



## **PROGRESS REPORT SEPTEMBER 2008**

**ORANGE COUNTY HOUSING TRUST & NEIGHBORHOOD HOUSING SERVICES OF ORANGE COUNTY LAUNCH “HOME AGAIN” PROGRAM TO ADD FORECLOSED HOMES TO COUNTY’S AFFORDABLE HOUSING INVENTORY**  
**--Gaining Experience To Assist Cities With New Federal Housing Program—**



**N**eighborhood Housing Services of Orange County, in alliance with the Orange County Housing Trust, has launched a program to purchase foreclosed homes at auction, refurbish them if necessary, and return them to the county's housing stock as affordable rental or for-sale housing.

Glenn Hayes, Executive Director of Neighborhood Housing Services, said the program, dubbed “Home Again,” has already purchased five homes through auction and is in the process of refurbishing them. He said the homes are being offered for-sale to qualified buyers or may be available on a rent with option to purchase basis.

“We have more than 100 qualified homebuyers who have graduated from the Neighborhood Housing Services first-time homebuyer education classes who are potential buyers of these homes as well as other foreclosed homes we expect to purchase in the future,” Hayes said. “We believe recycling these homes as affordable housing is certainly better than having them sit empty and slowly deteriorate.”

Ken Mutter, Chief Operations Officer of both the Housing Trust and Neighborhood Housing Services, said the number of first-time homebuyers graduating from the organization's homebuyer training program has increased dramatically, reflecting growing confidence that home prices will continue to drop to more affordable levels. He said that 228 “distinct families” graduated from the first-time homebuyer classes during the 2<sup>nd</sup> quarter of this year compared to 132 during the same quarter last year, a 72 per cent increase. “It appears that Orange County residents who considered themselves to

be priced out of the housing market now have faith that perhaps they too will be able to purchase a home,” Mutter noted.

Hayes said the “Home Again” program is in step with the recently enacted Housing & Economic Recovery Act of 2008, which earmarked \$3.9 billion in community development block grants for the purchase and rehab of foreclosed properties in distressed neighborhoods. Block grant programs allocate lump sums of money to states and municipalities, giving them the discretion to disburse funds based on local needs.

“We are gaining valuable experience purchasing foreclosed homes at auction, and will be in a great position to assist local Orange County governments to make the best use of these funds,” Hayes noted. “We are not aware of any other Orange County non-profit housing organization that is purchasing foreclosed homes for the purpose of recycling them as affordable housing.”

Hayes said that purchasing homes at auction is a challenging business that requires significant upfront homework and analysis. He said the first step is to select properties that fit his organization’s criteria, followed by extensive market assessment and then actually visiting the properties. (See Los Angeles Times article at end of Report)



## **HOME AGAIN PROGRAM RECEIVES \$25,000 GRANT**

**T**he Orange County Housing Trust/Neighborhood Housing Services of Orange County have been notified that they will receive a \$25,000 grant from the Federal Home Loan Bank of San Francisco through California Bank & Trust for the Home Again program. The grant will fund operating costs.

## **TOM WILCK REMEMBERED AT MEMORIAL SERVICE**



**M**ore than 200 people attended the memorial service Aug. 21 at the Nixon Library for Tom Wilck, president of the Orange County Housing Trust, who passed away July 24 of kidney cancer at age 75. “Tom was strong leader and was just beginning to make his mark in the affordable housing community,” said Glenn Hayes, Executive Director of Neighborhood Housing Services of Orange County, the sponsoring entity of the Housing

Trust. "When Tom talked about the need for affordable housing, people listened. We will miss him."

A public affairs consultant for Walt Disney and the Irvine Co. who also worked in the Nixon administration, Tom represented some of Southern California's leading businesses and was involved in many community organizations, from the Boy Scouts to the Orange County Chamber of Commerce. "Because of him, Orange County was a better place. I think he will be missed and so many of the things he left are legacies that will live on," said Jack Lindquist, who worked with Tom. Lindquist was the first advertising manager for Walt Disney and later became Disneyland's president.

Tom was born in Quantico, Va., and studied political science at Santa Monica College and the University of California, Los Angeles. He served from 1950 to 1952 in the U.S. Marine Corps. Tom worked as Walt Disney's personal public relations consultant throughout the 1960s. His most noted work included helping Disney open Walt Disney World and the California Institute of the Arts. "These were exciting times in Disney, because we were going from making movies to giving live entertainment in the form of amusement parks," said Sandy Quinn, who was head of marketing for the new Walt Disney World. "Tom helped in all of those things."

Tom's first wife, Tommie, was Walt Disney's personal secretary. Tom and Tommie were married in 1962 and Disney served as father of the bride. "The man gave away his secretary as Tom's bride, so I'd say they were very close," said Jim Stewart, the former vice president of corporate relations for Walt Disney Productions. "Walt was basically the father of the bride; he gave Tommie away at the wedding." In 1971, President Richard Nixon appointed Tom as assistant administrator of Congressional and public affairs for the Small Business Administration. In 1972 and 1973 Tom served as deputy chairman of the Republican National Committee and oversaw press relations for the 1972 Republican Convention.

Tom left Washington, D.C., and served from 1973 to 1985 as vice president of corporate and public affairs for the Irvine Co. as it was planning the development of Irvine and surrounding communities. Robert Shelton worked in an adjoining office as the company's vice president of government relations. "I think of him as the consummate professional in his field," Shelton said. "When a PR issue was before us, he was the one who very thoughtfully and very carefully analyzed the issue and came up with a carefully orchestrated response."

Bill Long worked as Disneyland's marketing director during the 1970s and would often seek Tom's advice. "He would always do his homework on an issue with class and dignity. He epitomized what a PR executive could be," Long said. Long remembered Tom's laugh and sharp humor, and his distinguished style. "He was a proper Orange County Republican," Long said. "He would look Brooks Brothers all the time."

In 1985, Tom formed his own firm, Thomas Wilck Associates, and represented leading corporations in Southern California, including the Walt Disney Co. and the Irvine Co. He merged his company with Nelson Communications Group 10 years later. In 2000, he formed The Wilck Group with his second wife, Nadine, whom he married after Tommie Wilck died. "He loved this area and this community and he saw growth in so many areas during this lifetime that he was a part of," Lindquist said. Tom is survived by his second

wife, Nadine; step-daughter, Jacqueline Leigh James Parker; son-in-law, Jeff Parker; and grand-daughter, Bailey Leigh James. (Most of the information for Tom's obituary was provided by the OC Register.)

**NEIGHBORHOOD HOUSING SERVICES OF ORANGE COUNTY  
SPONSORING SECOND ANNUAL GOLF TOURNAMENT SEPT. 23 AT  
ARROYO TRABUCO GOLF CLUB**



**N**eighborhood Housing Services of Orange County is hosting its second annual golf outing on Sept. 23 at the Arroyo Trabuco Golf Club in Mission Viejo. The tournament fee is \$700 for a foursome and \$175 for individual players and includes 18 holes of great golf with cart, barbeque lunch and awards dinner, as well as Tee prizes and a silent auction. Anyone who is not a golfer but would like to attend the auction and dinner can do so for \$40.

*Registration & Putting Contest & Lunch 11 a.m. – 12:30 p.m.*

*Shotgun Start 1 p.m. sharp*

*Cocktails & Silent Auction 6-6:30 p.m.*

*Banquet Dinner, Raffle & Awards Ceremony 6-8 p.m.*

For information, call Hank Rams, golf committee co-chair, at 949.683.0960 or Ken Mutter at Neighborhood Housing Services, 714.490.1250 x 104. FORE!

**CALIFORNIA ASSN. OF REALTORS REPORTS BIG INCREASE IN STATE  
AFFORDABILITY INDEX, INCLUDING ORANGE COUNTY**



**T**he percentage of households that could afford to buy an entry-level home in California stood at 48 percent in the second quarter of 2008, compared with 24 percent for the same period a year ago, according to a report released by the CALIFORNIA ASSOCIATION OF REALTORS®. The number in Orange County is 41 percent compared to 23 per cent during the same period last year.

C.A.R.'s First Time Buyer Housing Affordability Index (FTB-HAI) measured the percentage of households that can afford to purchase an entry-level home in California. C.A.R. also reports first-time buyer indexes for regions and select counties within the state. The Index is the most fundamental measure of housing well-being for first-time buyers in the state.

The minimum housing income needed to purchase an entry-level home at \$329,120 in California in the second quarter of 2008 was \$62,870, based on an adjustable interest rate of 5.69 percent and assuming a 10 percent down payment. First-time buyers typically purchase a home equal to 85 percent of the prevailing median price. The monthly payment including taxes and insurance was \$2,100 for the second quarter of 2008. In Orange County, a first-time buyer should earn \$89,840 a year to purchase a \$470,000 home with a monthly mortgage payment of \$2,990.

**The following article was published in the Los Angeles Times . . .**



## **LANCASTER INVESTS IN REFURBISHING FORECLOSED HOMES**

**The city has designated an initial \$4.1 million to buy and repair abandoned properties, which will then be sold to low- and moderate-income earners.**

By Ann M. Simmons, Los Angeles Times Staff Writer

September 2, 2008

Elizabeth Brubaker strode up to a boarded-up abandoned home in Lancaster's Piute neighborhood and enthusiastically rattled off the city's plan to fix it up.

"We'll go from asphalt to concrete," said Brubaker, Lancaster's director of housing and neighborhood revitalization, as she gestured toward the driveway. "We'll do hardscape out front, so that we're not utilizing water. But we're going to leave in the trees. We'll eliminate the wood siding and do block walls. And we'll put in a roll-up garage."

When renovation is complete, the home will be put up for sale to low- and moderate-income earners. The effort is part of a program to stem the deterioration of neighborhoods that have been slammed by the nation's home foreclosure crisis.

While other cities are hoping for federal aid to help them address the problem, Lancaster is using city funds to buy, renovate and sell vacant homes. The need is clear. In the first six months of this year, there were 3,518 foreclosures in the Antelope Valley's largest cities of Lancaster and Palmdale, compared with 2,383 for all of 2007, according to statistics from the Greater Antelope Valley Economic Alliance.

More than 6,000 notices of default were issued to homeowners in the two cities from January through June -- almost matching the total of 6,372 for all of 2007.

Lancaster's renovation of homes will go hand in hand with general infrastructure development, including road maintenance, Brubaker said. "We're trying to take all the tools in the toolbox to improve whole neighborhoods," she said. "The ultimate goal is to make the city of Lancaster a place where people want to live, work, play and stay."

So far, Lancaster's Redevelopment Agency has agreed to spend more than \$4.1 million to acquire and refurbish 41 homes. The city took ownership of the first six properties beginning in May.

Lancaster's program began well ahead of a federal housing bill signed in July by President Bush that will award almost \$4 billion in Community Development Block Grant funds to local governments to buy and rehabilitate foreclosed properties. Los Angeles County does not have a program for reclaiming and fixing foreclosed homes. Housing activists in the city of Los Angeles have lobbied heavily for a share of the federal grant.

While they await federal funds, many Southern California cities are relying primarily on code enforcement to prevent neighborhoods from being blistered by blight. In Palmdale, for example, an ordinance requires lenders to register properties on which they file foreclosure notices with the city, and keep them maintained and secure. Failure to comply could result in up to \$2,500 in fines.

Temecula imposes similar registration rules for foreclosed properties. And in Grand Terrace in San Bernardino County, owners of rental properties pay an annual fee for a mandatory exterior inspection of their property.

Lancaster also promotes aggressive code enforcement. Within the last 2 1/2 years the number of code enforcement officers there has increased from three to 14. But sometimes, the city has found, the best alternative is to take over a property and spruce it up. The city primarily targets foreclosed houses that are in extreme disrepair and have been vacant at least a year. "The houses we are acquiring are the ones that have suffered the greatest amount of damage during the time they were owned," Brubaker said.

Bob Schack, president of the Greater Antelope Valley Assn. of Realtors, said the city's effort to buy mainly older, poorer-quality homes that had been languishing on the market was a "win-win" situation for all involved. Realtors had generally been unsuccessful in moving such properties. But once the city renovates the houses, Realtors will help market and sell them, Schack said. And the biggest winners, he said, would be the new homeowners, many of them first-time buyers. "Lancaster is being very proactive," Schack said.

Mel Layne, president of the Greater Antelope Valley Economic Alliance, also gave the program a nod. "I'm not usually for government intervention in things," he said. "But this is a good thing." Brubaker said deteriorating economic conditions demanded action by the city. "We had no other choice but to jump on [the problem] and do something," she said.

Lancaster's program mainly targets depressed neighborhoods. The city is paying between \$80,000 and \$110,000 for the properties and will accept bids from contractors to renovate them. Proposed repairs would include environment-friendly features such as drought-tolerant landscaping and tankless water heaters. When sold, the city hopes to recoup the price paid for each home, including the cost of renovation. But Brubaker said the goal is to keep the selling price reasonable for a family of four whose income does not exceed about \$71,800 -- California's average salary for qualifying for subsidized housing.

David Zapata Menchaca, the United Way of Los Angeles' regional director of development for the Santa Clarita and Antelope valleys, said such housing opportunities are critical given the region's other social and economic woes. In the Antelope Valley, more than 7,400 people are homeless, 1 in 5 residents live in poverty, and 1 in 5 don't have health insurance, Menchaca said. Lancaster would require the new owners to attend city-sponsored workshops on topics such as budgeting and home maintenance.

Local residents welcome the news. Leah Kantin lives near an abandoned home that the city bought on Foxton Avenue. "It looks trashy," said Kantin, 24, who shares her residence with her husband, stepmother and five children. Getting an occupant for the abandoned homes would help deter vagrants and kids from hanging around, Kantin added.

Community and business leaders also praised Lancaster's program. "It provides a sense of hope," said Chris Johnson, senior pastor at Grace Chapel, which runs outreach activities in the Piute neighborhood. "It tells people in these areas of town that they are valuable, and their quality of life is important to our community," he said.

Inside the house on Foxton Avenue, Brubaker grimaced as she looked at the worn and dingy carpet, scarred with cigarette burns and stains. "All the floor covering -- gone. We'll put in new electrical fixtures, install smoke detectors, repair the drywall," Brubaker said. She continued her inspection, rattling off what seemed a daunting list of repairs.

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## **ORANGE COUNTY HOUSING TRUST MISSION**

*The mission of the Orange County Housing Trust (OCHT) is to provide programs, resources and advocacy designed to establish a regional solution to the growing demand for affordable workforce housing options in Orange County and throughout Southern California.*

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