

Five-Point Strategy

to Restore a Healthy Housing Market
in North Minneapolis



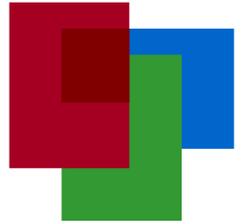
Minneapolis
City of Lakes

Department of Community Planning & Economic Development – CPED

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

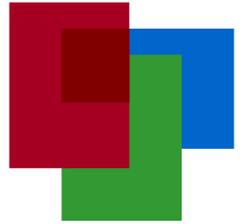
January 2008

A Comprehensive Approach



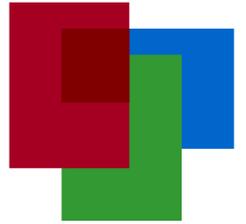
- The Department of Community Planning and Economic Development (CPED) of the City of Minneapolis and its community partners are pursuing a Five-Point Strategy to restore a healthy housing market in North Minneapolis.
- CPED is working with community organizations, housing developers, funders, lenders 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**

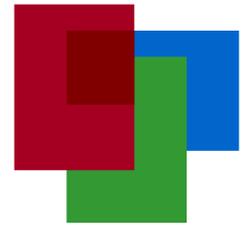
Strategy 1: Prevent Foreclosures



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

Strategy 1: Prevent Foreclosures, cont.



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

Si usted necesita ayuda en Español

Neighborhood Development Alliance
PH 651-292-0131
www.nedahome.org

If your house is in

South or Southeast Minneapolis

Twin Cities Habitat for Humanity
PH 612-335-5924
www.tchh.org

If your house is located elsewhere in Minnesota

Minnesota Home Ownership Center
PH 651-659-9336 or 866-462-6466

If your house is in

Saint Paul

City of Saint Paul
PH 651-222-2222
www.ci.stpaul.mn.us

Worried about your next house payment?

Have you already missed one?

Or two?

You are not alone. There is help.

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.

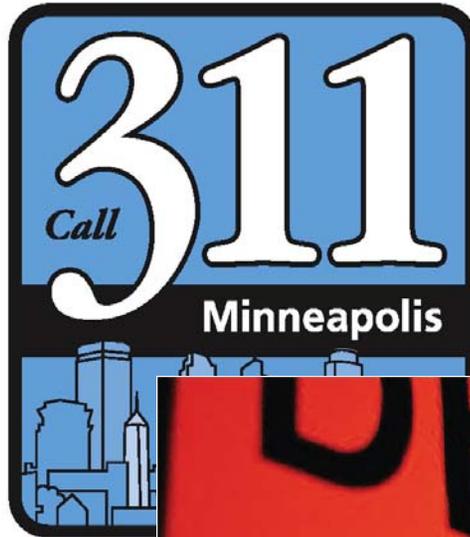
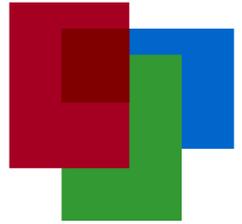
Call today. Don't waste another sleepless night. Waiting limits your options.

There is help. Make the call. Do it now.



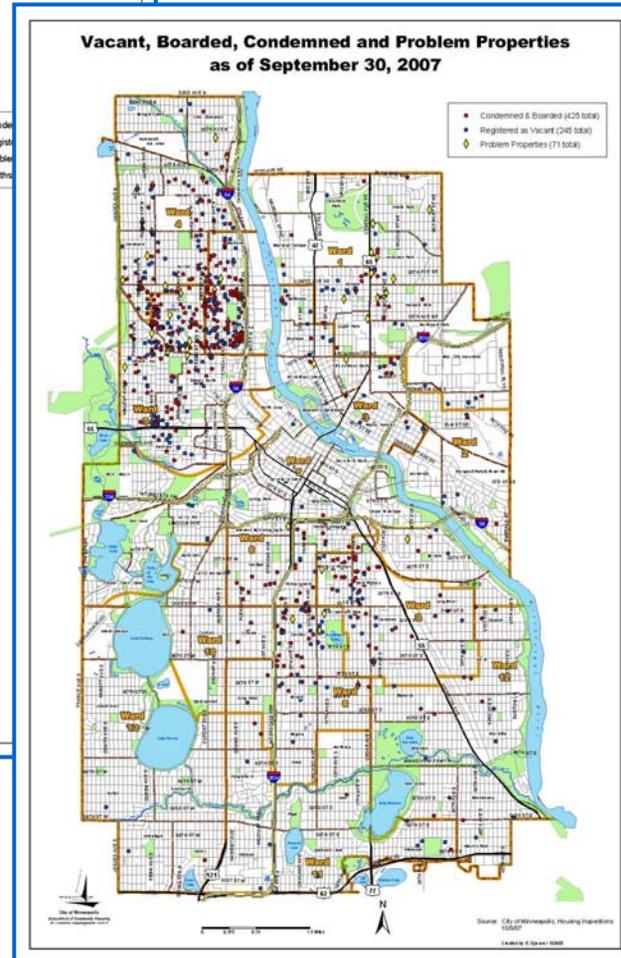
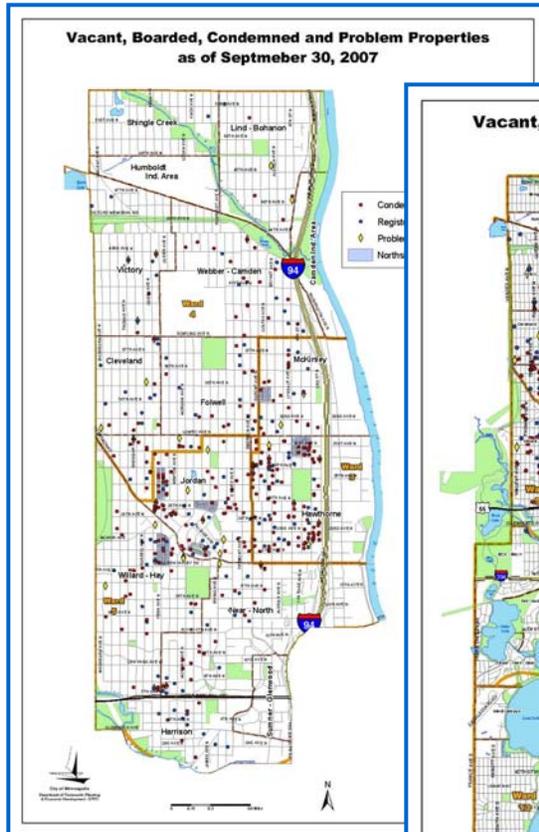
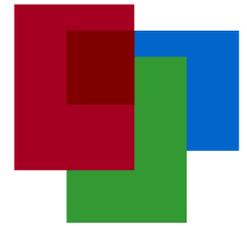
- The City has increased funding for the Mortgage Foreclosure Prevention Program, enabling the Minnesota Home Ownership Center and its community partners, including Twin Cities Habitat for Humanity, to hire additional counselors.

Strategy 1: Prevent Foreclosures, cont.



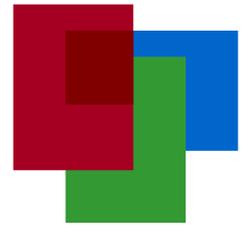
- The City uses the Minneapolis 311 phone system to assist residents at risk of or concerned about foreclosure.
- The City also continues to fund the Don't Borrow Trouble public education campaign.

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.



HOME STRETCH WORKSHOPS
JULY - DECEMBER 2007

**THINKING
ABOUT BUYING
A HOME?**

HOME BUYER
WORKSHOPS AND
COUNSELING

HOME STRETCH

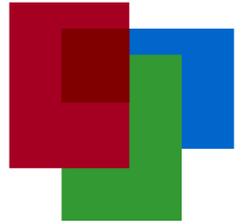
THE KEY TO
SUCCESSFUL
HOME OWNERSHIP!

This website is provided as a service of the Minnesota Homebuyers' Center

WWW.HOCMN.ORG

- 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.

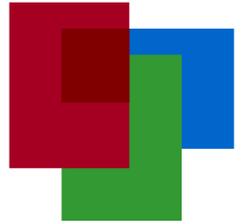
Strategy 2: Prevent Properties from Becoming Boarded & Vacant



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.

Strategy 2: Prevent Properties from Becoming Boarded & Vacant, cont.



Before



After



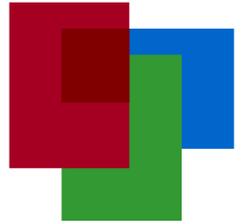
Before



After

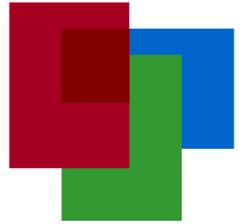
- The City has joined with the Family Housing Fund, Minnesota Housing and the Greater Metropolitan Housing Corporation (GMHC) to create an \$11 million Strategic Acquisition Fund.
- This will allow GMHC to quickly acquire and rehabilitate foreclosed or boarded and vacant properties, and get them back into the hands of stable homeowners.

Strategy 2: Prevent Properties from Becoming Boarded & Vacant, cont.



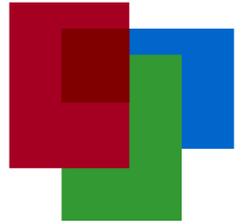
- In partnership with the Minnesota Foreclosure Partners Council, the City of Minneapolis has initiated conversations with the mortgage industry and Minnesota Housing on possible programs to restructure loans of qualified homeowners at risk of foreclosure, in order to keep people in their homes as a 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.

Strategy 2: Prevent Properties from Becoming Boarded & Vacant, cont.



- 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.

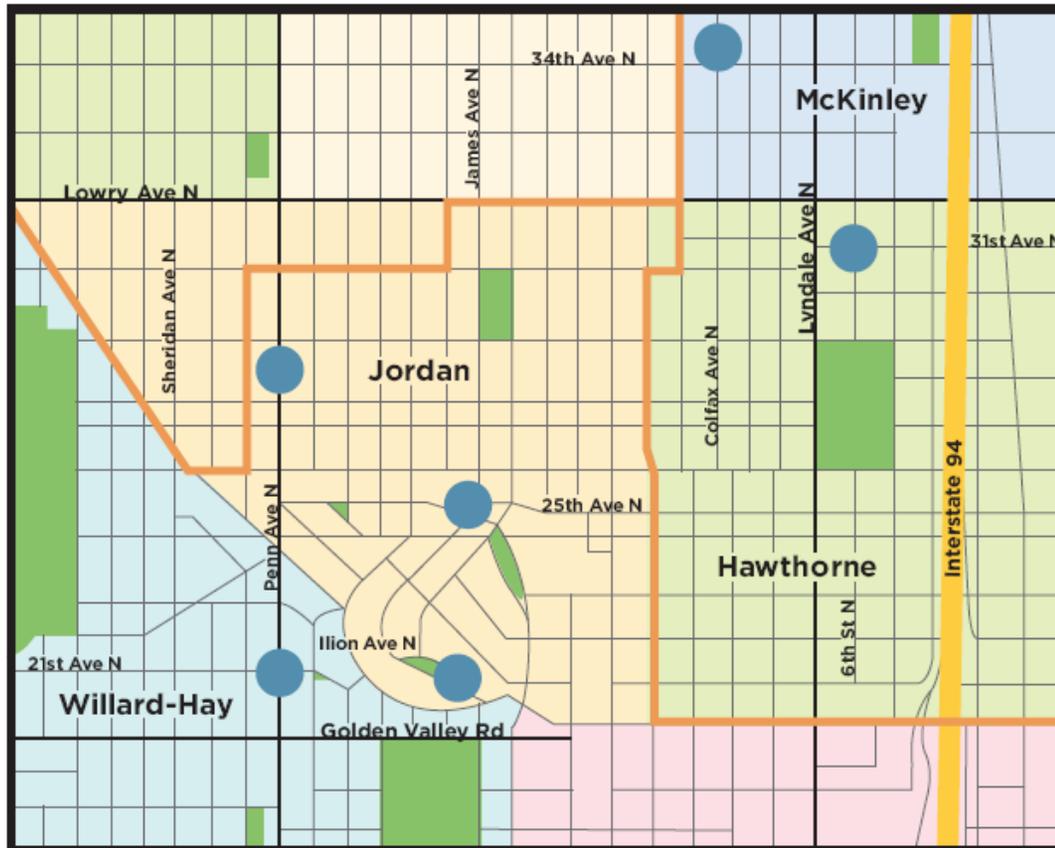
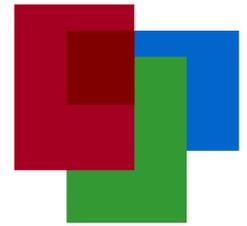
Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings



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.

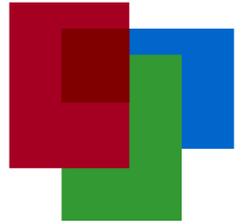
- The City has identified six high-impact housing clusters to redevelop, in partnership with neighborhoods.
- City departments are working aggressively to address all boarded and vacant buildings within City limits.
- To reduce visual blight, CPED is piloting the use of alternative boarding practices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

Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings, cont.



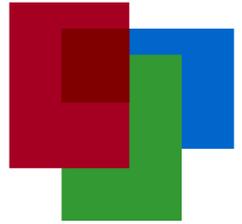
- With support of the Family Housing Fund and Northside Home Fund, the City has identified six high-impact housing clusters to redevelop in partnership with neighborhoods and developers.
- These six initial clusters include 306 homes and businesses.

Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings, cont.

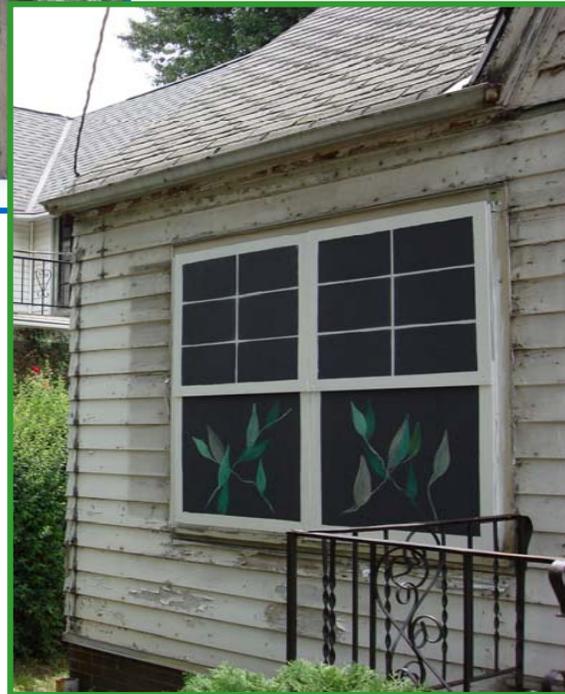


- City departments – including CPED, Regulatory Services, Health and Family Services, Police and Public Works – are taking a coordinated approach to these clusters to make improvements so noticeable that positive change will radiate to adjacent blocks.
- CPED and the Regulatory Services Department are 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.

Strategy 3: Rehabilitate or Remove Boarded & Vacant Buildings, cont.



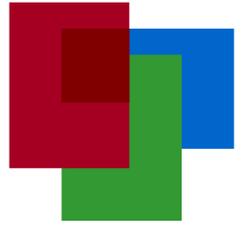
Before



After

- 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.

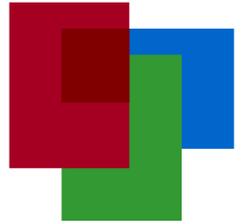
Strategy 4: Promote Reinvestment & Environmental Sustainability



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.

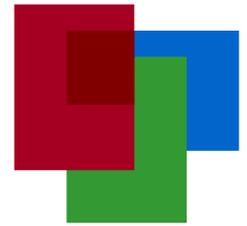
- The City is updating its housing design standards to include environmentally sustainable attributes.
- The City partners with Tree Trust to plant additional trees in the redevelopment of high-impact housing clusters.
- The City partners with Rebuilding Together to rehabilitate homes in North Minneapolis.

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.

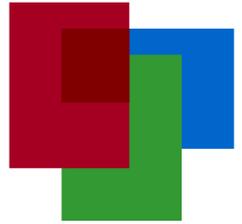
Strategy 4: Promote Reinvestment & Environmental Sustainability, cont.



- The City has partnered with Tree Trust to plant 30 additional trees in Hawthorne Eco Village, one of the Northside Home Fund clusters.

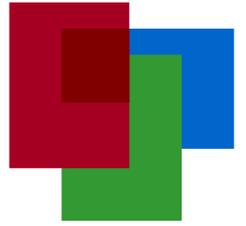


Strategy 4: Promote Reinvestment & Environmental Sustainability, cont.



- 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.

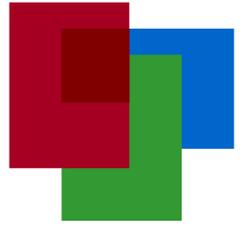
Strategy 5: Attract & Retain a Healthy Mix of Stable Residents



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

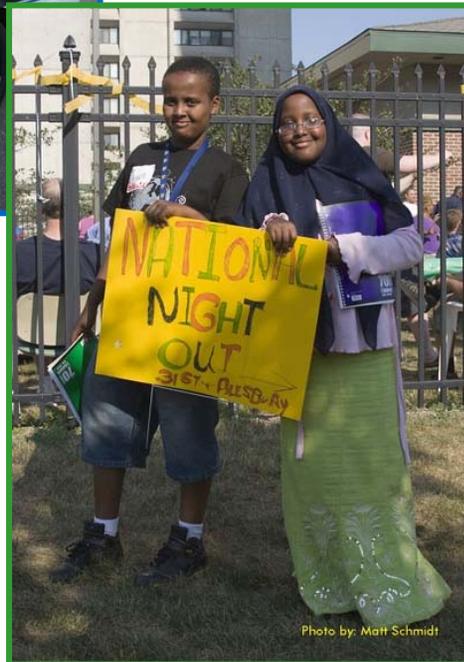
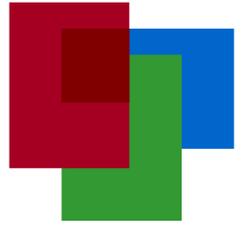
- The City participated in the development of a marketing campaign to attract residents to live and stay in the city.
- CPED is working with the Mayor's office and neighborhoods impacted by foreclosures to create a down payment assistance program to attract potential buyers.
- The City is working with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

Strategy 5: Attract & Retain a Healthy Mix of Stable Residents, cont.



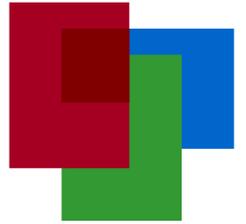
- The City participated in the development of a marketing campaign to attract residents to live and stay in North Minneapolis.
- CPED is working with the Mayor's office and neighborhoods impacted by foreclosures to create a down payment assistance program that will attract potential buyers to purchase homes in these affected neighborhoods.

Strategy 5: Attract & Retain a Healthy Mix of Stable Residents, cont.



- 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

