

Ad Hoc Blight Committee Meeting January 7, 2015

(Please print information)

Name	Business/COJ Department	Address	Phone	Email
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Colm (Amey)	COJ			
David Patsen	COJ PAO			
David Patsen	PAO	109 St Johns Ave	472-2851	dpatsen@coj.net
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James B. Baker	MMBA		759-3210	

only

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(Please print information)

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Name	Business/COJ Department	Address	Phone	Email
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JANICE KIGHTHURST	MMSA	1036 E. 31st St.	738-4765	jknight@mmss.com
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Robert S. Campbell	COJ COA	214 N. Hugan St.	630-0520	
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Paul Twilley	N-SCDC	3416 Mowbray Rd.	549-9196	twilley@coj.net
HOSEA SMITH			349-8953	smith@coj.net
TERESA EIDNER	Mayor's Office	117 W. Duval St.	630-7051	teidner@coj.net
Annette Brown	City		660-3158	brown@coj.net

Vegetative Control “Spraying” Proposed Improvement Plan

John Pappas

Public Works Department

November 19, 2014





Current Spraying Program

- **Ponds**

- 228 Ponds Sprayed (**All Ponds in Current Spray Program**)
- Spray Water Surface (388 acres 12 times a year)
- Spraying Cost \$220,125 per year

- **Outfalls**

- 211 miles (1,278 acres)
- Spray 87 miles (643 acres 4 times a year)
- Not Sprayed 124 miles (635 acres)
- Spraying Cost \$230,197 per year

- **Roadside Ditches**

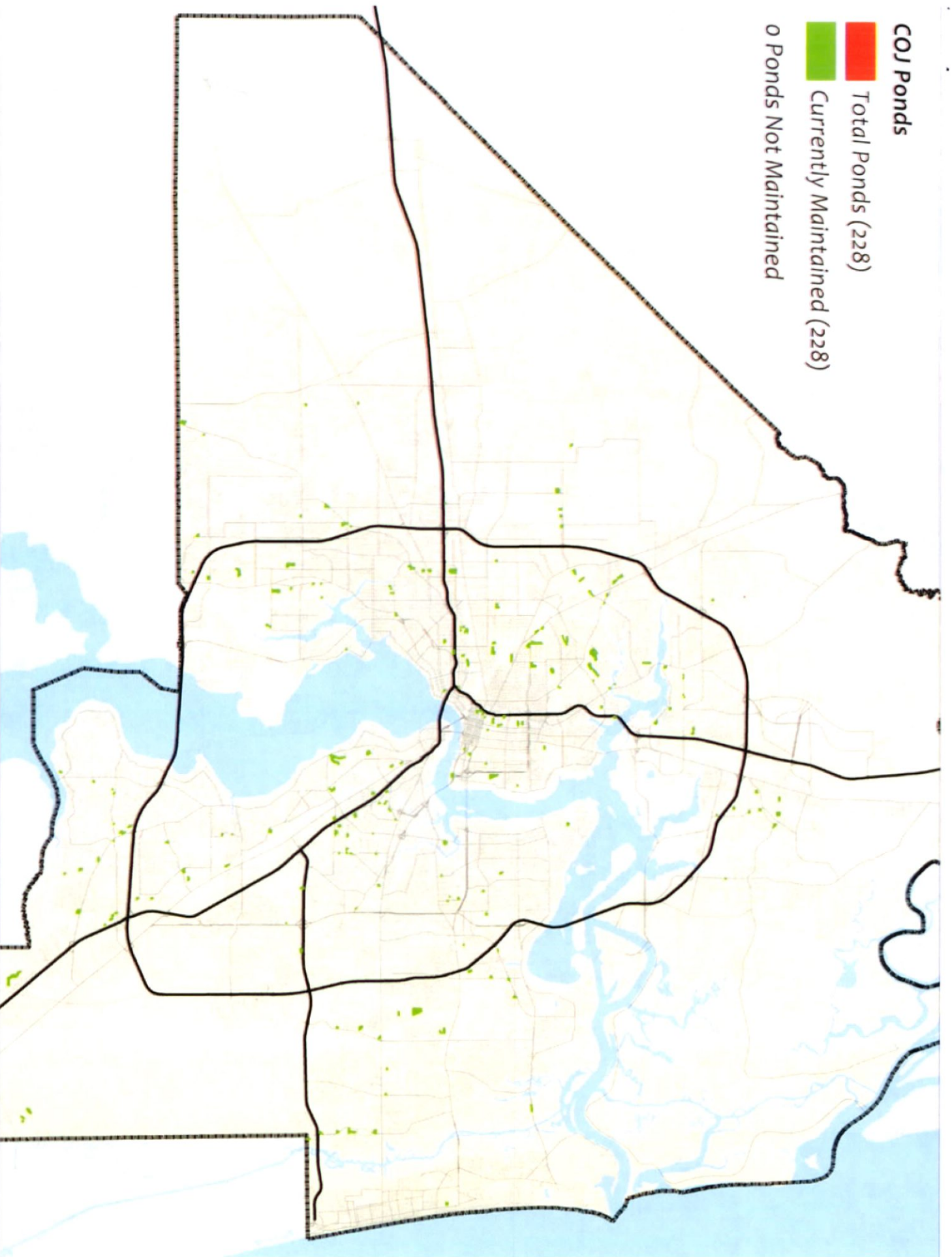
- 1,166 miles (990 acres) (**No Roadside Ditches in Current Spray Program**)
- 696 miles in Mowing Program (590 acres)
- 471 miles not in Mowing Program (400 acres)

COJ Ponds

Total Ponds (228)

Currently Maintained (228)

o Ponds Not Maintained

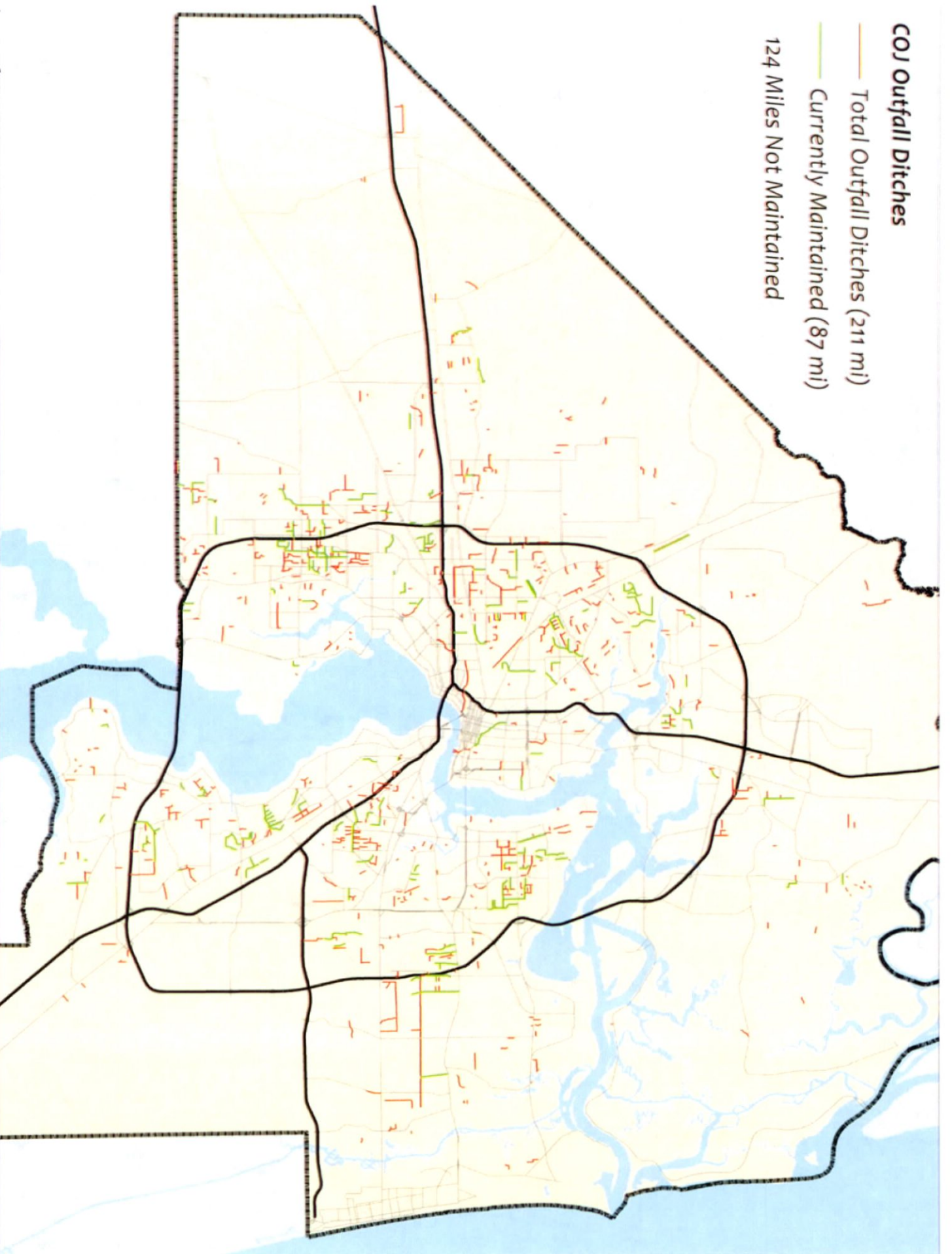


COJ Outfall Ditches

— Total Outfall Ditches (211 mi)

— Currently Maintained (87 mi)

124 Miles Not Maintained

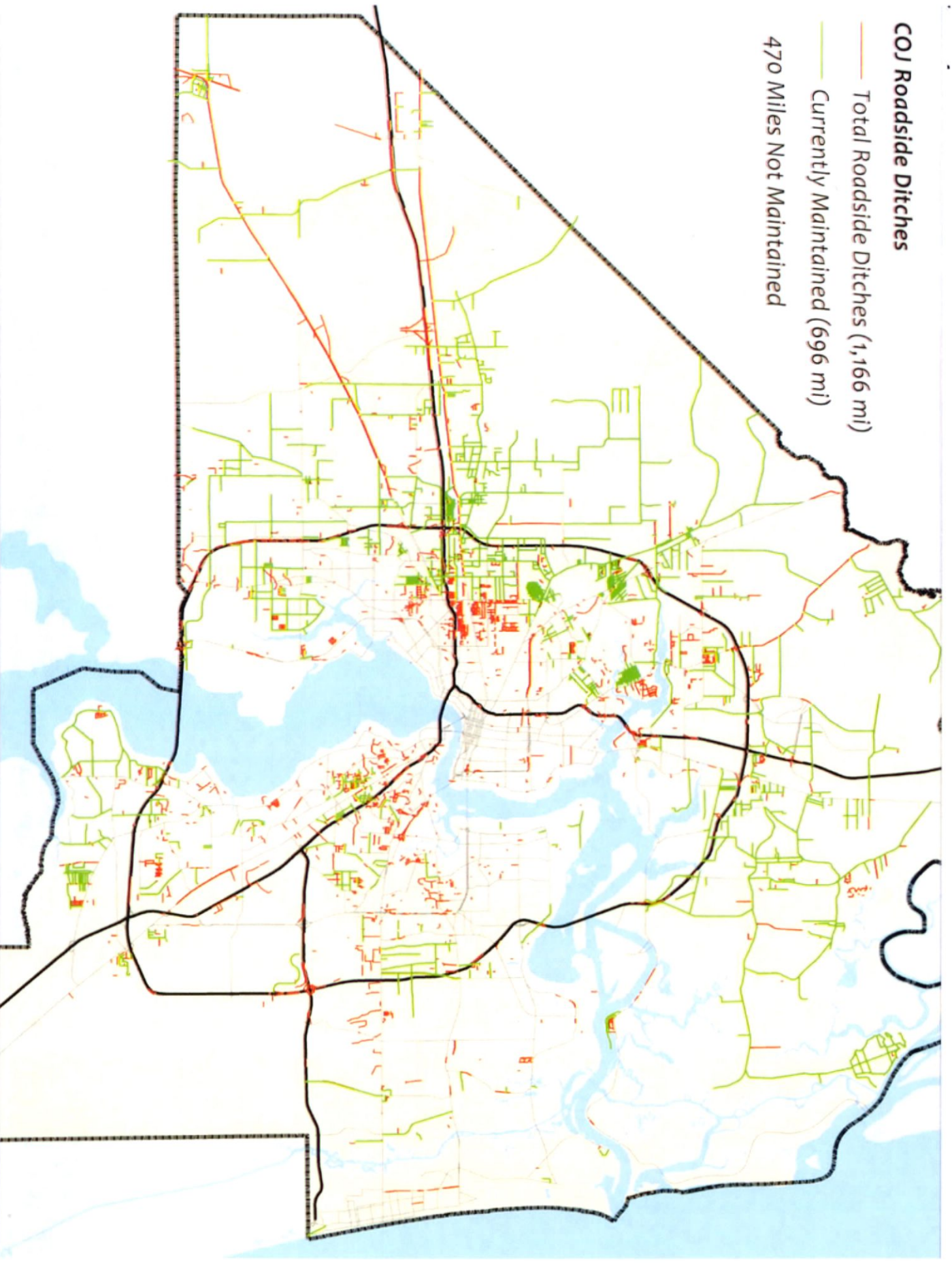


COJ Roadside Ditches

— Total Roadside Ditches (1,166 mi)

— Currently Maintained (696 mi)

470 Miles Not Maintained





Identified Challenges

- **Ponds**
 - Assurance that all Asset Responsibilities are Identified
- **Outfalls**
 - Keeping Vegetative Growth down to ensure Flow Capacity and better Community Quality of Life adjacent to the facility
- **Roadside Ditches**
 - Keeping Vegetative Growth down to ensure Flow Capacity and better Community Quality of Life adjacent to the facility



Proposed Improvement Plan

- Utilize a portion of the allocated funding for Outfall & Ditch cleaning/regrading to facilitate an increased Spraying Program
- Coordinate with Public Works' Right of Way & Stormwater Maintenance Division to ensure Outfall/Roadside Ditch capacity improvement sections are added to the Spraying Program
 - Note...will include Roadside Ditches that are not being maintained by private property owners and/or City Mowing Contract (will limit spray to bottom of the Ditch)
- Identify Outfall/Roadside Ditches that warrant vegetative control needs without the need for significant capacity improvements and add them to the Spraying Program
 - Note...this effort will not result in immediate improvement but will result in long-term benefit and improvement



Proposed Improvement Plan

- **Ponds**

- 228 Ponds Sprayed (All Ponds in Current Spray Program – No Change)
- Spray Water Surface (388 acres 12 times a year)
- Cost \$220,125 per year

- **Outfalls**

- 211 miles (1,278 acres)
- Current Program Sprays 87 miles (643 acres 4 times a year)...Cost \$230,197
- Increase efforts to Spray All 211 miles of Outfalls (1,278 acres 4 times a year)
- Increased Cost \$227,333 per year (requires Procurement coordination)

- **Roadside Ditches**

- 1,166 miles (990 acres)
- 696 miles in Mowing Program (590 acres)
- Add efforts to Spray the remaining 471 miles of Roadside Ditches (400 acres 4 times a year)
- Increased Cost of \$88,000 per year (requires Procurement coordination)

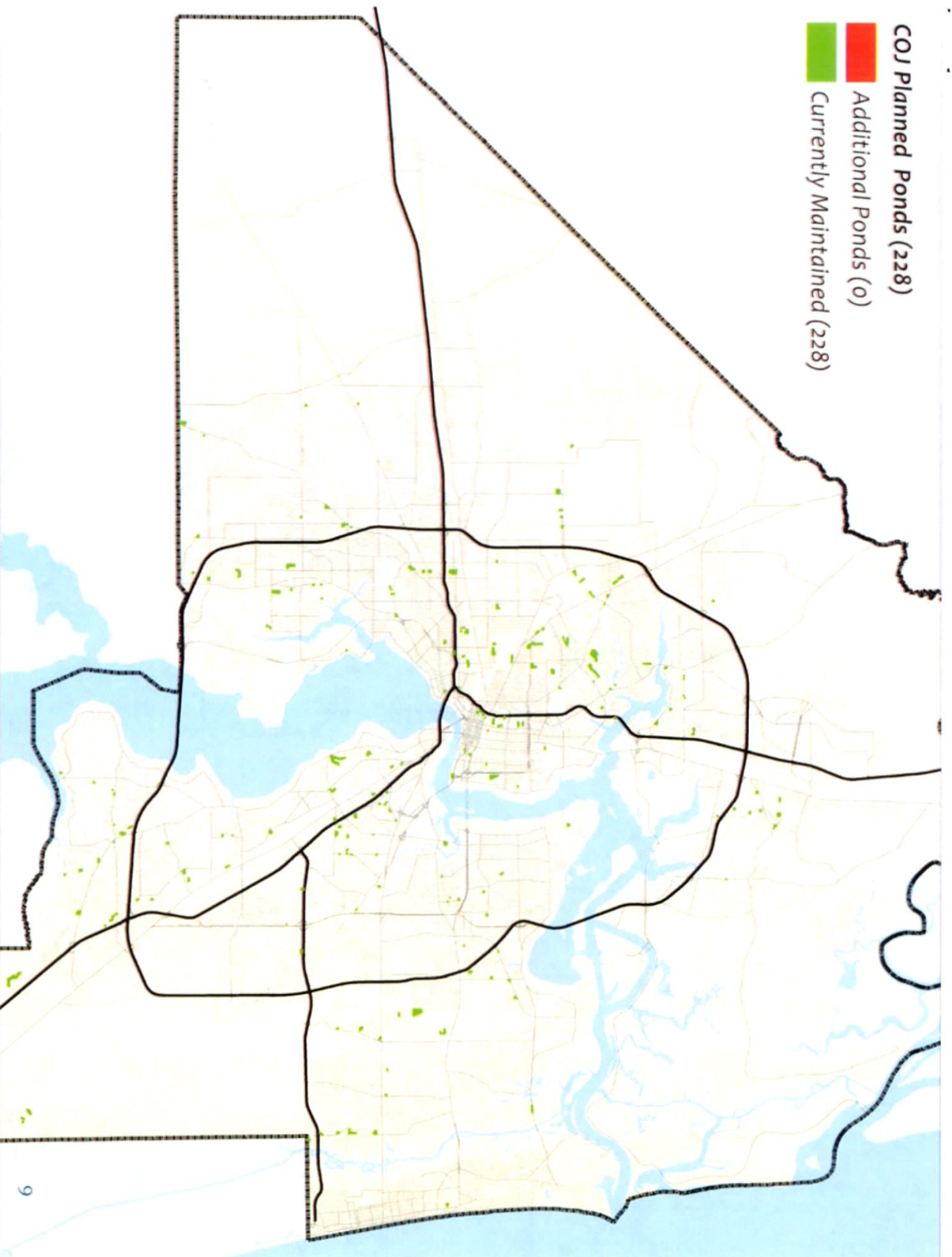
TOTAL Cost of Proposed Vegetative Spray Program \$765,655

- Current Program \$450,322
- Proposed Improvement Plan Increase \$315,333

COJ Planned Ponds (228)

Additional Ponds (0)

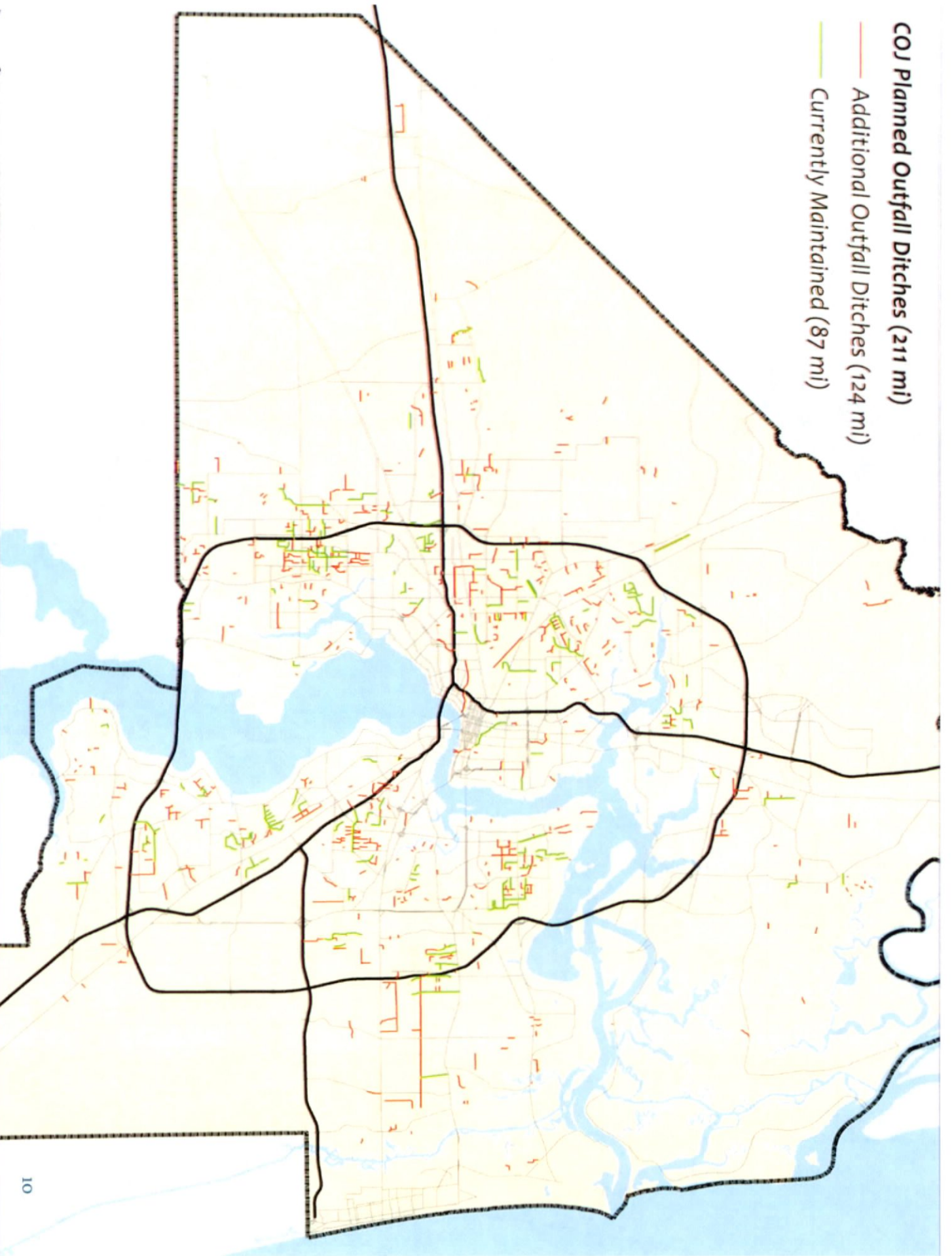
Currently Maintained (228)



COJ Planned Outfall Ditches (211 mi)

— Additional Outfall Ditches (124 mi)

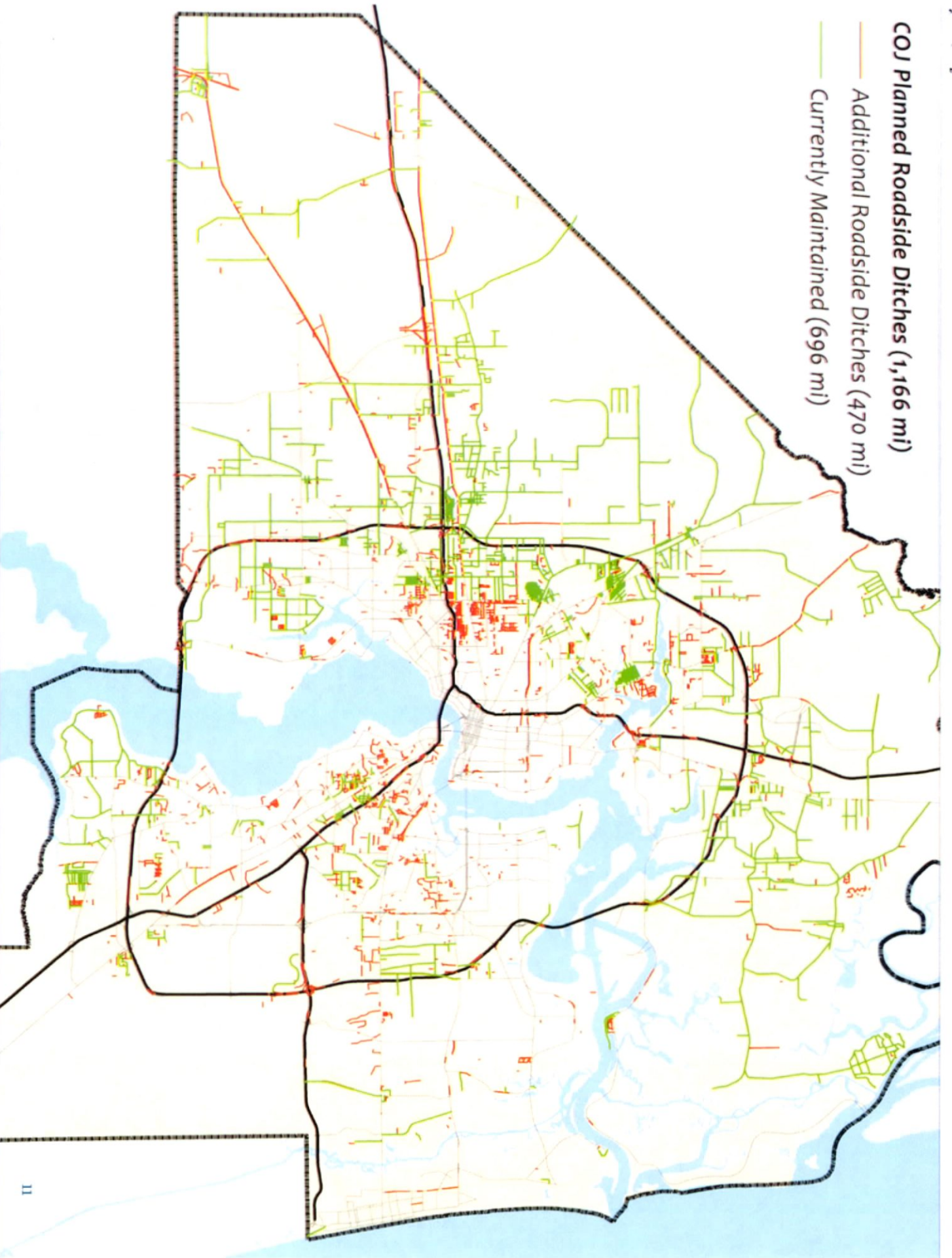
— Currently Maintained (87 mi)



COJ Planned Roadside Ditches (1,166 mi)

— Additional Roadside Ditches (470 mi)

— Currently Maintained (696 mi)



Duval Schools

Legend

- High Schools
- Middle Schools
- Council District

0 1 2 4 6 8 Miles

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, Swisstopo, TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

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Prepared in partnership between the Office of the City Council, Duval County Public Schools, and the Jacksonville Sheriff's Office.

When faced with community-wide issues, it is important for governing bodies to consider all possibilities when analyzing factors and discussing solutions. Such is the case with the Office of the City Council's Special Ad Hoc Committee on Jacksonville's Neighborhood Blight. American cities have needed to address this issue of urban decay for as long as there have been cities. Areas that see tremendous growth and success are often juxtaposed against areas of decline and disrepair, all within the same city limits. There is no primary cause of urban decay in American cities. Instead, it is often the intersection of multiple variables that contribute to the decline of communities, particularly socio-economic conditions. As such, careful consideration of controllable variables is a necessary step when addressing this concern. Urban blight is but one of them, and because of its visual nature, it impacts everything from the psychological to the physical to the criminal.

School truancy is an ever-present condition in the fabric of the American education system. Just like urban blight is multi-dimensional, so too is the issue of school truancy. The Ad Hoc committee requested that an analysis be conducted to find any relationship between Duval County school truancy and crime rates. In the current analysis, truancy was used as a predictor of crime rates specific to an area immediately surrounding a school. High rates of truancy were hypothesized to be associated with greater levels of crime around schools.

Data Points

The top ten middle schools and top ten high schools were identified based on the total number of truants documented for the school in September and October of 2014. A truant is defined as a student that accumulates five or more unexcused absences in a calendar month. Skill centers and dedicated magnets were not included since their student populations come from all over the district and would not necessarily reflect students "staying home from school" and remaining in neighborhoods directly adjacent to the school building. Crime data was collected for the dates 9/2/14 through 10/31/14 (omitting weekends) and for the hours between 0800 and 1700 only for each of the included schools.

Results

The descriptive statistics for the two data points are presented in Tables 1 and 2. Truancy counts ranged from 10 to 34 for the middle schools ($N = 150$; $M = 15$; $SD = 7.24$) and 20 to 73 for the high schools ($N = 471$; $M = 47$; $SD = 17.65$). Recorded crime incidents ranged from 1 to 20 for the middle schools ($N = 100$; $M = 10$; $SD = 6.25$) and 3 to 32 for the high schools ($N = 170$; $M = 17$; $SD = 8.93$). Although an expected correlation was observed between the truancy rates and the crime rates (*Multiple R* = 0.60), a simple linear regression analysis showed that truancy rates did not significantly predict crime rates ($t = 2.09$; $p < .05$) and that the effect size was small ($R^2 = 0.36$).

Table 1
MIDDLE SCHOOLS

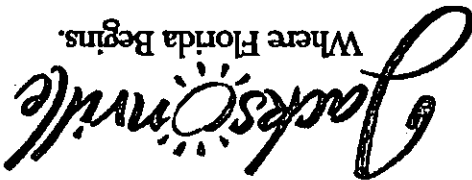
	Total Truants <u>(Sept & Oct 2014)</u>	Crime Incidents <u>(9/2/14 – 10/31/14)</u>
Fletcher	11	3
Jeb Stuart	12	20
Jefferson Davis	10	15
Kernan	10	1
Lake Shore	10	8
Landmark	22	20
Mandarin	34	9
Mayport	16	5
Oceanway	13	11
Southside	12	8

Table 2
HIGH SCHOOLS

	Total Truants <u>(Sept & Oct 2014)</u>	Crime Incidents <u>(9/2/14 – 10/31/14)</u>
Atlantic Coast	22	3
Ed White	43	10
Englewood	56	16
First Coast	20	15
Fletcher	70	23
Mandarin	31	7
Robert E. Lee	52	14
Sandalwood	73	20
Terry Parker	44	30
Wolfson	60	32

PLANNING AND DEVELOPMENT DEPARTMENT

HOUSING AND COMMUNITY DEVELOPMENT DIVISION



Possible Uses of Vacant Registry Funds

1. Foreclosure Intervention - Cash assistance up to \$8,500 to eligible home owners.
2. Foreclosure Mediation – Counseling to prevent foreclosure actions through possible loan modification and consumer credit counselling.
3. Educational brochures, including the creation, production and distribution of informational material to assist with foreclosure prevention and foreclosure intervention.
4. Staffing needs to administer, monitor, and track vacant property registry programs and funds to ensure compliance.
5. Mowing, board-ups and demolition of blighted private properties on or in proximity to homes on the vacant registry.
6. Repair and/or replacement of Neighborhood/Corridor entry signs, landscaping and lighting.
7. Facade improvements to the exterior structures including, painting, fencing and graffiti removal of blighted private properties on or in proximity to homes in the vacant registry.
8. Gap financing to non-profit developers for the acquisition, rehabilitation and sale of vacant homes in which the total development costs exceeds the appraised value of the home.
9. Construction financing for the rehabilitation of vacant RFO properties.

Jacksonville Area Legal Aid, Inc.

A Wealth of Justice for Those Who Have Neither

□ 222 San Marco Avenue
St. Augustine, FL 32084
(904) 827-9921
FAX: (904) 827-9978

✓ 126 W. Adams Street
Jacksonville, FL 32202-3849
(904) 356-8371
FAX: (904) 224-1587
Toll Free: 1-866-356-8371

□ P. O. Box 1999
Green Cove Springs, FL 32043-1999
(904) 284-8410
FAX: (904) 284-8485

December 9, 2014

Office of the City Council
Members of the Ad Hoc Blight Committee

RE: Response to Request for Report on Foreclosure Intervention Program, Rescue Funds

Dear Councilwoman Lee:

As you know, Jacksonville Area Legal Aid, Inc. ("JALA") administers a grant from the City of Jacksonville for the purpose of providing Duval County residents with rescue funds to cure a mortgage delinquency on their primary residence. JALA began administering Foreclosure Intervention Program ("FIP") funds in November 2013, and the grant period extends to March 2015. The total amount of the grant is \$63,750.00; each applicant can access a limited percentage of this fund.

Typically, a client will be represented by JALA with respect to ongoing foreclosure litigation. In other words, that client's case must be "stopped" in court in order for JALA's HUD counselor to maximize the discussion with the loan servicer on some sort of a solution. This model is at the heart of foreclosure intervention in Florida, as Florida is a judicial foreclosure state, and JALA works with many local HUD counselors to defend the foreclosure in court while the HUD counselor communicates with the servicer.

In a counterintuitive way, the FIP pays for the funds necessary to bring a loan current, usually while JALA is defending the foreclosure. COJ does not fund JALA for the actual litigation work, which is currently not allowed under the present version of Chapter 179, Jacksonville Municipal Code.

In order to be reviewed for the FIP, a client must first qualify for JALA services, i.e. the client must meet income and asset eligibility standards not exceeding 200% of the Federal Poverty Guidelines. Further, grant candidates must have a mortgage delinquency on their primary residence due to a temporary financial hardship, the documented ability to make future mortgage payments without assistance, and agree to participate in housing counseling services provided by a JALA HUD certified Housing Counselor.



The maximum amount of grant funds available to each program participant is \$8,497.50, of which \$7,725.00 is available to cure the mortgage delinquency and \$772.50 is allocated to JALA for counseling services.

Once a candidate is identified, the file is subject to a two step approval process. In Step One, the JALA Consumer Advocacy and Litigation Unit conducts a review of the file to determine eligibility. If approved, the JALA housing counselor then submits a proposal to the City of Jacksonville for a final approval prior to any disbursements to mortgage servicers.

Upon COJ approval, the JALA counselor begins negotiating with the client's mortgage servicer to determine a reinstatement amount. The reinstatement amount can include past due principal, interest, escrows, late fees, attorney fees, and any other fees authorized by the mortgage. Grant funds **can not** be used to stop a foreclosure due to homeowner's association fees or a tax sale. I have already pointed out to COJ that this latter prohibition is a violation of Florida law (see attached letter.)

One drawback to the grant is the relatively low amount of funds available to clients, \$7,725.00. Once a foreclosure action is initiated, the attorney's fees and filing fees often add several thousand dollars to the reinstatement amount. Grant clients frequently require litigation representation to gain leverage to have a portion of the outstanding fees waived. JALA's unfunded litigation efforts can be vital to a client's participation in the FIP.

Once a final reinstatement figure is agreed upon, JALA forwards a disbursement form to COJ, which wires the funds into JALA's account. Once the funds are received from COJ, JALA processes the reinstatement amount to the client's mortgage servicer.

The below chart is a summary of the five (5) JALA files utilizing the FIP. To date JALA is approved to receive \$3,819.75 for counseling services on behalf of grant clients.

	File #	Amount to Client Mortgage Servicer	Amount to JALA	Total Funded	Date Billed to COJ
1.	14-0342974	\$7,650.00	\$765.00	\$8,415.00	7/18/14
2.	14-0343249	\$7,725.00	\$772.50	\$8,497.50	7/18/14
3.	14-0346111	\$7,650.00	\$765.00	\$8,415.00	10/1/14
4.	14-0347869	\$7,447.55	\$744.75	\$8,192.30	9/15/14
5.	11-0318350	\$7,725.00	\$772.50	\$8,497.50	***Approved for disbursement by CoJ, awaiting final funding to servicer
	TOTAL	\$38,197.55	\$3,819.75	\$42,017.30	



	Grant Amount	\$63,750.00			
	Funded	\$42,017.30			
	Remainder	\$21,732.70			

The clients sign a second mortgage to COJ agreeing to repay the funds if the house is sold within the first five (5) years - if the client stays in the house during that time period, the loan is forgiven.

I hope that this answers your questions, and I am available at your convenience if you need something further.

Sincerely,



James A. Kowalski, Jr.

Jacksonville Area Legal Aid, Inc.

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St. Augustine, FL 32084
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July 8, 2014

Elaine Spencer
Chief, Housing and Community Development Division
214 N. Hogan Street, 8th Floor
Jacksonville, FL 32202

Re: Issues with COJ Vacant Registry Contract

**Jacksonville resident Thomas Garcia
7620 Covewood Drive
Jacksonville, FL 32256**

Dear Ms. Spencer:

I am writing to provide an update on the case of Thomas Garcia. As you may recall, Mr. Garcia initially applied for assistance from your department, which administers the City's Foreclosure Intervention Program.

As otherwise detailed in the attached letter to Mr. Garcia's Councilmember, Bill Gulliford, the Southern Oaks Association, Inc. filed a foreclosure action against Mr. Garcia, seeking to foreclose on his home at 7620 Covewood Drive, Jacksonville, Florida 32256. Mr. Garcia's home is free and clear of any other mortgage debt. He was at risk of losing his home, where he has resided for almost 20 years, and where he currently lives with his two young children, due to an unpaid lien of approximately \$2,500.00.

Shortly after he was served, Mr. Garcia came to JALA. We were able to negotiate a reduction in the amounts owed (including attorneys fees, court costs and interest) to \$4,750.00. We sought funding from the City through its Foreclosure Intervention Program and Mr. Garcia was approved. We had made a commitment to Southern Oaks based upon the City's approval of his grant application and the settlement papers were prepared. We then learned the City was changing its position and would not assist Mr. Garcia and his two young children in saving their home, even though he would be completely debt free with the payment of \$4,750.00, after the Office of General Counsel generated an opinion that an HOA lien does not qualify as a "mortgage."

I then drafted the attached letter of April 21, 2014, pointing out that this position is wholly inconsistent with Florida law, which specifically defines a "mortgage" to include "...liens created pursuant to the recorded covenants of a homeowners' association..."



Nothing happened. We continued to work with Southern Oaks' attorney for four months, while we tried to work with the City to reconsider its position, with JALA attorneys and staff devoting more than 25 hours of time to this case.

Finally, Southern Oaks' attorneys could wait no longer and set the case for trial. Judge Shore found in favor of Southern Oaks at yesterday's trial. The home will be sold in ninety (90) days.

In sum, Mr. Garcia and his children are at significant risk of homelessness because of a debt well below the amounts allowed by the City's Foreclosure Intervention Program grant and because of a position that is inconsistent with Florida law.

Sincerely,

James A. Kowalski, Jr.
Executive Director

Enc.

cc: Thomas Garcia (w/ enc.)
Honorable Bill Guilford (District 13)
Honorable Kimberly Daniels (At-Large, Group 1)
Honorable John R. Crescimbeni, (At-Large, Group 2)
Honorable Stephen C. Joost (At-Large, Group 3)
Honorable Greg Anderson (At-Large, Group 4)
Honorable Robin Lumb (At-Large, Group 5)
Jason R. Gabriel, General Counsel (w/ enc.)



VACANT "ZOMBIE" FORECLOSURES NATIONWIDE DECREASE 23 PERCENT FROM YEAR AGO BUT INCREASE IN 16 STATES, 60 OF 212 METROS
October 28, 2014
By RealtyTrac Staff

Zombies up More Than 20 Percent in New York City, Washington, D.C., Philadelphia; New York City, Miami, Tampa and Chicago Post Highest Zombie Foreclosure Totals;

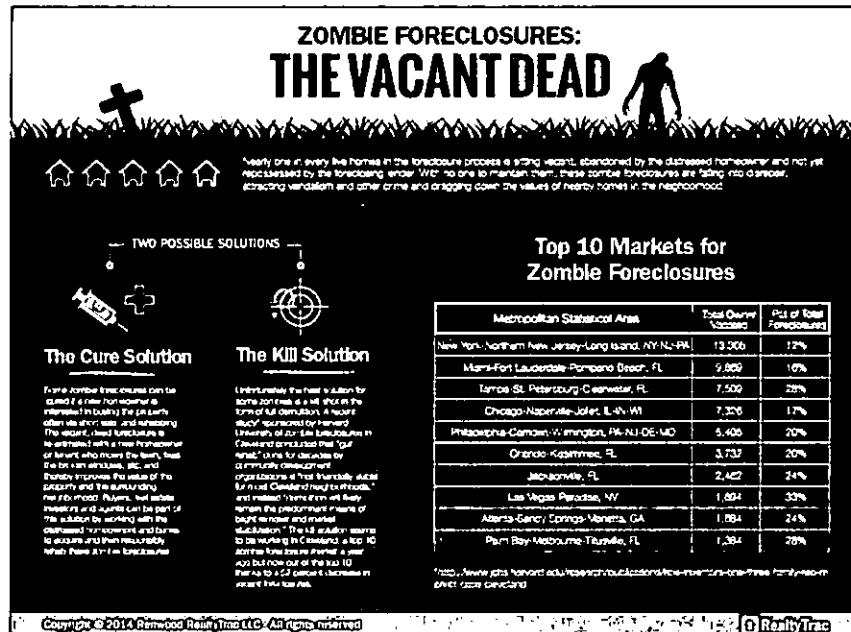
IRVINE, Calif. - October 30, 2014 — RealtyTrac® (www.realtytrac.com), the nation's leading source for comprehensive housing data, today released its Q3 2014 Zombie Foreclosure Report, which found that 117,298 homes actively in the foreclosure process had been vacated by the homeowners prior to a completed foreclosure, representing 18 percent of all active foreclosures. These vacant properties will likely end up as short sales, foreclosure auction sales or bank-owned sales in the future.

There were 117,298 owner-vacated foreclosures nationwide in third quarter of 2014 (18 percent of total properties in foreclosure), down 17 percent from 141,406 in the second quarter of 2014 and down 23 percent from 152,033 in the third quarter of 2013.



7 SECRETS OF BUYING FORECLOSURES

SEE A VIDEO PREVIEW



“The most effective preventative vaccine for the blight caused by vacant, abandoned foreclosures has proven to be a short and efficient foreclosure process,” said Daren Blomquist, vice president at RealtyTrac. “Absent that, the best antidote for a zombie foreclosure infestation is a pro-active land bank program like that in Cleveland and more recently Chicago designed to aggressively take possession of vacant foreclosures and rehab or demolish them.

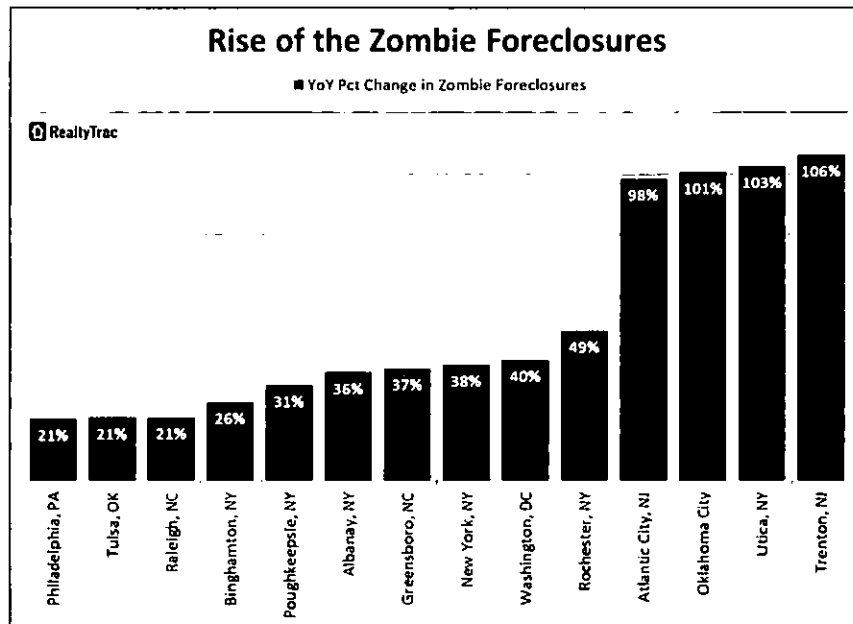
“Meanwhile, markets with lengthy and lengthening foreclosure timelines have unintentionally created a zombie foreclosure breeding ground,” Blomquist added. “As we see a backlog of delayed distress finally hit the foreclosure pipeline in some of those markets, the problem is coming more to light.”

States and metros bucking the trend with increases in zombie foreclosures

Contrary to the national trend, 16 states saw increases in owner-vacated foreclosures compared to a year ago, including New Jersey (up 75 percent), North Carolina (up 65 percent), Oklahoma (up 37 percent), and New York (up 30 percent) and Alabama (up 29 percent).

Among metros with a population of more than 200,000, 60 metros (28 percent) posted increases in owner-vacated foreclosures compared to a year ago, including Trenton, N.J. (up 106 percent), Atlantic City, N.J. (up 98 percent), Rochester, N.Y. (up 49 percent),

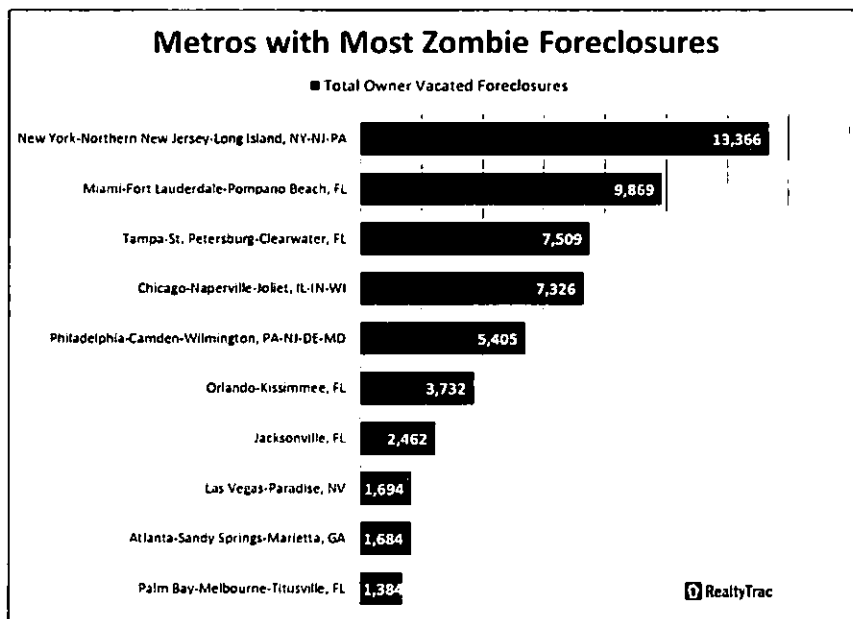
Washington, D.C. (up 40 percent), New York (up 38 percent) and Philadelphia (up 21 percent).



States and metros with the most vacant foreclosures

Nationwide, Florida documented the most zombie foreclosures by far of any state, with 35,913. New York posted the second highest total (12,683), followed by New Jersey (12,133), Illinois (8,678), and Ohio (4,981).

The New York metro area saw the most owner-vacated foreclosures of any metro area nationwide, with 13,366, representing 12 percent of all properties in foreclosure, followed by Miami (9,869), Tampa (7,509), Chicago (7,326), Philadelphia (5,405) and Orlando (3,732).



States and metros with highest percentage of vacant foreclosures

33 states posted a higher percentage of owner-vacated foreclosures than the national average of 18 percent, led by Oregon (36 percent), Nevada (32 percent), Kansas (31 percent) and Maine (28 percent).

Other states with above-average vacant foreclosure rates included Michigan (26 percent), Washington (26 percent), Georgia (25 percent), Arizona (24 percent), and Indiana (24 percent).

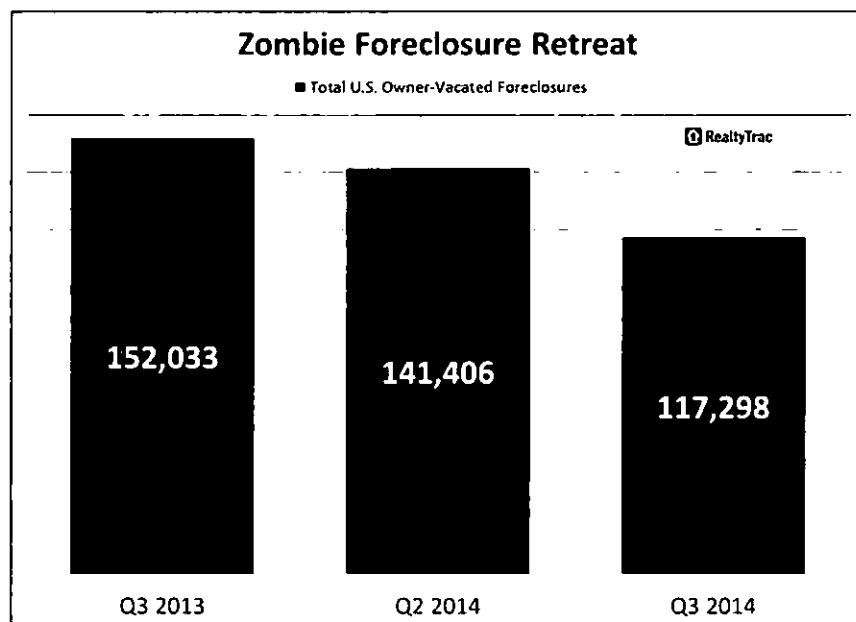
Among metros with a population of more than 200,000, 117 metro areas had a higher percentage of owner-vacated foreclosures than the national average of 18 percent, including Las Vegas, Nev. (33 percent), Tampa (28 percent), Palm Bay-Melbourne-Titusville, Fla. (28 percent), Rochester, N.Y. (27 percent), Lakeland, Fla. (27 percent), and Baltimore (25 percent).

States and metros with the biggest decline in zombie foreclosures

Zombie foreclosures declined from a year ago in 33 states, led by Missouri, where they were down 73 percent. Other states with big decreases in zombie foreclosures compared to a year ago included Virginia (down 59 percent), California (down 56 percent), Massachusetts (down 46 percent), New Hampshire (down 45 percent), Illinois (down 44 percent) and Ohio (down 41 percent).

"The scary effects of Zombie foreclosures have been minimized across much of Ohio in 2014," said Michael Mahon, executive vice president at HER Realtors, covering the Cincinnati, Columbus and Dayton, Ohio markets. "Low interest rates, increased job creation and greater community education have provided resources and support to many consumers in need of help across Ohio."

Of metros with a population over 200,000, 138 metros (60 percent) posted declines in zombie foreclosures, including Portland, Ore. (down 53 percent), Cleveland (down 52 percent), Phoenix (down 52 percent), Boston (down 52 percent), and Jacksonville, Fla., (down 51 percent).



Methodology

RealtyTrac gathers data for vacant foreclosures by matching foreclosures in the RealtyTrac database with data collected from the United States Postal Service for addresses that the agency has deemed vacant or where the owner has requested a change of address.

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'Zombie' homes haunt Florida neighborhoods ^[1]

Aborted foreclosures leave thousands of properties in legal limbo

By **Alison Fitzgerald** ^[2] and **Jared Bennett** ^[3]

September 15, 2014

Kelly Young was stunned when she got a letter in January informing her that her disability payments, those of her daughter, and their Medicare benefits were being cut off. The Social Security Administration said she lied on her application when she failed to disclose she owned a house.

As far as Young knew, she didn't own anything. Four years earlier, Bank of America informed her it was foreclosing on her tiny yellow ranch-style house in Jacksonville, Florida, after the 45-year-old mother of three fell behind on her payments. When Young got the bank's letter, she didn't fight.

"They said foreclosure, so we just up and left," said Young, sitting in the darkened living room of her rental house in a nightdress that reveals the bandages from recent heart surgery and the tubing from a dialysis port. "I'm not going to sit here and let someone put me out. I've never been evicted."

The problem is, Bank of America never followed through. Now, four years later, Young struggles to pay her bills while across town her house sits empty, strewn with trash and rotting under a leaky roof, collecting fines for code violations and unpaid taxes and fees related to the delinquent mortgage.

Young went five months without any disability payments and was living off the kindness of her landlord. In May, her benefits were restored, but she's still fighting to get her 16-year-old daughter's disability payments restarted. The developmentally disabled teen needs medication every day and has been getting by on samples provided by public health clinics.

Young's case is particularly harsh, but not unique.

Jacksonville's poor neighborhoods are dotted with abandoned houses stuck in foreclosure limbo. The so-called zombie properties are often uninhabitable because they've fallen into disrepair, and owners are unwilling to invest in fixing them up because, with the mortgage unpaid, the bank can always come back and foreclose again.

By cherry-picking which foreclosures they complete and which they ignore, banks are saddling individual borrowers with a permanent, inescapable debt while helping to create slums in already struggling communities. The vacant homes often attract drug dealers and squatters and bring down the value of surrounding properties.

'These houses are unsafe'

When you call the city of Jacksonville's main phone number, the first option offered by an automated system is how to report blighted properties.

City Councilwoman Denise Lee ^[4] last year established a blight subcommittee which meets every other week trying to deal with the properties and associated crime.

"These houses are unsafe. A lot of druggies come, they use the houses, they bring the property values down, [and the houses] get infested with rodents," Lee said.

Driving around north Jacksonville, Allison Albert ^[5], a lawyer at Jacksonville Area Legal Aid who is representing Young, guides a tour of foreclosure despair. One neighborhood, ironically named Sherwood Forest after the place where the legendary Robin Hood hid out, features street after street of tiny ranch houses. On each block there are a handful of homes that are boarded up or clearly abandoned.

In front of one house is a sign spray-painted in red on a large sheet of plywood: "For Sale: \$18,500 or best offer." A storefront sign offers rent-to-own homes.

Young's house is a tiny yellow box on a dead-end street. Old mattresses and furniture are scattered throughout the interior and the garage is strewn with trash, old shoes and Kilz paint cans.

She bought it to give her three kids some stability. She was so ill she feared she'd die while they were still young.

"I thought I was doing a good thing for my children, for my family," Young says emphatically, punctuating the words with hand gestures. "I wanted to leave them something."

The mortgage was \$702 a month, which she could pay when times were good. But when her van died, the vehicle she uses to get to her dialysis treatments three days a week, she had to pay to fix it and couldn't afford the mortgage.

Young doesn't want the house back. She wants the bank to take it, and write off her debt, exactly what she thought they'd done four years ago.

Bank says no thanks

Young says she offered the bank a so-called deed in lieu — transferring the deed to the bank in exchange for writing off the debt —but the bank wouldn't take it.

The court set the case for trial in April 2013 but sent notice to an attorney who no longer represented Bank of America. Because no one showed up in court, the judge dismissed

the case. A year later, the bank successfully had the case reinstated. On August 1, it transferred the loan to another servicer, according to spokesman Richard Simon.

He attributed the long delays in Young's case to the slow judicial foreclosure process in Florida and complications related to Young's original lender which went out of business while under federal investigation.

He said the company took proper care of the house.

"Bank of America is committed to mitigating the potential for neighborhood blight created by abandoned properties," he said in an email. "Our policy dictates completion of foreclosures and no charge-offs of loans on vacant properties."

Still, Young's little yellow house has joined the ranks of "zombies," homes that sit abandoned for years and saddled with a pending foreclosure.

During the financial crisis, many homeowners walked away from their properties when they got their initial foreclosure notices, seeking to avoid being evicted, not realizing that the process could take years. Others would stay for a time but then move for a new job or to be closer to family.

Zombie foreclosures have become more widespread in recent years throughout the country, but are especially prevalent in Florida, where as of June 2, 48,630 homes in some stage of foreclosure sat vacant, according to [RealtyTrac](#) ^[6], a company that tracks foreclosure filings nationwide. That accounts for a third of the 141,406 vacant foreclosed properties nationwide.

Daren Blomquist, vice President of RealtyTrac says zombie foreclosures come in two forms. The first is the unintentional byproduct of Florida's judicial foreclosure process, which can take months and result in "properties sitting in limbo," according to Blomquist.

The second involves an intentional delay by lenders, who file a foreclosure case so they don't lose the option when the statute of limitations runs out, but don't move it forward because completing the foreclosure would not be financially viable.

"This type of foreclosure is more common in Cleveland and the rust belt cities, for example, banks not wanting to foreclose because of low values and little demand for buyers," said Blomquist.

But it's not just rust belt cities that suffer.

About a mile from Young's house is the brown rancher owned by Phyllis Mainor.

In 2005 and 2006, Mainor took custody of her two grandchildren from her daughter, who was a drug addict. She was living on a low income and the additional children, both of whom had severe asthma, made it impossible for her to keep up the home, which contained mold. She moved out and rented the house to another couple for a year. When they moved out, she was unable to find another tenant. [CitiMortgage](#) ^[7] filed a foreclosure action in July 2009.

In February, 2010, Mainor sent a three-page handwritten "hardship letter" to CitiMortgage asking for a deed in lieu of foreclosure as she was unable to fix up the property or pay the loan.

"I want to be able to continue to provide a safe and comfortable environment for my grandchildren," she wrote to CitiMortgage. "Being able to qualify for a deed in lieu will alleviate some of the distress I have experienced during these unfortunate occurrences."

Mainor also filed bankruptcy, and a judge discharged the debt so she is no longer liable for the payments.

Citi, in 2012, dropped the foreclosure, stating in court filings: "Plaintiff has completed review of the loan and determined that there is not enough equity to proceed with the foreclosure process."

With that action, the bank put the home back in Mainor's hands. She can't afford to fix it up. And she can't sell it or even give it away to a community development group, because the mortgage is still tied to the property.

Citi spokesman Mark Rodgers said in an emailed statement that the bank had maintained the property "pursuant to investor standards" while it was in foreclosure, including mowing the lawn and winterizing the house. He said the investor who bought the mortgage and likely packaged it into a mortgage bond directed the bank to drop the foreclosure.

"In 2012, the investor directed Citi to cancel the foreclosure and release the loan so they could pursue other collection remedies," he said. He declined to name the investor, but records provided by Mainor show that Citi transferred the mortgage to Freddie Mac, the government-sponsored mortgage giant, in October 2013.

"If they want to take the position that there's not enough equity in the home to proceed, they should decide that before they file a foreclosure," said Albert, the legal services lawyer who has several clients living in rentals while the houses they once called home sit empty and deteriorating.

Unfortunately for her clients, that's not required by law. A lender has no obligation to take the house and forgive the loan if a borrower defaults, said Andrew Pizor ^[8], a lawyer at the National Consumer Law Center in Washington. "They can say, 'We want the money. We don't want the collateral.'"

Poor neighborhoods suffer

Zombie homes can haunt homeowners for years and have a negative impact on neighborhoods and cities.

The Jacksonville metropolitan area is listed as having 12,011 properties in some stage of foreclosure as of June and 29 percent — 3,532 — are vacant, according to RealtyTrac.

The Tampa-St. Petersburg-Clearwater area fares even worse, with 30 percent of 31,759 homes in foreclosure sitting empty.

"It's heavily concentrated in the poorer, African-American neighborhoods," said Mike Dove [9], neighborhood affairs administrator for St. Petersburg, who has created a database of every vacant home in the city, including lender information.

"Someone who doesn't have the wherewithal to hire an attorney and fight a foreclosure walks away, because they think the bank has taken it," Dove said. "What else would you do?"

When homeowners and banks walk away from a property, the city is left with the responsibility for the home. Sometimes it wants to fix it up and sell, sometimes it wants to tear it down. But St. Petersburg doesn't have the resources to deal with all the vacant homes.

"From my perspective if you're foreclosing on a property you ought to take some responsibility for those properties," Dove said.

He's working on mapping all the vacant properties by lender and detailing their condition. He hopes to bring the information to the banks and ask them to "step up and take responsibility."

He said Wells Fargo is the lender with the most abandoned homes in his city, with about 600 properties in foreclosure and about 84 are empty, according to data from the city and from RealtyTrac. The company made \$5.7 billion in profit in the second quarter of this year.

Wells Fargo spokesman Tom Goyda said the company is the largest mortgage servicer in the country so it has more homes in foreclosure than its competitors in many cities. Wells maintains vacant properties that are in foreclosure proceedings even before it takes title. He said the company mows lawns, removes debris, winterizes the home and ensures they are secure.

"We work hard to maintain foreclosure properties in a manner that is a benefit to the community until the home is sold," he said.

Dove says he wants the banks to do a better job caring for abandoned homes that are damaging neighborhoods across St. Petersburg. "I want to hold these financial institutions accountable."

He's got a tough road, according to legal experts.

Many hard-hit cities have already tried to find ways to hold banks accountable for abandoned properties for which they hold a mortgage.

Baltimore and Memphis, Tennessee, succeeded in obtaining settlements from Wells Fargo for alleged predatory lending that led to abandoned homes, but Birmingham, Alabama's lawsuit failed, according to Kathleen Engel, a law professor at Suffolk University in Boston who has written about cities' legal efforts.

Cleveland sued several banks, alleging they caused a public nuisance in one case and accusing them of racketeering in another. The cases were dismissed.

"Cities have suffered unique injuries as a result of exploitative and illegal lending," Engel wrote ^[10] in the Fordham Urban Law Journal City Square. "Thus far the financial institutions have not had to internalize the harm they caused in Cleveland, Birmingham and other municipalities."

The Justice Department has recognized the problem to some degree. In record-breaking agreements to settle claims of mortgage bond fraud, Bank of America and JPMorgan Chase & Co. each agreed to contribute to efforts to fight blight, including forgiving loans when they decide not to pursue foreclosure, and helping cities pay to demolish homes. The agreements, however, contain no specific monetary obligation and instead fall under broad consumer relief payments.

"The Justice Department recognized this was an issue arising out of the financial crisis and a substantial way for banks to redress the harm caused to communities," said spokeswoman Nicole Navas.

Jacksonville, St. Petersburg and many other cities nationwide instead have borne the burden.

Jacksonville in fiscal 2013 demolished 113 homes that were vacant and unsafe. In fiscal 2014, the city has bulldozed another 60. St. Petersburg will probably demolish 100 houses this year.

So the legacy of the housing collapse in Florida has come to this: A bank forecloses on a home, the residents pack up and leave and the city is left to clean up the mess.

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