

**WESTCHESTER COUNTY BOARD OF LEGISLATORS
COMMITTEE ON HOUSING & PLANNING
MINUTES OF MEETING: JANUARY 26, 2010, 9:30 AM**

In Attendance:

Committee Members: Leg. William Burton, Chair; Legislators Judy Myers, John Nonna (by conference call), Martin Rogowsky, Bernice Spreckman and Alfreda Williams. Advisory Member: Albert Annunziata; Committee Staff: Barbara Arrington Dodds.
Others: Leg. Vito Pinto; Norma Drummond, Deb DeLong, Planning; Rose Noonan, HAC; Veronica Raphael, WRO; Karen Schatzel, LWVW; Alec Roberts, CHI; Katy Delgado, Office of CE; Kenneth Finger, BRI.

Chairman William Burton opened the meeting at 9:45 am and welcomed Norma Drummond and Deb DeLong of the Planning Dept. to discuss the foreclosure landscape in Westchester County. He also recognized Veronica Raphael of Westchester Residential Opportunities (WRO) and Alec Roberts of Community Housing Innovations, Inc. (CHI) to make comments on their experiences with foreclosures.

Approval of the minutes of January 19, 2010 were moved by Leg. Spreckman and seconded by Leg. Alfreda Williams. All voted in favor.

Report on County Foreclosures

Ms. Drummond presented a table of foreclosure statistics summarized from County Clerk's Office data (attached). She explained that in New York State, the foreclosure process takes approximately 444 days from filing to judgment—the longest in the nation. Leg. Rogowsky noted that therefore some of the filings in 2009 may have had other conclusions, we don't have the end story. Ms. Drummond concurred and continued. Using 2005 as the last "normal" year, the rate of increase for filings from 2005 to 2009 was 189% and for judgments the rate was 144%. Sometimes there are two foreclosure listings for the same address when there are two mortgages sometimes with two different banks. Some are filings by a co-op or condo board. A Short Sale is when the owner has an offer to buy that is less than what is owed and the bank agrees to accept that. The advantage to the home owners is that the foreclosure judgment does not show up on their credit report although delinquency does.

The picture of foreclosures in 2009 is very interesting. Where there were 300 foreclosure judgments in 2005, the market had changed in 2008 and there were 1,033 but in 2009 that number dropped down 30% to 731. But you have to look at the default filings—since August, there have been over 300 filings each month. So we think that many business people who lost their jobs on Wall Street are now running out of their severance packages and going into default. Ms. Rafael commented out that new laws in New York State have allowed individuals to go to court and have settlement conferences to work out with arrangements with the lender so that filings are not moving to foreclosure as quickly as they had. Ms. Drummond said the law passed in 2008 slowed things down a bit and put more noticing into effect and the new law that goes into effect in February requires that every household is entitled to foreclosure counseling. The filings still tell the story based on the loss of jobs. Not-for-profit housing agencies' counselors are in the courts once or twice a week in Westchester helping make arrangements with the banks.

Of the municipalities with 20 foreclosures or more in 2009, over 20% of the judgments in Westchester were in Yonkers with 151, 128 in Mount Vernon, 58 in White Plains, 35 each in Peekskill and New Rochelle, 31 each in Ossining and Cortlandt Manor, and 23 in Port Chester. In terms of the banks, Deutsche Bank had the most with 78, HSBC had 77, US Bank had 73 and Wells Fargo had 70 even though some of them were acting for other entities. In terms of potential future foreclosures, of the 3,127 defaults, Yonkers has well over 500 and Mount Vernon almost 400. The banks filing defaults are again

topped by Deutsche Bank with 265, US Bank and Wells Fargo about 260 each, HSBC 200, One West Bank 160, JPMorganChase 160, Citibank 140, Bank of New York/JP Morgan Chase 120 and Bank of America 120.

Going forward, the County has an award of money for a foreclosure purchase program to buy and rehab foreclosed properties in Yonkers, Mount Vernon and Peekskill but we have had difficulty getting our grant agreements finalized with the state Ms. Drummond reported. As soon as we get the money we can start to change the street landscapes in these cities. Leg. Nonna asked where homeowners go when their homes have been foreclosed. The County has helped fund agencies to help homeowners—Housing Action Council, WRO and CHI—all of which were present in the room and responded to the question. Ms. Rafael said many go back to their former countries, some move in with other family members and others are sent to community service organizations that can help them find rentals. Rose Noonan of Housing Action Council said their counselors have helped find affordable rental units and some have moved into affordable units that have been created with the help of the County. Mr. Roberts said the great majority of the people are frozen in their homes doing trial modifications on permits. The banks are overwhelmed and cannot deal or will not deal because if they lose money it shows on their statements and they have to get more reserves which puts them in worse shape. So everything is still frozen and the debt keeps piling up—it's a terrible situation emotionally.

Ms. Drummond said the message that services are available is getting out. The year end summary from 211 listed over 1300 calls for help on foreclosures and 211 had to stop handling so many phone calls because of budgetary issues until Chase and the County stepped in with help. The court is also making regular referrals to our Westchester counseling agencies as opposed to using outside agencies to do the work. In the Governor's budget, one of the things to be cut is mortgage foreclosure counseling services. So in the 2010 CDBG recommendations, some of that money will be recommended to be used for these services. Nobody has really seen the permanent fixes yet. Those people who were in over their heads in the first place might not be saved.

Leg. Rogowsky asked if there are income limitations for those counseled. Ms. Drummond said that for the agencies funded by the County, at least 50% must be low or moderate income and be from urban consortium communities and many previously well off homeowners without income may begin to qualify. How much money, he asked, should be spent helping people who have lost their jobs? How do you prioritize? Mr. Roberts said those are the best people to help. The bottom line for them is to sell the house in a short sale and start fresh. Leg. Rogowsky is very concerned that with scarce dollars how much is being spent with people who are still going to be foreclosed anyway and how can we focus on those who can be helped. Leg. Pinto asked if any County supported affordable houses were in foreclosure. In 15 years, we have lost only 2 units but through unusual problems with the homeowners. The owners go through hours of counseling with the affordable housing agency before the purchase. Leg. Nonna suggested that a newsletter blast be sent out to constituents with updated information on the new laws entitling homeowners for counseling. Mr. Roberts said perhaps the County could require, perhaps by legislation, first time buyers to be intelligently educated before they buy.

Update on County-supported Affordable Housing Projects

Ms. Drummond and Ms. DeLong presented a chart of County-supported housing projects that have been approved, representing the quarterly report on their status. A number of projects will be coming in and are working on their tax credit applications. Leg. Nonna asked if any of those projects could be counted as part of the ADC settlement requirements. Two projects are in the eligible communities but would not be eligible because they were approved and in the works before the settlement agreement was signed. Thirty-three projects have potential including the 7 units in Bedford. Still in the works is the senior housing proposed on Quarropas Street. The County has leased the property to the developer.

Referring to an article in the New York Times (Jan. 2, 2010) in which the federal \$75 billion program to protect homeowners from foreclosure was characterized as “having done more harm than good,” Leg. Rogowsky said we should find out how the banks in Westchester are participating in the program. Are there problems, is it working or not working, and where does Westchester fit in.

Leg. Pinto asked where we stand on the Implementation Plan and when it would be available. Leg. Burton said that the committee would take it up in the next several weeks.

With no other business, Legislator Burton adjourned the meeting, moved by Leg. Rogowsky and seconded by Leg. Myers. All voted in favor.

TABLE 1

Foreclosures - 2005, 2006, 2007, 2008 & 2009

<u>Filings</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>TOTAL</u>	<u>Rate of Increase From 2005</u>
2005	83	64	97	98	82	93	83	104	98	85	110	86	1083	
2006	100	119	159	120	140	128	112	136	117	162	130	123	1546	43%
2007	146	132	252	181	145	156	176	226	179	201	181	191	2166	100%
2008	243	231	285	224	202	225	238	242	73	96	71	78	2208	104%
2009	126	154	212	266	240	266	286	319	332	322	250	354	3127	189%
<u>Rate of Increase each year</u>														
2005														
2006	20%	86%	64%	22%	71%	38%	35%	31%	19%	91%	18%	43%	43%	
2007	46%	11%	58%	51%	4%	22%	57%	66%	53%	24%	39%	55%	40%	
2008	66%	75%	13%	24%	39%	44%	35%	7%	-59%	-52%	-61%	-59%	2%	
2009	-48%	-33%	-26%	19%	19%	18%	20%	32%	355%	235%	252%	354%	42%	

<u>Judgments</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>TOTAL</u>	<u>Rate of Increase From 2005</u>
2005	20	19	37	37	30	26	21	22	20	27	17	24	300	
2006	29	25	28	27	45	25	37	46	50	42	45	41	440	47%
2007	55	33	47	43	61	52	62	71	52	86	65	80	707	136%
2008	83	84	76	106	106	91	113	104	55	74	49	92	1033	244%
2009	75	56	100	62	84	2	110	35	32	65	47	63	731	144%
<u>Rate of Increase each year</u>														
2005														
2006	45%	32%	-24%	-27%	50%	-4%	76%	109%	150%	56%	165%	71%	47%	
2007	90%	32%	68%	59%	36%	108%	68%	54%	4%	105%	44%	95%	61%	
2008	51%	155%	62%	147%	74%	75%	82%	46%	6%	-14%	-25%	15%	46%	
2009	-10%	-33%	32%	-42%	-21%	-98%	-3%	-66%	-42%	-12%	-4%	-32%	-29%	

<u>Percent Judgments to Filings</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>TOTAL</u>
2005	24.1%	29.7%	38.1%	37.8%	36.6%	28.0%	25.3%	21.2%	20.4%	31.8%	15.5%	27.9%	27.7%
2006	29.0%	21.0%	17.6%	22.5%	32.1%	19.5%	33.0%	33.8%	42.7%	25.9%	34.6%	33.3%	28.5%
2007	37.7%	25.0%	18.7%	23.8%	42.1%	33.3%	35.2%	31.4%	29.1%	42.8%	35.9%	41.9%	32.6%
2008	34.2%	36.4%	26.7%	47.3%	52.5%	40.4%	47.5%	43.0%	75.3%	77.1%	69.0%	117.9%	46.8%
2009	59.5%	36.4%	47.2%	23.3%	35.0%	0.8%	38.5%	11.0%	9.6%	20.2%	18.8%	17.8%	23.4%