

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

631



**FROM:** Human Resources

**SUBMITTAL DATE:**  
December 11, 2008

**SUBJECT:** Approve the implementation of Riverside County's Homeowner Educational Learning Program (RC's Help).

**RECOMMENDED MOTION:** That the Board of Supervisors approve the attached proposal for the Homeowner Educational Learning Program (RC's Help) and authorize its implementation under the authority of the Human Resources Department in cooperation with the Economic Development Agency (EDA) and TLMA, Code Enforcement.

**BACKGROUND:** The purpose of this program is to create a public-private non-profit framework to educate County employees and residents of Riverside County as to their rights, responsibilities and opportunities, with respect to homeownership. Additionally, this program will serve to facilitate communication amongst Asset Managers and Realtors to improve upon their current oversight of vacant homes throughout the County.

Departmental Concurrence

\_\_\_\_\_  
Ronald W. Komers  
Asst. County Executive Officer/Human Resources Dir.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY:   
Elizabeth J. Olson

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

Dept't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: **3.25**

BACKGROUND continued

In partnership with the Board of Supervisors, RC’s Help will demonstrate a proactive approach to the continuing housing challenge. The Housing Crisis Issues & Potential Strategies Report, presented by John E. Husing, of Economics and Politics, Inc., pointed out that the housing crisis in Riverside County is the primary reason for the dramatic economic downturn this County is facing. Residents who purchased 359,044 homes from 2004 through 2007 are now almost all “upside-down” on their mortgages; this represents 33.5% of the Inland Empire’s 1,071,071 single family homes. Notices of default have been sent to 115,151 homeowners, and 243,893 Inland Empire homes are upside down on their mortgages but have not yet had notices of default. The last sub-prime re-sets will hit the market from Sep-2008 to March 2009. Starting in September 2009 until late 2011, the Alt-A and Option Adjustable mortgages will re-set. There are at least 100 County employees currently in some stage of foreclosure.

Some of the issues that arise from the housing crisis can be influenced by local leadership and the partnerships they form:

- Defending Riverside County communities from the impact of having large numbers of dilapidated properties injected into single family detached neighborhoods.
- Working to cut off the growing supply of foreclosed homes, so prices can stabilize and the market can return to responding to traditional supply and demand forces.

**Program Goals**

The first goal of the program is to provide resources, support and education that will assist individuals in their efforts to either retain their existing homes that are in jeopardy of foreclosure or to purchase a home in these uncertain economic times. The second goal is to offer incentives to Asset Managers and Realtors, who manage vacant properties to maintain vacant homes by creating a potential reward program. The third goal of RC’s Help is to work with County Departments to enforce current standards related to code enforcement in order to maintain or improve property values.

Support will take place in the community through:

1. **Educational sessions** utilizing resources that can assist individuals in keeping their homes.
2. Building relationships with property managers in the County, acting as an advocate for County citizens to **maintain or improve the value of neighborhoods**.
3. Using *County Code Enforcement* as a tool to **improve property “curb appeal”**.

It has been well established that far too many individuals request assistance once all of their potential options have been eliminated. Proactive, objective information needs to be available and accessible to residents on a multitude of topics.

The complete proposal for Riverside County’s Homeowners Education Learning Program is attached (Attachment A). The resume of the founder of RC’s Help is also incorporated (Attachment B). RC’s Help is staffed by volunteers who have agreed to not use this venue for business solicitation. There are no funds requested for this program.

*Attachment A*

*Proposed Riverside County's Homeowner Educational Learning Program  
(RC's Help)*

Program proposed to assist Riverside County Employees and  
Riverside County Residents

Proposed By: Chris Sorenson  
Founder of RC's Help  
December 9, 2008

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## **Purpose**

The purpose of this program is to create a public-private non-profit framework to educate County employees and residents of Riverside County as to their rights, responsibilities and opportunities, with respect to homeownership. Additionally, this program will serve to facilitate communication amongst homeowners, banks and realtors to improve upon their current oversight of vacant homes throughout the County. The Housing Crisis Issues & Potential Strategies Report, presented by John E. Husing, of Economics and Politics, Inc., pointed out that the housing crisis in Riverside County is the primary reason for the dramatic economic downturn this County is facing. Individuals who purchased 359,044 homes from 2004 through 2007 are now almost all "upside-down" on their mortgages; this represents 33.5% of the Inland Empire's 1,071,071 single family homes. Notices of default have been sent to 115,151 homeowners, and 243,893 Inland Empire homes are "upside down" on their mortgages but have not yet had notices of default. The last sub-prime re-sets will hit the market from Sep-2008 to March 2009. Starting in September 2009 until late 2011, the Alt-A and Option Adjustable mortgages will re-set. There are at least 100 County employees currently in some stage of foreclosure.

Some of the issues that arise from the housing crisis can be influenced by local leadership and the partnerships they form:

- Defending Riverside County communities from the impact of having large numbers of dilapidated properties injected into single family detached neighborhoods.
- Working to cut off the growing supply of foreclosed homes, so prices can stabilize and the market can return to responding to traditional supply and demand forces.

## **Program Goals**

The first goal of the program is to provide resources, support and education that will assist individuals in their efforts to either retain their existing homes that are in jeopardy of foreclosure or to purchase a home in these uncertain economic times. The second goal is to offer incentives to homeowners, banks and realtors, who manage vacant properties to maintain vacant homes by creating a potential reward program. The third goal of RC's Help is to work with County Departments (EDA and Code Enforcement) to enforce current standards related to code enforcement in order to maintain or improve property values.

Support will take place in the community through the following objectives:

1. **Educational sessions** with resources that can assist individuals in **keeping their homes**. An example of the content in one of the educational sessions is listed below:

### ***Session I: Steps to Keeping Your Home***

- Note modifications
- Short sale refinances
- Forbearances

- Reverse Mortgages
- Tax implications. When do I get a 1099?
- Foreclosure process
- Standard timelines of foreclosures
- Short sale vs. foreclosure
- How to increase your chances of getting a short sale accepted

***Session II: Buying a home in today's market***

- County programs available to help
- City programs available to help
- PERS (Public Employees Retirement System)
- STRS (State Teachers Retirement System)
- CALHFA (California Housing Finance Authority)
- FHA myths and facts and what are the new rules
- Credit myths and facts
- How to increase your chances of getting a short sale accepted

Program Structure/ Schedule: These educational sessions would be held monthly and be broken down into two, ninety minute sessions: sixty to seventy minutes for presentation and twenty to thirty minutes for Q&A. A six month trial period could be viewed as a chance for the Board of Supervisors to evaluate the effectiveness of this proposed program. At the end of this trial period, the program could be modified or abandoned based on measurable results and feedback from attendees.

The sessions planned are intended to introduce to attendees what is available to assist them in their areas of concern related to home ownership. The vision is that this program will facilitate a link to resources and support throughout the County.

2. Building relationships with *property managers* in the County, acting as an advocate for County citizens to **maintain or improve the value of neighborhoods** .

According to John E. Husing, the injection of dilapidated properties or absentee owned single family rentals will cause three problems:

- Dilapidated properties harm surrounding owner-occupied property values as they are almost never well maintained.
- Calls for police service go up as there are no property managers with whom the police can work to run anti-crime or tenant management programs.
- School classroom turnover soars as renters move from place to place trying to lower their housing costs.

The intention of RC's Help is to work with property managers through various incentive programs to improve upon the condition and standard of properties and neighborhoods in order to maintain the value and safety of Riverside County neighborhoods.

### 3. Using *County Code Enforcement* as a tool to **improve property "curb appeal"**.

While the County currently possesses the right and responsibility to impose and enforce fines for code violations, with respect to distressed properties, said fines could be the impetus to cause productive dialogue with banks and homeowners who hold multiple notes within the County limits. The vision would be to invite those who receive fines to the office of Code Enforcement in an effort to team up with the community to stem the tide of blighted properties affected by today's unprecedented housing crisis.

Code Enforcement's desire is to work with the community and invite on a regular basis, input from those that possess the ability to help the most. Fines imposed could be used as the genesis of an incentive program that could encourage current neighbors to work with the homeowners as well as the county. A "*Good Neighbor Program*" could be instituted for neighbors who water and maintain blighted homes in their immediate community.

#### **Anticipated Outcomes**

This program's vision is to have far reaching ancillary benefits including but certainly not limited to:

- Decrease in Foreclosures.
- Reductions in blighted neighborhoods and improvement overall of property values.
- Reduction in crime that occurs when homes are abandoned, such as the removal of valuables from these homes, vandalism and squatters.

#### **Experience of Coordinator and Potential Program Facilitators**

The presenter of information and the founder/coordinator of events is a licensed professional in the Real Estate and Banking industry since 1987, as well as a Former Mayor in our County and a major supporter of the existing County programs. Guest presenters would be licensed, local professionals specializing in Real Estate Law, Real Estate Tax Law, Estate Planning and Short sale and foreclosure experts. Guest presenters would speak to their area of expertise and make the audience aware of their rights, responsibilities and opportunities.

#### **Conclusion**

It has been well established that far too many individuals request assistance once all of their potential options have been eliminated. Objective, helpful information needs to be available and accessible to residents on a multitude of topics.

With support of this proposed program, The Board of Supervisors will be taking a proactive step to assist Riverside County residents. The establishment of a County program could be the first step in the justification of requesting grant funds to support the growing critical needs of County residents.

**Anticipated Cost for the Program**

There are no costs associated with the program at this time. The program presenters and facilitators would all volunteer their time.

Riverside County has been recognized and labeled in the media as “ground zero” for the sub-prime and housing crises. This program aspires to educate and encourage those in need, as well as partner up with the banks, realtors, and other partnerships who demonstrate through their actions, a desire to create a better community.

# ATTACHMENT B

## CHRISTOPHER L. SORENSEN

41995 CALLE CEDRAL, TEMECULA, CA 92592 (951) 694-9593, CELL (909) 262-0452

### EDUCATION:

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California State University of Fullerton  
*Area of Study: Business*

California Real Estate License 1987

### PROFESSIONAL EXPERIENCE:

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May 1992 to Present, TMG Financial Services, Inc.

President

- Supervise a staff of 180 including: Loan officers, processors, and clerical staff.
- Oversee all aspects of loan origination and quality control compliance
- Maintain annual production pipeline of approximate one billion in funded loans
- Implement training procedures for new loan officers
- Establish Realtor and Builder business for new territory.

1987 to 1992, *First Team Real Estate*, Anaheim Hills, CA

Real Estate Sales

- Top Real Estate Agent averaged approximately \$6 million annually in sales.
- Established "Real Estate Boot Camp," training for new Real Estate Agents.
- Mentored new agents for 3 months helping them to establish business.
- Became second highest producer first year amongst 75 agents

### COMMUNITY ACTIVITIES AND MEMBERSHIPS:

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- Mayor, City of Norco (Retired)
- Mayor Pro Tem, City of Norco (1995-1997)
- Member of the California League of Cities Association
- Member of the Building and Industry Association
- Member of the Sales and Marketing Council
- Former Board Member of Corona Regional Medical Center
- Member of Western Council of Regional Governments
- Member of Sunridge Community Church, Temecula, CA

## REFERENCES:

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- Credit Technology, Inc., Betty Weatherwax, Owner (909) 778-1501
- William Kilborn, owner (909) 795-4952
- Marian Mulligan, #1 Account Executive for Option 1 Mortgage Corporation (909) 581-3512