Community Development
PAD 6336/URP 6058
University of South Florida – City of Palmetto, FL
Community Sustainability Partnership Program, Fall 2016

Palmetto Housing and Foreclosure

Professor Elizabeth Strom, Associate Professor, School of Public Affairs
Choung Mi Akehurst, MPA Student

Acknowledgements

Many thanks are due to **[INSERT CITY OFFICIALS],** Elizabeth Strom (Professor, University of South Florida School of Public Affairs). We would also like to thank the residents of City of Palmetto who took the time to respond to our survey.

Course Participants

Name, program/department

Eric Adams
Choung Mi Akehurst
Vanko Antonov
Brandon Berry,
Ronald Brown
Nguyen Khang Bui
Waldo Carbo,
Sigma Chawdhury
Yuzhou Chen
Samantha Demmi
Lucy Ebude Deba Enomah
Brandon Henry
Zi Huang
Soomin Kim
Andrea Papandrew
Kedwin Polanco
Mathew Scalise
Jaiwen You
Xue Zhou

Executive Summary

The economic crisis beginning in 2008 saw an increase in foreclosure filings. The impact of foreclosures was felt throughout the United States and the State of Florida was especially hard hit with ranking Top 3 in foreclosures. The City of Palmetto like many cities in Florida saw increase in foreclosure filings. The effect of the foreclosure crisis on the community, neighborhoods, and individuals can be devastating. The community may see decrease in revenue and foreclosed homes may be abandoned and create blight for neighbors; and homeowners who have lost homes may struggle to find suitable housing.

The University of South Florida, as a part of the Community Sustainability Partnership Program (CSPP), partnered with the City of Palmetto to understand the wide ranging impact of foreclosures and community sustainability. The Housing and Foreclosure Project for the Community Development course conducted comprehensive research examining the multiple impacts of foreclosures on a community, the efficacy of foreclosure mitigation efforts, and proposals for addressing long term consequences of foreclosure. Research was limited to six areas that provided a view of the diverse aspects of foreclosure crisis and issues the city faces when foreclosure hits the city.

The purpose of the project was to gather information on housing and foreclosures in Palmetto from 2008 to 2015 to understand the impact of foreclosures. Specifically: What are the multiple impacts of foreclosure? What are the outcomes of community strategies to mitigate/prevent foreclosures?

This report seeks to answer these questions by examining the housing data, foreclosure rates, housing conditions, and community strategies to assist residents. Drawing on quantitative data, review of literature, and interviews with professionals and residents this report provides a snapshot of the foreclosure crisis in Palmetto.

This report was compiled as a part of coursework into understanding the role of community development and planning in housing and foreclosure. The purpose was to assess the impact of foreclosures on Palmetto, to evaluate the impact, consider causes of foreclosure, and determine best practices to mitigate impacts. The report's main findings indicate that foreclosure has had negative impacts in Palmetto and across the region. Three main areas are generalized as:

- Foreclosure's impacts across the city.
- Effects on community and individual homeowners are largely negative.
- Effectiveness of state and regional mitigation efforts was limited.

The findings of the report support the proposition that "hot spots" may be predicted. Therefore, this report recommends that strategies to address foreclosures should include the following:

- Developing programs that highlight prevention; and
- Expanding efforts for stabilization.

Table of Contents

INTRODUCTION

The Palmetto Housing and Foreclosure project was initiated to evaluate the impact of foreclosure on the community. As a part of the Community Sustainability Partnership Program (CSPP), the Community Development course researched the multiple impacts that foreclosures on the city, the effectiveness of foreclosure mitigation efforts, and proposals for addressing longer term effects of foreclosure. Research areas were divided into six components:

1. Housing data;
2. Geographic information system (GIS);
3. Property research;
4. Neighborhood and housing conditions;
5. Human dimensions; and
6. Best practices.

Each team was comprised of 2-4 students tasked with various objectives. Methods ranged from qualitative analysis of raw data to research of best practices. This report summarizes the findings of each area and provides methods for addressing the impact of foreclosure through community development.

Background

Predatory financial market practices, the ease and accessibility of subprime loans, and limited government oversight were all factors that led to the 2008 housing market crash. The housing crisis had three impacts: (1) those homeowners who could no longer afford the mortgages could leave the mortgages at a loss; (2) many were stuck paying high mortgages that exceeded the value of the homes; and (3) those that could not and failed to make monthly payments are forced into foreclosures. (Kingsley, Smith & Price, 2009). The foreclosure legal process itself is extremely costly and includes attorney and property management fees (Kingsley, Smith & Price, 2009). Due in part to inability to afford continued payments and unable to defend foreclosures some borrowers have opted for the low-cost solution of simply abandoning their homes, and the property remain unattended and in legal limbo (Kingsley, Smith & Price, 2009). Since 2008, the number of foreclosed and vacant homes has skyrocketed, leading to multiple negative externalities for local governments, communities and homeowners.

The foreclosures crises imposes costs to local governments, as they remove properties from the tax base, and that municipal revenue is no longer available to fund local public services and social programs (Kingsley, Smith & Price, 2009) (Vidmar, 2008). The rise in vacant properties has also imposed management costs on local governments, including demolition costs, maintenance and blight removal, and legal expenses. In addition, high levels of social disorder call for additionally funded police protection (Kingsley, Smith & Price, 2009). The effect of judicial delays on foreclosures is often negative for the parties involved as well as the community. The banks are hurt from loss in mortgage payments and rise in fees associated with the litigation (Jursinski, 2010). The individual also may face rise in legal or other fees associated with court delays. The State of Florida lowered the millage rate for property taxes due to the economic downturn (Safuto, 2009). The City of Palmetto in 2009, where we saw the highest level of foreclosures, saw a reduction in General Revenue Fund with ad valorem values being reduced by 13.5% (City of Palmetto, 2010). In turn there was a decrease in revenue and cuts in spending, while there is an increase in demand for services (City of Palmetto, 2010).

Moreover, foreclosures directly impact neighborhood quality. In areas with a sluggish real estate market, there is no incentive for the owner/lender to prevent vacancy and ensure upkeep of the property (Kingsley, Smith & Price, 2009). This leads to poorly maintained properties causing property deterioration, with appearance of distress, leading to an overall decrease in property values and a lack of potential buyers (Kingsley, Smith & Price, 2009). Vacant properties are also often unsecured and can quickly become crime havens, drug houses, or invaded by squatters, all of which can increase the social disorder within a neighborhood (Vidmar, 2008), (Kingsley, Smith & Price, 2009). Neighborhoods with a large cluster of foreclosed-homes may experience an increase in population turnover (Kingsley, Smith & Price, 2009).

For homeowners that lose homes to foreclosures are forced into renting due to limited affordable housing, and most have damaged credit scores from failure to pay high loans/mortgages. In addition, renters tend to not care as much as homeowners about investing in a home or a community; this results in a loss of needed social capital (Vidmar, 2008).

Methodology

To understand the impact of foreclosure we examined, census data, mortgage data, court filings, and physical conditions. Additionally, to answer the central question of how the City of Palmetto should address the foreclosure of homes in the city, it is imperative to first understand the population and housing. To answer these questions, a combination of quantitative and qualitative methods was employed. This project involved six teams researching six different aspects of foreclosure. Therefore, the methodology used varied based on the type of information examined. Research methods included use of data analysis, statistical analysis, online research, and interviews.

On quantitative side census data sets were used to generate a picture of the demographic of the residents of Palmetto we utilized Census tract and block group data, two forms of geographic tabulation developed by the United States Census Bureau, along with code enforcement and building permit data provided by the City of Palmetto and mortgage loan data obtained through the Home Mortgage Disclosure Act. Moreover, a statistical analysis of the foreclosure rates in four “hot spots” was performed to consider predictive measures.

To augment the quantitative findings, qualitative analysis of interviews were conducted to create a complete picture of the housing conditions of Palmetto. Covering the full range of sectors involved in the housing crisis interviews were performed of professionals in the foreclosure process and individuals in the neighborhood.

FINDINGS

The analysis and interviews revealed three findings about the foreclosure crisis in Palmetto:

1. Foreclosure's impacts across the city.
2. Effects on community and individual homeowners are largely negative.
3. Effectiveness of state and regional mitigation efforts is limited.

Foreclosure's impacts across the city

The foreclosure crisis that hit the United States in 2008 affected all social and economic sectors. However, low-middle income families were often negatively affected. To understand the impact of foreclosure in Florida the Community Development program focused on the City of Palmetto. To fully understand the ramification this project considered the community and narrowed to four "hot spots" where pockets of foreclosure activities were noted. First, population and housing data was examined to understand the type of residents and communities that make up the housing market in Palmetto. Next, we reviewed the homeownership and loan information related to foreclosures filed between 2008 and 2015. Using this information we narrowed to four "hot spots" communities. Finally, a statistical analysis was performed to evaluate the foreclosure filings and final outcome affecting the community and the individual. According to our data, 313 foreclosures were filed in the City of Palmetto from 2008 to 2015. The four neighborhoods combined had 129 cases (41.2% of all foreclosures).

Palmetto is a small city north of Bradenton on the north side of the Manatee River, south side of Tampa Bay, and south of St. Petersburg. The population is 13,249 as of 2015, and the size is 5.3 square miles. The median household income is $37,976 (2010-2014), and the median housing value is $106,800 (Census QuickFacts). There is a wide range of incomes in Palmetto with all levels represented throughout the city.

This report utilized American Housing Survey (AHS) and Survey of Income and Program Participation (SIPP) data, the former of which collects bi-yearly data on households in the twenty-five largest Metropolitan Statistical Areas (MSAs) in the United States and the latter of which collects data from a nationally-representative panel of working individuals on a four-year basis. The research determined that residents who are underwater in their mortgages are at high risk of homeownership exit, and that various demographic categories correlate with the likelihood of a homeowner having an underwater mortgage (Carter & Gottschalck, 2009).

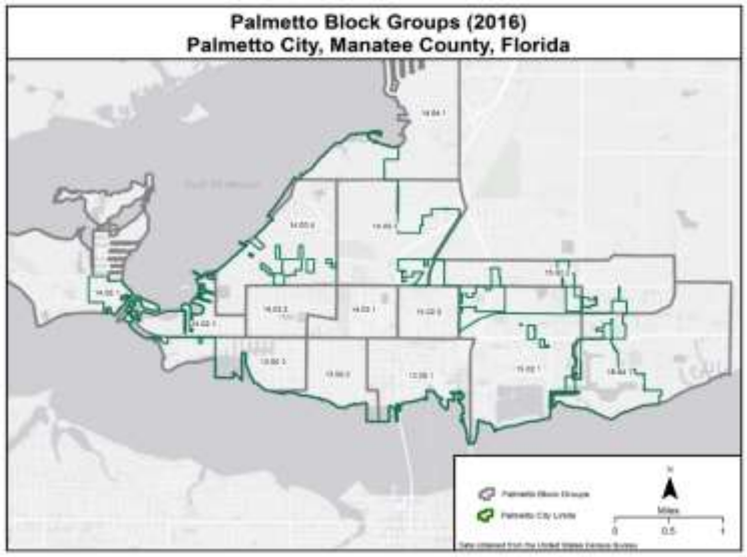
Five variables were identified using the American Community Survey (ACS) data that the Bureau suggests correlate significantly with the risk of homeownership exit:

- **Median age of the block group,** a substitution for the Bureau's breakdown by age group, which shows a negative correlation with the number of underwater mortgages in a region.
- **Population older than 25 with an Associate's Degree in the block group,** a substitution for the Bureau's breakdown by education attained, which shows a negative correlation with the number of underwater mortgages in a region.
- **Percent of married households in the block group,** which shows a negative correlation with the number of underwater mortgages in a region.

- **Median household income in the block group,** a substitution for the Bureau's breakdown by income quintile at the national level, which shows a negative correlation with the distribution of underwater homes nationally.
- **Proportion of mobile homes and multiunit homes in the block group proportional to total homes,** a substitution for the Bureau's breakdown by household type, which correlates positively with the number of underwater homes in a region.

Basic Demographics

The population of all block groups fully or partially located within the Palmetto city limits was comprised approximately 5.8% of the population of Manatee County as of the 2014 American Community Survey, with 19,364 people living in them. These block groups contain an estimated 9,883 housing units, similarly proportioned to the Manatee County total with 5.6% of all housing units in the county falling within Palmetto city's block groups. A total of 7,525 of these units are occupied, resulting in a city total of 76.1% of all housing units occupied.



Income & poverty level

The average median household income in Palmetto's block groups is $43,255 as of 2014, lower than the state median of $47,212 and the county median of $49,228. Only five of Palmetto city's 13 block groups have median incomes higher than the state median, with one of those block groups (14.02.1) falling largely outside the city's western limits on Snead Island.

An average of 18.3% of residents in Palmetto 's block groups have incomes lower than the poverty line, higher than the County proportion of 14.4% and the state proportion of 16.6%. Two of the four block groups with the highest proportion of residents under the poverty line also have among the lowest median incomes. Block group 14.03.1 has 30.1% of residents with incomes lower than the poverty line, while that figure is only slightly better for block group 13.00.1 at 28.4%. Surprisingly, two block groups in the eastern portion of the city have even higher figures of residents with incomes lower than the poverty line, despite substantially higher median incomes: 31.9% of residents in block group 19.04.1 have incomes below the poverty line despite a block group median household income of $38,173, and 39.5% of residents in block group 15.02.3 had incomes below the poverty line despite a household median income of $30,857.

Household Composition

Palmetto has approximately 7,525 occupied housing units, 64.6% are family households and 35.4% are nonfamily households. This proportion is nearly identical to Manatee County's proportions, at 65.2% and 34.8% respectively, and is a much higher proportion of family households than the state of Florida, where it is nearly an even split between family and nonfamily homes. In Palmetto City's block groups, 47.2% of all households are married family households. This is slightly lower than the County's percentage of 51.5%. Approximately 76% of Palmetto city's homes were occupied in 2014, and 65.7% of head-of-households owned the home they lived in. In terms of household type classification, 46% of homes in Palmetto city's block groups were single unit detached, 8.2% were single unit attached, 21.7% were multi-unit, and 23.9% were mobile homes.

Education

In Palmetto's block groups 15.8% of residents over the age of 25 never completed high school, slightly higher than the Manatee County rate of 12.3% and the state rate of 13.5%. The completion rate for high school with no advanced degree was 37.2%, compared to the Manatee County rate of 31% and the state rate of 29.7%. Approximately 28% of residents earned an Associate's Degree or higher, much lower than the similar county and state rates of 36.2% and 35.9%, respectively.

Race

Approximately 82.8% of the population of Palmetto was white in 2014, followed by black or African American at 12.5% and other race at 3.6%. This is a similar composition to Manatee County, which has 84.1% white residents, 8.9% black or African American residents, and 3.2% other race residents. Compared to the state proportions, Palmetto has a higher percentage of white residents and a lower proportion of black or African American residents, at 76.2% and 16.1% respectively. No other race or combination of races in Palmetto city's block groups made up more than one percent of the total proportion of residents.

Housing Loan Information between 2007 and 2014

This data was a complete collection of applications submitted to mortgage loan institutions in this time period, comprising 57,721 total records, and was acquired through the Home Mortgage Disclosure Act (HMDA).

The vast majority (93.9%) of loan applications were for home purchases or refinancing, with refinancing (52.8% of all applications) being more common than home purchases (41.1% of all applications). For loan applications that would go on to result in an origination, home purchases (47%) were slightly more likely to result in an origination than home refinancing (40%), with home improvement loans less likely to result in an origination than either (32.2%).

Origination by Loan Amount

When bracketed by loan amount requests of $50,000 ($100,000 over $400,000), both loan applications and loan originations in Palmetto city have a mode (the number that occurs most often in data set) in the $150,000-200,000 bracket (Table 1). Overall, the amount of originations stay fairly consistent across loan amount brackets, with loan applications in the $1,000-50,000 bracket less than 40% likely to be originated, and applications in over $1 million category more than 50% likely to be originated. All other loan brackets see origination rates between 40% and 50%.

Both gross loan applications and originations fall precipitously from 2007 to 2008, covering the first year of the recession (Table 1). Somewhat more surprisingly, the proportion of loan applications resulting in an origination increase from 2007 to 2009, with the years between 2009 and 2014 seeing a five to fifteen percentage point increase in proportion of loan applications originated when compared to 2007 (Table 1).

Table 1.
Proportion of Loan Amounts Applied for 2007 to 2014.

Proportion of Loan Amounts Applied for Within Each Year									
Row Labels	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**Grand Total**
$1-50k	11.06%	9.02%	8.94%	8.32%	10.40%	10.24%	9.62%	12.76%	**10.15%**
$51-100k	16.44%	17.55%	18.83%	22.01%	24.63%	22.16%	22.65%	24.01%	**20.34%**
$101-150k	21.48%	23.92%	23.71%	23.32%	21.83%	22.31%	24.94%	23.24%	**22.76%**
$151-200k	21.93%	19.52%	17.42%	18.17%	16.41%	17.02%	16.55%	15.37%	**18.48%**
$201-250k	11.37%	11.04%	11.13%	10.75%	9.30%	9.86%	8.44%	8.42%	**10.28%**
$251-300k	6.87%	6.32%	6.54%	6.25%	5.64%	6.54%	5.42%	5.87%	**6.27%**
$301-350k	3.35%	3.72%	4.61%	3.34%	3.76%	4.03%	3.52%	3.41%	**3.68%**
$351-400k	2.25%	2.89%	3.31%	2.55%	3.33%	3.43%	3.28%	1.82%	**2.82%**
$401-500k	2.36%	3.68%	3.95%	3.54%	3.21%	2.68%	3.09%	2.23%	**3.02%**
$501-600k	1.04%	0.45%	0.26%	0.34%	0.57%	0.52%	1.01%	0.81%	**0.68%**
$601-700k	0.61%	0.42%	0.41%	0.46%	0.31%	0.34%	0.45%	0.76%	**0.47%**
$701-800k	0.31%	0.31%	0.13%	0.26%	0.14%	0.11%	0.30%	0.39%	**0.24%**
$801-900k	0.16%	0.21%	0.18%	0.14%	0.06%	0.28%	0.09%	0.22%	**0.16%**
$900k to $1m	0.26%	0.29%	0.21%	0.12%	0.12%	0.13%	0.24%	0.25%	**0.21%**
More than $1m	0.50%	0.66%	0.36%	0.44%	0.29%	0.34%	0.39%	0.44%	**0.43%**

Almost all loans greater than $150,000 fall in number and proportion following 2007. Loans of $151,000-200,000 peak at 21.9% of all loan applications in the year 2007, and fall to 15.4% of all applications in the year 2014. A similar magnitude drop is seen in the $200,000-250,000 category, and almost every higher category (although higher categories make up considerably smaller proportions of loans applied for). At the lower end of the spectrum, loans ranging from $50,000 to $150,000 show significant increases in the proportion of loans applied for between 2007 and 2014. Thus, residents may be taking out smaller loans proportional to their assets, leading to an increased chance of the loan application resulting in origination.

Furthermore, applications for and origination of mortgage loans saw a dramatic peak in 2011 compared to previous years, collapsing the following year and remaining comparably stable through 2014. This did not appear to be explained by the purpose of the loan, as both loan applications and loan originations for the three loan purposes saw significant increases in this year.

Home refinancing loans make up a slightly greater proportion of loan originations than home purchase loans in every bracket through $400,000-$500,000, whereupon home purchase loans make up between 10% and 20% more of the total loan origination pool in every income bracket up through over $1 million.

Ethnicity and race of borrowers

Hispanic and Latino residents had negative outcomes throughout the study period. Although both ethnicities saw drastic gains in proportion of loan applications that resulted in an origination from 2007 to 2014 compared to other ethnic and racial groups they saw decrease in application and denials. Hispanic or Latino applicants received originations on approximately nine percentage points-fewer loans in 2007 than non-Hispanic or Latino applicants (33.2% vs. 41.95%), but that disparity improved to just six percentage points by 2014 (48.12% vs. 54.12%). Overall, slightly fewer than two in five mortgage applications by Hispanic or Latino residents resulted in a loan origination, compared to slightly fewer than half for other ethnicities.
Loans applied for by black or African American residents in 2007 were five percentage points less likely to result in an origination than those applied for by residents of other races (31.6% vs. 36.6%). Unlike with Hispanic or Latino residents, this gap widened in subsequent years, with black or African American

loan applications approximately eleven percentage points less likely to result in an origination than for all resident applications in 2014 (38.1% vs. 49.1%). As a weighted total of all originations in the study period, black or African American applicants were almost ten percentage points less likely to receive a loan origination than applicants of other races (33.4% vs. 43.5%).

Asian Americans were the only other race to submit more than 1% of loan applications in this time period, applying for 883 of all loans, or 1.5%. Applications by Asian Americans resulted in loan originations 45.9% of the time, higher than the proportion for all residents (42.4%) but lower than originations for white residents (50.3%). Following general trends, Asian Americans were more likely to have their loan applications originated in 2014 (44.6%) than in 2007 (39.5%), although their 2014 origination rate was much lower than it was in 2012 and 2013 (54.6% and 52.9%, respectively).

Asian American residents were slightly more likely to be denied a loan because of high debt-to-income ratios (the outcome for 4.4% of all loan applications submitted by Asian American residents) than that for all residents combined (3.4%), as well as due to unverifiable information on the mortgage application (1.6% vs. 0.7%). However, Asian American residents were less likely to be denied a loan because of poor credit history (2% vs. 3.8%).

Reason for Denial

Palmetto had approximately 16.6% of time when loan applications were denied. Reasons for denial range from issues involving debt-to-income ratio to credit application in complete (Table 2).

Table 2

Reasons for Denial of Home Loans.

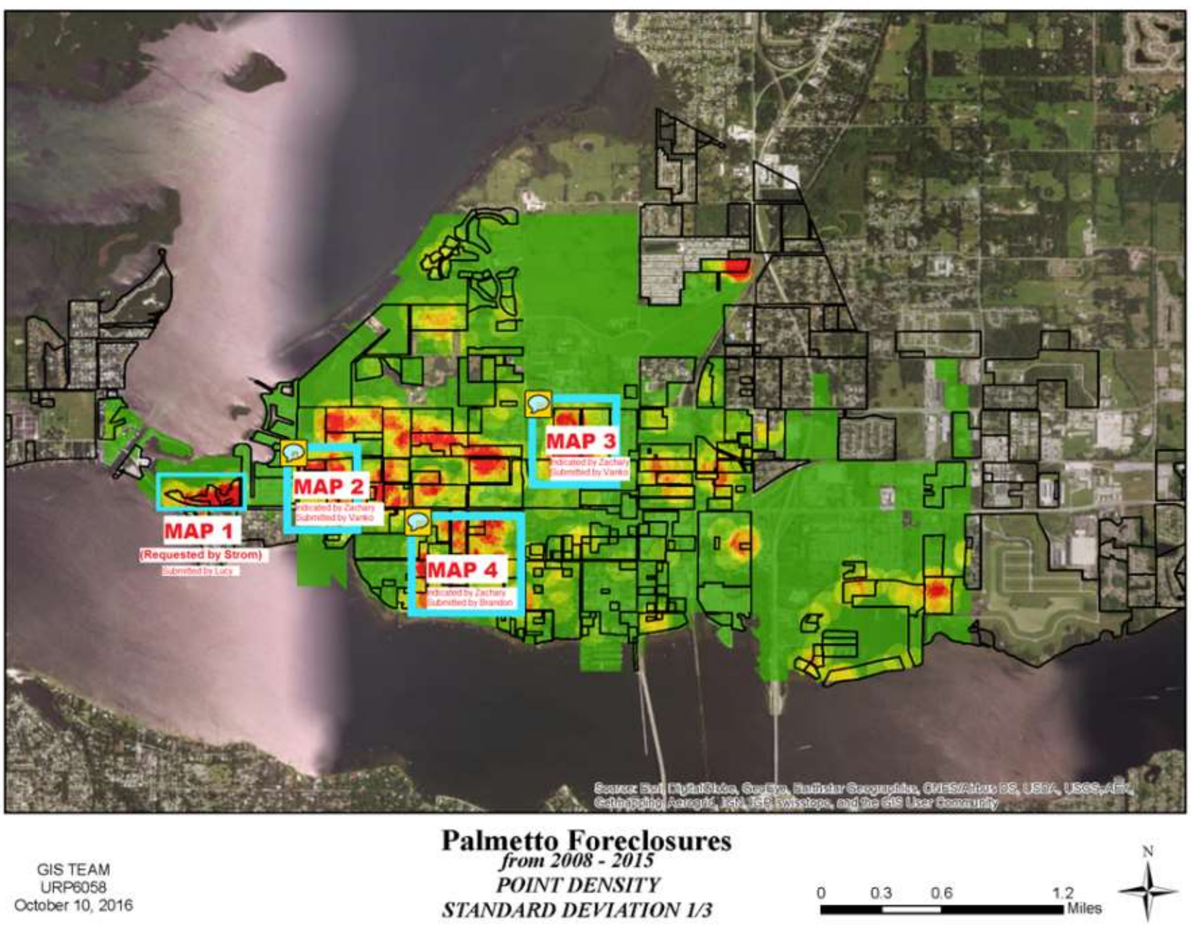
Reason for Denial	Home purchase	Home improvement	Refinancing	Grand Total
Loans not denied	21031	2307	24812	48150
Debt-to-Income Ratio	625	240	1099	1964
Employment History	48	6	39	93
Credit History	516	721	976	2213
Collateral	542	126	1744	2412
Insufficient cash (downpayment, closing costs)	82	4	112	198
Unverifiable information	183	22	222	427
Credit application incomplete	266	39	702	1007
Mortgage insurance denied	18		7	25
Other	388	77	766	1231
Grand Total	**23699**	**3542**	**30479**	**57720**

Specific foreclosure filings

In this context we reviewed 313 foreclosures in the City of Palmetto from 2008 to 2015. In order to emphasize the areas with high-foreclosure rates, our team used a tool called *Point Density* which “calculates the density of point features around each output raster cell”.

Neighborhood level maps were developed based on the selected locations showing the individual parcels that experienced foreclosures (Figure 4). According to the point-density analysis, most foreclosures in Palmetto from 2008 through 2015 were concentrated in the western half of the city, west of U.S. Highway 41. Our project identified four areas to examine. These western parcels were then mapped on a neighborhood-by-neighborhood level. Using these defined boundaries, we mapped and extracted parcel information for each foreclosure case occurring within each identified area.

Map 1
Palmetto foreclosures point density map.



The four areas identified noted as “hot spots” for foreclosure. Each map was then extracted for parcel level information with identification of ownership and mortgage information. The areas in the maps were labeled as neighborhoods as follows: Map 1 (Riverbay Townhomes) for ease of reference, Map 2 (Palmetto Heights), Map 3 (Manati Shores), and Map 4 (Flagstone Acres). Thereafter, each home was examined for examination related court foreclosure filings.

We collected data on 129 homes in four neighborhoods as to the foreclosures filed from 2008 to 2015. (See Table 3).

Table 3

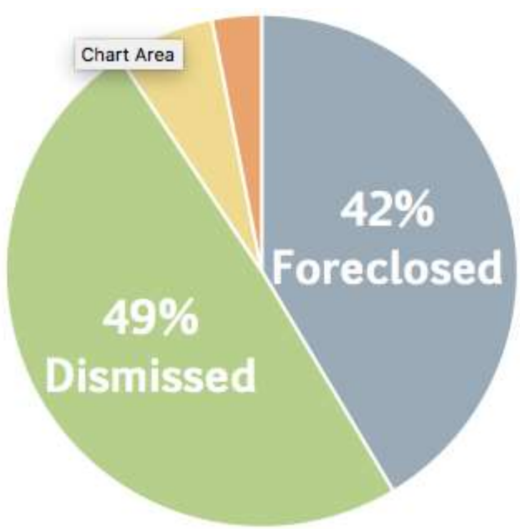
Foreclosure case filings by Year

SUBDIVISION	2008	2009	2010	2011	2012	2013	2014	2015	N/A	TOTAL
Manati Shores	3	15	3	1	2	3	1	1	0	29
Flagstone Acres	8	8	0	3	0	1	0	2	1	23
Palmetto Heights	12	22	1	6	5	7	2	4	1	60
Riverbay Townhomes	8	5	1	0	0	1	0	0	2	17
TOTAL	31	50	5	10	7	12	3	7	4	129

Using the Manatee County Property Appraiser and Manatee County Court Clerk websites we evaluated the mortgages, Lis Pendens filings and final judgments. Due to the volume of information we limited our research to seven factors. Seven variables were identified as: type of property, homestead, first mortgage, year of initiation, foreclosure date, sale date, and owner after foreclosure. Next, this information was used to identify relationships and trends using specific variables that were counted and compared as measurements.

Judgment to sale

A review of the length of time between the judgments in favor of the plaintiff (usually the banks) until the sale was made. A total of 36 mortgages were examined (N=36) where the average time determined was 205 days. Using a positively skewed histogram (Figure 2) with a standard deviation (σ) of 256, it tells us that many foreclosures happen less than 200 days, with many of those within 60 days.



The most intriguing measurement this observation provides is its placement of eight foreclosures (22%) that were noticeably much longer than expected which drastically pulled the median away from the mode. This is depicted by the 16.6% of the mortgages falling within 2σ where only 13.59% were expect. Furthermore, two foreclosures – or 5.5% of the total 36 – resided within 3σ where only 2.14% were expected.

From this outcome we can determine that in these four communities of Palmetto more homes were dismissed after receiving an initial Notice or Lis Pendens than those that resulted in a foreclosure sale. Additionally, barring the external and internal validity factors of the housing market crisis and its after effects, homesteading appeared to have no impact. But, we can safely state if a foreclosure exceeds the median of 62 days the likelihood of the process dragging out is noticeably much longer. We, however, do not have enough information to determine if prolonging the time between Notice to Sale date correlates with the likelihood of dismissal or would be more conducive for the plaintiff or defendant when determining that dismissal.

The cases fell into one of four resolutions: Dismissed, Foreclosure Sale, Pending, and Unknown. The sample size of 129 cases was too small in our estimation to infer any particular trend for this community on the outcomes for foreclosures or dictate any particular reasoning for foreclosure based upon the data provided.

Just over sixty percent (60%) of foreclosure filings with the Manatee County Court were filed between 2008 and 2009, and of those cases (see Table 3), 42.6% of cases were dismissed. Palmetto Heights had the most filings from 2008 to 2015 with 46.5% of the filings, whereas, Riverbay Townhomes had the least foreclosure filings with 13.2% during the same period. This may be attributable to the fact that Palmetto Heights was a larger geographical area and the Riverbay Townhomes were limited to a small section of waterfront property.

Although the hypothesis above for homestead versus non-homestead cases showed forty-two percent (42%) were resolved through foreclosure sales and forty-nine percent (49%) were dismissed, in evaluating all 129 cases fifty percent (50.4%) of these transactions were resolved through foreclosure sale while forty-two (42.6%) of these cases were dismissed prior to sale. The remainder of the cases we reviewed were either still pending at the time of our inquiry (5.4%) or had an unknown (1.6%) disposition.

Foreclosure sale versus dismissal

Of the 115 foreclosure cases analyzed, 65 of these cases went through to foreclosure sale, none of which remained with the same owner. Forty-four (44) of these cases had new owners that were individuals, and eleven (11) were corporations. Ten (10) of the foreclosure sales ended up in bank ownership. Of the fifty-five (55) cases that were dismissed prior to foreclosure sale, twenty properties remained with the same owner. Thirty-three (33) properties had new owners that were individuals, and two properties were held by corporations. No homes were owned by banks after dismissal.

If the resolution of the foreclosure cases resulted in new ownership after foreclosure sale, then dismissal prior to foreclosure showed an effort by some property owners to retain possession. Manati Shores properties retained four (4) properties, Flagstone Acres, retained seven (7) properties and Palmetto Heights retained the most at nine (9) (see Figure 3). No properties at Riverbay Townhomes stayed with the same owner. The remaining properties were sold to a third property after foreclosure case dismissal or subsequently transferred by deed to a bank who ultimately sold the property on their own. (See Table 4).

Table 4
Homeownership after resolution of foreclosure case.

SUBDIVISION	SAME OWNER	NEW OWNER/ PERSON	NEW OWNER/ CORPORATION	BANK	UNKNOWN	TOTAL
Manati Shores	4	11	8	4	2	29
Flagstone Acres	7	15	1	0	0	23
Palmetto Heights	9	36	6	6	3	60
Riverbay Townhomes	0	15	1	0	1	17
TOTAL	20	77	16	10	6	129

The results show that cases with dismissal had more cases of homes remaining with the same owner. Moreover, many homes had individual/families as owners with few bank ownerships.

Overall, analysis of the various communities in Palmetto showed foreclosures impacted all ethnicity and race; income levels. Foreclosures were seen in higher income homes as well as low/middle income homes. The data provided the framework to build an analysis of the effect of foreclosure on the community and individual homeowners. The duration of the foreclosure process has some costs to the parties as well as to the community. Delays in foreclosures contribute to negative home prices, and affect the revenue for the city (Cordell, Geng, Goodman, & Yang, 2015).

Effects on community and individual homeowners largely negative

Delays in judicial foreclosure process also leads to added costs to the banks pursuing foreclosures, the families facing foreclosures, distressed properties, and economic downturn for the city (Cordell, Geng, Goodman, & Yang, 2015).

In our research, the duration between initiation and sale did not provide a significant information on whether homes designated homestead or non-homestead were treated differently in terms of homeowner's extending the process. As found in our research most cases were resolved within 200 days from initiation. However, there were some cases that took over five years[*] between initial case start and final sale. Meanwhile, in those cases that were dismissed it took on average 600 days[†] from initiation to dismissal. In cases where there was delay in foreclosures the values of homes prior to foreclosure ranged from $300,000 to $149,000. After foreclosure sale the values dropped to between $71,000 and $15,600. In cases of dismissals, the values of the homes ranged from $185,000 to $82,000; and after sale between $85,000 and $50,000.

City of Palmetto Code Enforcement & Building Permit Data

Code enforcement and building permit data were one way we are able to see the physical impact of the foreclosure. The City of Palmetto provided us with a list of code enforcement entries and building permit requests within their city limits. The code enforcement entries began in 2010 (although one entry existed from 2008), and concluded in June 2016. The building permit entries began in 1995 and concluded in September 2016. As latitude and longitude were available for each entry, the data in these

[*] This is an extreme case and a small minority had cases that took five years.
[†] This was majority of the cases with small minority dismissal within 6 months to 1 year after initiation.

lists were mapped to block groups using ArcGIS and compared to the number of foreclosures which occurred in that block group for the years provided (2007-2015).

Code Enforcement Data (2010-2016)

As code enforcement data was only available within the Palmetto city limits, only block groups that were more than 80% within those limits were considered for this analysis. Data on code enforcement entries was collected between April 14, 2010 and June 30, 2016, comprising 7,103 total entries.

Code enforcement entries were divided into one of seven categories:

- **Poorly maintained property**, for properties experiencing issues such as graffiti, overgrown yards, unsafe buildings, broken windows or roof issues, among others.
- **Sanitation issues**, such as accumulation of garbage, infestations, or standing water.
- **Business/city issues,** issues that do not directly apply to residential properties.
- **Noise or nuisance,** such as noise disturbances, animals, or offensive odors.
- **Policy violations or requests**, which dealt with either residential disputes or requests for information and not directly with the property itself.
- **Unknown**, for entries without proper sourcing or that did not specifically pertain to a known residential issue.
- **Residential permit issues,** such as holding a garage sale or conducting business without a permit.

Block group 13.00.1 saw the greatest number of code enforcement entries within the data collection period, at 1,331. Block group 15.02.3 was second with 1,098 entries, followed by 14.03.2 with 799 entries and 13.00.2 with 774 entries. The average block group experienced 735 code enforcement-related entries between April 14, 2010 and June 30, 2016. In relation to the areas we examined for foreclosures, Flagstone Acres (Map 4) fell within 13.00.1 block group.

Complaints about poorly maintained properties were by far the most common code enforcement entry, comprising 4,432 of the 7,103 total entries in this time span (62.4%). Block group 15.02.3 had the highest number of violations in this category at 715, followed by 13.00.1 with 696 violations and 14.03.2 with 616 violations. Sanitation issues were the second most common code violation, with 533 total entries. Block groups 15.02.3 and 13.00.1 again had the highest number of violations, at 134 and 105 respectively. Block groups 13.00.1 and 13.00.3 had 52 violations in this category, followed by 13.00.2 with 43. (See Table 5).

Table 5

Code Enforcement Violations by Category, by Block Group

	14.03.1	13.00.3	14.03.2	13.00.2	15.02.3	14.03.3	13.00.1	15.02.1	14.03.4
POORLY MAINTAINED PROPERTIES	448	357	616	487	715	73	696	265	319
SANITATION ISSUES	79	36	33	55	134	15	105	16	18
NOISE & NUISANCE	41	52	35	43	41	7	52	15	19

Note: Row totals do not sum to the code enforcement totals presented above, as some fell within the city limits but outside the block groups assembled in this table.

Building Permit Data (1995-2016)

Building permit data was also assessed, beginning in 1995 and continuing until September 26, 2016. As with the code enforcement data, only block groups that primarily fell within the Palmetto city boundaries were counted. A total of 24,217 records were assembled, and permits were categorized into one of the following categories:

- **Residential buildings**, comprising construction of new homes and destruction of existing buildings.
- **Residential additions**, including permits for construction of additional home features like carports, stairs, and other home-related expansions.
- **Residential amenities**, including decorative elements like walkways and features that improve the value of a home but are non-essential to living, like pools and pergolas.
- **Commercial buildings**, comprising construction of commercial structures.
- **Commercial additions**, comprising construction of additional rooms, floors, and other features on commercial properties.
- **Other/unknown**, comprising building permits for construction that did not evidently belong to one category or another.

Unfortunately, the vast majority (16,770, or 69.2%) of building permits could not be partitioned into a category, as many did not provide adequate descriptions of the type of building the permit was being sought for. For instance, roof- and fence-related building permits comprised close to one-thousand of the permits sought in this time period in Palmetto city, but their file did not list whether they were sought for residential or commercial purposes. Nonetheless, the remaining permits were partitioned and mapped to determine their origin.

A total of 1,880 residential buildings permits were sought based on our categorization, with the most (392) taking place in block group 15.02.1. Block groups 13.00.3 and 13.00.2 were a distant third and fourth at 151 and 150, respectively. A total of 1952 residential additions were sought in this time period. Block group 15.02.1 was the leader in this category, with 274, while 14.03.1 was second with 243 and 13.00.3 was third with 213. Only 491 residential amenities applications were sought in this time period according to our calculations, with the most by a significant margin taking place in 15.02.1, where 226 amenity permits were sought. Block group 13.00.3 was second with 61 amenities, followed by 14.03.4 with 60 amenities. (See Table 6).

Table 6

Building Permit Requests by Category, by Block Group

	14.03.1	13.00.3	14.03.2	13.00.2	15.02.3	14.03.3	13.00.1	15.02.1	14.03.4
RESIDENTIAL BUILDINGS	106	151	141	150	142	54	127	392	142
RESIDENTIAL ADDITIONS	243	213	109	211	70	24	184	274	182
RESIDENTIAL AMENITIES	9	61	57	37	2	3	14	226	60

Note: Row totals do not sum to the building permit totals presented above, as some fell within the city limits but outside the block groups assembled in this table.

Building Permit Requests by Category, by Block Groups

Block group 14.03.2, which had the highest proportion of foreclosures to homes from 2007 to 2014, also had the highest proportion of code violations to homes between 2010 and 2016. Block group 13.00.2 had the second highest proportion, and block group 13.00.3 had the fifth highest. Overall, the proportion of foreclosures in a block group to code violations showed a positive correlation of 0.622.

Due to the difficulties of assembling the building permit data, little analysis was conducted. None of the three block groups with the highest rates of foreclosure showed a rate of residential building construction, residential additions, or residential amenities significantly higher or lower than other block groups with lower rates of foreclosure. Therefore, our project also examined housing conditions.

Housing conditions

Through visual surveys we focused on the overall exterior condition of the houses, type of building, if they needed any major or minor repairs, lawn and landscaping maintenance, whether it was occupied or vacant, security treatment, and evidence of pride.

We started our field of study surveying the houses located in Palmetto Heights which covered from 24th Avenue W to 28th Avenue W and 13th Street W to just south of 10th Street Wall. We noticed a very significant difference in social economic status within the neighborhood. The houses located south of 10th Street W had waterfront views, that many of these houses had a boat and docking system. This section of the neighborhood was clean, well maintained, and free of garbage or debris in front of the houses. There were also four high end houses within the neighborhood. Furthermore, these houses that appeared higher value than their counterparts located just north of 10th Street W.

Houses located just north of 10th Street W. were more modest. Many of these houses were well maintained but contrasted with those located south of 10th Street W. Many of these houses had a single car garage with a narrow driveway and some did not have a garage. Some houses had boats parked on their lawn in front of the house. Many residents parked their vehicles on the grass, which killed the green grass and therefore negatively impacted the attractiveness of the neighborhood.

Next we surveyed the neighborhood **in Manati Shores** located between 10th Avenue W and 13th Avenue W and 17th Street W and south of 13th Street W. The most common feature in this neighborhood is that most houses did not have a garage. Many of these houses lacked a cemented driveway which again led residents to park their vehicles on the grass. Of the houses that did have a driveway, in most cases the driveway was in poor shape or was very narrow where only a single vehicle could park on the cemented area. The houses also had miscellaneous items in front of the house. Some houses had barbeque grills, wood, spare tires, garbage, clothes in front of the house. Further, some of houses had a lot of vegetation that completely blocked the front view of the house, and some even blocked the view of the mailbox.

The neighborhood located in **Flagstone Acres** was the largest of the three. As a group, we focused our survey primarily on the section of the neighborhood that had the highest foreclosure rates. This section extended from 15th Avenue W to 19th Avenue W and from 5th Street W to 9th Street W. By focusing in this area with higher foreclosure rates, we were able to draw some general conclusions about the residences. The neighborhood in Flagstone Acres was generally middle income. Most houses were very well maintained. Some of the houses in this neighborhood appeared to be newly renovated and many others looked as if they had been newly painted, while others had a sign in front indicating that they were being remodeled. On the other hand, there were some houses that were either unoccupied or abandoned. These few houses negatively affected the overall appeal of the neighborhood since they stood out too much. Despite the fact that some houses needed work, some were being remodeled.

Overall, the exterior condition of the homes in these three neighborhoods was good. Our findings of the 503 total homes surveyed are summarized as follows:

- 430 are in good condition, 56 required minor repairs, 11 required at least one major repair, 1 house was unable to be repaired, and 5 houses require comprehensive renovation.
- 293 took good care of their lawn and landscaping. 166 houses had their lawn and landscaping adequately taken care of and 44 were poorly maintained.
- 417 had no trash or debris on the exterior of the house, 66 houses had some trash or debris, and 20 houses had a lot of trash or debris on the exterior of the house.
- 497 were occupied and only 6 houses were vacant.

These findings demonstrate that (1) code violations were higher in the areas with higher foreclosure filings; and (2) abandoned homes were higher in areas with higher foreclosure rates.

Effectiveness of mitigation efforts is limited

In order understand how the foreclosure process impacts households, we sought to learn about the experience of foreclosure as told from the perspectives of attorneys and professionals who are actively involved with the legal and economic elements of the foreclosure. In doing this, we gleaned insights about the foreclosure process through the lens of these gatekeepers. A gatekeeper can be defined as a professional in a formal position to assist households going through foreclosure, whether through legal, financial, counseling, or other assistance. A great deal of information was gathered that illuminates the tendencies, loopholes, and issues with foreclosure law, assistance programs, as well as the personal circumstances that may lead up to and surround many foreclosure cases. The background research and interviews conducted in this study, resemble a fairly complete landscape of foreclosure assistance programs in the State of Florida, and more specifically the City of Palmetto within Manatee County. While our research and interviews do not constitute a complete picture of the landscape of safety nets and borrower experiences we can help complete the understanding of the foreclosure experience.

The types of assistance can be broadly categorized as financial resources and counseling. Much of the government assistance has been implemented at the federal level and includes programs for modifying mortgages, reducing principal, refinancing, granting forbearance, achieving redemption, or even exiting a current mortgage. State programs have focused on grants as a stopgap solution largely serving to augment federal assistance. Meanwhile, most of the locally provided assistance takes the form of counseling or resource provision (directing homeowners to programs or helping to empower them through education). Counseling and other forms of educational assistance are available from a selection of local, county, and even state-level agencies. Many of these entities receive funding from government or other sources that is earmarked specifically for foreclosure assistance.

Federal programs

Making Home Affordable (MHA) program, launched in 2009 as a response to the financial crisis, offers variety of targeted programs to assist mortgage borrowers. Two major programs implemented in the Federal level were HAMP and HARP.

- **Home Affordable Modification Program (HAMP)** allows borrowers to modify their mortgages so that a monthly payment equal 31% of the household's monthly, gross, pre-tax income. For homeowners that have held onto mortgages that can be considered underwater, **the Principal Reduction Alternative (PRA)** aims to reduce the mortgage principal owed if it exceeds 115% of the value of the home.
- **Home Affordable Refinance Program (HARP)** assist homeowners who are current in mortgage payments, but cannot refinance due to depressed home prices. If a homeowner is denied a refinancing solely due to the decline in the value of the home, then HARP may be a means to refinance. Federal program for redemption, which helps the borrower of home already sold in a foreclosure auction, a borrower my still be allowed to remain in their home by paying all outstanding mortgage and costs incurred during the foreclosure process.

Additional federal programs include:

- **2nd Lien Modification** where homeowners can receive a modification or principal reduction if their first home loan was modified previously through HAMP and have a second mortgage or second lien that continues to be financially burdensome.
- **Home Affordable Unemployment Program (HAUP)** provides a temporary reduction/suspension of a mortgage payments while job searching.
- **Home Affordable Foreclosure Alternatives (HAFA)** helps homeowners transition to affordable housing, and provide them a short sale or deed-in-lieu for their mortgage instead of a foreclosure.
- Programs directed to owners of **Federal Housing Authority (FHA)**-insured mortgages. FHA-borrowers if their lender agrees to participate. The program may be able to reduce or eliminate the principal of the second mortgage if the value of the home exceeds 115% of the mortgage value. FHA program allowed through FHA-approved lenders, the Home Equity Conversion Mortgage (HECM), more commonly known as a reverse mortgage, allows senior households to supplement their income by paying no monthly payment except property taxes and homeowner's insurance.

State of Florida programs

In the State of Florida, the **Florida Hardest Hit Fund (FHH)** overseen by the Florida Housing Finance Corporation provides some assistance to homeowners in crisis. Unfortunately, early in 2016, the governor reportedly declined tens of millions of dollars of additional funding for the FHH programs limiting the future available assistance (Cordeiro, 2016).

- The first program is the FHH **Principal Reduction Program**, which can help borrowers if the value of a first mortgage exceeds the value of the home by 125%, then $50,000 may be available to be put towards reducing the balance of the principal owed.

- The next two programs are **the Underemployed Mortgage Assistance** and the **Mortgage Loan Reinstatement Programs (UMAP/MLRP),** provides assistance to borrowers facing hardship for a period up to 6 or 12 months and varying amounts of financial assistance depending on their specific situations and pressure either to keep mortgages current or reinstate delinquent mortgages.
- The last two programs under the HHF are **the Down Payment Assistance Program (DAP) and the Elderly Mortgage Assistance Program (ELMORE)**. The first can provide potential homebuyers in select counties up to $15,000 in down payment funds, and the latter may provide seniors up to $25,000 on past due or future property charges for their reverse mortgages.
- Some of the programs such as the **Florida Foreclosure Counseling Program (FFCP)** have received funding from what is known as the National Mortgage Settlement, is designed to help prevent homeowners from entering foreclosure as well as receiving financial education, but it operates through local, HUD-approved counseling agencies.
- **GetHelpFlorida.org** is an example of online resource that strives to easily redirect borrowers to the most appropriate resources, e.g. foreclosure assistance hotlines, court paperwork, financial assistance programs, workshops, and more. A second example would be **SaveTheCave.com** which has similar aims but also provides news and updates related to changes in the funding of various programs and counseling resources from the federal level so that borrowers have the opportunity to understand the long-term landscape of assistance available to them.

Manatee County programs

In Manatee County the Foreclosure Assistance and Prevention Network (SAVE) was established in response to the housing crisis in order to help local residents going through or are at the risk of foreclosure by providing them with resources to help mitigate the costs, consequences, or even avoid the hardships of the foreclosure process.

- The **SAVE network** educates borrowers in foreclosure of the court-managed mediation program.
- **Salvation Army** has housing assistance grants available to borrowers or families (e.g. if formerly renters facing an eviction from a foreclosed landlord property) who are homeless or about to lose their home because they are facing an eviction or foreclosure. The housing assistance grant is reserved for households with incomes below 50 percent of the Manatee area's median income. The funds can be used to pay for late rent and utilities or for rent, utility bills, and security deposits in order to get into rental housing (if homeless). However, the funds cannot be used to pay for regular, on-time home mortgage payments. There is no specific amount of housing assistance advertised per household, instead assistance is provided based on need and determined on a case by case basis for an upper limit of 18 months.
- **Counseling resources**:
    - **Consumer Credit Counseling** helps financially distressed homeowners develop workable budgets and financial plans as well as general personal finance education. The counseling also covers consumer credit repair. Lastly, the counselors may even informally mediate with banks and credit card companies to make payments or temporary repayment arrangements if the money can be set aside from new ways of budgeting.

- The **Manatee Community Action Agency** focuses their efforts differently, specifically on financial services provision to help with defaults, foreclosures, reverse mortgages, and buying a new home. The agency basically serves as personal financial advisor for households.
- **Neighborhood Home Solutions** help potential homeowners qualify for ownership, maintain their home after purchase, learn how to avoid foreclosure, and in the unfortunate event of a foreclosure intervene as an advocate for any household facing a foreclosure complaint.

➢ **No-cost or low-cost legal services**. Legal Aid of Manasota provides free legal services to low income individuals and families in both the Sarasota and Manatee counties who cannot afford to pay for their own attorney. Local lawyers donate their time and expertise in the areas of foreclosure, family law, landlord/tenant disputes, senior wills, and other pro-bono legal services to nonprofit agencies. Gulfcoast Legal Services provides legal help to income eligible residents and seniors with housing and mortgage foreclosure problems, family or domestic violence issues, immigration matters, SSI/disability and other consumer matters.

➢ **12th Judicial Circuit Court of Florida's Managed Mediation Program** that was initially established statewide in 2009; however, it was later discontinued statewide but extended in the 12th judicial circuit because the judges determined that it was beneficial for all parties in foreclosure. By originally requiring, and more recently on an opt-in basis, borrowers and banks to sit at the table together to determine if a resolution other than foreclosure could be achieved, or at a minimum encouraging dialogue during the processes, the courts put their faith in the art of negotiation.

Other City programs

Although various programs are available the effectiveness of such programs has been limited. We evaluated some successful programs from other cities to determine best practices. Due in large part to limitations of much of the local programs this project reviewed six local government practices that are successfully and innovatively combating foreclosure. Types of programs were separated into prevention strategies and stabilization strategies.

Prevention programs

Foreclosure prevention strategies are avoidance methods that seek to protect and help homeowners while there is time to find an alternative to foreclosure. There are only two main types of foreclosure prevention methods: *loan mitigation programs* and *education and counseling programs*.

Loan mitigation programs

The contribution of loan and mortgage financing to low and moderate-income households is vital; it ensures that those struggling to pay their mortgages are given tax and financing support in advance. In our research for the best foreclosure prevention financing program now operating, we found that the Home Saver Program of the District of Columbia Housing Finance Agency (DCHFA) is one of the best programs, with significant success in loan modifications for low-income households.

The District of Columbia's HomeSaver program was conceived through the U.S. Treasury's Hardest-Hit Fund Initiative in 2010 and is designed to assist D.C. homeowners who are at risk of going into foreclosure (HomeSaver - A Hardest Hit Fund Initiative). The program is run through the D.C. Housing

Finance Agency and is available to residents who are on unemployment benefits or have had their income reduced by 25% or more (Lerner, 2016). However, residents cannot be in the middle of bankruptcy proceedings or a foreclosure sale (HomeSaver Phase I Fact Sheet). The program includes two separate phases: **Phase I** is the mortgage assistance program and **Phase II** is the tax lien extinguishment program.

- **Phase I** of the Home Saver program involves three main components, which include lifeline assistance, mortgage assistance and restore assistance; all of these components provide payment assistance to homeowners (HomeSaver Phase I Fact Sheet). Lifeline assistance gives homeowners a one-time payment of up to six months of past due monthly mortgage to help combat mortgage delinquency. The mortgage assistance program provides maximum assistance of $38, 400 in mortgage payment assistance to help homeowners with *future* mortgage payments (HomeSaver Phase I Fact Sheet). Lastly, restore assistance is only for the recently employed and provides a one-time payment of $38,400 to help homeowners who have fallen behind in mortgage payments (HomeSaver Phase I Fact Sheet). Phase I program has had an 83% success rate in providing assistance to over 696 unemployed and underemployed homeowners with their mortgage payments (HomeSaver - A Hardest Hit Fund Initiative).

- **Phase II** of Home Saver is the tax extinguishment program, which provides a one-time payment of up to $38,400 to extinguish delinquent real property taxes for all eligible homeowners in the District of Columbia (HomeSaver Phase II Fact Sheet). In addition, all loans will be forgiven at a rate of 20% per year until the lien on the property is removed. They have expanded the eligibility criteria to make sure all at-risk homeowners get needed delinquent property tax assistance, as long as the homeowner’s income doesn’t exceed 120% of the area’s median income (HomeSaver Phase II Fact Sheet).

The results of the entire program show that approximately 750 households in Washington D.C. have been helped and 95 percent of homeowners retained their homes within the 24th month of receiving payment assistance with their mortgages (HomeSaver-A Foreclosure Prevention Program). As of 2015, Washington, D.C. had the highest rate of approval program applicants at 81.4%, which means that almost every at-risk homeowner was successfully assisted by the program (SIGTARP, 2015).

Education and Counseling Programs

Washington County in Minnesota offers an extensive foreclosure prevention program in which certified homeownership specialists and HUD- approved counselors assist homeowners through different prevention, education, and financial aid programs (Foreclosure Prevention). The county also offers a refinance counseling program in which guidance is given to homeowners on how to refinance their original mortgage to achieve a lower interest rate (Refinance Counseling). The program runs on federal grant funds, so homeowners pay nothing for assistance.

The **results of the program**: It boasts an 80% success rate in preventing foreclosure, which is much higher than other noted counseling programs such as Franklin County, which only has a 27% success rate (Pruett, 2012) (Foreclosure Prevention). Washington County has adopted the Home Stretch and Framework education program, an eight-hour education course that helps to prepare all home buyers for every step of the mortgage and buying process (Homebuyer Education). It is also an online and smartphone-accessible program. Washington County also ensures that all of its resources are easily accessible. In addition, the county ensures that all of its residents have direct access to help by providing the name, office address and contact of each counselor on its website (Board & Staff).

Stabilization programs

Stabilization is more than just acquiring properties. It is a tool used to preserve, assist, and increase value to neighborhoods suffering from the multitude of negative foreclosure effects. Stabilization strategies that have been successful in other cities include:

1. Urban greening;
2. Partnering with Private Developers;
3. Community Development Corporations (CDCs); and
4. Use of Federal Government Neighborhood Stabilization Program (NSP) grants.

Urban Greening

A vacant or abandoned property becomes a problem when the property owner or lender no longer provides physical upkeep of the property. As mentioned earlier, the physical deterioration of land can lead to multiple negative effects for both neighborhoods and governments. One way to reuse or care for these properties is through a process called urban greening, in which decrepit land is turned back into productive use. Urban greening helps to create green spaces within neighborhoods, reduce negative externalities of vacant land, and improve neighborhoods in order to encourage redevelopment (Heckert, Schilling & Carlet, 2015).

In 2003, the city of Philadelphia's Office of Housing and Community Development partnered with the Pennsylvania Horticultural Society to expand its original 1996 LandCare program citywide (Rosenthal & Jarvis, 2013) (Jones, 2013). Philadelphia had an extimated 40,00 vacants lots (Heckert & Mennis, 2012). Philadelphia's Neighborhood Transformation Initiative demolishes the abandoned homes, and the Philadelphia LandCare Program, a green program directed at beautifying vacant land (Rosenthal & Jarvis, 2013). Only about a quarter of the land is publicly owned, and this program addresses the blight of privately owned land in which the owners are deceased or have abandoned their property (LandCare FAQs). Privately-held land that is in violation of city ordinances is notified by the city's Department of Licenses and if the owner doesn't respond, the city gives PHS right-of-entry to abate property blight. Owners are billed for the cost of city maintenance visits, and failure to pay results in a lien being placed on the property (LandCare FAQs).

Success due to two key components: continued support and employment. Rather than a one-time clean up the program implemented program to continue cleaning and maintenance of the properties (LandCare FAQs). The city and PHS hire city-based landscape contractors and community-based organizations with landscaping maintenance programs to clean and maintain the vacant lots twice per month from April to October (LandCare FAQs). The city of Philadelphia has formed relationships with 18 community organizations that actively support the program. In addition, fences are installed around the perimeter of vacant lots to signal that the property is well maintained and is part of a city maintenance initiative (LandCare FAQs).

The program works with PHS to employ chronically unemployable local residents who are in charge of the maintenance and care of the vacant lots in their neighborhoods (LandCare FAQs). This helps those with low skills or a criminal past obtain employment and takes the responsibility and resources of continued maintenance off of PHS and the city, and places it on individuals who value their neighborhoods.

The land is kept well-maintained until the property can be sold, developed or reused by the city. Individuals can request permission from the city to use the vacant lots as a garden or other greenspace activity (LandCare FAQs). If the property isn't properly maintained, the city has the authority to reclaim the property (LandCare FAQs). Over 800 properties have been redeveloped into new uses (LandCare FAQs). Research conducted on the Philadelphia LandCare program has concluded that more than 45,000 people and 16,000 households now have access to green space within half a mile of their residence (Heckert & Mennis, 2012).

Philadelphia was one of the first cities at the municipal level to use greening as a way to address the blight caused by foreclosure. The Philadelphia LandCare program success of cleaning and greening over 12,000 vacant lots in neighborhoods across Philadelphia, with an average of 300 to 400 lots stabilized each year (Hobble, 2016) (LandCare FAQs). After the vacant lots are cleaned, the vacant lot property values increased by about 17% in 2008 and have risen to a 20% increase as of 2016 (Schilling & Logan, 2008) (LandCare FAQs) (Wachter & Gillen, 2006). Each dollar spent on the vacant lots generates approximately $224 in housing wealth for the city (LandCare FAQs). The maintenance of these lots also reduces crime in an area, as criminals are less likely to hide out in a well-maintained area (Jones, 2013). Philadelphia's program is intended to increase property values and stabilize neighborhoods through the removal of blight and as shown above has done just that.

Partnering with Private Developers

As a way of addressing the foreclosure housing crisis with limited capacity and resources, a few cities are starting to develop partnerships with private developers. Private developers have the resources, knowledge, and skills to rehabilitate foreclosed homes and build new homes on vacant lots. Many are willing to partner with cities due to the good public relations and tax credit incentives. **Milwaukee** has come up with a unique strategy for providing affordable housing within its most heavily foreclosed neighborhoods while reducing the number of city-owned—due to tax delinquency—dilapidated/blighted properties.

The Northside Housing Initiative is a partnership between the city of Milwaukee, Wisconsin Housing and Economic Development Authority & real estate developer Gorman & Co. (Mak, 2016). It uses private brokers to construct ready-to-rent single family homes on vacant lots. The developer, Gorman & Co., purchases the foreclosed and vacant properties from the city at an extremely low rate, rehabilitates the properties and then rents them, placing the properties back on the market and adding them back to the local tax roll (Northside Neighborhood Initiative II, 2015). The private developer reduces its tax liability in exchange for working with the city of Milwaukee to stabilize areas with high rates of foreclosure. The Northside area of Milwaukee's blighted single family homes and duplexes were rehabilitated or new homes constructed on vacant land (Tag Archives: Northside-neighborhood-initiative, 2015). A highlight of this program is that the developer has formed a partnership with the nonprofit Northcott Neighborhood House, an organization that trains local residents who are "chronically unemployed" in construction; these individuals are then hired as apprentices by the developer (O'Brien, 2016) So far, over 300 residents have been hired by the developer as apprentices to perform various construction tasks (Mak, 2016).

Since 2007, the initiative has restored 128 foreclosed homes and built over 111 new homes on vacant lots (Mak, 2016). As of 2015, 250 new single family and duplex homes have been built (Northside Neighborhood Initiative II, 2015). All of these homes are affordable to rent to residents who earn between 30 to 60 percent of median city income (Serlin, 2014).

After eight phases of the initiative, 250 blighted properties and vacant lots have been purchased from the city, with about $84 million invested in rehabilitating the properties (O'Brien, 2016). This has led to 282 affordable rental homes being put back on the tax rolls in the Metcalfe Park, North Division, Sherman Park, Washington Park and Amani neighborhoods (O'Brien, 2016). In addition, the initiative helps to reduce the high crime rates and property loss that accompanies neighborhoods with high foreclosure rates (O'Brien, 2016). They are also placing those homes back on the market at a reasonable price. There is a 15-year compliance period for renters. After that time period, residents will have the opportunity to purchase the home for the remaining foreclosure debt. All rental residents sign a care contract in which they promise that they will maintain the home through regular upkeep (Serlin, 2014).

Community Development Corporations

Community Development Corporations (CDCs) are nonprofit and community-based organizations, usually located in low-income neighborhoods, that provide a wide variety of community-based programs in the areas of economic development, social service, physical community improvements, and neighborhood planning projects (Community Development Corporations, 2014). CDCs continuously play a key role in addressing foreclosure problems related to community stabilization. They utilize funds from the federal government, state governments, and other sources to provide a wide variety of foreclosure stabilization programs such as loans for at-risk homeowners, foreclosure counseling, loan modifications or readjustments, building affordable housing, and revitalizing foreclosed properties (Community Development Corporations, 2014). The role of CDCs is vital because they help to build the bridge between communities and governments. Since these organizations are based in the community, they have first-hand knowledge of neighborhood needs and can most effectively utilize government grants to provide foreclosure assistance (Immergluck, 2008). To consider which CDC is the most successful in addressing foreclosure, we compared different CDCs to find the one that most effectively cooperates with local government programs to achieve the most successful results.

Among the most successful CDCs is the Neighborhood Housing Services of Chicago (NHS). NHS is a nonprofit neighborhood revitalization organization which is committed to helping homeowners and strengthening neighborhoods throughout Chicago, South Suburban Cook County & Elgin (NHS Chicago). NHS partners with neighborhood residents, financial institutions, insurance companies, the City of Chicago, the City of Elgin, Kane County and other foundations to help low and moderate-income households, those areas with the highest foreclosure rates, to buy affordable housing, revitalize dilapidated properties, and provide mortgage or loan assistance (NHS Chicago) (City of Chicago). However, to qualify, individuals must earn less than 80% of the areas' median income (City of Chicago). In addition, they also provide subsidiaries in which they buy vacant or foreclosed properties and rehabilitate them into green buildings which can then be sold off at an affordable price (NHS Chicago) (City of Chicago).

Since NHS was established in 1975, it has served more than 200,000 families with housing issues, provided $613 million loans or grants, created more than 4,800 new homeowners, provided foreclosure counseling to more than 32,500 homeowners, and saved 9,630 families from foreclosure (NHS Chicago Impact). In addition, the organization has recovered and stabilized over 1,400 troubled properties that provide affordable housing for the community (NHS Chicago Impact). From 2015 to 2016 alone, NHS reportedly rehabbed and financed more than 620 housing units, successfully created 155 new homeownerships, sold 32 vacant neighborhood properties, and recovered and stabilized over 200 troubled properties (NHS Chicago Impact).

Use of Federal Government Neighborhood Stabilization Program grants

The Neighborhoods Stabilization Program (NSP), one of the U.S. Department of Housing and Urban Development (HUD) programs, was established in 2008 as part of the Housing and Economic Recovery Act (HERA) to address the foreclosure crisis in America (Six Guiding Tenets for Implementation, 2009). The NSP grants are used to fund foreclosure mitigation activities such as purchasing and rehabilitating foreclosed or abandoned properties, establishing land banks and demolishing blighted structures or vacant properties (Six Guiding Tenets for Implementation, 2009). The Neighborhood Stabilization Program grant has been allocated to multiple states and their local governments and each has implemented its own individual NSP programs that have shown a variety of successful results. There is a limitation in identifying which governments have the best NSP programs because there is no standard measurement of success right now.

In Atlanta, since the NSP was allocated in the area, hundreds of families have been placed into rehabilitated foreclosed homes. About $3.92 billion of the NSP grant was allocated by the Housing and Economic Recovery Act (HERA) to fund the purchase and redevelopment of abandoned or foreclosed properties in the Metro Atlanta area (Atlanta NSP Overview, 2012). These abandoned properties are mostly from foreclosures, subprime mortgages and defaults mortgages. The NSP has also contributed in mitigating foreclosure consequences and in providing affordable housing through the rehabilitated properties (Atlanta NSP Overview, 2012). According to the Atlanta NSP Overview (ANSPO), the program has significantly impacted 1,233 single and multi-family homes and positively impacted 251 neighborhoods in the Metro Atlanta area as of January, 2012. Phase 1 alone of Atlanta's NSP also generated about 1,400 construction jobs for people in Metro Atlanta (Atlanta NSP Overview, 2012).

The success of Metro Atlanta's NSP can also be noted in a combination of program accomplishments in a variety of places in the area, including the City of Atlanta, Clayton County, Cobb County, DeKalb County, Fulton County, and Gwinnett County (Atlanta NSP Overview). In the City of Atlanta alone, NSP and local efforts have helped to acquire, renovate, sell or rent more than 340 housing units and revitalize 10 neighborhoods (Atlanta NSP Overview). In Clayton County, 151 housings units in 58 neighborhoods were acquired and renovated. Cobb County also had success in renovating 54 homes and providing $561,599 in down payment money to qualified homebuyers, which has helped to increase the amount of homeownership (Atlanta NSP Overview, 2012). In DeKalb County, 196 housing units were renovated, while Fulton County claims that NSP has helped in renovations in over 15 neighborhoods and sold 67 homes (Atlanta NSP Overview, 2012). The significant success of NSP was also shown in Gwinnett County, where 98 homes were successfully rehabilitated and 73 were sold (Atlanta NSP Overview, 2012). Also, in Gwinnett County, the NSP played a vital role in facilitating the purchase and rehabilitation of 92

RECOMMENDATIONS

Although the economy has seen some improvements foreclosures continue to impact many cities. The City of Palmetto has seen a decrease in foreclosures filings; however with the uncertainty of the future economic conditions it must plan for any outcome. Currently, Palmetto does not have a concrete strategy or foreclosure prevention program. Most successful programs required the city identifying the biggest foreclosure problem and focusing on how to fix that problem. Therefore, first Palmetto should consider the biggest problems and moving forward to develop a plan.

The research project demonstrated the importance of accessibility to information. Because of the cost and time commitment involved in finding the necessary information, free information may be used to develop areas of focus. Our project focused on four areas, in the city block as noted, there are other areas to consider. By evaluating the mortgage data and code enforcement information, Palmetto may develop a map of areas where next wave of foreclosures may hit.

Many successful programs utilize funding from different NSP, state, and federal government grants. In order for Palmetto to be able to instill some type of foreclosure program, it will need to apply for extra funding. This can be accomplished through either the city directly, applying for state and federal grants, or collaborating with Manatee County in the use of its NSP funds. Therefore we suggest two areas where Palmetto may develop strategies to address issues related to foreclosures. First, prevention strategies that begins by developing programs that highlight prevention. Second, stabilization strategies that includes continuing to seek financial resources to expand efforts to minimize the negative impact of foreclosures.

The two types of strategies would require implementation of various programs, specifically:

a. Prevention programs that offer:
    1. Financial assistance to affected homeowners; and
    2. Counseling and education for residents.

b. Stabilization programs that offer:
    1. Land improvements of neighborhoods that have high levels of abandoned homes due to foreclosures; and
    2. Education for owners facing foreclosures.

Prevention strategies for addressing future foreclosures

Financial assistance to affected homeowners

One of the findings of our research was that Hispanic or Latino and black or African American residents are less likely to receive mortgage originations than other segments of the population. While these elevated denial rates occur in the private sector, Palmetto may be able to help cultivate services that allow their residents to be better served in the credit market. Under certain conditions, offering credit counseling and debt assessment can be effective at improving the credit rating of individuals and helping them manage debt (Cambridge Credit Counseling Corporation, 2010). Offering subsidized services to borrowers in Palmetto who might otherwise be denied a loan could potentially positively affect the acquisition rates of borrowers seeking to buy, refinance or improve their homes.

Manatee County already has foreclosure mediation, foreclosure information, and down payment assistance programs currently in place. The county also has implemented a local housing assistance plan that will actively seek to provide affordable housing through partnerships with public, private, and non-profit agencies (Manatee County, FL Grant Performance Report, 2016). Since these programs are already established, Palmetto should look into how it can collaborate with its neighboring county, potentially sharing resources, to benefit their residents without having to start a program from scratch. Palmetto should also look at Manatee's programs to see how they could implement a similar program. Palmetto should also look at both counties programs to see how they could implement similar program.

Counseling and education for residents

Organizations in Manatee County, like Catholic Charities and Community Action Partnership, already provide housing education and counseling services including mortgage refinancing, budget education, credit report education, and first-time homebuyer education classes (Housing Counseling). Palmetto could work with these organizations to expand its service offerings or donate funds so they can increase operations and reach more homeowners in trouble. At the very least, the city could actively reach out to its citizens and make every effort to make sure the information about these services is easily accessible to its residents.

Additionally, Palmetto may develop a program for proactive education which encompasses both foreclosure preventative education and general education for all borrowers regardless of foreclosure risk. The first type, despite its name, has largely been created in reaction to the housing crisis to prevent the further continuation of the crisis. The second type, of proactive education, would be a new way of assisting borrowers, and can be loosely defined as education that would occur during initial mortgage application processing and shortly afterwards to ensure that borrowers understand the financial and legal implications of their mortgage. The set of proactive education tools would ideally include a registry of all types of assistance available to them for the life of their loan. The goal of creating and expanding these types of resources would be to help educate borrowers and could forestall foreclosure crises in entirety. Our recommendation would not be to reduce or eliminate foreclosure prevention programs, as much of their resources would be the same as in proactive education; however, the difference being in the timing of the resources and how they are made available to borrowers. If borrowers were required to receive trainings on their mortgages and assistance programs available to them, our expectation is that this could help to avoid more costly, reactionary programs. Our interviewees expressed a fairly low familiarity with counseling and assistance programs available to borrowers, suggesting that at minimum a greater visibility of existing foreclosure prevention programs be pursued. The programs that our interviewees were more familiar with often were advertised at the courthouse itself. Overall, our research suggests that prevention programs are not reaching borrowers at the right moments and the counseling resources may not be as evident as their websites suggest. Therefore, accessibility of information outside of the courthouse will benefit the community.

Stabilization strategies to limit negative consequences of foreclosures

Land improvements for areas with abandoned homes due to foreclosures

Manatee County was allocated NSP-3 Funds in 2011 for development projects and continues to receive funding (Performance Report Manatee County, 2013). The funds were distributed into two major projects: acquisition/rehabilitation disposition, and planning and administration. Atlanta NSP's program was successful due to the fact that it had a well-coordinated city response that was thoroughly planned out to ensure the maximum benefit from the NSP funds. Putting that type of infrastructure and administration into place might be difficult for a city of small scale like Palmetto; the best option would be for the city to collaborate with Manatee County to ensure that at least some of the money goes to helping Palmetto's neighborhoods.

Cities like Palmetto can implement a smaller scale version that, if correctly organized and set up, can be successful. In addition, Palmetto's small size can also be an advantage as it means that any improvements could have a bigger impact. Palmetto could utilize the GIS team's housing maps to locate those areas with the highest foreclosure rates. The city of Milwaukee's Northside Housing Initiative had the greatest success in rehabilitating neighborhoods by placing its resources into one area at a time and slowly building up the initiative to cover a larger area. This does mean that it will take time to see the same results; however, Palmetto being a smaller-scale city should be concentrating on providing relief to the hardest hit areas first. As mentioned before, the city's partnership with Habitat for Humanity could be used to form a similar partnership that Milwaukee had with the developer Gorman & Co.

Moreover, to address Palmetto's foreclosure blight problem a green program may improve the city's vacant properties. The Pennsylvania program is quite large; however, Palmetto could look at starting an urban greening program that targets the vacant lots in its neighborhoods. Frequent upkeep of the lots could be a problem, so starting a neighborhood volunteer service or low-wage jobs in which the residents living in the area maintain the vacant lots after they are cleaned and greened is a way to save money. Again, partnering with an organization like the Pennsylvania Horticultural Society will be a valuable asset to the city in instituting an urban greening program. Palmetto could also provide an application link on its website to allow individuals to request to use the vacant land for a community garden or some other community activity, as long as they provide upkeep. This is a low-cost way to remove blight and let residents actively participate in their neighborhood's recovery.

Education for owners facing foreclosures

Due largely to people's frustrations about not knowing the status of paperwork submitted to an assistance program or bank modification process, we recommend creating new means of sharing information with borrowers and their attorneys to avoid duplicate processing or requesting needless updates. For example, some of the feedback on the FHH program was that submitted applications were subsequently processed by multiple third-party servicers, and in effect retrieving an update was a cumbersome, and allegedly impossible process. Had there been an online portal or clearly communicated set of status updates via mail or preferably email, then many update requests from borrowers could have been pre-empted.

As for bank processes, our interviewees expressed their own and borrower frustration regarding the lack of transparency into the loan modification processes. This set of processes would be difficult to make fully transparent, as it will not conceivably be required for banks to share their proprietary, or at least competitive, frameworks for issuing modifications in the near future. However, providing borrowers explanations on why they did not receive the modification they preferred, if granted, or what could help them receive one were mentioned as helpful improvements to this currently very opaque process.

CONCLUSION

As the economy improves the level of foreclosures have decreased. However, with continued uncertainties regarding foreclosures will never be eliminated. This study was conducted in order to determine how foreclosure impacted the community and individual homeowners; what programs are currently in place to provide assistance to those facing foreclosure; how programs are implemented; and the extent to which the programs have been successful. The results identified three areas where Palmetto saw the effects of the foreclosure from 2008 to 2015.

First, foreclosures impact across Palmetto was seen through all social-economic groups facing increase in foreclosures. All neighborhoods, affluent, middle-income, low-income neighborhoods saw some foreclosure filings. Second, effects on community and individual homeowners were largely negative due to decrease in revenue for Palmetto and abandoned homes causing some blight. Meanwhile, financial difficulties for individual homeowners increased need for services. Third, effectiveness of state and regional mitigation efforts was limited due to lack of programs and resources. Our review of programs saw minimal assistance to the homeowners.

Given these findings, prevention and stabilization of foreclosure should be an increasingly important concern to Palmetto. Two areas where Palmetto can seek to improve programs addressing foreclosure is through developing programs for prevention and stabilization. Prevention strategies should begin by developing programs that highlight prevention. Next, stabilization strategies that includes continuing to seek financial resources to expand efforts to minimize the negative impact of foreclosures.

In conclusion, based on these findings we believe that a renewed focus minimizing the negative impact of foreclosure will benefit Palmetto. We recommend addressing the issues by developing programs that highlight prevention and stabilization. These steps toward improved assistance to the residents will help to improve the community, and also help to Palmetto for future.

References

Abandoned Residential Property Program. (n.d.). City of Chula Vista. Retrieved from http://www.chulavistaca.gov/departments/development-services/code-enforcement/abandoned-residential-property-program

Board & Staff. (n.d.). Retrieved November 28, 2016, from http://www.wchra.com/board-staff

Boston Home Center Classes. (2016). City of Boston. Retrieved from https://www.boston.gov/departments/neighborhood-development/boston-home-center-classes#nav1158374370

Buki, C. (2008, Oct. 15). The work of neighborhood stabilization. [Web log post]. Retrieved from http://www.planetizen.com/node/35800.

Cambridge Credit Counseling Corporation (2010). Debt relief: Performance and satisfaction information report. Retrieved from https://www.cambridge-credit.org/pdfs/Transparency6.pdf.

Carter, G.R. & Gottschalck, A.O. (2009). Drowning in debt: Housing and households with underwater mortgages. United States Census Bureau: Washington, D.C. Retrieved from https://www.census.gov/content/dam/Census/programs surveys/ahs/publications/Drowning_in_Debt.pdf.

Christie, L. (2009, January 1). Foreclosures up a record 81% in 2008. Retrieved from http://money.cnn.com/2009/01/15/real_estate/millions_in_foreclosure/

City of Palmetto (2009). *Comprehensive Annual Financial Report 2009,* Retrieved from http://www.palmettofl.org/index.aspx?NID=170

Cleveland Housing Network. Retrieved November 29, 2016 from http://www.chnnet.com/

Cordeiro, M. (2016). Florida Officials Reject $250 Million Federal Foreclosure Assistance Funds. *Orlando Weekly*. Retrieved from <http://www.orlandoweekly.com/Blogs/archives/2016/05/18/florida-officials-reject-250-million-federal-foreclosure-assistance-funds>

Federal Home Loan Bank of Chicago. (2015). Northside Neighborhood Initiative II Milwaukee, WI. Retrieved from https://www.fhlbc.com/ProductsandServices/CommunityInvestmentsandAffordableHousingPrograms/Documents/Northside%20Neighborhood%20Initiative%20II.pdf

Foreclosure Prevention. (n.d.). Washington County Housing and Redevelopment Authority. Retrieved November 27, 2016, from http://www.wchra.com/foreclosure-prevention

Florida Real Estate Trends & Market Info. (2009) Retrieved from http://www.realtytrac.com/statsandtrends/foreclosuretrends/fl

Gorman teams up with Northcott to rebuild depressed Milwaukee neighborhood. (2015, February 23).

Retrieved from http://gormanusa.net/wp-content/uploads/2015/02/Gorman-teams-up-with-Northcott-to-rebuild-depressed-Milwaukee-neighborhood-Wheda-Transform-Milwaukee-website-2-2015.pdf

Heckert, M., & Mennis, J. (2012). The economic impact of greening urban vacant land: a spatial difference-in-differences analysis. *Environment and Planning A*, *44*(12), 3010-3027.

Heckert, Schilling & Carlet. (2015) Supplement: Additional Research Studies on Urban Greening. *Greening Legacy Citie*s. Retrieved from http://vacantpropertyresearch.com/wp-content/uploads/2015/05/Urban-Greening_Supplemental-Research-Studies_FINAL.pdf

Hollander. J.B. (2011). Abandonment outside the magic kingdom: What went wrong in Orlando? In *Sunburnt Cities: The great recession, depopulation and urban planning in the American sunbelt* (pp. 96-116). London: Routledge.

Homebuyer Counseling. (n.d.). Washington County Housing and Redevelopment Authority. Retrieved from http://www.wchra.com/counseling

Homebuyer Education. (n.d). Washington County Housing and Redevelopment Authority. Retrieved from http://www.wchra.com/education

HomeSaver-A Foreclosure Prevention Program. (n.d.). District of Columbia Housing Finance Agency. Retrieved from http://www.dchfa.org/DCHFAHome/Homebuyers/ForeclosurePrevention/SuccessStory/tabid/296/Default.aspx

HomeSaver - A Hardest Hit Fund Initiative. (n.d.). Retrieved November 28, 2016, from https://www.homesaverdc.org/

HomeSaver Phase I Fact Sheet. (n.d.). Retrieved from http://www.dchfa.org/LinkClick.aspx?fileticket=T%2buSHd%2bvu84%3d&tabid=217

HomeSaver Phase II Fact Sheet. (n.d.). Retrieved from http://www.dchfa.org/portals/0/Documents/Homebuyers/HomeSaver-Program-Fact-Sheet-Tax-Lien-Extinguishment-Program-06-2015.pdf

Housing. (2010, May 25). Manatee County. Retrieved from https://www.mymanatee.org/home/government/departments/neighborhood-services/community-development/housing.html

Housing Counseling. (n.d.). Retrieved November 29, 2016, from http://www.catholiccharitiesdov.org/services/programs/housing_counseling.html

Immergluck, D. (2009). The Economic and Social Costs of High-Risk Mortgage Lending. *Foreclosed: High-Risk Lending, Deregulation, and the Undermining of America's Mortgage Market*. (pp. 133-166). Ithaca, NY: Cornell University Press.

Jones, S. (2013, August 19). Hundreds of millions spent on blight. There's a better way. Retrieved

November 23, 2016, from http://axisphilly.org/article/hundreds-of-millions-spent-on-blight-theres-a-better-way/

Jursinski, K (2010). The Mortgage Foreclosure Crisis in Florida: A 21st Century Solution. P. 91. *The Florida Bar Journal*, Vol. 84, No. 6 June 2010.

Keeping America Beautiful: PHS's 'Cleaning and Greening' LandCare Program - Center for High Impact Philanthropy - *University of Pennsylvania.* (2014, April 17). Retrieved November 23, 2016, from http://www.impact.upenn.edu/keeping_america_beautiful_phss_cleaning_and_greening_landcare_program/

Kingsley, G. T., Smith, R., & Price, D. (2009). The impacts of foreclosures on families and communities. *Washington, DC: The Urban Institute*, 757-786.

LandCare FAQs. (n.d.). Retrieved November 23, 2016, from http://phsonline.org/programs/landcare-program/landcare-faqs

Lerner, M. (2016, July 21). D.C. to reopen foreclosure-prevention program. Retrieved November 28, 2016, from https://www.washingtonpost.com/news/where-we-live/wp/2016/07/21/d-c-to-reopen-foreclosure-prevention-program/

Mak, A. (2016, June 20). Milwaukee foreclosure initiative honored for innovation. Retrieved November 23, 2016, from http://archive.jsonline.com/news/milwaukee/milwaukee-foreclosure-initiative-honored-for-innovation-b99747624z1-383713601.html

Manatee Community Action Agency, Inc. (n.d.). Retrieved November 29, 2016, from http://manateecaa.org/housing.asp

Manatee County Government. (n.d.). State Housing Initiative Partnership (SHIP). Local Housing Assistance Plan. Retrieved from http://www.floridahousing.org/FH-ImageWebDocs/Housing%20Partners/Local%20Governments/LHAPS/County%20LHAPS/Manatee%2015-18.pdf

Manatee County, FL Grant Performance Report. (2016). Housing and Urban Development (HUD). Retrieved from https://www.hudexchange.info/resource/reportmanagement/published/NSP_QPR_Grantee_1_MANA-FL_FL_20160630.pdf

Martin, S, and Harrington, J. (2016, October 14). Tampa Bay neighborhood ravaged by the housing crash makes its way back; but could it happen again? *Tampa Bay Times.* Retrieved from http://www.tampabay.com/news/business/realestate/tampa-bay-neighborhood-ravaged-by-the-housing-crash-makes-its-way-back-but/2298029

Minnesota Homeownership Center: Guiding Minnesota Home. Retrieved from http://www.hocmn.org/

Minnesota HUD approved foreclosure counseling agencies. Retrieved from http://www.needhelppayingbills.com/html/minnesota_hud_foreclosure_coun.html

Monmonier, M. (1996). Data maps: Making nonsense of the Census. In *How to lie with maps.* Chicago, IL: The University of Chicago Press.

Mortgage Loan Products. (2016). District of Columbia Housing Finance Agency. Retrieved from http://www.dchfa.org/DCHFAHome/Homebuyers/MortgageLoanProducts/tabid/275/Default.aspx

Neighborhood Lending Program Home Purchase and Purchase/Rehab. (n.d.). Retrieved November 27, 2016, from https://www.cityofchicago.org/city/en/depts/dcd/supp_info/neighborhood_lendingprogramhomepurchaseandpurchaserehab.html

NHS Chicago. (n.d.). Retrieved November 27, 2016, from http://www.nhschicago.org/buy/education/

NHS Chicago Education. (n.d.). Retrieved November 28, 2016, from http://www.nhschicago.org/buy/education/

Northside Neighborhood Initiative II Milwaukee, WI. (2015). Federal Home Loan Bank of Chicago. Retrieved from https://www.fhlbc.com/ProductsandServices/CommunityInvestmentsandAffordableHousingPrograms/Documents/Northside%20Neighborhood%20Initiative%20II.pdf

O'Brien, B. (2016, January 18). Northside Housing Initiative tackles housing and employment issues plaguing the city. Retrieved from http://milwaukeenns.org/2016/01/18/northside-housing-initiative-tackles-housing-and-employment-issues-plaguing-the-city/

Performance Report. (2013). Manatee County. Retrieved from https://www.hudexchange.info/resource/reportmanagement/published/NSP_QPR_Grantee_3_MANA-FL_FL_20130930.pdf

Philadelphia Residential Mortgage Foreclosure Diversion Program-Report of Findings. (2014, November). The Reinvestment Fund. Retrieved from https://www.reinvestment.com/wp-content/uploads/2015/12/Diversion_Court_Findings-Update_Report_2014.pdf

Podmolik, M. E. (2014, November 17). New head of Chicago housing agency faces challenging role. Retrieved from http://www.chicagotribune.com/classified/realestate/ct-mre-1123-podmolik-homefront-20141117-column.html

Preservation of Affordable Housing. (n.d.). Retrieved November 27, 2016, from http://www.gormanusa.com/Portfolio/Preservation-of-Affordable-Housing/Northside-Neighborhood-Initiative.aspx

President Judge C. Darnell Jones announces adoption of Residential Mortgage Foreclosure Diversion Pilot Program (2008, April 16). First Judicial District of Pennsylvania Philadelphia Court of Common Pleas. Retrieved from http://www.courts.phila.gov/pdf/notices/2008/notice-2008-Press-Release-Mortgage-Foreclosure-Pilot-Program.pdf

Pruett, C. E. (2012). If You Build It Will They Come-Foreclosure Mediation in Franklin County, Ohio. *Cap. UL Rev.*, *40*, 935.

Quarterly Report to Congress. Retrieved November 27, 2016, from https://www.sigtarp.gov/Audit%20Reports/Homeowners_Have_Struggled_With_Low_Admission_Rates.pdf

Refinance Counseling (n.d). Washington County Housing and Redevelopment Authority. Retrieved from http://www.wchra.com/refinance-counseling

Revitalizing Foreclosed Properties with Land Banks. (2009, August). Sage Computing Inc. Retrieved from https://www.huduser.gov/portal/publications/landbanks.pdf

Rosenthal, E., & Jarvis, S. (2013). GREENING THE METROPOLIS.

Safuto, V. (2009). Palmetto commission approves millage, budget. *The Bradenton Times.* Retrieved from http://thebradentontimes.com/palmetto-commission-approves-millage-budget-p2969-158.htm

SaveTheCave.com. (2016). State of Florida Foreclosure Help Programs. *SaveTheCave.com Your Foreclosure Survival Guide*. Retrieved from <http://savethecave.com/florida-foreclosure-law/florida-foreclosure-process/florida-foreclosure-help/

Schilling, J., & Logan, J. (2008). Greening the rust belt: A green infrastructure model for right sizing America's shrinking cities. *Journal of the American Planning Association*, *74*(4), 451-466.

SERLIN, C. (2014). DEVELOPER HELPS TO TRANSFORM MILWAUKEE NEIGHBORHOODS. RETRIEVED FROM HTTP://WWW.HOUSINGFINANCE.COM/DEVELOPMENTS/DEVELOPER-HELPS-TO-TRANSFORM-MILWAUKEE-NEIGHBORHOODS_O

Simmons, M. (n.d.). Baltimore Housing Department To Demolish 600 Homes - Sell DC. Retrieved November 27, 2016, from http://www.selldc.com/baltimore-housing-department/

Special Inspector General for the Troubled Asset Relief Program (SIGTARP) (2015). SIGTARP Tag Archives: Northside-neighborhood-initiative. (2015). Retrieved November 28, 2016, from http://gormanusa.net/tag/northside-neighborhood-initiative-2

Spielman, S.E., Folch, D. & Nagle, N. (2014). Patterns and causes of uncertainty in the American Community Survey. *Applied Geography, 46*, 147-157.

Timeline of events in the financial crisis. (2011, January 28). Retrieved from http://usatoday30.usatoday.com/money/economy/2011-01-28-financial-crisis-timeline_N.htm

Twelfth Judicial Circuit Court of Florida. (n.d.). Manatee County Foreclosure Information Retrieved from https://www.jud12.flcourts.org/ProgramsServices/ForeclosureHome/ManateeForeclosureInformation.aspx

United States Census Bureau. (2016, November 10). City Quickfacts: Plametto city, Florida. Retrieved November 10, 2016, from http://www.census.gov/quickfacts/table/PST045215/1254250

United States Census Bureau. (2014). Small populations in the American Community Survey. Washington, D.C. Retrieved from ftp://ftp.census.gov/cac/nac/reports/2014-August_ACS_wg report.pdf.

United States Census Bureau. (2016). American Community Survey: Data suppression. Washington, D.C. Retrieved from https://www2.census.gov/programs surveys/acs/tech_docs/data_suppression/ACSO_Data_Suppression.pdf

United States Census Bureau. QuickFacts: Palmetto city, Florida. Retrieved from http://www.census.gov/quickfacts/table/PST045215/1254250.

United States Conference of Mayors. (2008). Vacant and Abandoned Properties- Survey and Best Practices. Retrieved from https://www.usmayors.org/bestpractices/vacantproperties08.pdf

Vidmar (2008). Seven Ways Foreclosures Impact Communities. NeighborWorks America. Retrieved from https://policylinkcontent.s3.amazonaws.com/SevenWaysForeclosuresImpactCommunities_NeighborWorks_1.pdf

Wachter, S. M., & Gillen, K. C. (2006). Public investment strategies: How they matter for neighborhoods in Philadelphia. *The Wharton School, University of Pennsylvania*.

Wells, C. (2015, November 12). Five years in, city Vacants to Value program showing mixed results. Retrieved November 27, 2016, from http://www.baltimoresun.com/news/maryland/baltimore-city/bs-md-vacants-to-value-20151112-story.html

What Homeowners Need Now. (2012, February 11). The New York Times. Retrieved from http://www.nytimes.com/2012/02/12/opinion/sunday/the-foreclosure-settlement-what-homeowners-need-now.html

Williams, T. (2013, November 12). Blighted Cities Prefer Razing to Rebuilding. Retrieved November 27, 2016, from http://www.nytimes.com/2013/11/12/us/blighted-cities-prefer-razing-to-rebuilding.html

Appendix A

American Community Survey (ACS) 2014 5- year Estimates
(Census Tract Data)

	13	14.02	14.03	15.02
TOTAL POPULATION	3281	1429	4946	6019
TOTAL HOUSEHOLDS	1398	717	2045	1915
MEDIAN HOUSEHOLD INCOME	$43,462	$52,961	$32,221	$38,153
INCOME TO POVERTY LEVEL				
UNDER .50	367	17	755	1057
.50 TO .99	189	26	119	468
1.00 TO 1.24	130	46	353	831
1.25 TO 1.49	268	113	413	350
1.50 TO 1.84	335	52	272	737
1.85 TO 2.00	26	34	272	210
2.00 & OVER	1929	1141	2762	2228
HOUSEHOLD COMPOSITION				
FAMILY HOUSEHOLDS	712	405	1304	1442
MARRIED-COUPLE HOUSEHOLDS	555	381	970	941
OTHER FAMILY TYPE	157	24	334	501
NONFAMILY HOUSEHOLDS	686	312	741	473
EDUCATION				
LESS THAN A HIGH SCHOOL DEGREE	312	107	539	924
HS DEGREE OR EQUIVALENT	1030	339	1523	1424
SOME COLLEGE COMPLETED	466	302	640	680
ASSOCIATE'S DEGREE	155	87	147	131
BACHELOR'S DEGREE	389	147	540	534
MASTER'S DEGREE	129	157	234	80
PROFESSIONAL DEGREE	29	41	16	20
DOCTORATE DEGREE	44	37	12	8
TOTAL POPULATION >= 25	2554	1217	3651	3801
RACE				
WHITE	3233	1429	4657	3304
BLACK OR AFRICAN AMERICAN	46	0	41	2109
AMERICAN INDIAN OR ALASKAN NATIVE	0	0	0	33
ASIAN	0	0	0	22
NATIVE HAWAIIAN OR PACIFIC ISLANDER	0	0	0	0
SOME OTHER RACE	2	0	236	466
TWO OR MORE RACES	0	0	12	85
TWO INCLUDING OTHER RACE	0	0	0	12
THREE OR MORE RACES	0	0	12	73
AGE				
MEDIAN AGE	49.6	62.8	52.1	38.4
HOUSING OCCUPANCY				
NUMBER OF HOUSING UNITS	1731	1131	2887	2529
HOMES OCCUPIED	1398	717	2045	1915

OWNER-OCCUPIED HOUSING UNITS	967	588	1516	1131
SINGLE DETACHED HOMES	954	465	920	927
SINGLE ATTACHED HOMES	46	143	267	163
MULTIUNIT HOMES	269	40	656	1051
MOBILE HOMES	462	475	1044	380
RV/BOAT/ETC. HOMES	0	8	0	8
REGRESSION STATISTICS				
MEDIAN AGE	49.6	62.8	52.1	38.4
POP >= 25 WITH A DEGREE	29.2%	38.5%	26.0%	20.3%
MEDIAN HOUSEHOLD INCOME	$43,462	$52,961	$32,221	$38,153
POP WITH INCOME < POVERTY LINE	16.9%	3.0%	17.7%	25.3%
PERCENT OF MARRIED HOUSEHOLDS	39.7%	53.1%	47.4%	49.1%
PERCENT OF HOMES OCCUPIED	80.8%	63.4%	70.8%	75.7%
PROPORTION OF MOBILE AND MULTIUNIT HOMES TO TOTAL	42.2%	45.5%	58.9%	56.6%
FORECLOSURES (2007-2015)	90	41	157	106
FORECLOSURES_ADJUSTED	5.2%	3.6%	5.4%	4.2%

Appendix B

Survey Questions for Foreclosure Practitioners

Interview 1

1. Tell me a little about yourself. How long have you been involved in real estate law? How did you get involved in this line of work? What are your specific responsibilities now?

2. How long have you/your firm been working specifically with mortgage defaults? How did you get involved in that?

3. Can you walk me through a "typical" default case? Who are your typical clients? How do clients find you?

4. What would you say are the reasons people typically find themselves behind on their payments?
   - ➔ Loss of income
   - ➔ Change in family status (divorce, death)
   - ➔ Health problems
   - ➔ Unanticipated home ownership expenses
   - ➔ Adjustable rate leads to unaffordable payments
   - ➔ Other

5. Do many clients come when they are simply behind on their mortgage? After a Lis Pendens? Or further in the foreclosure process?

6. Would you say that clients come generally hoping to stay in their homes, or are seeking an exit strategy?

7. We were referred to speak with you by the 12th Judicial Circuit court's managed mediation program - how did you become involved in the program?
   a. How do these cases differ from how you described your typical mortgage default cases?
   b. What is your general opinion of the managed mediation program?
   c. Would you have any suggestions to improve it?

8. After experiencing the height of the foreclosure crisis a few years back, what sort of court program, whether mandated by the court or via state/federal legislation, would you prefer be in place say a similar crisis occur again?

Interview 2

1. Tell me a little about yourself. How long have you been involved in consumer protection/bankruptcy? How did you get involved in this line of work? What are your specific responsibilities now?

2. How long have you/your firm been working specifically with foreclosure defense? How did you get involved in that?

3. Can you walk me through a "typical" foreclosure defense case? Who are your typical clients? How do clients find you?

4. What would you say are the reasons people typically find themselves behind on their payments?
   - ➔ Loss of income
   - ➔ Change in family status (divorce, death)
   - ➔ Health problems
   - ➔ Unanticipated home ownership expenses
   - ➔ Adjustable rate leads to unaffordable payments
   - ➔ Other

5. Do many clients come when they are simply behind on their mortgage? After a Lis Pendens? Or further in the foreclosure process?

6. Would you say that clients come generally hoping to stay in their homes, or are seeking an exit strategy?

7. We were referred to speak with you by the 12th Judicial Circuit court's managed mediation program - how did you become involved in the program?
   a. How do these cases differ from how you described your typical mortgage default cases?
   b. What is your general opinion of the managed mediation program?
   c. Would you have any suggestions to improve it?

8. After experiencing the height of the foreclosure crisis a few years back, what sort of (court) program, whether mandated by a court or via state/federal legislation, would you prefer be in place say a similar crisis occur again?

Interview 3

1. Tell me a little about yourself. How long have you been working with *ABC Legal Services*? How did you get involved in this line of work at *ABC Legal Services*? What are your specific responsibilities now?

2. Can you walk me through a "typical" foreclosure counseling case? Who are your typical clients? How do clients find you? Does this vary drastically for foreclosure defense cases?

3. So *ABC Legal Services* assists lower-income clients, are you able to define what that threshold is? What boxes do clients need to check other than an income requirement?

4. Are you at liberty to mention any of *ABC Legal Services'* funding sources? Do you have any grants/funding sources specifically for aiding clients in need for foreclosure assistance services?

5. How often are the types of assistance *ABC Legal Services* provides directed to the same client? (i.e. wrongful eviction since foreclosure was going on)

6. What would you say are the reasons people typically find themselves struggling financially (and dealing with foreclosure, eviction)?
   - ➔ Loss of income
   - ➔ Change in family status (divorce, death)
   - ➔ Health problems
   - ➔ Unanticipated home ownership expenses
   - ➔ Adjustable rate leads to unaffordable payments
   - ➔ Other

7. Would you say that clients come generally hoping to stay in their homes, or are seeking an exit strategy?

8. What other programs/services are you aware of that your clients also or could benefit from, specifically in Manatee County?

9. What additional type of program/policy from the government/courts would help *ABC Legal Services* better serve its clients?

Appendix C

Summary of other foreclosure assistance programs.

Type of Foreclosure Practice	Program Title	Summary
Financial assistance for first-time homebuyers	Boston Home Center	Partners with Metro Credit Union to provide first-time homebuyers with educational courses, financial assistance, and foreclosure prevention counseling. The program offers several online classes in a wide variety of topics including reducing mortgage payments, negotiating with lenders, and credit scope improvement. Goal is to make sure the community reaches financial stability. As a recent program, there isn't enough evidence to say whether it is a success or not, although it has the program components to be a success (Boston Home Center Classes).
Demolition of dilapidated properties	The Vacants to Value Program, Baltimore	Instead of spending the money to rehabilitate foreclosed properties, Baltimore is demolishing its neighborhoods with the highest foreclosure rates. The city has partnered with developers who rehabilitate the properties. However, the housing the developers put in place was not exactly affordable. For areas that are severely distressed, large-scale demolition is cited as the only solution to repurpose land to improve the health of neighborhoods. One of the uses for the now-vacant lots is to let amateur farmers use the land to grow fruits and vegetables which members of the community can buy. End of 2014 showed that 448 out of thousands of properties had been rehabbed (Simmons) (Wells, 2015).
Affordable housing and financial stability	Cleveland Housing Network	Objective is to build strong and vibrant neighborhoods through quality affordable housing and financial stability. Every year, serves 30,000 low-income households by providing housing-related services. Known for its tax credit finance program called lease purchase, which gives low-income families a pathway to homeownership. Program has helped over 1,000 families become homeowners so far (Cleveland Housing Network).

Land Bank	Genesse County Land Bank Authority, Flint, Michigan	10 different programs are operated to ensure that the tax-foreclosed properties are efficiently reused, to restore value to the community. The land bank renovates around 50 abandoned and dilapidated houses per year and uses them to provide affordable housing in the area. A national model for public land banks, the Genesse County Land Bank owns almost 9,000 properties, has demolished more than 1,700, and eradicated almost 30 percent of the city's blight. While it is a national model of success, there are various other large county land banks that offer the same programs and have near the same success rates (Revitalizing Foreclosed Properties with Land Banks, 2009).
Code Enforcement	Chula Vista, California	Implemented an Abandoned Residential Registration Program that requires mortgage lenders to inspect defaulted properties, and if vacant, they must secure and maintain the property and register it with the city. The property is inspected by the city on a weekly basis. The contact information for the person responsible for the property must be posted on site. Those who don't comply will be hit with a fine of up to 1,000 and criminal citations. Even though it is cited by multiple sources as a best practice, there is very little data that proves it is a success after 2009. (U.S. Conference of Mayors, 2008).
Mortgage Dispute Resolution	Philadelphia Residential Mortgage Foreclosure Diversion Program	Provides the borrower and lender a mediation opportunity to resolve foreclosure financial issues before any legal or sheriff sale proceedings take place. Main goal of program is to facilitate loan work-out and other solutions to help homeowners retain their properties. The city courts hold conciliations sessions in which the lenders' attorneys and the borrowers and their housing counselors meet to work out foreclosure options. Statistics available from 2011, only about 33% of eligible cases were able to reach an agreement with their lenders. Of those 33%, 85% of those homeowners were able to keep their home (Philadelphia Residential Mortgage Foreclosure Diversion Program-Report of Findings, 2014).

Appendix D

Interview questions for housing conditions survey.

2. Type of Building
Single- Family Home
Multiple- Family Dwelling 2-4 units
Multiple- Family Dwelling 5 or more units
Industrial (e.g. Factory or Warehouse
Mixed- use without residential
Mixed- use with residential
Other

4. Overall Exterior Condition of Building
Good condition and needs no maintenance or repair
Need minor repair
Requires at least one major repair
Requires comprehensive renovation
Dilapidated and not able to be repaired or renovated
Construction of building of not complete

5. Need minor repairs - Exterior
Roof
Gutters
Windows
Exterior doors
Siding/ Exterior walls
Foundation
Porches/Balconies
Attached garage
Driveway
Other

6. Major Repair- Exterior
Roof
Gutters
Windows
Exterior doors
Siding/Exterior walls
Foundation
Porches/Balconies
Attached garage
Driveways
Other

7. Overall condition of the Features around the Building
Good condition and needs no maintenance or repair
Need minor repair
Requires at least one major repair
Requires comprehensive renovation
Dilapidated and not able to be repaired or renovated
Construction of building of not complete
None

8.Minor Repairs- Around the Building
Detached garage
Other detached structure(s)
Fencing
Sidewalk(s) and walkway(s)
Driveway
Other

9. Major Repairs- Around Building
Detached garage
Other detached structure(s)
Fencing
Sidewalk(s) and walkway(s)

10. Trash, Debris, or Litter on Prop
A lot
Some
None

Driveway
Other

11. Lawn and/or Landscaping on Prop
Well maintained
Adequately Maintained
Poorly Maintained

12. Structure Vacant
Yes
No

13. Security Treatment
Fully secured in a solid manner so that it appears occupied or in use
Not fully Secured

15. Evidence of Pride
To a great extent
To a moderate extent
To little extent