 5 - Dages
14.04	160	\$3,459,578	28	\$97,412	\$2,842,312	\$260,132	\$259,721	District 5 - Dages
14.06	140	\$2,853,010	24	\$80,333	\$2,343,970	\$214,523	\$214,184	District 5 - Dages
26.01	122	\$2,238,385	21	\$63,027	\$1,839,007	\$168,308	\$168,042	District 7 - Perea
31.01	110	\$1,976,075	19	\$55,641	\$1,623,499	\$148,585	\$148,350	District 4 - Westerlund
33	129	\$2,218,013	22	\$62,453	\$1,822,270	\$166,776	\$166,513	District 7 - Perea
37	133	\$2,258,232	23	\$63,586	\$1,855,313	\$169,801	\$169,532	District 1 - Xiong
38.01	266	\$5,036,793	46	\$141,823	\$4,138,117	\$378,726	\$378,128	District 1 - Xiong
38.04	109	\$2,047,793	19	\$57,660	\$1,682,421	\$153,977	\$153,734	District 1 - Xiong
38.06	139	\$2,606,404	24	\$73,389	\$2,141,364	\$195,980	\$195,671	District 3 - Sterling
40	206	\$3,756,298	36	\$105,767	\$3,086,091	\$282,443	\$281,997	Fresno County
42.06	108	\$2,201,544	19	\$61,990	\$1,808,740	\$165,538	\$165,277	District 2 - Calhoun
52.01	112	\$2,000,417	19	\$56,326	\$1,643,498	\$150,415	\$150,177	District 4 - Westerlund
58.03	226	\$4,081,143	39	\$114,914	\$3,352,976	\$306,869	\$306,384	District 4 - Westerlund
59.02	146	\$4,069,129	25	\$114,576	\$3,343,106	\$305,965	\$305,482	Fresno County
59.03	157	\$3,867,117	27	\$108,888	\$3,177,137	\$290,776	\$290,316	Clovis / Fresno County
60	121	\$2,288,180	21	\$64,429	\$1,879,918	\$172,052	\$171,781	Fresno County
62	189	\$3,375,307	33	\$95,040	\$2,773,077	\$253,795	\$253,395	Fresno County
68.01	155	\$2,646,273	27	\$74,512	\$2,174,119	\$198,978	\$198,664	Fresno County
70.03	130	\$2,440,197	23	\$68,709	\$2,004,812	\$183,483	\$183,193	Fresno County
<b>Totals</b>	<b>2963</b>	<b>\$57,369,607</b>	<b>513</b>	<b>\$1,615,375</b>	<b>\$47,133,594</b>	<b>\$4,313,724</b>	<b>\$4,306,913</b>	

Source: ACORN Date: October 2007



Source: ACORN Date: October 2007

**Foreclosure Prevention & Intervention Best Practices**

While no universal roadmap for foreclosure prevention exists and there is no one model for a foreclosure intervention program, for any program to be as effective as possible, it must meet the specific needs of the community it serves, and the institutions that partner to make it work.

Industry best practices suggest that, ideally, a struggling borrower should have access to a multi-tiered system of supportive services, including lender referrals, counseling, financial assistance, property services and referrals to other social-service agencies.

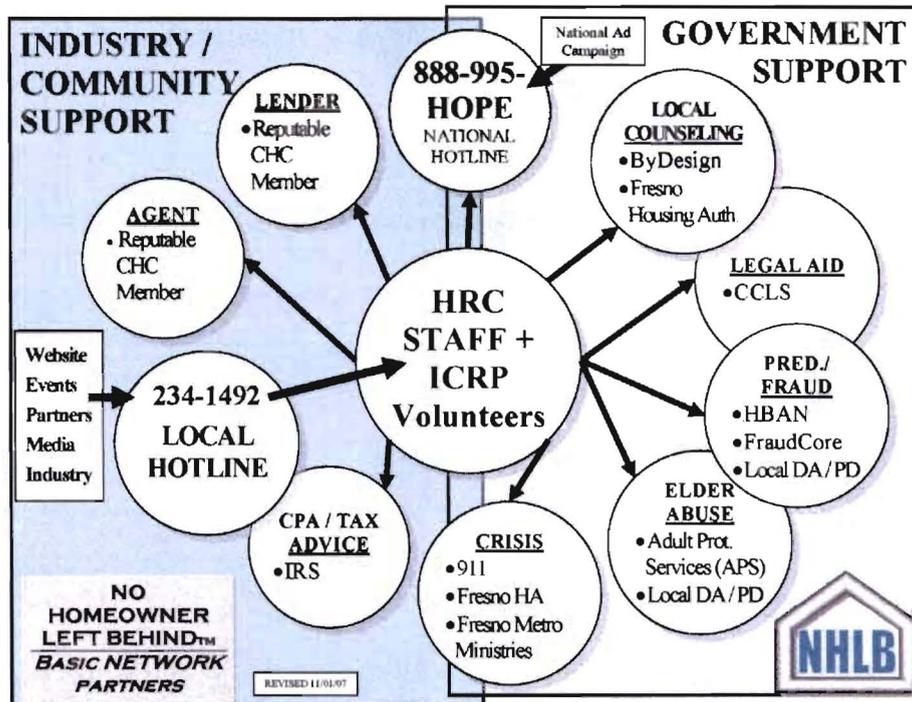
Comprehensive programs are among the most complicated, and require substantial coordination. Additionally, they are not self-sustaining in the absence of government and foundation support.<sup>1</sup>

**No Homeowner Left Behind – Fresno’s Foreclosure Response**

For more than a year, local housing industry professionals and housing organizations have been collaborating to establish a new network of comprehensive services while using industry best practices for maximum effect and immediate results. This community-based coalition is called **No Homeowner Left Behind**. It leverages existing resources and builds upon better coordination of all services to create the most benefit for at-risk homeowners.

The Mission of **No Homeowner Left Behind** is to ensure that homeowners have access to timely, accurate, unbiased information and reputable professionals to help them preserve home ownership when feasible, and to minimize loss of equity and other adverse impacts when retention of homeownership is not possible.

No Homeowner Left Behind began offering coordinated, comprehensive Foreclosure Prevention and Intervention Services in May of 2007 through our network partners and via a number of active methods such as Education, Outreach, Homeowner Counseling, and Follow-up.



<sup>1</sup> Collins & Gorey, *Analyzing Elements of Leading Default-Intervention Programs*, 2006, p.7

## **Education and Outreach Methods & Services:**

- **24 hr Hotline (559 234-1492)** answered by trained Housing Resource Center staff or Community Housing Council volunteer real estate professionals (ICRPs) in English or Spanish (and soon Hmong). The hotline has taken over 850 calls since its inception in May of 2007, and referred 575 callers to a resource for help.
- **Website** [www.nohomeownerleftbehind.org](http://www.nohomeownerleftbehind.org) which is extremely useful as a consumer outreach and resource tool for the public. The website also has a private back end for network partners, developers and resources providers to collaborate on solutions and share important information to better help homeowners take action immediately.
- **Events** such as our “Mortgage Checkup Event” held in June of 2007 which 65 at-risk homeowners attended. To date, indications are that up to 10 have reached workouts to their situation.
- **Directed Mailings** Through partnerships with local title companies, we have access to weekly lists of delinquent homeowners. We use these lists to contact homeowners via mail regarding No Homeowner Left Behind’s networked services. Contacting homeowners early allows us to work with them when they have the maximum number of options available to them.
- **Public Service Announcements** Through an aggressive marketing campaign that uses Public Service Announcements on Fresno’s top radio stations, appearances on popular morning television stations, and cross leveraging our other outreach, we have been very successful in showing that we can get homeowners to make contact with our network which is critical. Studies show that half of all homeowners who lose their home never contact their lender and only 46% of borrowers are able to obtain a workout agreement from their lender on their own, without professional assistance.

## **Homeowner Counseling Services:**

Once homeowners have been contacted through our aggressive and diverse marketing strategy, if needed, they will receive counseling tailored to their individual situation. The type, scope and intensity of this counseling will vary depending on the need of the client and is provided using a variety of counseling services, including phone and one-on-one counseling.

The purpose of the counseling is to help each homeowner determine what the best option is for their unique situation and to refer them for other help as necessary. For some homeowners, keeping the house is the best choice for them, and there are several ways to do this. When homeownership is threatened, there are several options available to homeowners to keep their homes.

- **Loan Modification:** Modifies the terms of the current mortgage by adding a portion of the past due amount to the unpaid principal balance.
- **Repayment Plan:** Distributes delinquent payments over a specified period of time until the mortgage is brought current
- **Forebearance:** Allows homeowners to delay or reduce mortgage payments
- **Refinancing :** By negotiating with the homeowner’s lender, No Homeowner Left Behind may be able to facilitate the lender refinancing the indebtedness that is owed on the home. This could include extending the length of the loan, adding additional payments on at the end, or lowering the interest rate.

If losing the house is the best option for the homeowners, choices to help them preserve equity or minimize the financial and credit impacts of housing loss including, in part:

- Pre-Foreclosure Sale: Markets and sells the home to pay off the mortgage.
- Short Sale: Markets and sells the home to pay off the mortgage in part by negotiating with lien holders to take less than what is owed on the home.
- Deed-in-Lieu of Foreclosure: Transfers the home to the lender if it has not been able to be sold at fair market value for at least 90 days.

All of these opportunities require a great deal of time in order to clearly explain them to the homeowner, and assist the homeowner in making the best choice. It is vital that homeowners receive professional, unbiased, accurate information about everything available to them, in order to be aware of their choices, and to make the best one for their situation.

Through extensive, intensive training provided by No Homeowner Left Behind, licensed housing industry professionals including lenders, realtors, and brokers, are trained on all of the options available to homeowners. These trained housing professionals, called Intervention Counselor Resource Providers (ICRPs), provide the “triage” and one-on-one counseling that homeowners need to decide what option is best for them.

When homeowners call the No Homeowner Left Behind hotline, their call is immediately transferred to an English, Spanish, (and soon Hmong) speaking Intervention Counselor Resource Provider who as a member of the Community Housing Council of Fresno is there to assist them. The ICRPs do this work as volunteers. They are not paid for their time, and sign a Professional Partnership Code of Conduct Agreement in which they agree to provide their time as a community service and not as a way to make money or take advantage of the client.

Through the training they receive through No Homeowner Left Behind, the ICRPs are able to help the homeowners they work with figure out what option is the best one for their situation, follow up with the homeowner, and work with them until they get the resolution they need.

#### **Intervention and Mediation:**

Once contact is made with the at-risk homeowner, their individual needs and constraints (such as time and affordability) are assessed along with potential options and resources available to them. An action plan is quickly developed, they are referred to the appropriate network service provider or providers for help. We call this part of the Intervention process “triage”.

Since studies show that 50% of people who lose their home *never even contact their lender*, it is all too important to make contact with homeowners in any way possible and then to not only encourage them to take action but to also provide contacts to local resources to enable that action immediately. We have already shown our ability to both connect with at risk homeowners and to connect them to local resources. This is one of the major benefits of our network service strategy and it works!

#### **Follow-up:**

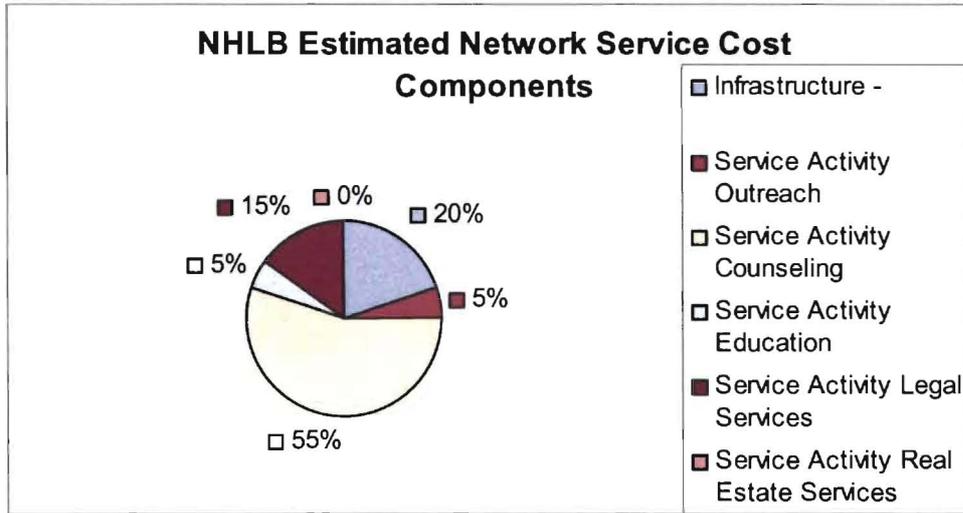
Once the homeowners have chosen the course of action and made the decision about what option is best for them, the Housing Resource Center follows up with them after 90 days to determine if they are still in their house or not. Through HRC’s secure, online Housing Counseling tracking system,

“Home Counselor Online”, provided by Fannie Mae, detailed reports about each homeowner served by No Homeowner Left Behind, and the outcomes of the services provided to them are available.

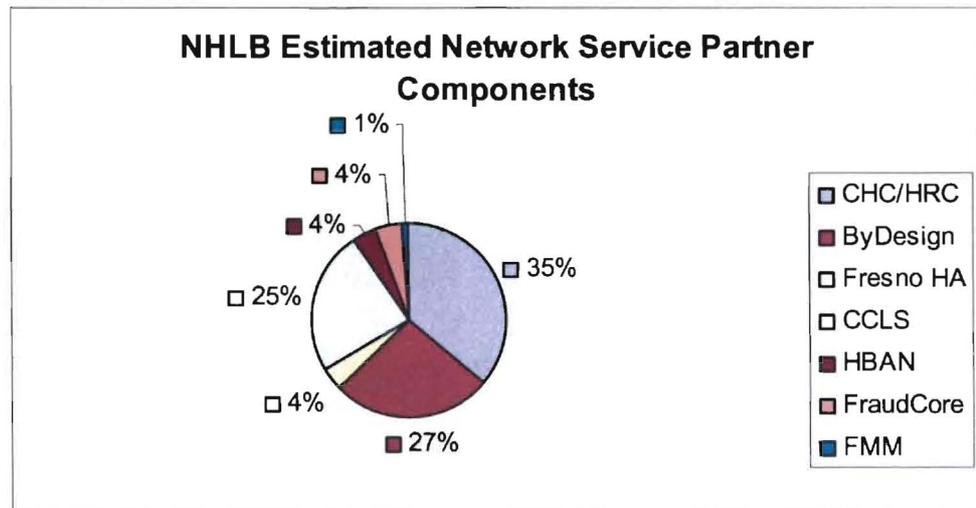
**Network Services, Providers and Partners**

One of the most important aspects and strengths of NHLB is the collaboration and coordination of existing local resources that are already providing services and straining under the load of our current crisis. Individually, they are unable to provide a complete solution for every homeowner that contacts them, but collectively, they present a formidable array of enhanced and coordinated services to connect homeowners with a potential successful solution to their problem or crisis.

Here is a breakdown of estimated NHLB Network Activities:



Below is an estimate of NHLB Network Service Partner Components:



See Addenda for additional Service Partner Component Activity Detail.

**Current Local Industry and Community Support**

No Homeowner Left Behind has generated strong community support from the local banking and housing industry, as indicated by the chart below. Lenders have already begun to provide funds to support the No Homeowner Left Behind Initiative with the goal of keeping families in their homes.

Source	Type	Amount
Washington Mutual Bank	Grant	\$20,000.00
CitiGroup Foundation	Grant	\$20,000.00
ByDesign Financial Solutions	Grant	\$4,000.00
Bank of the Sierra	Grant	\$2,500.00
Bank of the West	Grant	\$1,000.00
Wells Fargo Home Mortgage	Grant	\$2,500.00
Self Help Enterprises	Grant	\$12,500.00
CHC Fundraising	Funds for NHLB	\$2,500.00
Realty Blue, Inc.	Program Development Services	\$25,000.00
Fannie Mae Foundation	In-Kind Support	\$5,500.00
U.S. Dept of Housing and Urban Development	In-Kind Services + Support	\$10,900.00
Federal Reserve Bank of San Francisco	In-Kind Support	\$2,500.00

**Total: \$ 108,900.00**

**Additional Stakeholder Analysis and Targeted Future Support**

In addition to the impact on homeowners and the local housing industry, there are significant additional impacts and costs of the foreclosure problem to municipalities and government that will be felt without question in terms of lower tax revenues, blighted neighborhoods and increased crime to name a few.

Below is a brief estimation of the potential county-wide costs by jurisdiction of foreclosure on a pro-rata per capita basis.

Jurisdiction	2006 Census	% of Pop.	*Trustee's Deeds (12 months ending Sept. 2007) =	854	**Avg. Est. Municipal Cost Per Foreclosure =	\$8,408
Fresno County	899,514	100.00%	<b>Projected Per Capita</b>		<b>Potential Impact</b>	
Fresno	471,479	52.41%	448		\$3,763,613	
Balance of County	173,525	19.29%	165		\$1,385,175	
Clovis	89,924	10.00%	85		\$717,824	
Reedley	23,341	2.59%	22		\$186,321	
Sanger	23,322	2.59%	22		\$186,169	
Selma	22,931	2.55%	22		\$183,048	
Coalinga	17,147	1.91%	16		\$136,877	
Parlier	12,895	1.43%	12		\$102,935	
Kerman	12,633	1.40%	12		\$100,844	
Kingsburg	11,246	1.25%	11		\$89,772	
Orange Cove	9,639	1.07%	9		\$76,944	
Mendota	8,777	0.98%	8		\$70,063	
Huron	7,344	0.82%	7		\$58,624	
Firebaugh	6,710	0.75%	6		\$53,563	
Fowler	4,855	0.54%	5		\$38,755	
San Joaquin	3,746	0.42%	4		\$29,903	
<u>Source: Fresno Economic Development Corporation</u>			<u>*Source: North American Title Co.</u>		<u>**Source: ACORN, 10/07</u>	

As the problem of foreclosure is obviously broad based, so are the investments that need to be made by all stakeholders in response to Prevention and Intervention. No Homeowner Left Behind will be actively seeking the support of all stakeholders to help its partners meet community needs.

There is no question that something must be done, the only questions are: what must be done?, by who? and what will it cost? since clearly every effort must be made by all to mitigate the inevitable negative impacts of foreclosure.

For our local area in Fresno, the answer is the community-based comprehensive response that is No Homeowner Left Behind.

The only question remaining is to what extent all stakeholders will fund the efforts of the resource providers *that have already stepped up to meet the needs of our community* and how to best help them expand their response. This ultimately speaks the need for increased and immediate funding for all parties and providers by all stakeholders, with the most important network component provider being the Community Housing Council's Housing Resource Center.

### **Specific City of Fresno Funding Request**

As the foreclosure problem in the Fresno area continues to grow rapidly and significantly over the next twelve months, the demand for our agency's assistance from affected homeowners will continue to increase.

Funding from the City of Fresno will augment funding provided to the Housing Resource Center for foreclosure prevention and intervention services sought and already provided by our broad, diverse and growing partnership of other housing organizations, lenders and other governmental bodies.

No Homeowner Left Behind is currently requesting \$68,800 from the City of Fresno to provide Foreclosure Prevention and Intervention Services during the period of January 1, 2008 to January 1, 2009. These funds will allow No Homeowner Left Behind to provide Outreach to target at risk homeowners who are in the process of foreclosure, Housing Counseling to assist them in identifying the best options for their situation, and take action to save their housing, and Follow-up services to track the impact of the services provided.

Our community's needs for Foreclosure Prevention and Interventions Services are diverse, immediate and growing. Our response network is by no means perfect and no perfect model exists, but clearly responsive action will beat rhetoric and handwringing every time as foreclosures' impacts are now obvious in nearly every local neighborhood.

National studies on foreclosure have found that the most effective foreclosure prevention programs use a comprehensive set of services, provided by a network of providers and service referrals to provide the maximum benefit to borrowers.<sup>2</sup> We are fortunate to have just such a network locally in our community-based, collaborative response called No Homeowner Left Behind.

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<sup>2</sup> Collins & Gorey, *Analyzing Elements of Leading Default-Intervention Programs*, 2006, p.7, 21-22.

Addenda:

**Service Partner Component Activity Detail**

PARTNER / PROVIDER	PRIMARY PROVIDER OF SERVICE	SECONDARY PROVIDER OF SERVICE	SERVICE CATEGORY	SERVICE SUB-CATEGORY / ACTIVITY
Adult Protective Services	ELDER ABUSE		Intervention	Legal Services
ByDesign Financial Solutions	OUTREACH EVENTS		Intervention	Outreach
ByDesign Financial Solutions	WEBINARS		Intervention	Counseling
ByDesign Financial Solutions	CONSUMER EDUCATION		Prevention	Education
ByDesign Financial Solutions	ONE-ON-ONE COUNSELING		Intervention	Counseling
ByDesign Financial Solutions	BANKRUPTCY COUNSELING		Intervention	Counseling
Central California Legal Services (CCLS)	NO COST LEGAL SERVICES		Intervention	Legal Services
<b>CHC / HRC Staff + Volunteers</b>	LOCAL POINT OF CONTACT		Prevention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	WEBSITE		Prevention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	NHLB LOCAL HOTLINE		Prevention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	CONSUMER BROCHURES		Education	Outreach
<b>CHC / HRC Staff + Volunteers</b>	INTAKE & LOCAL TRIAGE		Intervention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	OUTREACH EVENTS		Intervention	Outreach
<b>CHC / HRC Staff + Volunteers</b>	MAILINGS		Intervention	Outreach
<b>CHC / HRC Staff + Volunteers</b>	PROFESSIONAL OUTREACH		Intervention	Education
<b>CHC / HRC Staff + Volunteers</b>	ICRP TRAINING		Intervention	Education
<b>CHC / HRC Staff + Volunteers</b>	CONSUMER EDUCATION		Prevention	Education
<b>CHC / HRC Staff + Volunteers</b>		ONE-ON-ONE COUNSELING	Intervention	Counseling
<b>CHC / HRC Staff + Volunteers</b>	GENERAL HOUSING COUNSELING		Prevention	Counseling
<b>CHC / HRC Staff + Volunteers</b>	CLIENT TRACKING & REPORTING		Intervention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	CLIENT FOLLOW-UP		Intervention	Infrastructure
<b>CHC / HRC Staff + Volunteers</b>	OTHER REAL ESTATE SERVICES		Intervention	Real Estate Services
<b>CHC / HRC Staff + Volunteers</b>	OUTCOME REPORTING		Prevention	Infrastructure
<b>Community Housing Council (HRC)</b>		PRINT / MEDIA OUTREACH	Intervention	Outreach
<b>Community Housing Council (HRC)</b>	LOW COST LEGAL SERVICES GRANTS <i>(proposed)</i>		Intervention	Legal Services
<b>Community Housing Council (HRC)</b>	EMERGENCY GRANTS OR LOANS <i>(possible)</i>		Intervention	Legal Services
Dept. of Real Estate (DRE)		OUTREACH EVENTS	Intervention	Outreach
FBI		PREDATORY LENDING & FRAUD REPOSE	Intervention	Legal Services
Federal Reserve Bank of San Francisco		CONSUMER BROCHURES	Education	Outreach
FraudCore	PREDATORY LENDING & FRAUD REPOSE		Intervention	Legal Services
Fresno Housing Authorities (HA)	OUTREACH EVENTS		Intervention	Outreach
Fresno Housing Authorities (HA)	CONSUMER EDUCATION		Prevention	Education
Fresno Housing Authorities (HA)	GENERAL HOUSING COUNSELING		Prevention	Counseling
Fresno Metro Ministries	COMMUNITY CRISIS REFERRALS		Intervention	Counseling
Homeowners-Borrowers Assistance Network	PREDATORY LENDING & FRAUD REPOSE		Intervention	Legal Services

IRS	TAX ADVICE		Intervention	Legal Services
Local Law Enforcement		PREDATORY LENDING & FRAUD REPOSE	Intervention	Legal Services
Local Law Enforcement		ELDER ABUSE	Intervention	Legal Services
Local Lenders		OUTREACH EVENTS	Intervention	Outreach
Local Media Partners		OUTREACH EVENTS	Intervention	Outreach
Local Media Partners	PRINT / MEDIA OUTREACH		Intervention	Outreach
Local Media Partners	PUBLIC SERVICE ANNOUNCEMENTS		Intervention	Outreach
Local Title Company Partners	MAILINGS		Intervention	Outreach
NHLB Network Partners			Intervention	Education
Other	EMERGENCY GRANTS OR LOANS <i>(possible)</i>		Intervention	Legal Services
U.S. Dept of Housing and Urban Development (HUD)		CONSUMER BROCHURES	Education	Outreach
U.S. Dept of Housing and Urban Development (HUD)		OUTREACH EVENTS	Intervention	Outreach
U.S. Dept of Housing and Urban Development (HUD)	FAIR HOUSING SUPPORT		Intervention	Legal Services
U.S. Dept of Housing and Urban Development (HUD)	DISABLED SERVICES ENABLEMENT		Prevention	Infrastructure
U.S. Dept of Housing and Urban Development (HUD)	CONSULTANT SERVICES ENABLEMENT		Prevention	Infrastructure
US Dept. of Justice		PREDATORY LENDING & FRAUD REPOSE	Intervention	Legal Services

## **REALTY BLUE, INC.**

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[www.TeamRealtyBlue.com](http://www.TeamRealtyBlue.com)

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February 8, 2008

**Mr. Keith Bergthold**  
City Of Fresno

**RE: Community Housing Council - Foreclosure Intervention Proposal**

Dear Keith:

On behalf of the Community Housing Council of Fresno (CHC), let me thank the City of Fresno for the support that we have enjoyed over the past few years in our mission to promote homeownership.

As you and all of our City's residents are now keenly aware, we are in the midst of a community crisis facing all of us: foreclosure. The costs of which we all bear, and for which the responsibility is incumbent on all of us to do all that is possible to minimize the impacts of this serious threat to our communities' families.

To that end, the Community Housing Council of Fresno has broadened our scope of service to include the promotion of sustainable homeownership through foreclosure intervention and has been providing such enhanced services in our community for over a year now through outreach, counseling and direct intervention. We are also a key community resource as the hub of a broad-based local community foreclosure prevention initiative called No Homeowner Left Behind.

These services have not come without cost, and as such we are presently seeking initial funding from the City as a key stakeholder with a pending proposal for about \$68,000. In addition to such an investment in our community, we have active funding requests pending with both national and state funding sources and have others planned to leverage all such investments immediately.

Due to the critical nature of the need for immediate funding to ensure the continuity of our services through the CHC's Housing Resource Center, we have asked for an emergency \$15,000 advance on our requested initial proposal.

These funds will be used in the next 30 days by HRC to ensure these key services will continue without interruption:

### **Education and Outreach Services:**

- **24 hr Hotline.** (559 234-1492) answered by trained HRC staff or CHC volunteer real estate professionals (ICRPs) in English or Spanish (and soon Hmong).
- **Website.** [www.nohomeownerleftbehind.org](http://www.nohomeownerleftbehind.org) which is extremely useful as a consumer outreach and resource tool for the public. The website also has a private backend for network partners, developers and resources providers to collaborate on solutions and share important information to better help homeowners take action immediately.
- **Events.** We have at least 3 more centralized consumer events planned for 2008 such as our "Mortgage Checkup Event" held in June of 2007 which 65 at-risk homeowners attended.
- **Directed Mailings.** Through partnerships with local title companies, we have access to weekly lists of delinquent homeowners. We use these lists to contact homeowners via mail regarding No Homeowner Left Behind's networked services.
- **Public Service Announcements.** Through an aggressive marketing campaign that uses Public Service Announcements on Fresno's top radio stations, appearances on popular morning television stations, and cross leveraging our other outreach, we have been very successful in showing that we can get homeowners to make contact with our network.

### **Homeowner Counseling Services:**

Once contact has been made with at-risk homeowners through our aggressive and diverse marketing strategy, if needed, they will receive counseling depending on their individual need. The type, scope and intensity of this counseling will vary depending on the need of the client and is provided using a variety of counseling services which include phone and one-on-one counseling.

The purpose of the counseling is to help each homeowner determine what the best option is for their unique situation and to refer them for other help as needed.

### **Intervention and Mediation:**

For some homeowners, keeping their home is the best choice for them, and there are several ways to do this, many of which are difficult and extremely time intensive to accomplish. These homeownership retention options include:

- **Loan Modifications.**
- **Repayment Plans.**
- **Forbearance Agreements.**
- **Refinancing.**

If loss of the home is inevitable, executing on an appropriate exit strategy may be the best option for the homeowners. These choices to help them preserve equity or minimize the financial and credit impacts of housing loss which include:

- **Pre-Foreclosure Sales.**

- **Loan Assumptions.**
- **Short Sales.**
- **Deed-In-Lieu of Foreclosure.**

**Follow-up:**

Once the homeowners have chosen the course of action and made the decision about what option is best for them, the Housing Resource Center follows up with them to ensure that they have the best chance of success and to report outcomes as well as improve our provision of services.

Since studies show that 50% of people who lose their home *never even contact their lender*, it is all too important to enable contact, encourage and counsel homeowners, facilitate their ability to contact their lender and to provide local referral resources able to help the homeowner take action immediately.

As you can see, the CHC's Housing Resource Center is a key resource in our community battling against our growing problem of foreclosure that, without adequate funding now or in the future, will not be able to continue to provide these much needed comprehensive services to our residents and help them have the best possible chance to recover from the threat of the loss of homeownership and the attendant negative affects on our local community.

Again, thank you in advance for your efforts and the commitment of the City of Fresno to help ensure that our services remain possible through immediate and future funding.

Sincerely,



Jeffrey Davidson Schrager

Vice-President  
Community Housing Council of Fresno