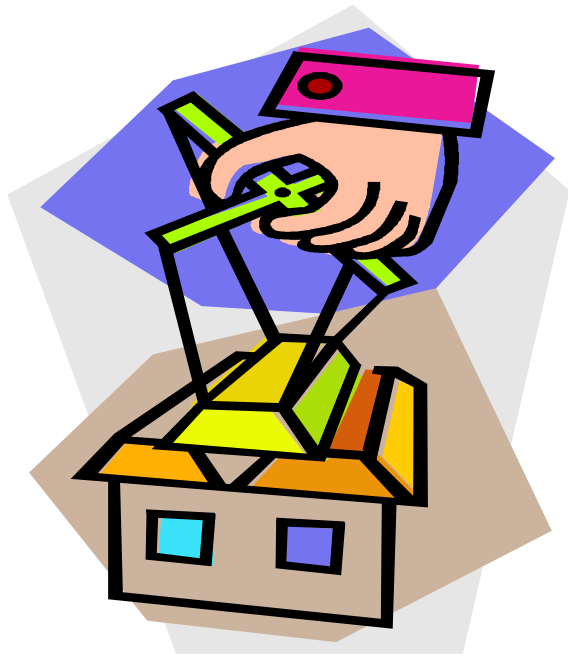


City of Orange Township
Neighborhood Stabilization
and Recovery Plan:
Foreclosure Prevention and
Management



January 14, 2009

6:30 PM

Orange Council Chambers

FORECLOSURE PREVENTION AND MANAGEMENT

Agenda

- **Welcome** – Eldridge Hawkins, Jr., Mayor
- **Federal Plans** – Kellie Drakeford, Deputy Chief of Staff for United States Senator Robert Menendez
- **Public/Private Partnerships** – E. Michael Taylor, Director of Employment and Community Development for Essex County
- **Orange Foreclosure Prevention and Management Strategy** – Valerie Jackson, Acting Director of Planning and Economic Development
- **Orange Foreclosure Problem, Implications & Upcoming Workshops** – Chris Mobley, Deputy Director, Planning and Economic Development
- **Homeowners Facing Foreclosure & Avoiding Financial Frauds** – Phyllis Salowe-Kaye, Executive Director, NJ Citizen Action
- **Housing Mortgage Financial Assistance (HMFA) Mortgage Assistance Programs** –
- **Questions & Answers**

FORECLOSURE PREVENTION AND MANAGEMENT

“Develop and implement a comprehensive and strategic plan to address the housing crisis within the City and stabilize neighborhoods that have experienced a rise in foreclosures.”

“Foreclosures contribute to declining home values and vacant, blighted properties.”



FORECLOSURE PREVENTION AND MANAGEMENT

Strategies

- Partner with government, non-profit and private entities to provide resources to assist homeowners and return bank-owned, vacant properties to productive use
- Leverage public, non-profit and private resources to address the housing crisis in the City
 - Funding Sources and/or Partners
 - NJ DCA Neighborhood Stabilization Program (NSP)
 - Community Development Block Grant (CDBG)
 - HOME
 - Essex County
 - Housing And Recovery Program (HARP)
 - Private and Non-Profit Developers
 - HUD Certified Housing Counseling Agencies



FORECLOSURE PREVENTION AND MANAGEMENT

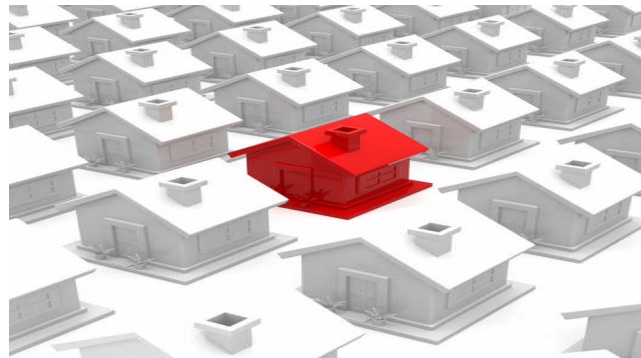
Strategies Continued

- Develop and maintain inventory of all foreclosed, bank-owned and vacant properties
- Facilitate rational decision-making about which properties to acquire, rehab and/or demolish
- Demolish blighted properties that cannot be rehabilitated and create interim uses such as community green spaces/parks/gardens where appropriate
- Create and maintain bench of prospective home buyers
 - Target home buyers at both 120% and 50% of average median income
 - Implement the “Live Where You Work Program”

FORECLOSURE PREVENTION AND MANAGEMENT

Strategies Continued

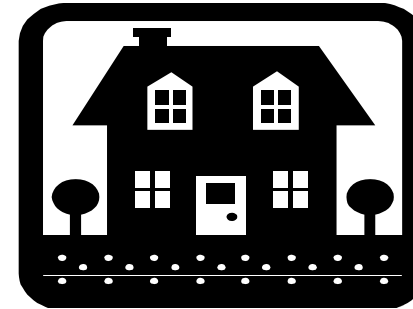
- Train City staff in how to direct homeowners and/or prospective homeowners to the appropriate agency
- Provide tailored assistance to homeowners that meet their specific needs



FORECLOSURE PREVENTION AND MANAGEMENT

Expected Outcomes

- Improved quality of life
- Reduction in foreclosures
- Reduction in vacant, blighted dwellings



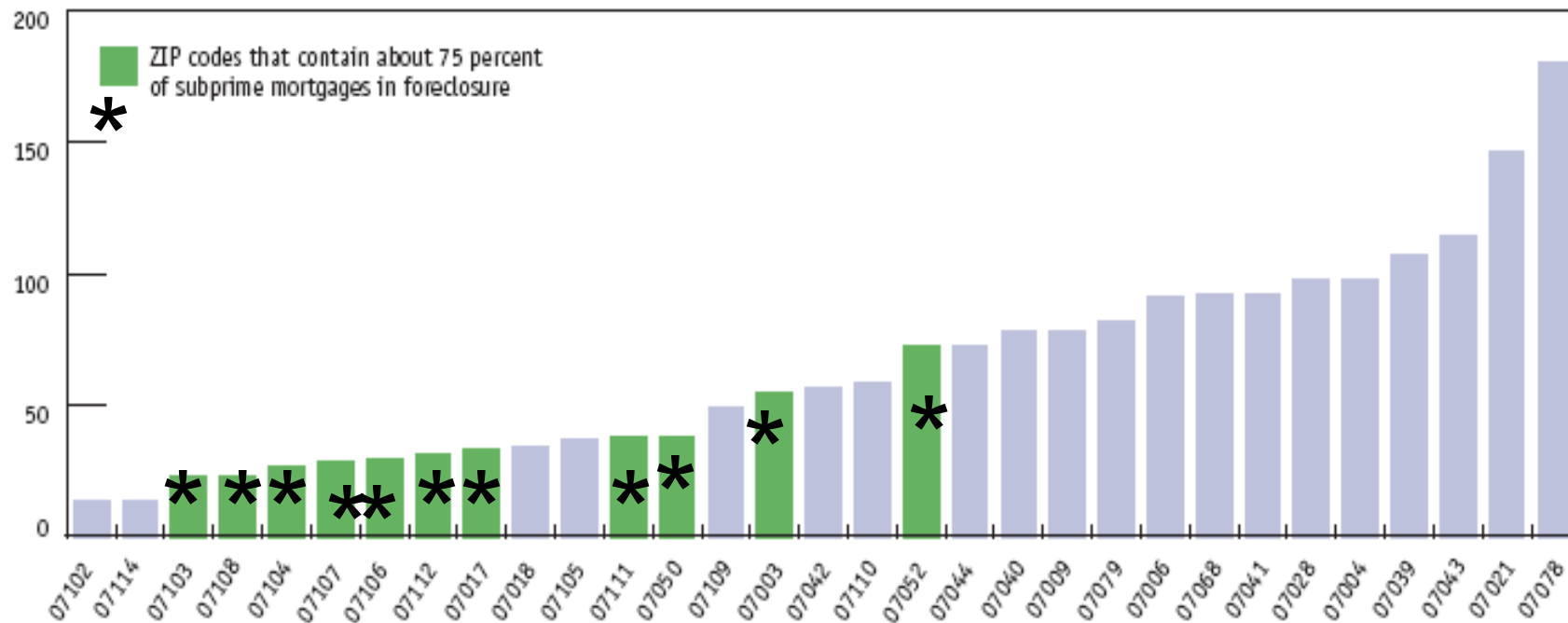
Chris Mobley will now discuss the City's foreclosure problem, implications and upcoming workshops to assist homeowners

FORECLOSURE PREVENTION AND MANAGEMENT

Foreclosures in Essex County

Essex County Median Household Income by ZIP Code

Thousands of dollars

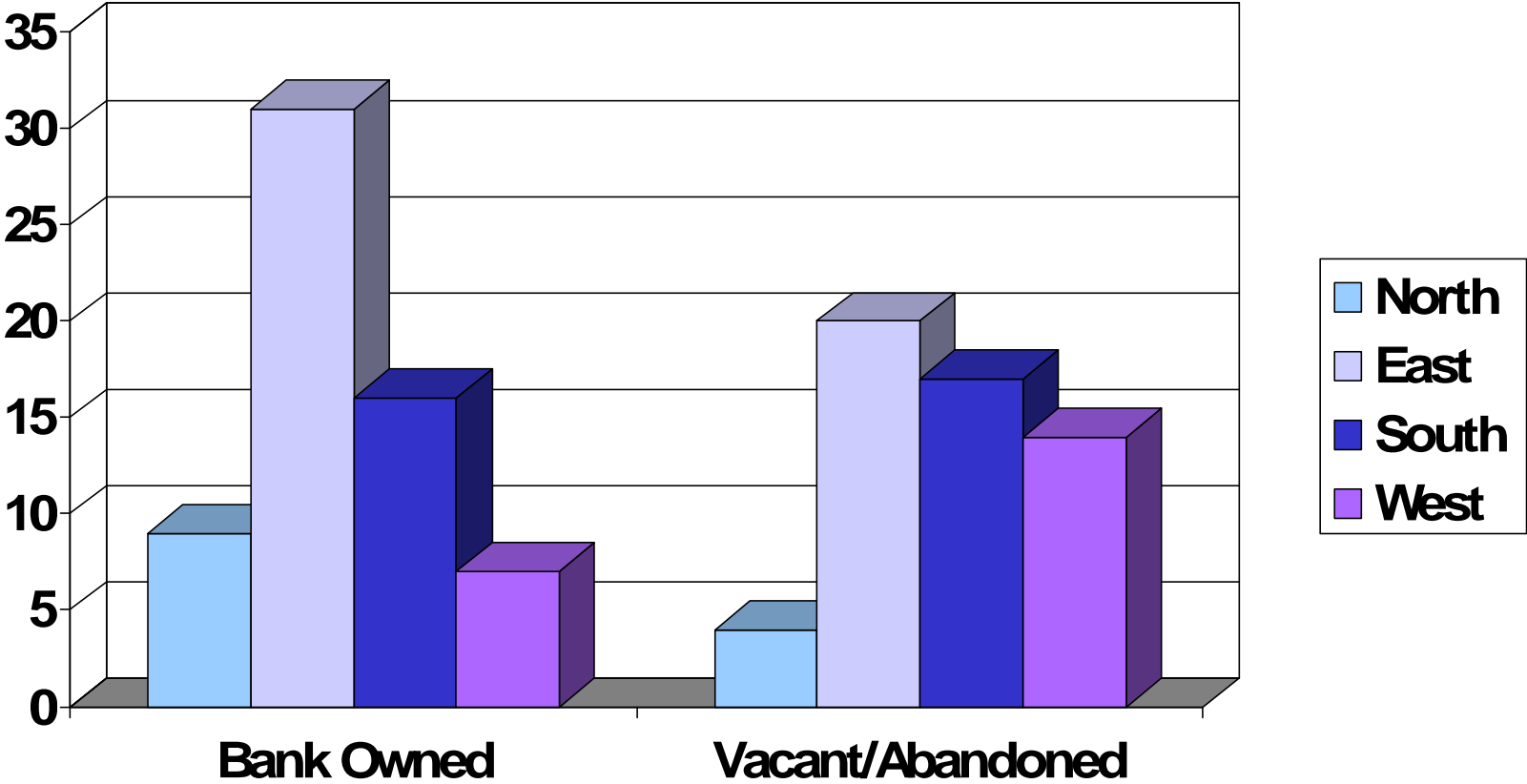


Majority of sub-prime loans in default are in Low – Mod areas

Facts & Trends Vol. 1 No. 1 Federal Reserve Bank - August 08

City of Orange Township

FORECLOSURE PREVENTION AND MANAGEMENT



FORECLOSURE PREVENTION AND MANAGEMENT

THE IMPLICATIONS OF FORECLOSURE

Municipalities

- ***Loss of Property Tax Revenue***
- ***Potential Property Tax Increase***
- ***Reduction in Municipal Services***
- ***Blighted Neighborhoods***
- ***Reduced Property Values***
- ***Increase in Crime***



FORECLOSURE PREVENTION AND MANAGEMENT

THE IMPLICATIONS OF FORECLOSURE

Individuals and Families

- ***Loss of Equity (Family Wealth)***
- ***Potential Tax Liability***
- ***Unable to Rent Apartment***
- ***Negative Consumer Credit Profile***
- ***Difficulty Securing Employment***
- ***Retirement Deferred Beyond 65 Years of Age***



FORECLOSURE PREVENTION AND MANAGEMENT

The City and its Partner Organizations will Provide Free and Informative Workshops.

The workshops may assist people that:

- Are having difficulty paying their mortgage and are at-risk of falling behind on payments**
- Have fallen behind 2-to-3 mortgage payments**
- Have been informed in writing that foreclosure action has begun**
- Had their home foreclosed, but still reside in the home**

FORECLOSURE PREVENTION AND MANAGEMENT

UPCOMING FORECLOSURE WORKSHOPS

- 1/28/09 – Brand New Day, First Presbyterian Church, 420 Main Street, Orange, NJ, 6:00 – 8:30 P.M.
- 2/10/09 – Neighborhood Assistance Corporation of America (NACA) – Orange City Council Chambers, 29 N. Day Street, Orange, NJ, 6:00 – 8:30 P.M.
- 3/18/09 – New Jersey Citizen Action – Location & Time TBD

FORECLOSURE PREVENTION AND MANAGEMENT

Specific Tactics to Assist Homeowners

- Distribute written materials
- Train the trainer
- Provide workshops (Add upcoming workshops, dates, location and vendors)



FORECLOSURE PREVENTION AND MANAGEMENT

Specific Tactics to Address REO, Vacant, Blighted Properties

- **Enter into MOU with private entities to acquire bank-owned properties at a discount**
- **Enter into MOU with private entities to rehab properties**
- **Partner with Essex County and HMFA to provide financial assistance to homebuyers for down payment and closing assistance**
- **Partner with Essex County and HMFA to provide financial assistance for rehabilitation to homebuyers**

FORECLOSURE PREVENTION AND MANAGEMENT

For Questions or Additional Information,
please contact:

Wendy Brown

Housing Coordinator

City of Orange Township

Planning & Economic Development

973-266-4062