



City of Seattle
Office of Housing

TO: Councilmember Nick Licata, Chair, Housing, Human Service, Health, & Culture Committee

Councilmember Sally Bagshaw
Councilmember Bruce Harrell
Councilmember Tom Rasmussen

FROM: Rick Hooper, Director

DATE: December 10, 2012

SUBJECT: Foreclosure Briefing

City Council passed Resolution 31337 in late 2011 which included an intent to examine foreclosure related data. The Office of Housing's 2012 Work Program included items that relate to foreclosures. We are scheduled to review our work done this year in response at the December 12, 2012 Committee meeting. Included below is brief outline of that work---we will be elaborating on it at the Committee meeting, in addition to answering questions.

We will be joined at the table by Tina Orwall and Bruce Neas for a status report discussion of the Foreclosure Fairness Act. Tina is a State Legislator from the 33rd District who was prime sponsor of the Legislation. Tina can speak to the Act's intent and outcomes thus far. Bruce is with Columbia Legal Services and can speak to the day-to-day implementation of key provisions designed to help homeowners stuck in the foreclosure process.

OH Work Program / Resolution 31337 Section 2.2

A. Data on foreclosure activity in Seattle:

The following data is provided to us every month by First American Title for the Seattle area by zip code. We pull out the City of Seattle data as shown below. Two types of data is included:

1. NOTS (Notice of Trustee Sale)---indicating homes where the foreclosure process has gotten to the NOTS point. The foreclosure process involves many steps; when lenders are ready to move to take over property they issue the Notice of Trustee Sale.

NOTS (not including buildings with 3 or more units in foreclosure):

	2008	2009	2010	2011	2012
TOTAL Citywide:	1,205	1,949	2,884	1,928	1,285**
Southeast	416	726	955	650	414
SE and Delridge	525	955	1,264	868	569
SF Homes	91%	89%	87%	86%	63%

** 2012 numbers are through end of November, 2012

2. REO (Real Estate Owned)---indicating homes that have been taken over by the Bank:

	2008	2009	2010	2011	2012
November	42	43	65	63	27

- The proportion of REO condos continues to rise (35% in 2012 compared to 26% in 2011). Some condos are individual investment purchases or second homes so they don't necessarily indicate distressed households.
- SE Seattle and Delridge continue to be the "hot spots" in Seattle (50% of all REOs in 2011). It is not likely many of these are condos. They are more likely to be single family homes inhabited by the owners.

B. Pursuing additional state and/or federal funds for foreclosure prevention

Recently the State awarded \$43.8 million to 13 nonprofits to help families in various ways; the funding was our State's share of the landmark \$25 billion national settlement with the country's 5 largest mortgage servicers. Funding was awarded in 6 areas, including direct mortgage relief, anti-blight projects, and counseling. The nonprofits included:

- Catholic Charities Housing Services
- El Centro
- HomeSight
- Homestead Community Land Trust
- Lifelong AIDS Alliance
- White Center Community Development Association

C. Pontedera Condominium Project

Earlier this year OH assisted HomeSight and Wells Fargo Bank in restructuring financing for the project so HomeSight could continue to sell units; sales have been going well. We will have updated sales numbers for the Committee meeting discussion.

D. Homestead Community Land Trust REO Program

Homestead Rebuilding Communities program receives real-time information on bank-owned properties allowing them to purchase properties prior to them being listed on the open market. Homestead purchases distressed properties, in part with the Office of Housing Acquisition and Opportunity loan fund, rehabilitates the home (including weatherization funds through the OH Homewise program) and sells the home to a low-wage qualified homebuyer, \$50,000 to \$100,000 below market value. They have purchased 10 homes in 2012 and plan an additional 20 homes in 2013.