



Foreclosed Property as Community Housing Assets

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IN PARTNERSHIP
*with the Department of Housing
and Urban Development*



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Federal Reserve Bank of San Francisco



Community Affairs Function

- Established at each regulatory agency to facilitate compliance with the Community Reinvestment Act
- Support the economic growth objectives of the Federal Reserve Act by promoting community and economic development, and fair and equal access to credit



CRA Eligible Activities

- Affordable housing (including rental housing) for low- or moderate-income (LMI) individuals
- Community services targeted to LMI individuals
- Activities that promote economic development by financing small businesses or small farms
- Activities that revitalize or stabilize LMI geographies, certain distressed or underserved rural areas and areas affected by disasters
 - Regulation expanded to encourage support for NSP activities

(<http://www.federalreserve.gov/newsevents/press/bcreg/20101215a.htm>)



Need for Broader Solutions





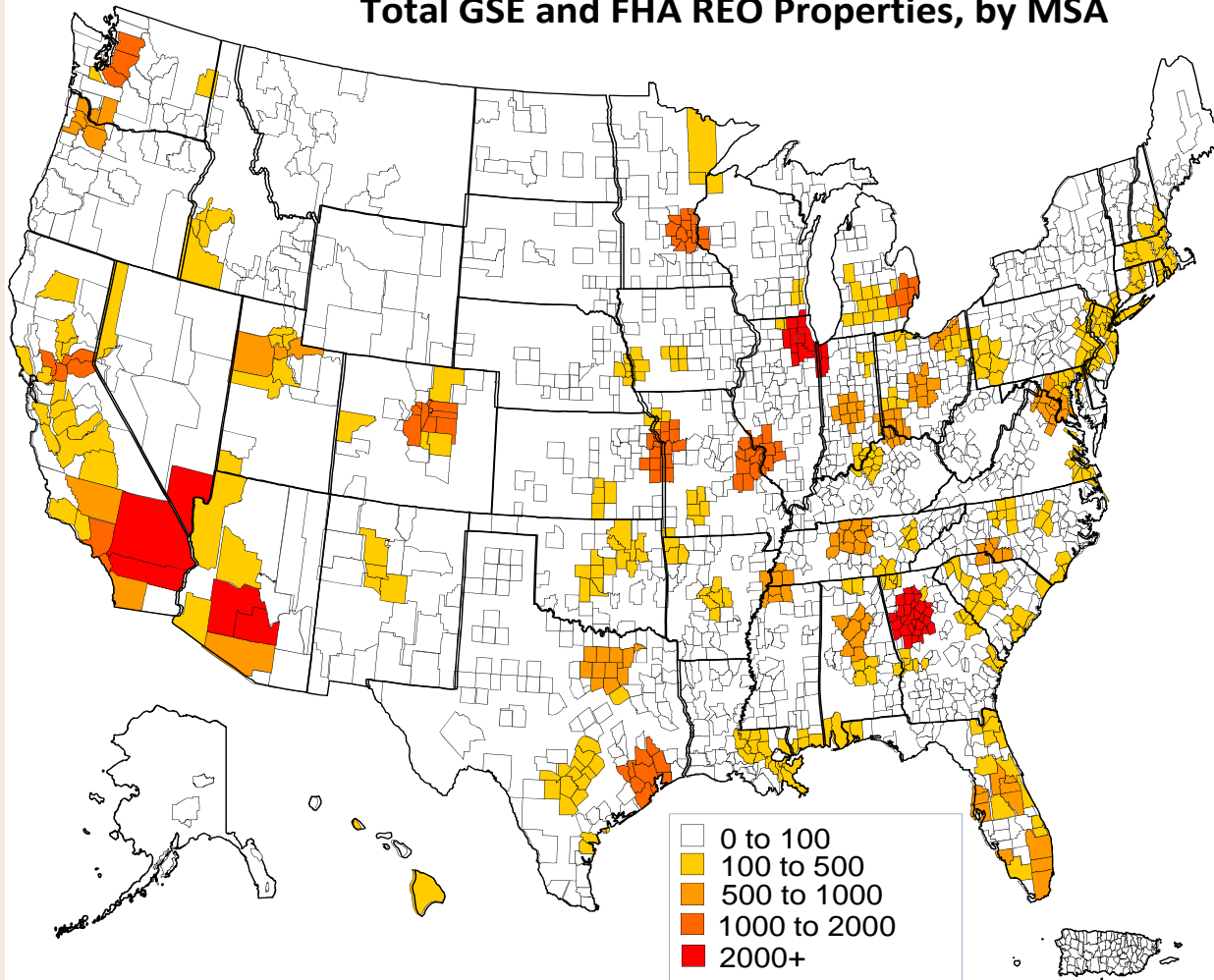
Goals for Today

- Explore the feasibility of acquiring foreclosed properties for long term retention
 - Strategies for property acquisition
 - Property retention and rental management
- Identify partners, ideas and resources to execute and be successful
 - HomeHub
- Gather ideas for the FHFA request
 - <http://www.fhfa.gov/webfiles/22367/FHFARFIReleaseFinal.pdf>



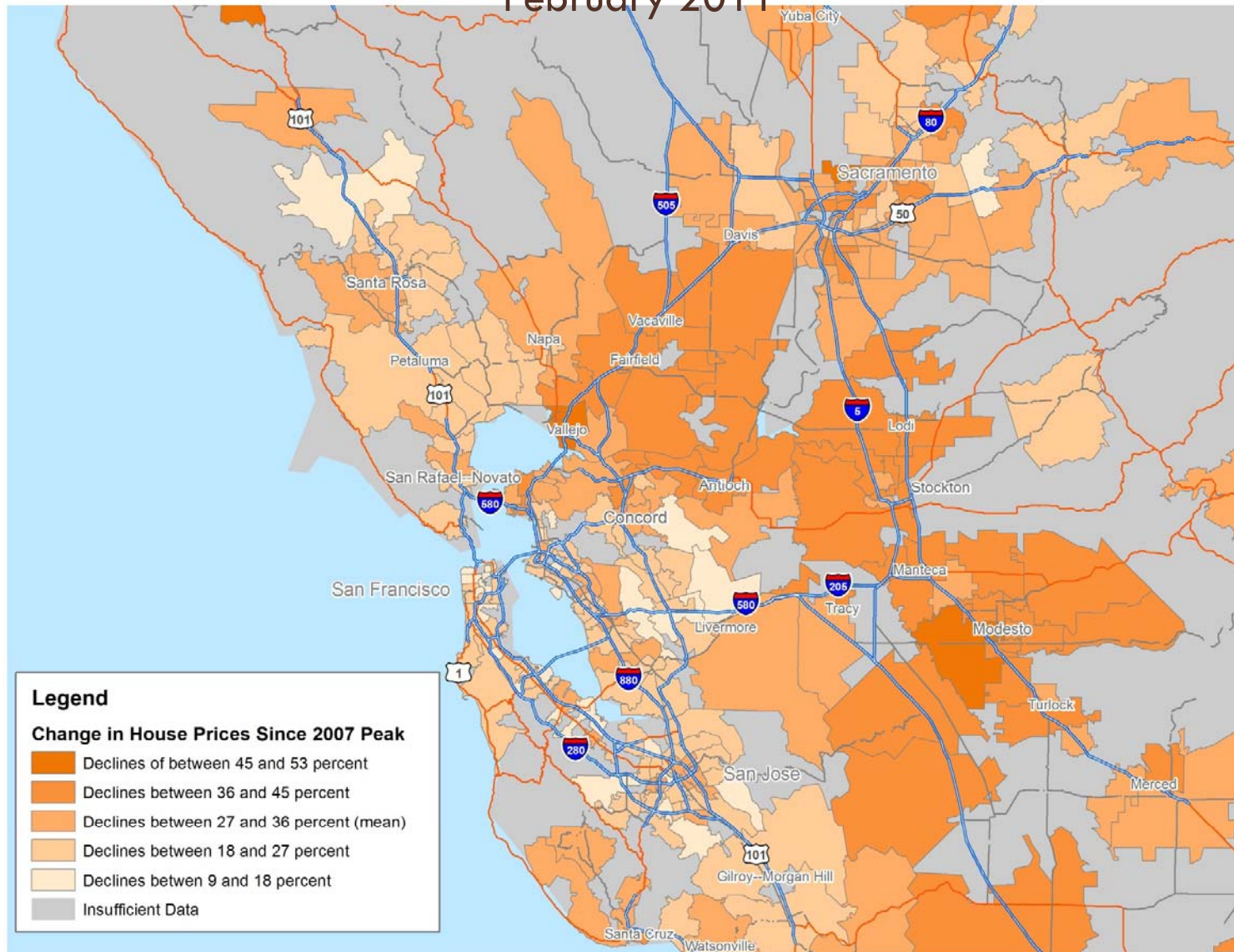
FHFA Portfolio Map

Total GSE and FHA REO Properties, by MSA



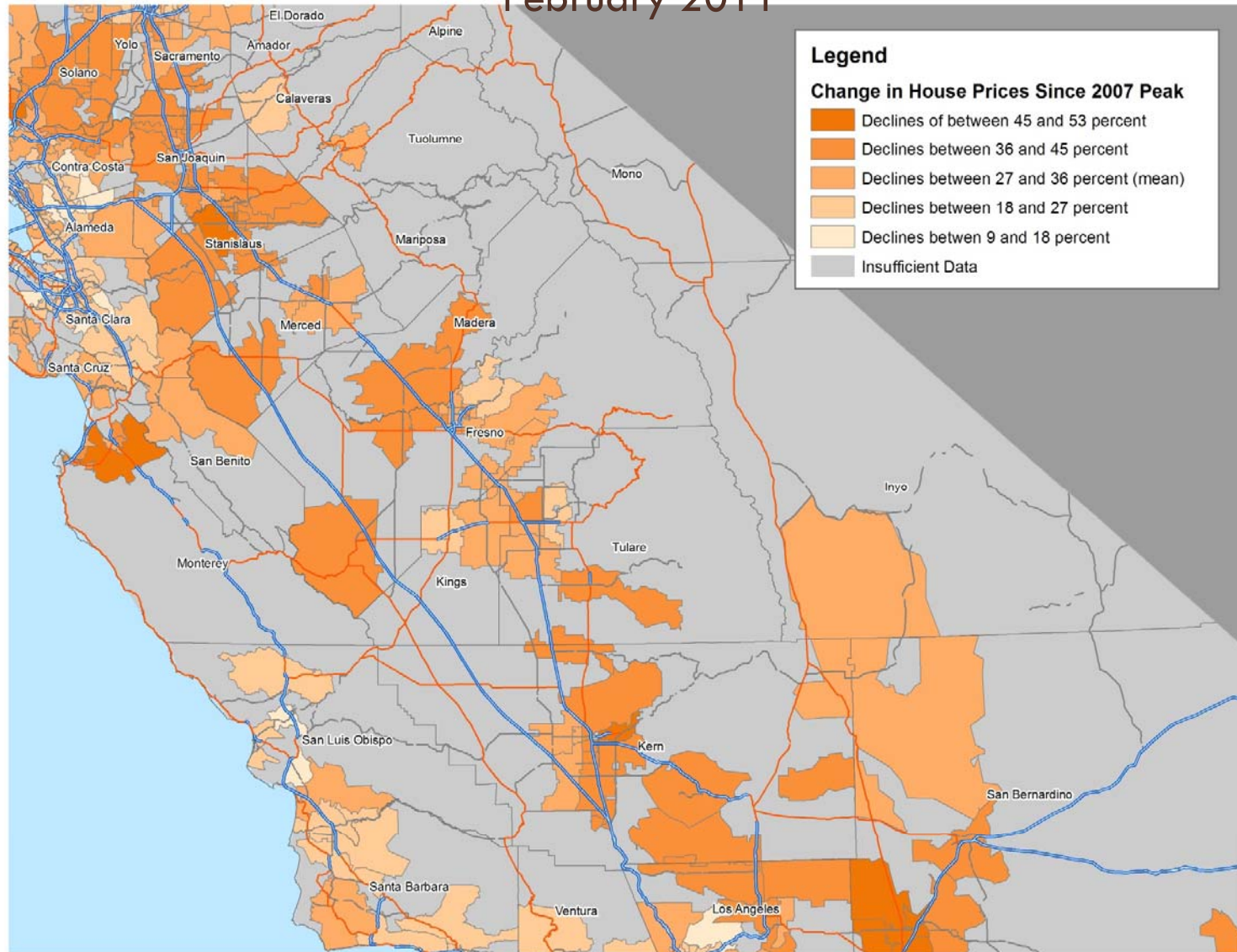
Changes in House Prices Since 2007 Peak

February 2011



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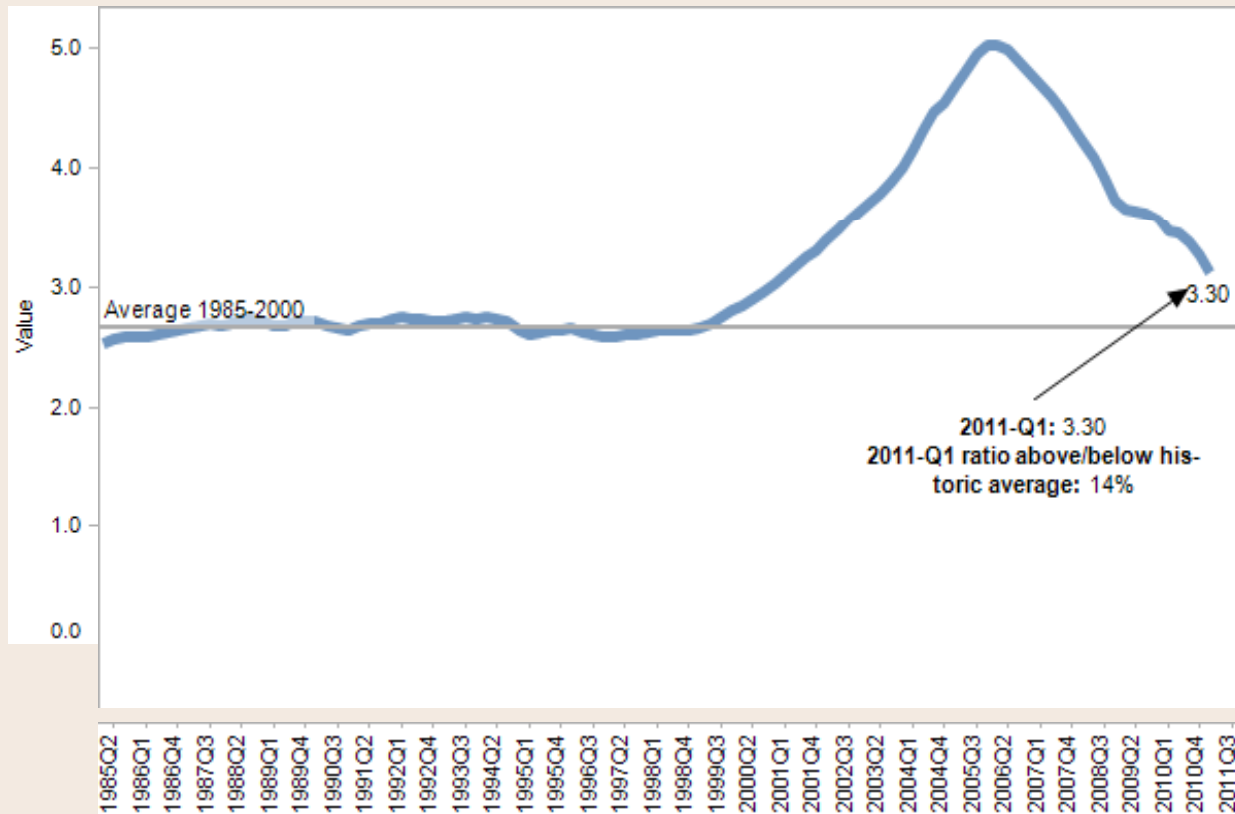
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Values Still High Relative to Income

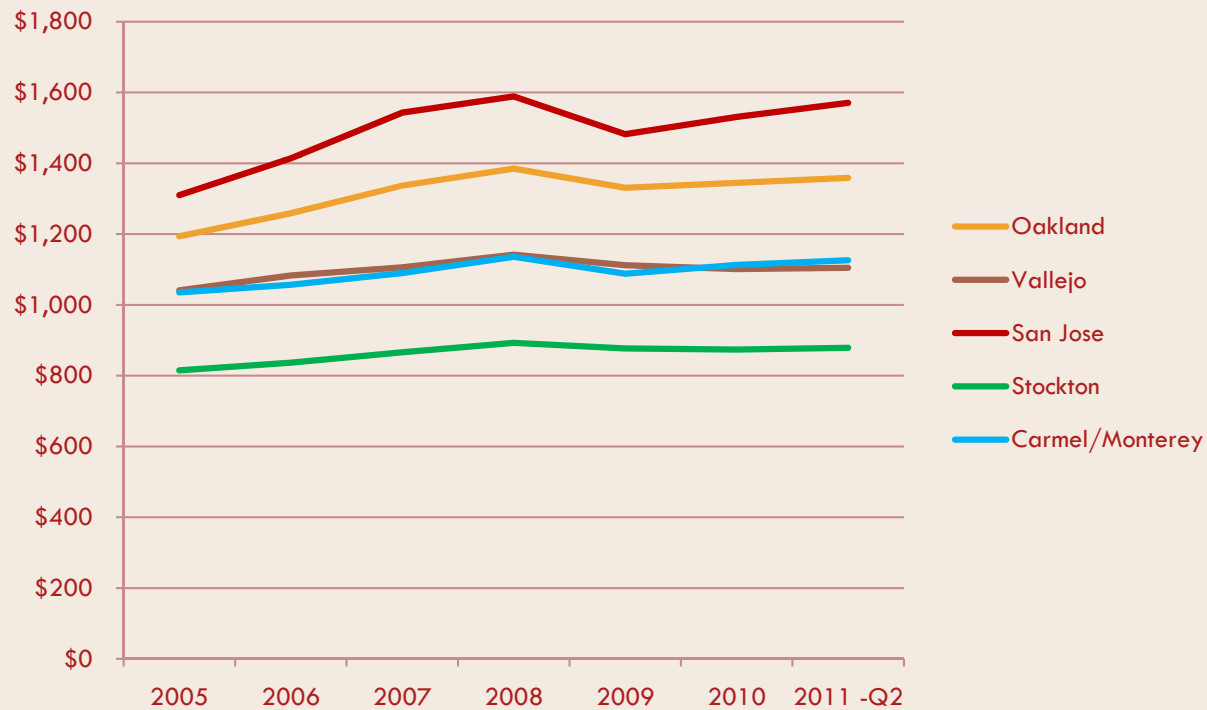
US Price to Income Ratio (1985 - 2011)



<http://www.zillow.com/blog/research/category/briefs/real-estate-analytics/>



Rents Have Steadily Increased

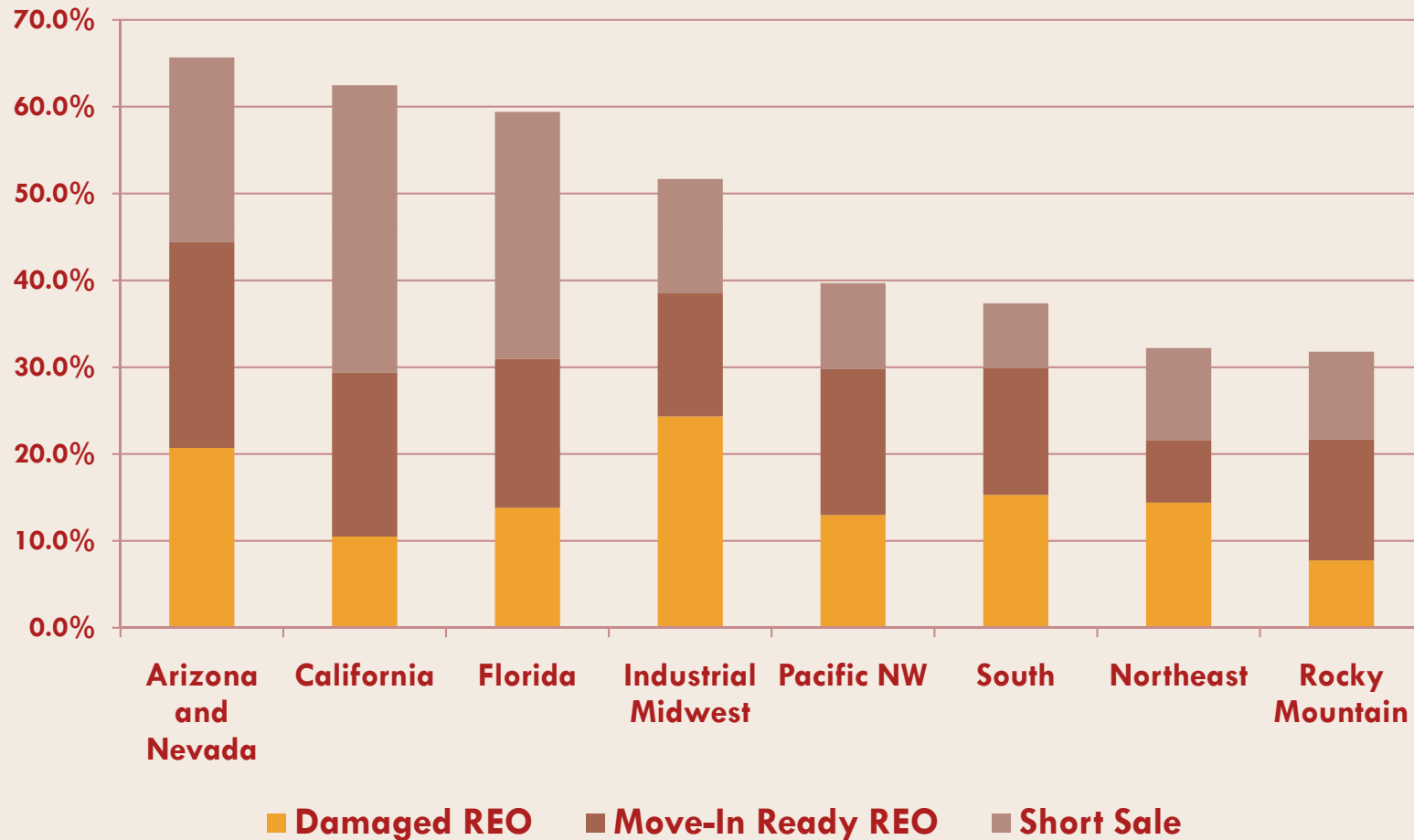


Source: Reis.com

According to the National Low Income Housing Coalition the annual income necessary to afford a 2 bedroom FMR in CA is \$54,431



Composition of distressed sales



Source: Campbell/Inside Mortgage Finance *HousingPulse* Monthly Survey of Real Estate Market Conditions, Feb 2011



Neighborhood stabilization: concerns over investor purchases of distressed properties

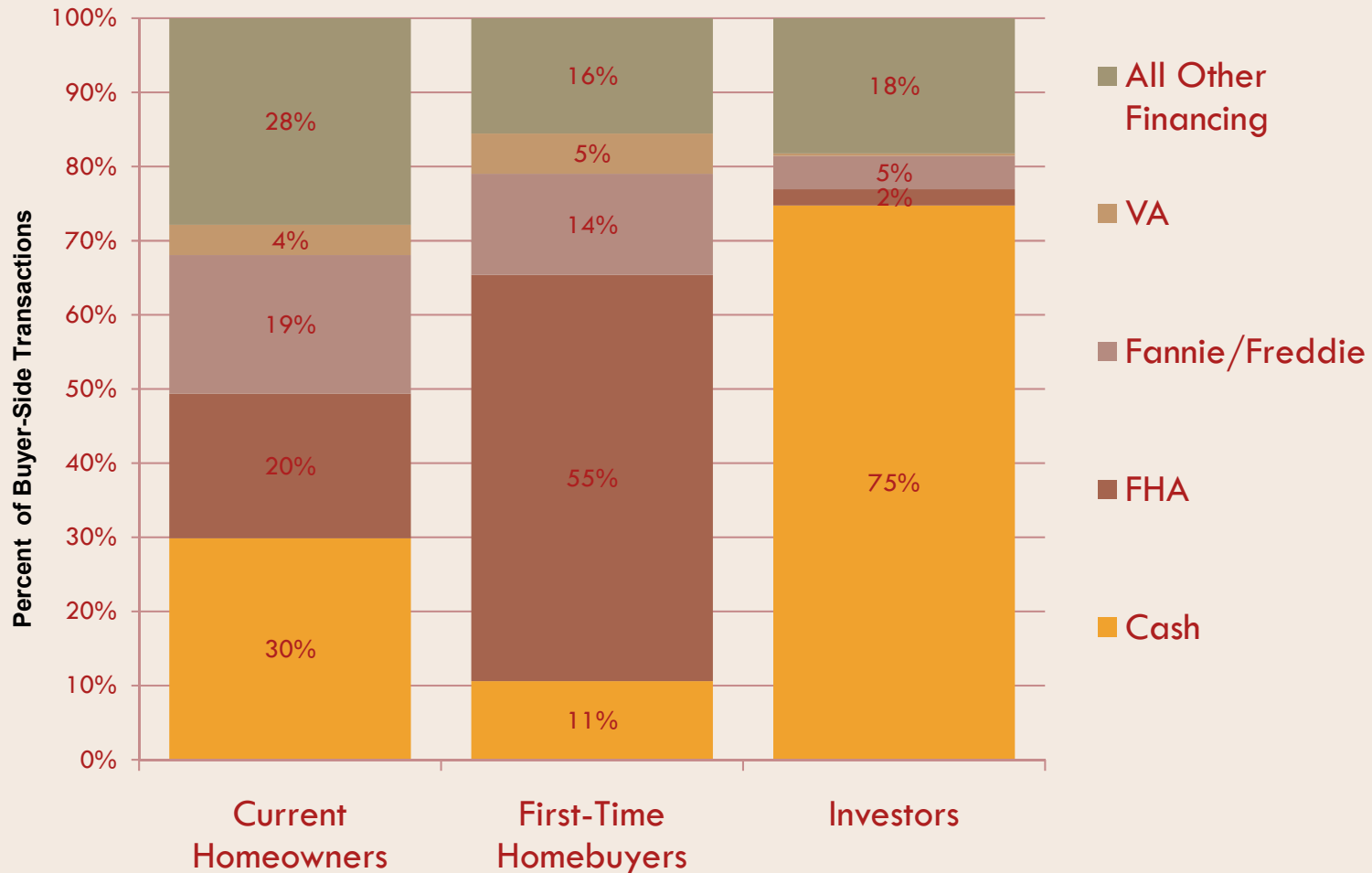
Who Is Buying Properties?—February 2011



Source: Campbell/Inside Mortgage Finance *HousingPulse* Monthly Survey of Real Estate Market Conditions, Feb 2011



Financing for home purchases



Source: Campbell/Inside Mortgage Finance *HousingPulse* Monthly Survey of Real Estate Market Conditions, Feb 2011



Mapping the Property

- <http://www.ffiec.gov/geocode/default.aspx>
- www.policymap.com
- <http://www.zillow.com/local-info/>



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