

## **Project/Program Profile**

**Name:** Foreclosure Assistance

**Organization:** Thai Community Development Center (Thai CDC)

**Location of Project/Program:** 6376 Yucca Street, Los Angeles, CA 90028

**Year Project Completed/Program Began Operation:** 2008

**Funding Sources:** U.S. Department of Housing and Urban Development

**Populations Served:** Thai community in Los Angeles

**Number of Staff:** 2 – 100% FTE and 42% FTE

**Total Cost of Development/Operation:** \$38,428

**Partners:** National Coalition for Asian Pacific American Community Development (National CAPACD)

**Services Provided:** Provides assistance to community members who are at risk of foreclosure of their homes or in the foreclosure process

California Community Economic Development Exemplary Practices Project

## **SERVICES: Foreclosure Prevention**

(Italicized portions offer further explanation. If the standard is not fulfilled by the project, it is noted in the italicized explanation. Crossed-out portions are not applicable.)

### Level 1: Program Feasibility Assessment

These basic criteria determine the feasibility of a foreclosure prevention program. The focus is on the organizational and financial readiness of the program.

#### 1. NEED

##### a. Community Need

###### i. There are low-income residents.

1. *The Thai Town community has a large population of low-income residents.*

###### ii. There are high rates of foreclosure.

1. *Thai CDC saw the need for foreclosure assistance to troubled homeowners in August 2008. Through Thai CDC's affiliation with the Asian Pacific Policy and Planning Council (A3PCON), Thai CDC worked collaboratively with Los Angeles Neighborhood Housing Services (LANHS).*

###### iii. There is a population lacking education, information, and counseling on foreclosure.

1. *The population is lacking foreclosure counseling in the appropriate languages.*

###### iv. There are scams targeting homebuyers and homeowners.

1. *Homeowners in the area are faced with a language barrier that makes going through foreclosure very difficult and makes them vulnerable to scams.*

##### b. Market Study/Needs Analysis

###### i. The market study confirms the need for, and viability of the program.

*There was no market study conducted at the Thai community level. Thai CDC has followed the national market study on the foreclosure.*

1. There are no other foreclosure prevention education and counseling programs in the area that can work with the target population.

*a. There are no other foreclosure counseling programs that are language-appropriate for the target population.*

2. There is enough demand for services and sources of funding to support the program.

###### ii. The market study informs the organization about demographics of the area, competition, and barriers to entry.

##### c. Local Support

###### i. The beneficiaries of the program support the program.

###### ii. Neighbors and local community members support the program.

###### iii. The program is in alignment with local city, county, state and/or federal development goal(s).

1. *The program in alignment with local city, county, state, and federal development goals because it helps participants avoid foreclosure and coaches them through their options.*

#### 2. ORGANIZATIONAL READINESS

##### a. The organization is willing and able to do the program.

- i. *The program has been successfully running since 2008.*

##### b. The program is in alignment with the mission of the organization.

- i. *The mission of the Thai CDC includes advancing the economic well-being of members of the Thai community. The foreclosure prevention program helps community*

*members avoid or through foreclosure, which helps them achieve better financial and economic standing.*

- c. The Board of Directors embraces a CED strategy and/or embraces the program as a part of the CED strategy.
    - i. *Thai CDC is very committed to CED and sees this project as part of their CED strategy.*
  - d. The organization and/or its partners have a track record of participating in similar programs.
    - i. *The organization has partnered with National CAPACD, which has experience in housing counseling.*
  - e. The organization has the financial and operational capacity to undertake the proposed program.
    - ~~i. The organization can support the additional debt (if any) created by the program.~~
      - 1. *There is no debt created by the program.*
    - ii. The organization has qualified staff that can undertake the program.
      - 1. *All staff members have graduate degrees and are trained and certified.*
    - iii. The organization has access to reliable, qualified vendors and service providers.
3. FINANCIAL FEASIBILITY
- a. Program cost
    - i. The program is affordable to the organization, and the projected cost is appropriate to the concept.
      - 1. *The program is affordable when adequate funding is secured, but there is always the threat of budget cuts to the funding. As of 2011, funding for 2012 has been secured.*
    - ii. The operator or staff providing the cost estimates is qualified and experienced with foreclosure prevention programs.
  - b. Funding sources
    - i. There are enough sources of funding for the uses.
      - 1. *In the past there have been enough funding sources, but for the upcoming year the U.S. Department of Housing and Urban Development is undergoing budget cuts, so Thai CDC is in need of more funding for the program.*
    - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the program qualifies.
      - 1. *The organization is currently in the process of seeking and securing all available funding. The organization is looking into partnering with local banks to secure funding.*
    - iii. The actual disbursement of each source is timely and in sync with the needs of the program.
    - iv. The organization is aware of the compliance implications of each source.
  - c. Cash flow
    - ~~i. The program produces enough cash flow to support the proposed debt structure (if any).~~
      - 1. *There is no debt.*
    - ii. If the program is low-cost or free, it is subsidized enough to sustain itself beyond the first year
      - 1. *The program is free. It has been subsidized enough to sustain itself since 2008.*

Level 2: Practical Considerations

These criteria are essential for a successful, operating foreclosure prevention program.

1. MARKET BARRIERS

- a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.
  - i. *Past programs have not worked due to the language barrier. Thai CDC's foreclosure program addresses this issue.*

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, trainers, outreach coordinators, and management staff.
  - i. *Staff members all have graduate degrees and go through a process of becoming trained and certified.*
  - ii. *No volunteers or unpaid staff are employed to ensure quality and confidentiality.*
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
  - i. *Thai CDC has partnered with National CAPACD, which has experienced housing counselors that can provide assistance to the program.*
- c. The program is supported by public sector, private sector, and community partners.
  - i. *Mainly the public sector and community partners support the program. The program does not receive much support from the private sector.*
- d. The organization is connected to public sector (e.g. assessor's office) and private sector (e.g. title company, attorney) partners who provide assistance to the program.
  - i. *The organization does not have connections to the public sector or private sector.*
- e. Through an open dialogue with the community, the organization has sought and incorporated community participation in the program
  - i. *The organization runs workshops and encourages community participation such as volunteer language assistance.*

3. SITE CHARACTERISTICS

- a. The area that is served by the program makes sense.
  - i. *The program mainly serves residents of the Thai and other ethnic communities in Los Angeles.*
- b. The offices and training sites of the program are located near or adjacent to transit.
  - i. *The offices are located near local bus line and a subway station.*

4. PROGRAM DESIGN & OPERATION

- a. The program is run in the appropriate language(s) for the clientele in the area.
  - i. *The program was started primarily to provide services in appropriate languages.*
- b. The program is culturally appropriate to the clientele in the area.
  - i. *The program was started to provide culturally appropriate foreclosure assistance.*
- c. The program is tailored to the specific geography of the clientele in the area.

Level 3: From Feasible to Exemplary

These criteria elevate a foreclosure prevention program to an exemplary program.

1. FUNDING & FUNDING REQUIREMENTS

- a. The program uses a funding program or funding source that is new and innovative.
  - i. *Approximately 60% of the total funding is from the U.S. Department of Housing and Urban Development, which is not an unusual source for counseling programs.*
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the program was not completely changed in order to capture one particular funding source.

- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
    - i. *The program is currently facing funding issues because it has not had enough of a mix of funding sources in the past. The main source of funding is undergoing budget cuts.*
  - e. The program exceeds minimum standards required by funding sources
    - i. *The funding source does not require participants of the program to be low-income. However, the organization is asked to report the income level of participants.*
  - f. There is deeper low and moderate income targeting than required by funding sources.
    - i. *The funding source does not require participants of the program to be low-income. However, the organization is asked to report the income level of participants.*
2. FUTURE PROJECTS
- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
    - i. *The program strengthens the experience of the organization.*
  - b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
  - c. The success of the program will enable future funding on other programs.
  - d. The community is happy with the program and will participate in more/similar programs in the future.
    - i. *The community is happy with the program since it is the only housing counseling program that provides one-on-one counseling in Thai, and clients appreciate Thai CDC's in-depth counseling service at no costs.*
  - e. The community is more knowledgeable about foreclosure prevention programs.
    - i. *The community has become more knowledgeable about foreclosure prevention programs because Thai CDC uses ethnic media, interviews, and word of mouth to inform the community of the program.*
3. ENVIRONMENTAL IMPACT
- ~~a. The program has less environmental impact than traditional programs during operation.~~
    - ~~i. *The environmental impact of the program is undetermined.*~~
4. ECONOMIC IMPACT
- ~~a. The program encourages development, redevelopment, and investment.~~
    - ~~i. *The program helps save prior investments in assets.*~~
5. COMPREHENSIVENESS
- a. The organization provides or connects to other programs that provide multiple services e.g. referrals to lawyers.
    - i. *Thai CDC generally refer clients to other nonprofit agencies such as Public Counsel or Legal Aid Foundation of LA if possible.*
6. DIVERSITY
- a. The program serves a mixed income clientele.
    - i. *The program serves local community members going through foreclosure regardless of income.*
  - b. The program encourages mixed age, gender, ethnic, etc. participation.
    - i. *The program encourages participation of anyone in need of the program's help, particularly people that need language-appropriate foreclosure assistance.*
  - c. The program supports minority businesses.
    - i. *The program does not support minority businesses.*
7. PUBLIC BENEFITS

- a. The program provides foreclosure prevention education and counseling that is needed by the community but is currently not provided or accessible.
    - i. *The program provides assistance that is otherwise not available due to the language barrier.*
  - b. The program prevents the negative impacts of foreclosure, such as decreased property values, instability in the community, etc.
  - c. The program results in other positive physical impacts.
    - i. *The program helps prevent foreclosure and therefore helps to keep people off the streets.*
    - ii. *The program prevents blighted and abandoned properties.*
  - d. The program results in other positive economic impacts.
    - i. *By preventing foreclosure, the program prevents the negative economic impacts of foreclosure, such as decreased property values in the area.*
  - e. The program results in other positive social impacts.
    - i. *By helping homeowners to save their homes, the program can help stabilize the neighborhood.*
8. EVALUATION
- a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
    - i. *A quarterly internal audit is conducted.*
  - b. The organization edits the curriculum and materials as necessary.
  - ~~c. The program tests whether skills are really gained, not just taught.~~
    - i. *Thai CDC offers one-on-one foreclosure intervention counseling and Mortgage Delinquency and Default Solution workshops.*
9. LONGITUDINAL DATA
- a. The program tracks financial indicators of its participants (e.g. # of participants who avoided foreclosure, received a loan modification, received a forbearance, conducted a short sale)
    - i. *The program tracks Area Median Income to assess affordability and conducts budget analysis and credit reports.*
  - b. The program tracks the reach of its services? (e.g. # of clients, income status)
    - i. *The program tracks the number of clients and their income statuses.*
10. REPLICABLE/SCALABLE
- a. This program can be replicated in other communities, regions, and/or states.