

## Bay Area Foreclosures: The Toll on Children, Youth and Family Life

November 19, 2009

### **Updated Data on Foreclosures Through a School District Lens**

<http://www.urbanstrategies.org/foreclosure/NCGFunders.php>

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# Presentation Overview

1. Update data on foreclosure activity in Oakland
2. Present data on scheduled Adjustable Rate Mortgage resets in 2009 and 2010
3. Examine some data on the impact of foreclosures on students attending Oakland Unified Schools
4. Describe an effort at intervention through the schools
5. Offer some thoughts on efforts to intervene to prevent foreclosures







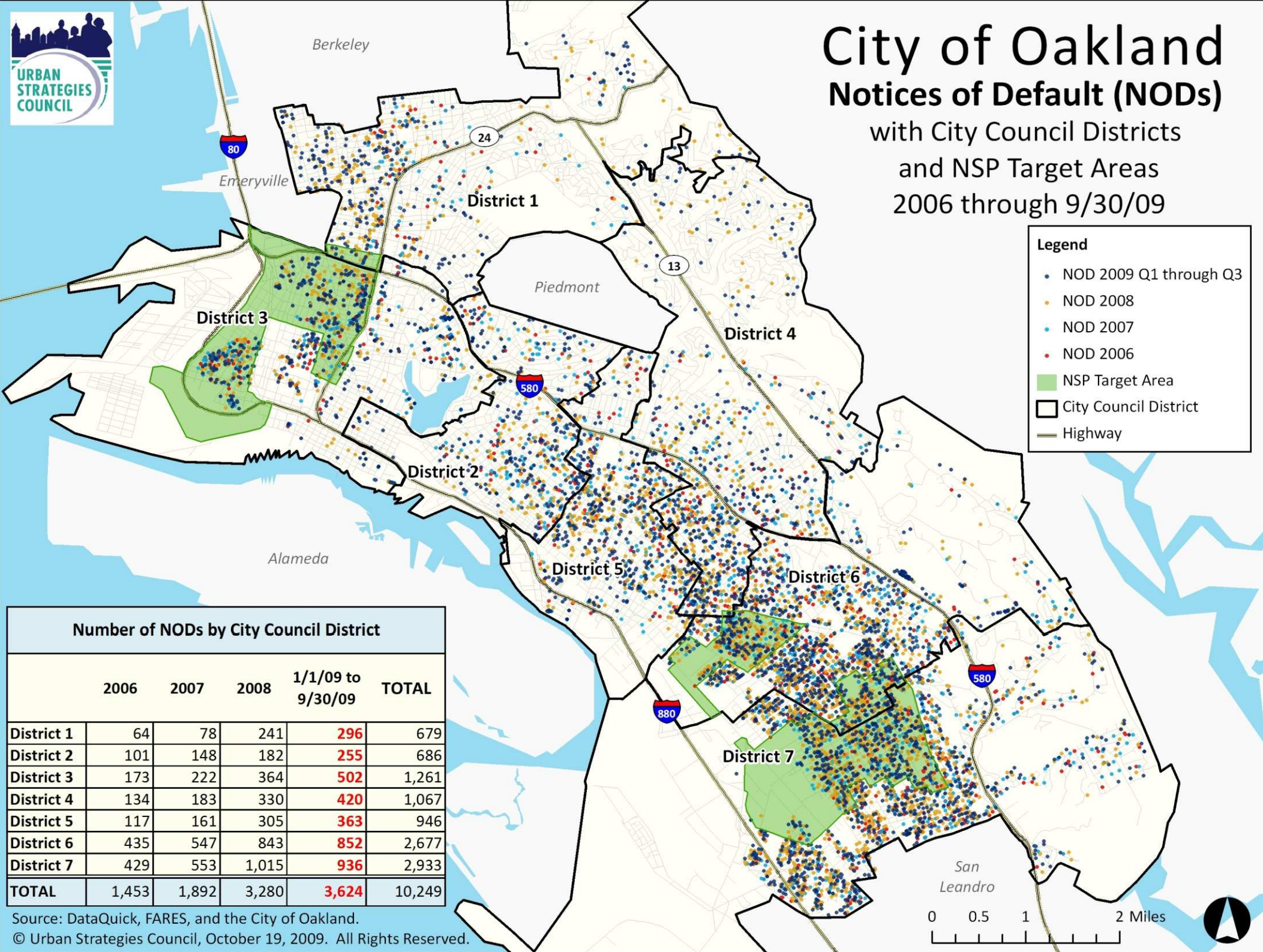
# City of Oakland

## Notices of Default (NODs)

with City Council Districts  
and NSP Target Areas  
2006 through 9/30/09

### Legend

- NOD 2009 Q1 through Q3
- NOD 2008
- NOD 2007
- NOD 2006
- NSP Target Area
- City Council District
- Highway



### Number of NODs by City Council District

	2006	2007	2008	1/1/09 to 9/30/09	TOTAL
District 1	64	78	241	296	679
District 2	101	148	182	255	686
District 3	173	222	364	502	1,261
District 4	134	183	330	420	1,067
District 5	117	161	305	363	946
District 6	435	547	843	852	2,677
District 7	429	553	1,015	936	2,933
TOTAL	1,453	1,892	3,280	3,624	10,249





# City of Oakland

## Bank-Owned Properties (REO)

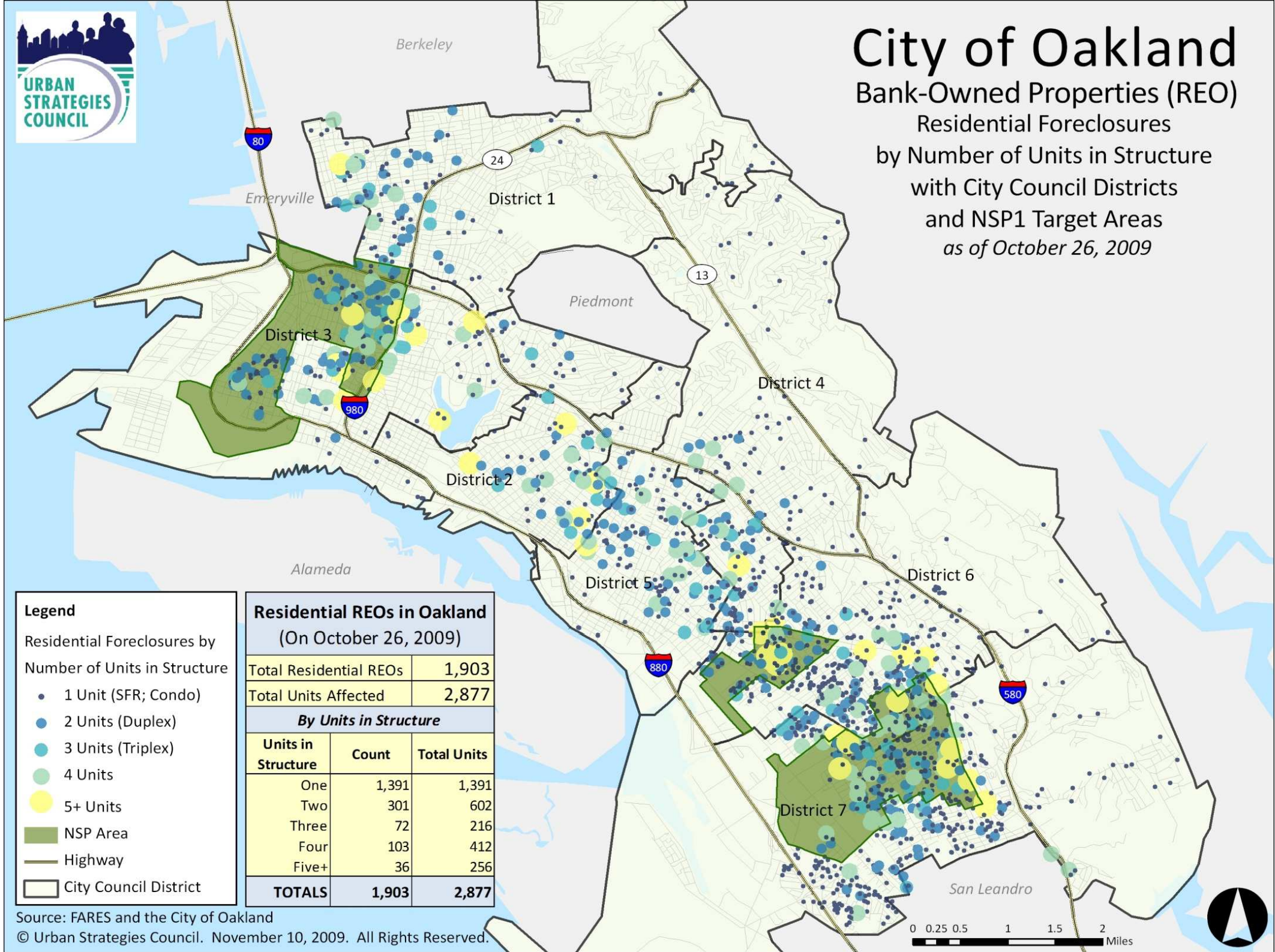
Residential Foreclosures

by Number of Units in Structure

with City Council Districts

and NSP1 Target Areas

as of October 26, 2009



### Legend

Residential Foreclosures by  
Number of Units in Structure

- 1 Unit (SFR; Condo)
- 2 Units (Duplex)
- 3 Units (Triplex)
- 4 Units
- 5+ Units

NSP Area

Highway

City Council District

### Residential REOs in Oakland

(On October 26, 2009)

Total Residential REOs	1,903	
Total Units Affected	2,877	
By Units in Structure		
Units in Structure	Count	Total Units
One	1,391	1,391
Two	301	602
Three	72	216
Four	103	412
Five+	36	256
TOTALS	1,903	2,877

Source: FARES and the City of Oakland

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# Oakland Foreclosure Crisis

## Defaults and Trustee Sales

	Notices of Default				
	2006	2007	2008	2009	Total
Jan	77	172	39	344	632
Feb	76	224	59	419	778
March	84	227	265	479	1,055
April	99	195	390	419	1,103
May	118	207	458	404	1,187
June	98	225	469	458	1,250
July	116	243	413	436	1,208
August	116	281	348	326	1,071
Sept	153	66	52	352	623
October	184	9	142		335
Nov	161	24	191		376
Dec	177	21	454		652
<b>TOTAL</b>	<b>1,459</b>	<b>1,894</b>	<b>3,280</b>	<b>3,637</b>	<b>10,270</b>

	Notices of Trustee Sales				
	2006	2007	2008	2009	Total
Jan	37	126	57	121	341
Feb	28	119	52	141	340
March	40	140	63	339	582
April	37	125	109	180	451
May	38	179	232	288	737
June	48	154	258	268	728
July	61	193	213	240	707
August	65	181	316	244	806
Sept	47	48	68	311	474
October	74	10	105		189
Nov	101	23	136		260
Dec	87	34	235		356
<b>TOTAL</b>	<b>663</b>	<b>1,332</b>	<b>1,844</b>	<b>2,132</b>	<b>5,971</b>

Source: First American CoreLogic, Dataquick

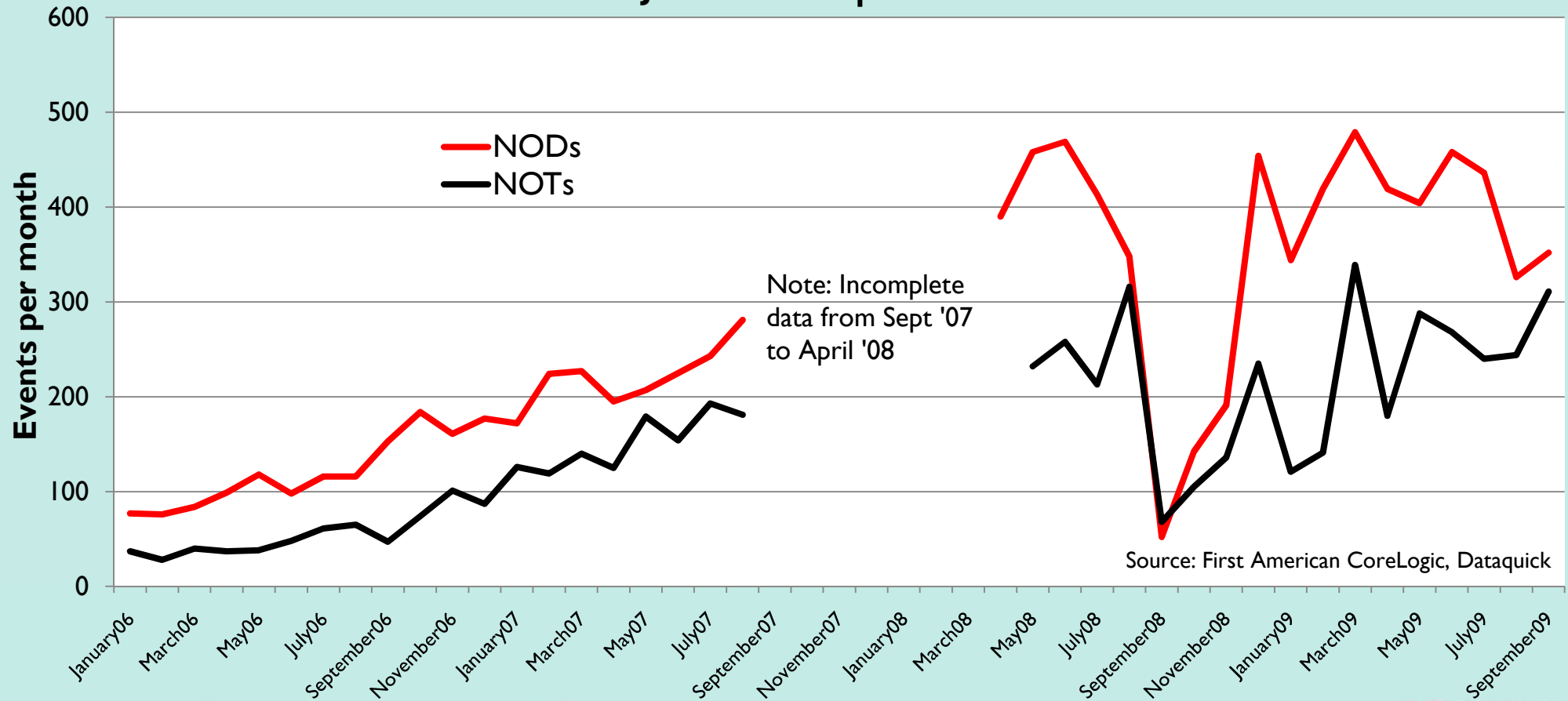
Note: Incomplete data from Sept '07 to April '08



# Oakland Foreclosure Crisis

## Defaults and Trustee Sales

Notices of Defaults (NODs) and Trustee Sales (NOTs)  
Jan 2006 to Sept 2009

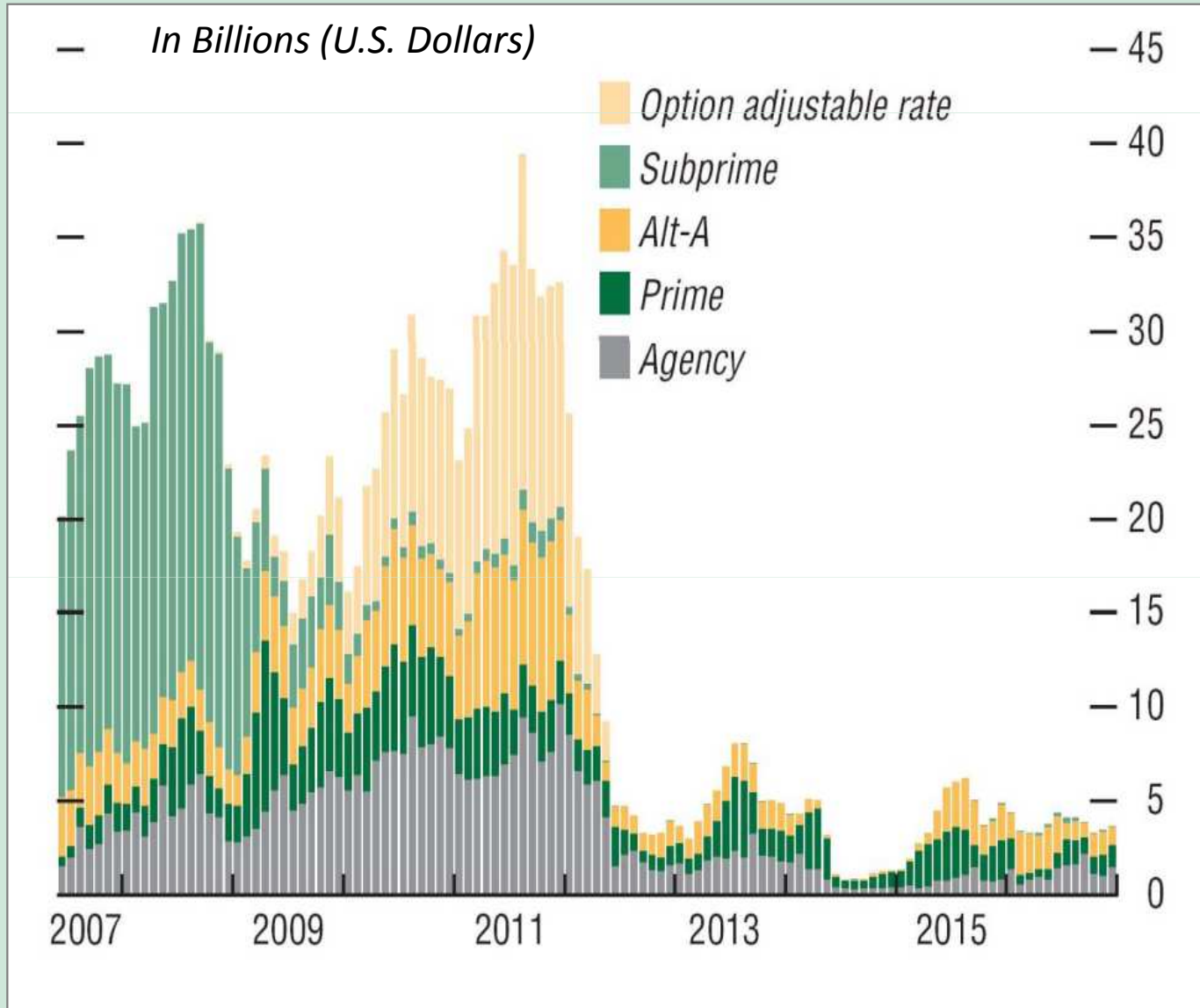




# Oakland Foreclosure Crisis

## *Adjustable Rate Mortgages (ARMs)*

### Monthly Mortgage Rate Resets (United States)



### ARM Resets in Oakland

#### ARM Loans Resetting Jan 2009 to Dec 2010

Zip Code	# of ARMs
94605	654
94603	466
94621	400
94601	308
94619	294
94611	257
94602	251
94610	226
94608	194
94607	188
94609	163
94606	147
94618	124
94612	39
<b>Total</b>	<b>3,711</b>

# Oakland Foreclosure Crisis

## *Students and Schools at Risk*

**Table 1: Top Schools by # Students at Risk of Foreclosure**

School	Students At Risk	OUSD 08-09 Enrollment Count	Percentage
Skyline High School	149	2,011	7.4%
Oakland Technical High School	94	1,714	5.5%
Oakland High School	71	1,807	3.9%
Markham Elementary	69	427	16.2%
Business Information Tech HS	68	340	20.0%
New Highland Academy	66	335	19.7%
Frick Middle School	65	514	12.6%
Bret Harte Middle School	64	764	8.4%
East Oakland Pride Elementary	63	390	16.2%
Brookfield Village Elementary	62	405	15.3%

\* At Risk of Foreclosure is an indicator of the number of students enrolled in each school in the 2007-2008 academic year who were matched to properties currently in Default status or with highly unstable, adjustable mortgage products (often called predatory loans) that are scheduled to adjust between July 2009 and December 2010 and, therefore, likely to result in foreclosure of the home.

Table 1 shows more recent 2008-2009 enrollment because of changing school sizes rather than the number enrolled in 2007-2008 used to calculate the matches.





# Oakland Foreclosure Crisis

## *Students and Schools at Risk*

**Table 2: Top Schools by % Students at Risk of Foreclosure**

School	Students At Risk	OUSD 08-09 Enrollment Count	Percentage
Webster Academy*	29	72	40.3%
Lockwood Elementary*	27	81	33.3%
Peralta Creek Middle School*	16	68	23.5%
Whittier Elementary*	16	72	22.2%
Business Information Tech HS	68	340	20.0%
New Highland Academy	66	335	19.7%
EnCompass Academy	47	247	19.0%
RISE	58	310	18.7%
James Madison Middle School	50	274	18.2%
Burckhalter Elementary	29	163	17.8%

\* school scheduled for closure in 2009-10

† At Risk of Foreclosure is an indicator of the number of students enrolled in each school in the 2007-2008 academic year who were matched to properties currently in Default status or with highly unstable, adjustable mortgage products (often called predatory loans) that are scheduled to adjust between July 2009 and December 2010 and, therefore, likely to result in foreclosure of the home.

Table 2 shows more recent 2008-2009 enrollment because of changing school sizes rather than the number enrolled in 2007-2008 used to calculate the matches.



# Oakland Foreclosure Crisis

## *Students and Schools at Risk*

**Table 3: Top 15 Schools with Highest Percentage of Students Living in Housing Units with Adjustable Rate Mortgage, Notice of Default, or Both**

School	Student Count	OUSD 08-09 Enrollment Count	Percentage	Chronic Absenteeism Rate 2005-2006
Webster Academy*	29	72	40.3%	20%
Lockwood Elementary*	27	81	33.3%	17%
Peralta Creek Middle School*	16	68	23.5%	
Whittier Elementary*	16	72	22.2%	15%
Business Information Tech HS	68	340	20.0%	
New Highland Academy	66	335	19.7%	
EnCompass Academy	47	247	19.0%	9%
RISE	58	310	18.7%	5%
James Madison Middle School	50	274	18.2%	
Burckhalter Elementary	29	163	17.8%	9%
Sobrante Park Elementary	49	278	17.6%	17%
Melrose Leadership Academy	34	197	17.3%	4%
Alliance Academy	56	336	16.7%	
Esperanza Elementary	53	324	16.4%	
Markham Elementary	69	427	16.2%	14%

Table 3 shows more recent 2008-2009 enrollment because of changing school sizes rather than the number enrolled in 2007-2008 used to calculate the matches.

Chronic absenteeism rate reflects the percentage of students per school who were absent 11% or more in the 2005-2006 academic year for grades K-3.



# Oakland Foreclosure Crisis

## Students and Schools at Risk

**Table 4: Housing Occupant Type for Students at Risk of Foreclosure**

Measure	Students* at Risk	Percentage of OUSD 07-08 Students	# of Students in Owner-Occupied Units** <i>Count</i>	# of Students in Owner-Occupied Units** <i>%</i>	# of Students in Rental Units** <i>Count</i>	# of Students in Rental Units** <i>%</i>
<b>ARMs only</b>	2,794	7.4%	1,094	39.2%	1,700	60.8%
<b>NODs or NODs+ARMs</b>	634	1.7%	205	32.3%	429	67.7%
<b>TOTAL</b>	<b>3,428</b>	<b>9.0%</b>	<b>1,299</b>	<b>37.9%</b>	<b>2,129</b>	<b>62.1%</b>

\*Students may reside within the same household.

\*\*Ownership for "ARMs only" was determined by the home standard deduction field from the ARMs Loan file; Ownership for "NODs or NODs+ARMs" was determined by the tax exemption field from the NOD file

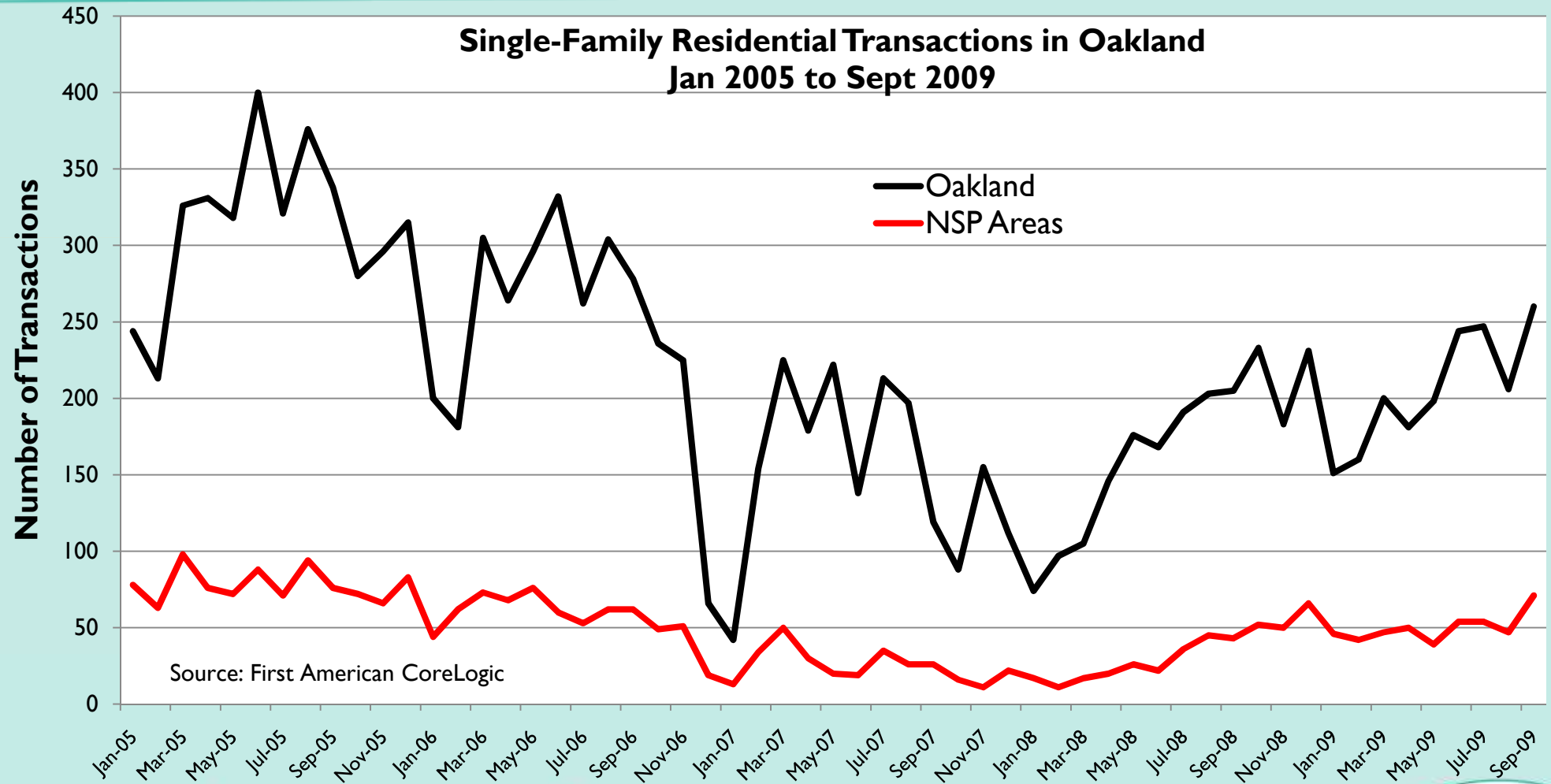
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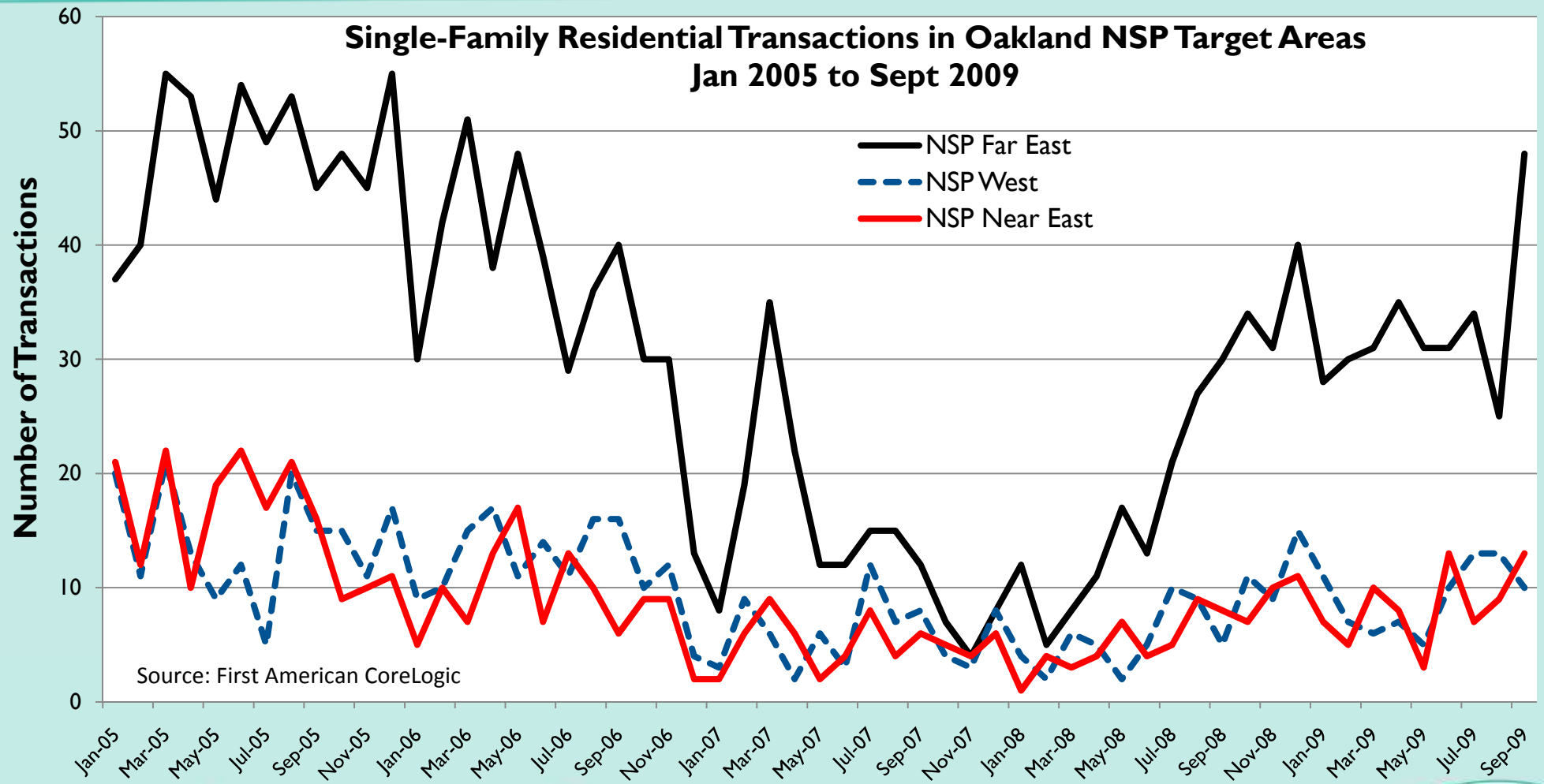
# Oakland Housing Market

## *Single-Family Residential Transactions*



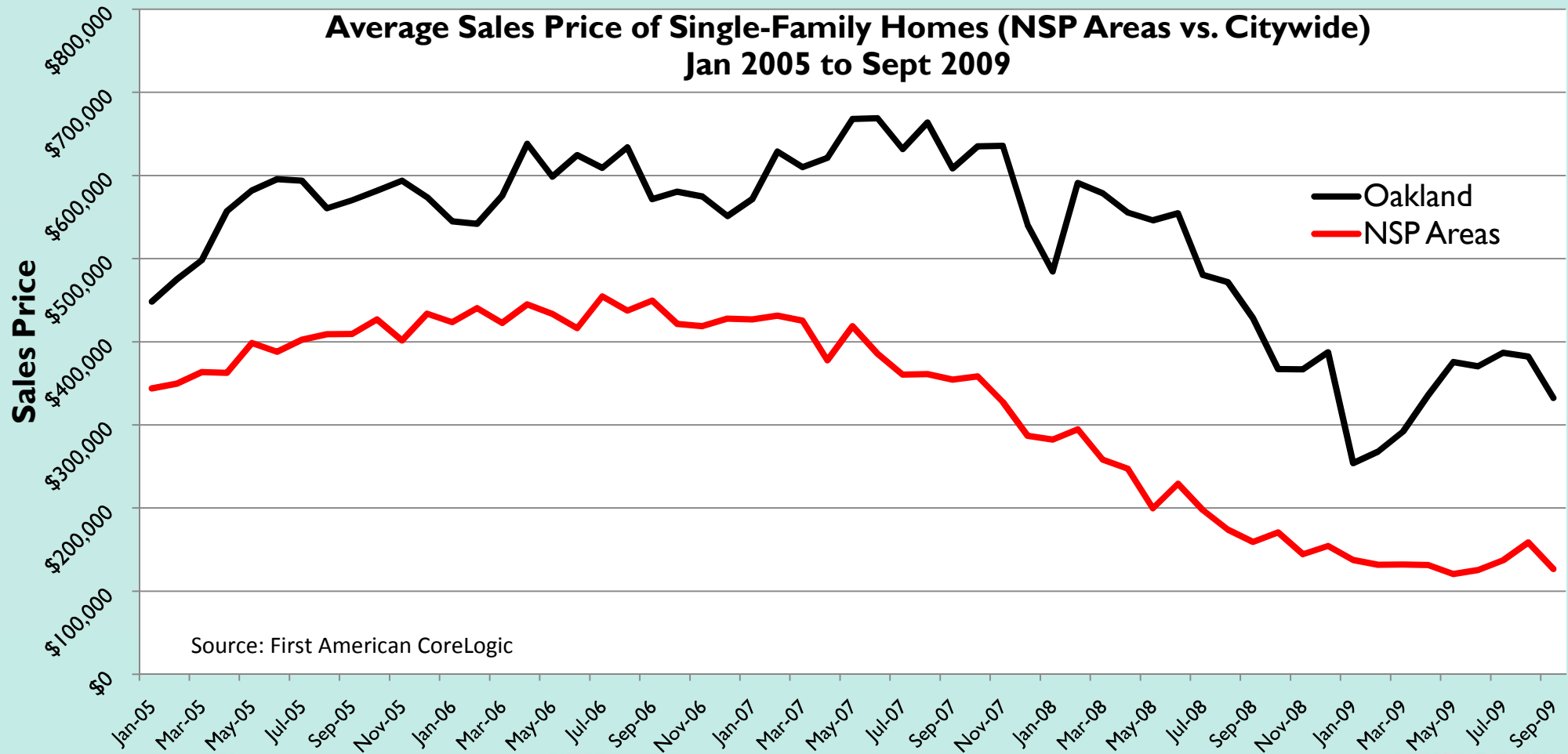
# Oakland Housing Market

## *Single-Family Residential Transactions*



# Oakland Housing Market

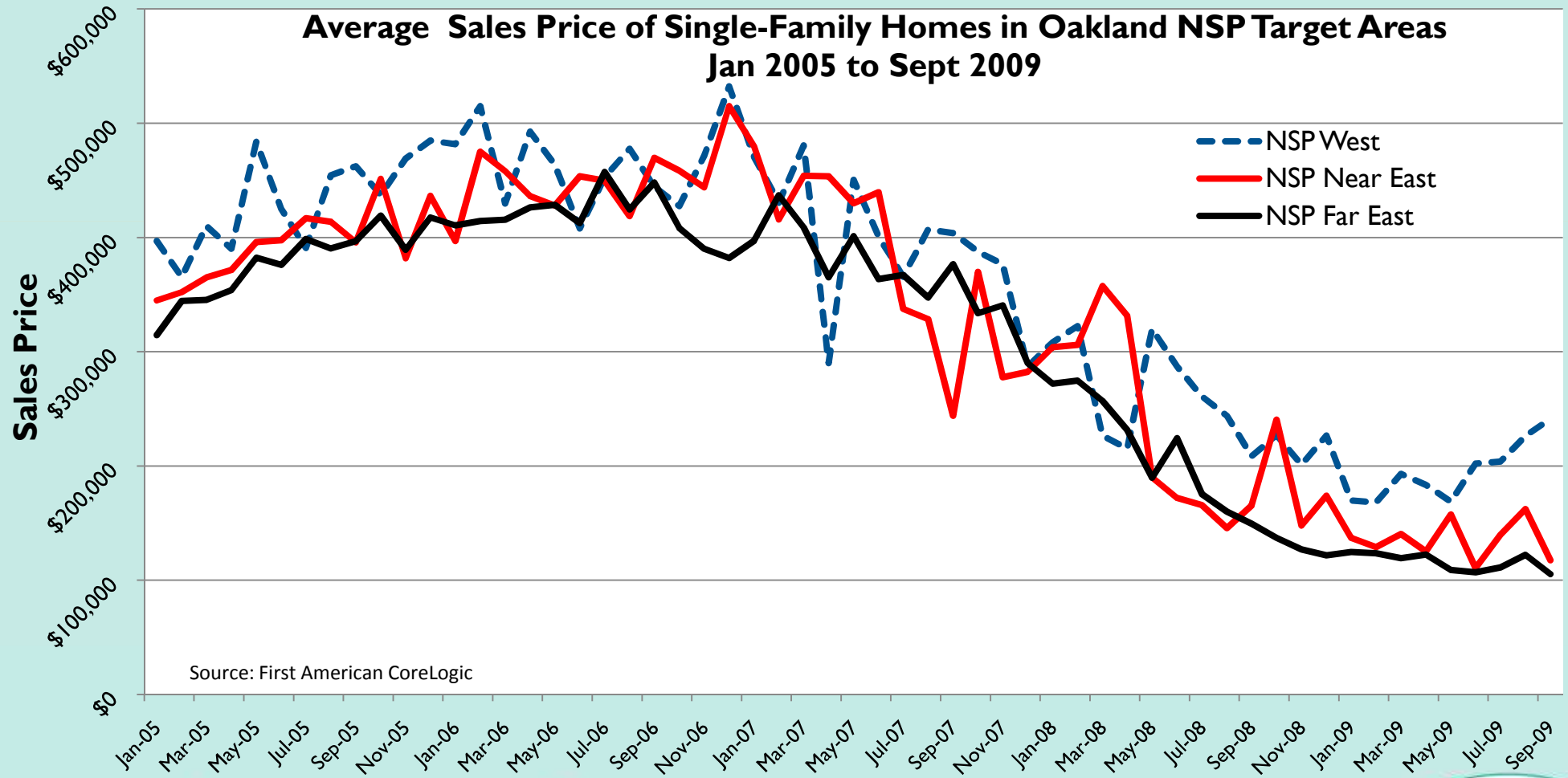
## *Single-Family Residential Sales Prices*





# Oakland Housing Market

## *Single-Family Residential Sales Prices*



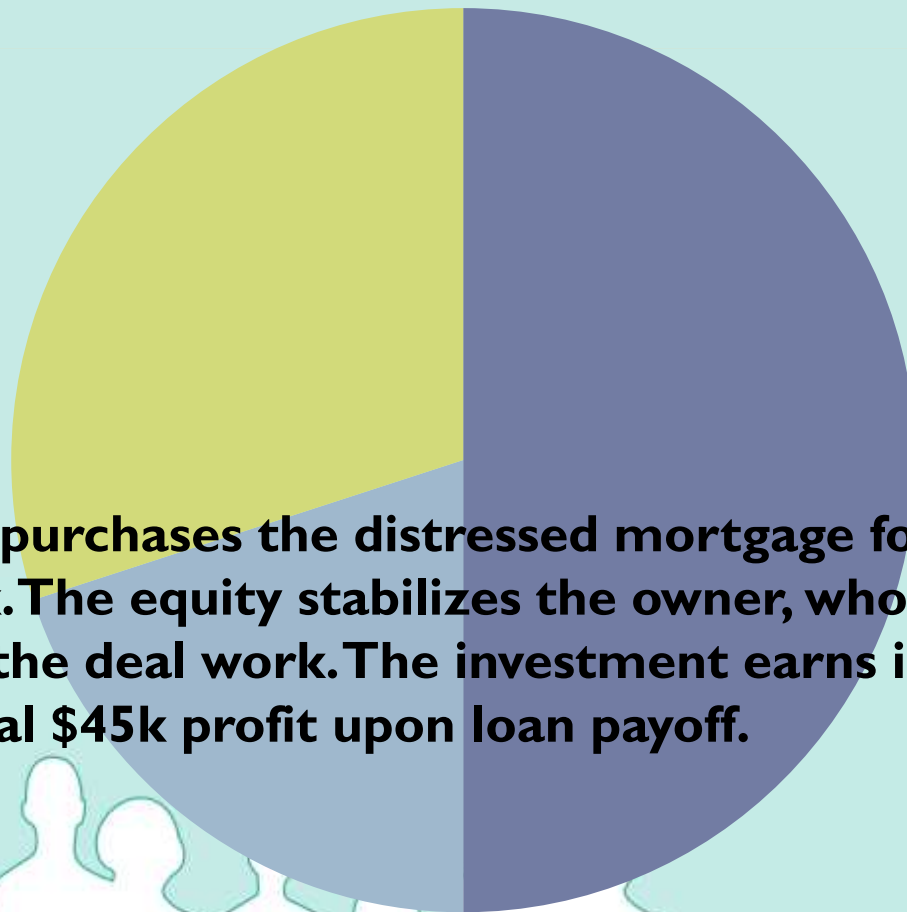


Housing families and building communities

[WWW.OAKCLT.ORG](http://WWW.OAKCLT.ORG)



## Refinance of a Home Currently Appraised At \$150k



- Purchase Price of Mortgage - \$75k
- Homeowner Equity - \$30k
- Investor Equity - \$45k

**Further purchases the distressed mortgage for \$75k and refinances the owner at \$120k. The equity stabilizes the owner, who now has a vested interest in making the deal work. The investment earns interest on \$120k and an additional \$45k profit upon loan payoff.**