

1 [Declaration of Intention to Work With Other Cities to Prevail Upon the Owners of Delinquent  
2 Mortgages to Sell to Non-Profits for Restructuring and Foreclosure Prevention]

3 **Resolution declaring the Board of Supervisors' intent to work with other cities to**  
4 **prevail upon the owners of delinquent mortgages to sell these at-risk loans to qualified**  
5 **non-profits that have the funding and infrastructure to purchase, restructure, and hold**  
6 **the mortgages in order to prevent foreclosures and help keep struggling homeowners**  
7 **in their homes.**

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9 WHEREAS, Since the beginning of the housing crisis in 2007, more than four million  
10 families have lost their homes to foreclosure, which has contributed to state and local  
11 governments facing crippling budget deficits; and

12 WHEREAS, The San Francisco Controller's recent report, "Assisting Homeowners with  
13 Troubled Mortgages," found that between 2008 and 2012, San Francisco had 3,827  
14 foreclosures; and

15 WHEREAS, The report found that, while the rate of foreclosures in San Francisco has  
16 decreased since 2011, the south and southeastern neighborhoods of the City continue to be  
17 disproportionately impacted by foreclosures; and

18 WHEREAS, The report found that 3,002 loans in the City were owner-occupied units  
19 that were underwater or near-underwater, and that 746 of these at-risk loans had predatory  
20 features such as interest-only, negative amortization, or a balloon payment; and

21 WHEREAS, The report found that these at-risk borrowers are also concentrated in the  
22 south and southeastern neighborhoods of the City; and

23 WHEREAS, Foreclosures have a negative social and economic impact on the affected  
24 families, neighborhoods, and on our city as a whole; and

1           WHEREAS, The Department of Housing and Urban Development (HUD), Fannie Mae  
2 and Freddie Mac, and at times the big banks, are selling off pools of delinquent mortgages,  
3 most often to private equity firms, hedge funds, and other Wall Street entities; and

4           WHEREAS, A number of Community Development Financial Institutions (CDFIs) and  
5 non-profits have raised the necessary capital to compete in this market, purchasing pools of  
6 delinquent mortgages for the purpose of saving homes from foreclosure and creating  
7 affordable housing by restructuring and stabilizing the mortgages; and

8           WHEREAS, Several of these CDFIs and non-profits that have a track record of  
9 success and the capital to expand their programs need help getting current note holders to  
10 sell enough of their delinquent mortgages; and

11           WHEREAS, The Controller’s report says that these types of programs “pose low  
12 financial risks and low administrative burden to the City;” and

13           WHEREAS, The city councils of Richmond, California and Newark, New Jersey  
14 recently passed resolutions stating their intention to work with other cities to negotiate with the  
15 owners of at-risk mortgages to encourage them to sell these mortgages to CDFIs and non-  
16 profits that can restructure them to avoid foreclosure; now, therefore, be it

17           RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
18 wishes to support these efforts by collaborating with other cities to prevail upon the owners of  
19 delinquent mortgages—including a number of big banks, Fannie Mae, Freddie Mac and  
20 HUD—to sell these at-risk loans to qualified non-profits that have the funding and  
21 infrastructure to purchase and restructure the loans for the benefit of helping homeowners  
22 secure affordable and stable mortgages that can lead to long-term economic security; and, be  
23 it

1           FURTHER RESOLVED, That the Board of Supervisors urges the Mayor Lee  
2 Administration to assist in these negotiations with these institutions and to help recruit other  
3 cities to join us in this effort; and, be it

4           FURTHER RESOLVED, That the Board of Supervisors requests that the Lee  
5 Administration include this initiative for discussion on the agenda for the 83rd Annual  
6 Conference of Mayors to be held in San Francisco June 19-22, 2015.

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City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 150250

Date Passed: March 17, 2015

Resolution declaring the Board of Supervisors' intent to work with other cities to prevail upon the owners of delinquent mortgages to sell these at-risk loans to qualified non-profits that have the funding and infrastructure to purchase, restructure, and hold the mortgages in order to prevent foreclosures and help keep struggling homeowners in their homes.

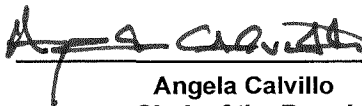
March 17, 2015 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang and Yee

Excused: 1 - Wiener

File No. 150250

I hereby certify that the foregoing Resolution was ADOPTED on 3/17/2015 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

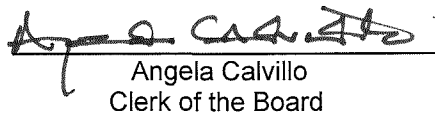
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Unsigned

Mayor

\_\_\_\_\_  
3/27/15

Date Approved

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

  
Angela Calvillo  
Clerk of the Board

Date: 3/27/15