

DISTRIBUTION DATE: 3/7/12



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Margaretta Lin
Special Projects Director

SUBJECT: Banks, Foreclosure Prevention &
Mitigation New Strategies

DATE: March 5, 2012

City Administrator
Approval

Date

3/6/12

INFORMATION

The City has been engaging in several new efforts to assist Oakland residents, as well as City employees, with preventing foreclosures, as well as mitigating the impact of foreclosures on neighborhoods. In addition, we are working to bring banking services to underserved areas in Oakland. The below is a summary of some of the new efforts.

1. **Outreach to banks to assist City workers who are being laid off or financially struggling:** Wells Fargo Bank is holding workshops on mortgage payment assistance in Oakland on March 8 and 9. The City's Human Resources Department has provided this information to employees at the Support Center sessions. On March 13, Chase Bank will be holding an all-day session for City workers at City offices—a citywide announcement to employees will be issued, which will also include information about Wells Fargo and Bank of America assistance services.
2. **Informing the Oakland community about new assistance programs:** To help inform residents about the new programs, City staff will be monitoring the development of new foreclosure prevention requirements and services and ensure that information is distributed through the housing counseling agencies, sent to residents who receive Notices of Default, and communicated through the City website and press releases. For example, details about the new forbearance programs offered by Freddie Mac and Fannie Mae banks will be available soon, as well as specific details of the new settlement agreement between major banks and the State Attorney Generals.
3. **New foreclosure prevention loan fund:** The City of Oakland has been recently selected to participate as one of four pilot cities (and the only city outside of the Northeast) for a new national initiative operated by Harvard Legal Aid Bureau (HLAB) to develop a foreclosure prevention loan fund. The pilot programs will be based upon a buy-back model pioneered by Boston Community Capital and HLAB. City staff has been working with community partners on the development of a regional loan fund, with the pilot program to focus on

serving Oakland residents. A request will be made to the City Council to help provide seed funds for the new loan fund, once matching private funds have been secured.

4. **Banking services in underserved areas:** Mayor Quan and City Administrator Santana have made solving the banking and food deserts in Oakland a majority priority for the Administration. We have begun discussions with major banks about creative ways to locate banking services in Oakland's underserved corridors, including International Boulevard, San Pablo Avenue, and Seventh Street. One possible idea is to co-locate banking services with existing or new development structures, such as grocery stores or affordable housing projects.
5. **Expanding the property registration and blight maintenance ordinances:** To address the problems associated with abandoned properties, pursuant to requests from the Council's Community Economic Development Committee, staff has been working on researching best practice strategies in other jurisdictions. We plan on taking new legislative proposals to the Community Economic Development Committee on April 24, 2012.

Respectfully submitted,



MARGARETTA LIN
Special Projects Director