Five-Point Strategy

to Restore a Healthy Housing Market
in North Minneapolis

Department of Community Planning & Economic Development – CPED

www.ci.minneapolis.mn.us/cped/foreclosure

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A Comprehensive Approach

- The Department of Community Planning and Economic Development (CPED) of the City of Minneapolis and its community partners are pursuing a Five-Point Strategy to restore a healthy housing market in North Minneapolis.

- CPED is working with community organizations, housing developers, funders, lenders and government partners to develop and implement this comprehensive approach.

- CPED is also working with other City of Minneapolis departments – including Regulatory Services, Police, Fire and Public Works – on key elements of the strategy.
The Five-Point Strategy

1. Prevent Foreclosures
2. Prevent Properties from Becoming Boarded & Vacant
3. Rehabilitate or Remove Boarded & Vacant Buildings
4. Promote Reinvestment & Environmental Stability
5. Attract & Retain a Healthy Mix of Stable Residents
Strategy 1: Prevent Foreclosures

Our first strategy is to **prevent foreclosures** by providing counseling and appropriate mortgage products to first-time homebuyers and homeowners seeking to refinance their homes.

- Mortgage Foreclosure Prevention Program
- Don’t Borrow Trouble public education campaign and Minneapolis 311
- Early Warning System to identify potential foreclosures and problem properties
- CityLiving mortgage loan program and the Home Stretch pre-purchase training program
The organizations listed below are a partnership of nonprofits that want to help you and give you free advice about your mortgage.

- **If your house is in North or Northeast Minneapolis**
  Northside Residents Redevelopment Council
  PH 612-335-5924, x1140
  www.nrrc.org

- **If your house is in South or Southeast Minneapolis**
  Twin Cities Habitat for Humanity
  PH 612-354-1989
  www.tchc.org

- **If your house is located elsewhere in Minnesota**
  Minnesota Home Ownership Center
  PH 651-659-9316 or 866-462-6466

If you are worried about your next house payment or have already missed one, there are nearby nonprofits (listed on the back of this postcard) that offer free advice, will answer your questions, and help create a plan for you. Confidentially.

Call today. Don’t waste another sleepless night. Waiting limits your options. There is help. Make the call. Do it now.
Strategy 1: Prevent Foreclosures, cont.

- The City uses the Minneapolis 311 phone system to assist residents at risk of or concerned about foreclosure.

- The City also continues to fund the Don’t Borrow Trouble public education campaign.
Strategy 1: Prevent Foreclosures, cont.

- The City is expanding the innovative **Early Warning System** to provide more accurate information on potential home mortgage foreclosures and problem properties.
Strategy 1: Prevent Foreclosures, cont.

- The City works with regional and community partners to educate Twin Cities realtors about the CityLiving mortgage loan program and the Home Stretch pre-purchase training program for first-time homebuyers.
Strategy 2: Prevent Properties from Becoming Boarded & Vacant

When foreclosure cannot be avoided, our second strategy is to **prevent foreclosed or abandoned properties from becoming vacant**, blighted, hazardous or targets for crime.

- Quickly acquire and rehabilitate foreclosed properties.
- Work with the mortgage industry to restructure the loans of qualified homeowners at risk of foreclosure.
- Work with the mortgage industry, realtors and government on innovative methods to speed resale and remediation.
- Work with the City’s Regulatory Services and Police Departments, community organizations, and property managers to minimize vandalism.

- The City has joined with the Family Housing Fund, Minnesota Housing and the Greater Metropolitan Housing Corporation (GMHC) to create an **$11 million Strategic Acquisition Fund**.

- This will allow GMHC to **quickly acquire and rehabilitate** foreclosed or boarded and vacant properties, and get them back into the hands of stable homeowners.
In partnership with the **Minnesota Foreclosure Partners Council**, the City of Minneapolis has initiated conversations with the mortgage industry and Minnesota Housing on possible programs to **restructure loans** of qualified homeowners at risk of foreclosure, in order to **keep people in their homes** as a first priority.

This statewide Partners Council is also working with the mortgage industry, realtors and government to intensify the use of short sales, keys for cash, deeds in lieu of foreclosure and other methods, where appropriate, to **make more properties available for resale and remediation** before vacancy and blight occur.

- CPED is also working with the City’s Regulatory Services and Police Departments, community organizations, and property management companies hired by mortgage servicers to minimize vandalism and protect these valuable Northside housing assets.
Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings

For properties that have become boarded and vacant, the best strategy is **rapid rehabilitation or removal**, to minimize the blighting influence and facilitate positive redevelopment.

- The City has identified six high-impact housing clusters to redevelop, in partnership with neighborhoods.
- City departments are working aggressively to address all boarded and vacant buildings within City limits.
- To reduce visual blight, CPED is piloting the use of alternative boarding practices on vacant buildings.
Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings, cont.

- With support of the Family Housing Fund and Northside Home Fund, the City has identified **six high-impact housing clusters** to redevelop in partnership with neighborhoods and developers.
- These six initial clusters include **306 homes and businesses**.
City departments – including CPED, Regulatory Services, Health and Family Services, Police and Public Works – are taking a coordinated approach to these clusters to make improvements so noticeable that positive change will radiate to adjacent blocks.

CPED and the Regulatory Services Department are working aggressively to address all boarded and vacant buildings within city limits during the next three years. We are now conducting a windshield survey and analysis to determine the best remediation solution for each property.

Options may include purchase by the City, referral to the Strategic Acquisition Fund, and private-sector rehabilitation using the City’s 249-ordinance legal authority.
To reduce visual blight, CPED is piloting the use of alternative boarding practices on vacant and boarded structures.

CPED is also working with the Regulatory Services Department to amend policies and practices that govern the way the City secures properties when condemnation occurs.
Strategy 4: Promote Reinvestment & Environmental Sustainability

Quality is contagious. The City believes that if it sets a high-quality example, on projects over which it has direct influence, this will in turn attract high-quality private investment.

- The City is updating its housing design standards to include environmentally sustainable attributes.
- The City partners with Tree Trust to plant additional trees in the redevelopment of high-impact housing clusters.
- The City partners with Rebuilding Together to rehabilitate homes in North Minneapolis.
Strategy 4: Promote Reinvestment & Environmental Sustainability, cont.

- CPED has begun to review and update the City’s housing design standards to include environmentally sustainable attributes and quality amenities.
The City has partnered with **Tree Trust** to plant 30 additional trees in Hawthorne Eco Village, one of the Northside Home Fund clusters.
The City has partnered with Rebuilding Together for a second summer to rehabilitate 20 homes in North Minneapolis, 11 of which are located in the clusters.

Strategy 4: Promote Reinvestment & Environmental Sustainability, cont.
Strategy 5: Attract & Retain a Healthy Mix of Stable Residents

Ultimately it is the mix of residents, including homeowners and renters – not the properties themselves – that will create and sustain a healthy community.

- The City participated in the development of a marketing campaign to attract residents to live and stay in the city.
- CPED is working with the Mayor’s office and neighborhoods impacted by foreclosures to create a down payment assistance program to attract potential buyers.
- The City is working with many partners to promote block clubs and other community capacity building activities.
The City participated in the development of a *marketing campaign* to attract residents to live and stay in North Minneapolis.

CPED is working with the Mayor’s office and neighborhoods impacted by foreclosures to create a *down payment assistance program* that will attract potential buyers to purchase homes in these affected neighborhoods.
The City is supporting efforts with the Family Housing Fund, Northside Home Fund and other partners to promote block clubs and other community capacity building activities.
Contact Information

- For immediate assistance with foreclosure issues in Minneapolis, **call 311**
- For more information on the initiatives described in this presentation, and links to partner organizations, visit the City of Minneapolis web site at:
  
  www.ci.minneapolis.mn.us/foreclosure
Foreclosures are concentrated in North and South Central Minneapolis.

Foreclosures occur in every ward in the city.

This map shows total foreclosure sales in 2007, according to the Hennepin County Sheriff’s Office.
As a percentage of total parcels, foreclosures are more heavily concentrated in North Minneapolis.

This map shows the concentration of foreclosures from January 2006 through October 2007.