OFFICE OF THE CITY COUNCIL

BILL GULLIFORD

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October 13, 2015 (5:00 p.m.)

117 WEST DUVAL STREET SUITE 425 JACKSONVILLE, FLORIDA 32202

MEETING MINUTES COUNCIL MEMBER BILL GULLIFORD AND ERIC SELF OF OCTOBER 8, 2015

Topic: Hope Now Homeownership Program

Location: Lynwood Roberts Room, 1st Floor, 117 West Duval St., City Hall, Jacksonville, FI.

City Attendees: Council Member Bill Gulliford, Council Member Garrett Dennis, Council Member Lori Boyer, Margaret Sidman (General Counsel's Office), Ali Korman Shelton (Mayor's Office.), E. Denise Lee (Public Works), Jim Robinson (Director Public Works), Carol Harper (ECA)

See attached sign-in sheets for additional attendees.

Meeting Convened: 1:03 p.m.

Council Member Gulliford opened the meeting and introductions were made. The Council member recounted how the association started with HOPE NOW about a year ago. They began tracking start­ups, some kind of umbrella organization called JAX HOPE, for a land bank or some other entity, for profits, non-profits, etc., to be a conduit for City housing issues. City running this entity is not the best plan, since change in administration can disrupt ideas and progress. Neighborhoods are in decline, and if we don't turn this decline around, it will be very detrimental of our City as a whole. What we have are a great many abandoned, foreclosed houses, and a pool of people looking for a place to live. A market value analysis was done on the City, neighborhood by neighborhood, by Jessie Ball DuPont Fund. It's information was quite interesting and should be seen by all.

Within one year, the number of abandoned or foreclosed on houses has doubled, to about 30,000 homes. Abandoned houses, could have issues with investors, legal problems, title issues, etc. which must be removed to go forward with the property. Eric Self said that the process must be aligned dealing with houses to get traction on the ground.

Jackie Cosgrove of Freddie Mac traveled the area to survey the properties at issue, then wanted to get to the regulation side or Government requirement involved. Once property is foreclosed on, it's owned by realtor, or "real estate owned". Freddie Mac & Fannie Mae have been under a conservatorship. 54 properties in Duval Co. are owned by Freddie Mac. From REO to closure takes about 85 days.

A helpful website for those needing help with their housing issues is "Know Your Options". An ilmportant factor for an owner trying to hold on to property is to keep the property maintained.

Duval Co. median income from 2013 to present went from $47,689 to $59,197., but actual buying power was $42,299.

For FHA, Florida is their largest market for foreclosures and originations. Contract inspectors are supposed to go inspect properties once a week, which sells and watches the properties, and are performance driven. A system called MERS (Mortgage Electronic Registration System) should be able to identify a property from something like a VIN number on a car, indicating who owns the property.

A significant number of properties that were purchased for a much higher price than its current value, therefore the owner may simply walk away from it.

Speed of foreclosure is directly tied to REO Process & number of underwater properties. In 2013, Legal Aid worked the legislature to try to fast track these homes. Paperwork must be in order at beginning of the case to get this accomplished Paperwork out of order seems to be the biggest hold up for being able to fast track these properties. It is recommended that serving banks not be allowed to speed up foreclosure process. Legislature has allowed process to be accelerated by allowing lending institution to file judgment if paperwork all in order, allowing foreclosure to take place is 120 days. Statute was passed July 2013. But entities don't want to flood the market with too many foreclosures at the same time.

Foreclosure in Florida takes around 3 years. Home ownership is at lowest point in 40 years. Suggestion of a special task force that would come into play at appearance of an abandoned property, and run on parallel rack to foreclosure, if approved by State. Paperwork from task force could be signed off on by a judge, thereby speeding the process to foreclosure.

Lenders want to create the opportunity for home ownership. They want to keep the owner in the house. 95% of owners were current on their payments last year. When payments start to run slow for over a month, the lender will inspect property. Last thing owner in financial trouble will not pay are property taxes and insurance. Each year, properties are donated, especially to military, but lender needs to verify that property is kept in good condition.

Baltimore started a new program that is working well for them. They divide properties into extremely blighted (red) and somewhat blighted (yellow). They opened up the property to be taken over by a non­profit and sold off at auction for sale or rent, primarily in somewhat blighted area. This has revitalized many neighborhoods. Severely blighted would be taken over, auctioned off, applied for grant money or

city money to restore property for sale or rent. .They have greatly increased number of code enforcement workers, making repairs happen quickly.

Housing stock in north is more substantial than here in south—brick as opposed to wood.

Demolition is also an alternative. Politics could be an issue of municipality is involved in project. Where a severely blighted area might have monies spent there, as opposed to a somewhat blighted area, because of political ramifications.

Suggestion that we need to get properties going, refurbish as needed, as there are buyers ready to buy here. This has been proven to work from Pennsylvania to So Florida. Need to classify property realistically, make sure different ideas work for Jacksonville, and share successes regularly.

Meeting was Adjourned : 3:10 p.m.