

Federal Reserve Neighborhood Stabilization Video Reports
Phoenix: Suburban Sustainability

This is a transcript of a Federal Reserve Board video released April 28, 2011.

INTRO

Governor Elizabeth A. Duke

Phoenix reminds us that the foreclosure crises hit suburban as well as urban neighborhoods. Although the houses may be newer, overbuilding has still resulted in a high proportion of foreclosed homes amongst communities that have never had to deal with this before. Here public private partnerships have reached out to realtors to help to find eligible families and connect them with affordable homes.

SHOTS OF PHOENIX

SHOTS OF LOTS OF NEW HOUSING

Kate Kreitor:

“We way over built in Phoenix. We had four years of building far more homes than we actually needed. So we have way too much supply.”

Kate Kreitor:

“And what we are suffering from now? a five-fold increase in vacancies. We hardly know what a vacant home is in Phoenix. Or if they’re vacant, they’re vacant for six weeks—two months. Now they’re vacant for two years. And, uh, this is a big issue for us.”

SCENE OF KATE AND REAL ESTATE MANAGER IN THE SIENNA VISTA SUBDIVISION.

Kate Kreitor:

“The city of Phoenix has such a broad problem with foreclosures that we’ve designed our program to have many prongs to it....our whole goal was to address the range of foreclosure problems that we have with a foreclosure opportunity for all of the—the folks who wouldn’t have had a chance to buy in the market in 2006 when prices were sky high.”

Kate Kreitor:

We’re getting NSP funds—Neighborhood Stabilization Funds from the stimulus programs that will help us address only 1% of the foreclosures. So, that’s not going to really impact things unless we concentrate it. So, a subdivision gives us an opportunity to concentrate some impact, really make a difference in a community.”

Kate Kreitor:

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“Many of the subdivisions that we are looking at are closer in. This one happens to be less than a mile to a Park and Ride which gets you almost anywhere in the Valley for employment so this is a good central location.”

Kate Kreitor:

I think we can sell this too.

Real Estate Manager:

Oh, absolutely. This is a great house.

Kate Kreitor:

“ We’re gonna work with 500 families to buy a foreclosed home. And that’s going to make an impact. But to do that we have to work with probably as many as 3,000 families to find the eligible ones who can close and buy a home.”

Kate Kreitor:

“We needed every housing counselor and every realtor and every lender that would be willing to participate with us. So, we needed a central point.”

Beth Jo Zeitzer:

Welcome everyone to ROI Properties. My name is Beth Jo Zeitzer. We represent the city of Phoenix and it’s NSP program and we wanted to speak with you today a little bit about the program.

Kate Kreitor:

“One of the reasons we hired ROI was because they are realtors. They’re familiar with foreclosures in and out.”

Beth Jo Zeitzer:

“So, ROI Properties, umm, helps in the process by, uh, providing a liaison, umm, service. We’re kind of the front door to the city of Phoenix as far as individuals who are interested in learning about the NSP Program, the dollars that are available to acquire or to rehab these properties, how to work through the system, uh, whether it’s, you know, as a buyer, as a realtor, as a lender, uh, or other interested party.”

Faith McCloone:

All of these funds focus on communities hardest hit by residential foreclosures and there are 2 goals in mind. To help improve and stabilize neighborhoods and also help families purchase homes.

Realtor:

If I have a homebuyer that’s ready to start moving through this process how do I guide them to get started?

Beth Jo Zeitzer:

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“One of the things that we have found in our participation with this program is that ROI Properties has basically provided an opportunity to kind of bridge the gap between public and private. So, in many instances, realtors have not embraced public programs, and through ROI’s ability to translate what this program is all about and how to participate, we’ve seen increased buyer participation, we’ve seen agents embrace the program. And that’s wonderful.”

SCENE WITH REALTOR AND BUYER IN TOMAHAWK

BACK AT REALTOR TRAINING AT ROI

Faith McCloone:

Does that answer your question?

Realtor Sandra:

Yes it does, thank you.

BACK IN TOMAHAWK

Realtor Sandra:

So far so good?

Buyer:

So far so good.

HOME BUYER TRAINING AT NHS

Instructor:

What do you think some of the things are going to be important while you guys are out there looking for properties?

TRANSITION TO NHS SUBDIVISION

Patricia Garcia Duarte:

“The good thing about the housing crises has been that affordability has really increased.”

Patricia Garcia Duarte:

“When NHS Phoenix looked in acquiring the Montana Villa subdivision when it went to foreclosure we were really excited about the opportunity to offer these type of homes to low and moderate-income families, whereas before they probably wouldn’t have been able to afford them.”

Earnest Thomas:

It was a good time to buy a home especially with this market here in Phoenix.

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It just represents stability for me. It's a great opportunity. Something that I want to keep and pass on to my daughters.

Teresa Brice:

"I like the example that is being modeled by Neighborhood Housing Services because they are creating housing that is going to appeal to a wide variety of incomes and a wide diversity of homeowners. And I think that's really healthy. I think that this brings in inclusiveness, and I think ultimately will create stronger neighborhoods and a stronger sense of place."

Tito Espericueta

One reason I like it here is my work is close. Just 15 minutes away. And the kids' school is nearby.

Teresa Brice:

"One of the important lessons we have learned throughout this crisis is that we can't just look at the price of a house. We have to take the transportation costs into account as we are developing new housing, but also rehabilitating housing that's closer in."

Teresa Brice:

"I think the lesson that Arizona needs to learn is that place is important."

Teresa Brice:

"No neighborhood should be considered a throwaway neighborhood. Creating places where people want to be means to create stability for the economy. And it also creates stability for our families and our future."

THE END