Memorandum

MIAMI-DADE COUNTY

Date: July 15, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

HCD
Supplement to
Agenda Item No. 1(E)1

Subject: Information on County Foreclosure Prevention and Assistance Activities

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The following report provides the Board of County Commissioners (Board) with information on the programs and activities undertaken, underway and planned by the County to address the issue of foreclosures in Miami-Dade County.

Foreclosures in Miami-Dade have risen significantly since last summer. Close to 7,000 residential properties were repossessed in the last eight months, which is an average of 840 per month. The spike in March 2009 foreclosures resulted from the lenders ending a temporary stand still on foreclosures as they waited to see what federal legislation would be enacted. Since then, the County has continued to see a steady increase in the number foreclosure proceedings initiated, and the recently announced federal foreclosure prevention programs are likely to have limited effects in Miami-Dade County. Accordingly, the County is developing a multi-faceted approach, by 1) coordinating efforts through various agencies and organizations, 2) leveraging the expertise of community and civic partners, and 3) attacking the problem with various resources in an effort to mitigate and assist residents facing with foreclosure.

County Funded Foreclosure Prevention and Mitigation Program

Through the amendment to the Local Housing Assistance Plan, which was approved by the Board of through Resolution R-36-09, the County dedicated State Housing Initiative Partnership (SHIP) funds to begin a foreclosure prevention program. The County's planned program, which was modeled after the one by Duval County, was approved by the State in early May 2009. In addition to the $500,000 in SHIP funds, the Board recently approved the County's Community Development Block Grant-Recovery (CDBG-R) application which allocates $732,600 for foreclosure prevention, bringing the total to $1.232 million. The Foreclosure Prevention and Mitigation program will work as follows:

- SHIP funding provides households, with annual incomes up to 120 percent of median income, **a maximum of $5,000 in eligible foreclosure mitigation assistance.**
- CDBG-R funding will provide households, with annual incomes up to 80 percent of median income, **a maximum of $7,500 in eligible foreclosure mitigation assistance.**
- Under both SHIP and CDBG-R, funds can be used towards payment of eligible expenses which include delinquent mortgage payments, late fees, legal fees, special assessment fees;
- Recipients must show that the nonpayment of their mortgage is due to eligible reasons such as: loss of employment, sudden medical expenses, death in family, unforeseen home repair bills, reset of interest rate, or divorce/separation.
- Homeowners will be given a zero interest deferred loan for a period of five years, upon which time, if the borrowers stays compliance with the program, the full amount shall become forgiven after the five year period. The following firms are under contract with the county to provide the Foreclosure Prevention and Mitigation Programs:

Hispanic Coalition
5659 W Flagler Street
Miami, FL 33134
(305) 262-0060

National Alliance to Nurture the Aged & the Youth
659 NE 125 Street
North Miami Beach, FL 33161
(305) 981-3232
Attn: Bennie Trinidad

Neighborhood Housing Services
300 NW 12 Avenue
Miami, FL 33128
(305) 751-5511
Attn: Jackie Duran

Centro Campesino
35801 SW 186 Avenue
Florida City, FL 33034
(305) 247-2619
Attn: Renatta Delgado

In addition to the foreclosure prevention, the Office of Community and Economic Development (OCED) has additional contracts with outside entities to provide homeownership counseling. This is an 8 hour class required for new homebuyers with coursework on foreclosure prevention. The follow four contracts are in place:

1. Miami Beach CDC (SHIP 2008) with $300,000 to assist 600 clients;
2. Centro Campesino (Surtax 2008 Mid-Year) with $100,000 to assist 200 clients;
3. Opa-locka CDC (Surtax 2008 Mid-Year) with $200,000 to assist 400 clients; and
4. NHS (Surtax 2008 Mid-Year) with $200,000 to assist 400 clients.

County Website and 311

As a result of the County Mayor's Foreclosure Assistance and Prevention Task Force, the County compiled an inventory of federal, state and county resources that could be tapped to provide relief for at-risk homeowners and tenants, and stabilize areas stressed by large and concentrated numbers of foreclosed and abandoned properties. The Task Force's efforts led to the development of a ***Foreclosure Prevention Now* website** (**www.miamidade.gov/foreclosure**) that acts as a one-stop source of information on resources available. Visitors can obtain the following information:

- Relevant counseling sources and federal programs; and
- A dynamic list of agencies that provide needed services such as emergency housing, relocation assistance, and foreclosure counseling.

The "311 Knowledgebase" has been updated and expanded to include information on County services that provide foreclosure related assistance through the Department of Human Services (DHS), Community Action Agency (CAA), Consumer Services Department (CSD), and Homeless Trust and referrals to counseling services provided through Miami-Dade Housing Finance Authority (HFA). Through June 2009, 311 has taken over 2,000 calls concerning foreclosures, including those from individuals seeking prevention and anti-predatory lending information, and basic information.

In addition to 311, the County's HFA also has the Foreclosure Prevention Helpline – (786) 331-5348 – which provides referrals to non-profit providers of legal services and US HUD certified counselors, and guidance on available financial assistance programs for homeowners and victims of predatory lending practices.

Community Outreach

For residents who do not have access to the internet, or are not aware of the information available through 311, the Consumer Services Department (CSD) has developed a **"Foreclosure and Housing Assistance" brochure** that is currently at the printing stage. It is a concise, print version of what is available in the Foreclosure website. The brochure is tri-lingual (English, Spanish, and Creole) and will be made available throughout County libraries, buildings, and Commission District offices. The brochure can also be downloaded from the County's website.

Availability is a key part of the County's plan to provide residents with information necessary to mitigate foreclosures where possible, and/or refer to agencies that can assist with counseling and services. HFA has, and continues to partner and sponsor, along with other agencies, community foreclosure prevention workshops to provide information and forums where delinquent borrowers can meet with their lender or loan servicer to negotiate solutions that avoid foreclosure. HFA has done 21 community foreclosure prevention workshops throughout the County since October 2007 and has assisted 2,491 individuals with information on how to avoid foreclosures and referrals. The HFA plans to hold 13 events during FY 2009-10. A list of past and planned events through the end of the current fiscal year is on the following page.

Date	Event	Location
October 2007	Don't Borrow Trouble	Richmond Heights
October 2007	Foredosure Prevention Hearing	Board of County Commissioners
November 2007	Foredosure Prevention Seminar	Antioch Church
March 2008	Foredosure Prevention Seminar	N. Dade Regional Library
March 2008	Foredosure Prevention Seminar	Florida City
April 2008	Foredosure Prevention Seminar	Howard
April 2008	Foredosure Prevention Seminar	Miami Dade CC North
June 2008	Foredosure Prevention Seminar	District 3
June 2008	Foredosure Prevention Seminar	District 2
June 2008	Foredosure Prevention Seminar	District 13
August 2008	Foredosure Prevention Awareness	Jungle Island
September 2008	Foredosure-NSP	Miami Gardens
October 2008	Foredosure Prevention Presentation	NALHFA - Minneapolis, MN
February 2009	Foredosure Prevention Seminar	Transit Village
February 2009	Foredosure Prevention Seminar	Air Coast Guard
March 2009	Foredosure Legal Seminar	Miami Dade CC - Downtown
May 2009	Foredosure Legal Seminar	District 3
May 2009	Foredosure Legal Prevention	Airport
July 2009	Foredosure Prevention/Homeownership	Carol City High School
July 2009	Foredosure Prevention/Homeownership	FIU North
July 2009	Foredosure Prevention	TBD
August 2009	Foredosure Prevention	South Dade Government Center
August 2009	Foredosure Prevention	West Dade regional Library
September 2009	Foredosure Prevention	Frankie Rolle Community Center

CAA is working with HFA to staff the workshops. More specifically, CAA is coordinating and advertising the workshops while HFA provides staff and community partners skilled in this topic. These workshops are meant to be informational and provide a forum for individuals to address and discuss the foreclosure process. Lenders participate and provide valuable information to consumers on the process. Topics inlude informing homeowners of required documents that will be necessary when meeting with their lenders, when to seek counseling agencies, as well as other resources available by Miami Dade County..

In addition to the workshops throughout the community, the CAA community centers will serve as entry points for basic information on foreclosure prevention programs and make referrals to the counseling services administering the foreclosure prevention program funded through OCED.

In addition to meeting with the community, the County continues to meet with the various stakeholders and the industries, including representatives from banking, real estate, and not-for-profit housing and counseling organizations. For instance, CSD's Consumer Advocate organized a seminar with the Florida Bar Association where attorneys were trained in addressing the new foreclosure actions and laws. Over 350 attorneys attended the event. In an additional event, OCED organized a meeting with lenders, representatives from the real estate community and public sector, as well as other stakeholders from not-for-profit housing groups on July 9, 2009 to discuss the services that are currently provided by the attendees and to serve as a strategy session to develop new measures to address foreclosure problems.

Neighborhood Stabilization Program

While the County's $62 million Neighborhood Stabilization Program grant from U.S. HUD is not allowed to be used for foreclosure prevention, the plan does allocate approximately $22 million to creating affordable housing opportunities for individuals and families displaced by foreclosures earning up to 120 percent of area median income.

The County signed contracts to make offers to buy twelve homes under the NSP Program. Of these 12 offers, one has been turned down, two are in the counteroffer stage, and nine are still pending consideration by the sellers.

In addition, GSA has a list of more than 50 homes of which they are evaluating for purchase, rehabilitation, and sale.

As part of the NSP program, OCED received close to 400 applications for the spot loan lottery. Of these 234 applicants were deemed eligible for participation in the NSP program. On May 29, 2009, the County hosted a lottery and 80 winners and 20 alternates were selected. The County, has issued certificates to all the winners, and interviewed all the winners, allowing them to begin their search to purchase a foreclosed home within the County's designated "priority" areas.

OCED has prepared an application for NSP Round 2 in the amount of $162 million. Like NSP Round 1, none of these funds can be used to prevent foreclosures, but rather stabilize neighborhoods through the acquisition, rehabilitation, and resale of single-family and multi-family foreclosed-upon properties.

Solutions to Reduce Impacts of Foreclosures

The condominium market is particularly affected by the foreclosure crisis. More specifically, a serious problem occurs when homeowner associations are delinquent or bankrupt and fail to pay utility bills. The Miami-Dade Water and Sewer Department has been developing case-by-case solutions. Past due payment schedules have been arranged to allow for full payment of water bills that satisfy the County's legal obligations to bondholders, while remaining sensitive to the health and safety needs of the residents during a difficult economic period.

Federal Programs Available to County Residents

The federal government has introduced a new initiative, "Making Home Affordable" which essentially does two things: 1) allows for either the modification of an existing loan or 2) the refinance of an existing loan. The modification program addresses loans that are in either in foreclosure or are delinquent. Tools include setting up forbearance accounts and reducing interest rates while working with the lender. The refinance program addresses those homeowners that may not be delinquent, but owe more in a mortgage than what the house is worth. This program is designed to allow homeowners to re-finance up to 125 percent of the home's appraised value. It allows responsible homeowners to take advantage of the low rates in a situation where a bank would not normally approve. While this is not a direct program from the County, it serves an additional resource for Miami-Dade County residents.

In addition to the Federal program, the 11th Circuit Homestead Access To Mediation Program ("CHAMP") for case management of residential foreclosure cases involving homestead properties in the Eleventh Judicial Circuit of Florida, in collaboration with the Collins Center for Public Policy, Inc., has been recently implemented by the state court system. State courts have been overwhelmed by the rise in foreclosure court filings and the backlog of cases created a severe hardship on the system. In response to this problem, the 11th Judicial Circuit adopted an administrative order that took effect on May 1, 2009 that refers the parties to a pending foreclosure on homestead property to mediation with the intention of resulting in loan modification. Good faith mediation must occur prior to the Court issuing an order of foreclosure on homesteaded property. The action by the 11th Judicial Circuit complements the federal Affordable Modification and Foreclosure Alternatives programs and is likely to reduce the number of foreclosures in Miami-Dade, while increasing short sales and voluntary transfers of title to lenders.

Conclusion

The County has put together a comprehensive approach to address the foreclosure crisis. A significant factor in attempting to address the foreclosure problems is understanding the intimacy of the problem. There is no "one size fits all" solution and as such, the County is dedicating a multitude of resources to address this issue in our community. There are group based community meetings and workshops, or more personal one on one counseling and legal sessions. Due to the intimate nature of this problem, an

individual may also find information through various the County's web based resources. The County provides support to these various groups and partners.

The County is also developing a plan to reoccupy the vacant housing units in the infill program with families that are being displaced by using a lease-to-own program that will provide affordable housing and an opportunity to become homeowners within three to five years. The plan, if feasible, will be presented to the Board of County Commissioners for approval in the fall.

Attachment

Cynthia W. Curry
Senior Advisor to the County Manager

ATTACHMENT

Median Household Income Measures for Miami-Dade County

The median income values shown below are estimates developed by U.S. HUD and used in determining the "income limits" that apply to the CDBG and federal housing programs.

Median Household Income FY2009

Place	Area Median Income
Miami-Dade County	**$ 50,800**
Broward County	$ 65,400
Palm Beach County	$ 67,600
Cape Coral-Fort Myers, FL MSA	$ 60,700
Deltona-Daytona Beach-Ormond Beach, FL MSA	$ 55,200
Gainesville, FL MSA	$ 59,800
Jacksonville, FL HMFA	$ 65,100
Naples-Marco Island, FL MSA	$ 70,800
Orlando-Kissimmee, FL MSA	$ 60,700
Sarasota-Bradenton-Venice, FL MSA	$ 62,300
Tallahassee, FL HMFA	$ 63,600
Tampa-St. Petersburg-Clearwater, FL MSA	$ 59,200
Florida	**$ 58,800**
United States	**$ 64,000**

Source: US Department of Housing and Urban Development (HUD)

Miami-Dade County: HUD 2009 - 50%, 80% and 120% of AMI Income Thresholds by Household Size

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
50% of AMI	23,600	26,950	30,350	33,700	36,400	39,100	41,800	44,500
80% of AMI	37,800	43,150	48,600	53,950	58,250	62,600	66,900	71,200
120% of AMI	56,600	64,700	72,800	80,900	87,350	93,800	100,300	106,750

Source: http://www.huduser.org/publications/commdevl/nsp.html