



Memorandum

TO: DRIVING A STRONG ECONOMY COMMITTEE **FROM:** Leslye Corsiglia

SUBJECT: FAIR HOUSING AND PREDATORY LENDING EDUCATION UPDATE **DATE:** May 6, 2005

Approved

Date

COUNCIL DISTRICT: Citywide
SNI: All

RECOMMENDATION

It is recommended that the Driving a Strong Economy Committee accept this memorandum as an update on the Housing Department's progress towards educating the residents of San José on fair housing and predatory mortgage lending practices.

SUMMARY

The City of San José has set the goal of equal housing opportunity for all residents. As part of the City's efforts to achieve this goal, the Housing Department is coordinating two public education campaigns: (1) to educate the residents of San José on their rights and responsibilities under fair housing laws; and (2) to educate residents on how to protect themselves against predatory mortgage lending practices. This memorandum serves as a status report on the Housing Department's efforts on these two fronts.

BACKGROUND

In September of 2003, the City Council approved the Analysis of Impediments (AI) to Fair Housing Choice report. The AI identifies impediments to fair housing choice and provides recommendations for actions that the City can take to remove these obstacles. The report includes recommendations on increasing public outreach and education efforts to tenants, landlords, and housing and apartment associations on fair housing laws.

On June 1, 2004, the City Council approved the Predatory Lending Action Plan and directed staff to work with our partners to develop a comprehensive anti-predatory lending program that includes counseling, outreach, and education. Since the Council meeting, the Housing Department has been facilitating regular meetings to develop such a program. Core members of the group include representatives from the California Association of Mortgage Brokers, the Fair Housing Law Project, Neighborhood Housing Services Silicon Valley, the Santa Clara County Association of Realtors, Working Partnerships, ProBono Project, and Bay Area Legal Aid.

ANALYSIS

Fair Housing Outreach and Education

The following is a brief description of the fair housing outreach and education efforts undertaken to date:

- **Website:** The City's website (sjhousing.org) has been modified to include a comprehensive section on fair housing, including frequently asked questions and answers, examples of fair housing violations, contact information for assistance, and links to other appropriate websites. This section will be supplemented in the next year with information on fair lending.
- **Fact Sheets:** Two comprehensive fair housing fact sheets have been developed. One of the fact sheets provides a general overview of fair housing, while the other specifically addresses sexual harassment under fair housing laws. Each fact sheet provides basic fair housing information, examples of discriminatory actions, and contact information for assistance. Approximately 6,000 of these worksheets have been distributed to San José apartment and mobilehome park owners and City residents through mailings and distribution at workshops and fairs, and have been made available in City buildings. In the next year, the fact sheets will be translated into several different languages. (Please see Attachments A and B)
- **Workshop:** In January of this year, the Housing Department, in cooperation with the Fair Housing Law Project, Project Sentinel, the Tri-County Apartment Association, Asian Law Alliance, the Legal Aid Society of Santa Clara County, and Bay Area Legal Aid held a free educational workshop for apartment owners and managers on fair housing laws. The workshop was advertised through invitations to apartment owners, referrals from local fair housing service providers, and advertisements in Tri-County Apartment Association's newsletters, workshops, and website. The workshop provided over 160 apartment owners and managers with information on how the fair housing laws apply to all stages of the rental process including advertising, screening, and tenancy. Due to the great success of the workshop, and requests for more information, additional workshops will be scheduled in the coming year.
- **Cable TV Segment:** In March of this year, staff from the Civic Center Television channel, the Housing Department, Project Sentinel, Fair Housing Law Project, Tri-County Apartment Association, and the Santa Clara County Association of Realtors collaborated on an educational fair housing segment, aired on the City's cable channel throughout the month of April. Utilizing interviews with real estate agents, apartment managers, apartment association staff, fair housing service providers, victims of housing discrimination, and City employees, the segment provides viewers with a general overview of fair housing and the people involved.

- **Fair Housing Month Activities:** In honor of the passage of the Federal Fair Housing Act of 1968, the City of San José, along with organizations throughout the nation, celebrated April as Fair Housing Month. In honor of this important event, the City officially proclaimed April as Fair Housing Month. In order to further educate San José's housing providers on their responsibilities under the fair housing laws, informational brochures were mailed to all apartment and mobilehome park owners. In addition, throughout the month of April, fair housing information was displayed in the lobby of City Hall.
- **Articles:** The Housing Department has been actively seeking opportunities to further publicize fair housing issues through newsletter articles. In this regard, articles were submitted for the April additions of Cityline and the Tri-County Apartment Association's member newsletter.
- **Funding:** This spring, a funding request will be submitted under HUD's Fair Housing Initiatives Program to assist in the continued expansion of the City's fair housing efforts.

The City will continue to explore new and innovative ways to educate San José's residents and housing providers about their rights and responsibilities under fair housing laws.

Predatory Mortgage Lending Practices Outreach and Education

Earlier this year, in conjunction with its predatory mortgage lending outreach and education efforts, the City of San José was accepted into Freddie Mac's "Don't Borrow Trouble" program. This anti-predatory mortgage lending program provides templates for a multi-media campaign including posters, radio, and television advertisements; assistance in setting-up a counseling and referral system; legal training on predatory mortgage lending issues; expert consultation on developing an effective campaign; and seed funding. Since February, the City of San José's predatory mortgage lending outreach and education group has been coordinating regularly with Freddie Mac staff.

The predatory mortgage lending outreach and education group had its inaugural workshop on April 2nd at the Santa Clara County Association of Realtors' Affordable Housing Fair. This workshop provided attendees information on how to protect themselves against abusive lending practices. Two educational worksheets were provided to the audience and distributed to attendees at several informational tables throughout the fair.

The official kick-off to the City's anti-predatory mortgage lending outreach and education program is targeted for September 2005. Within a few weeks of the kick-off event, the group will provide a series of workshops on all aspects of the home mortgage process from basic financial literacy to post-loan responsibilities. Although details still need to be finalized, the outreach and education group's current workplan is as follows:

- **Advertisements:** The outreach and education group will supplement Freddie Mac's templates with original print, television and radio advertisements to educate the residents of San José on predatory mortgage lending practices. In an effort to engage the widest

possible audience, the advertisements will be translated into several different languages and submitted to a diversity of newspapers, newsletters, and television and radio stations.

- **Free Referral Line:** In order to provide assistance to residents at all stages of the home mortgage process, the outreach and education group is developing a free referral telephone line. The referral line will provide callers with information on where they can get assistance, follow-up with clients and service providers, and track the needs and circumstances of the City's current and future borrowers. The group is currently gathering contact information for appropriate service providers, and assessing funding needs and sources.
- **Worksheets:** The outreach and education group has developed two worksheets to assist perspective borrowers to get the best mortgage loan for their circumstances. (Please see attachments C and D) The worksheets will be distributed on-line, at workshops, and through community organizations.
- **Perspective Website:** With the assistance of Freddie Mac, the outreach and education group is developing a comprehensive website to educate residents on predatory mortgage lending practices, how to protect against these practices, contact information for assistance, and upcoming workshops. This information will be contained within the Housing Department's website.
- **Outreach Events:** In the year following the kick-off event, in coordination with the City's Financial Literacy Campaign, the outreach and education group plans to provide free educational events for the community. The events will include workshops on basic financial literacy, credit and how to improve your credit rating, how to read a loan document, and steps to protect against predatory mortgage lending practices. In addition to these events, the group will provide educational materials and workshops at community events as appropriate.
- **Targeted Outreach:** Victims of predatory mortgage lending practices are targeted through a variety of methods including flyers, mailers, late night television commercials, and unsolicited phone calls and personal visits. To combat these undesirable solicitations, the outreach and education group will target some of its outreach activities specifically towards low-income and minority neighborhoods using similar language and tactics to those lenders most likely to engage in predatory mortgage lending practices.

OUTCOMES

This memorandum provides the Driving a Strong Economy Committee an opportunity to provide suggestions on the Housing Department's efforts towards educating City residents on fair housing and predatory mortgage lending practices. Approval of the recommendation will allow the Housing Department and its partners to continue their efforts in this regard.

I will be happy to answer any questions on this report at your May 23, 2005 meeting.

May 6, 2005

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COORDINATION

This memorandum has been coordinated with the Office of the City Attorney.

CEQA

Not a project.

LESLYE CORSIGLIA
Director of Housing

Attachments (4)

cc: Housing Advisory Commission