



Healthy Housing

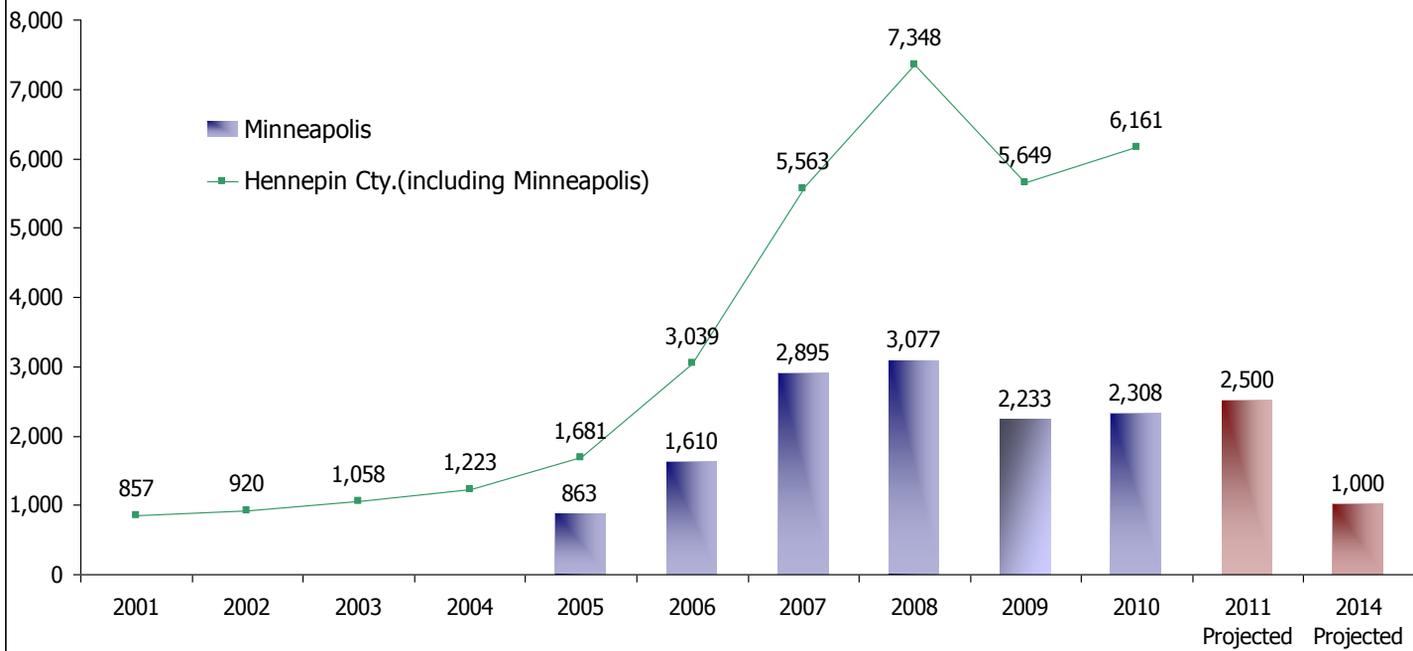
May 3, 2011

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Properties foreclosed in Minneapolis and Hennepin County and percentage of properties in Minneapolis



Source: CPED and Hennepin County Sheriff's Office

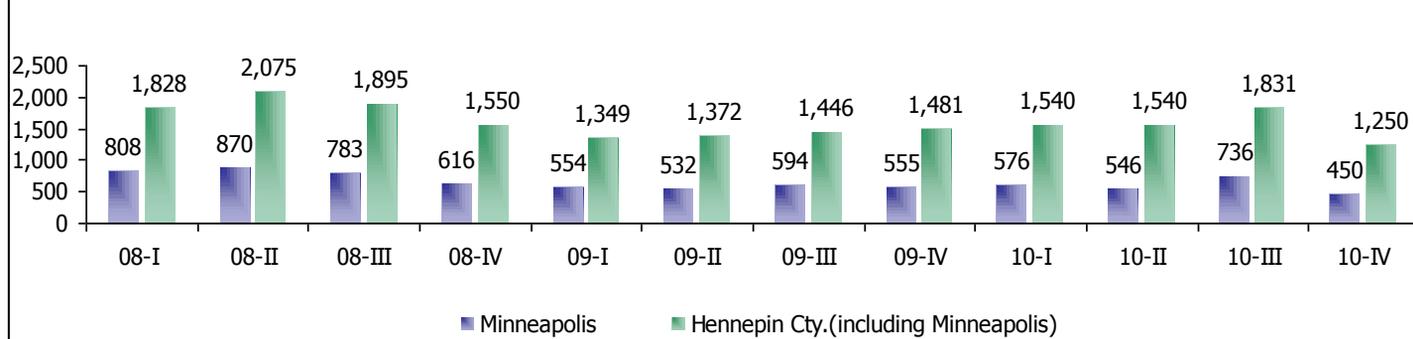
Why is this measure important?

Foreclosures often lead to vacant, boarded homes, increasing threats to public safety and disinvestments in neighborhoods. Foreclosures also pose significant challenges to achieving Minneapolis' City Goals. As a percentage of properties in Minneapolis, the foreclosure peak was 2.8 percent in 2008, compared to 1.5 percent in 2006, 2.7 percent in 2007, 2.1 percent in 2009 and 2.1 percent in 2010.

What will it take to make progress?

Our aggressive multi-pronged approach includes strategies for pre-purchase prevention, post-purchase prevention, remediation, coupled with effective marketing of the resources available to distressed homeowners in Minneapolis. Strategic reinvestment will continue to help stabilize housing market conditions and prices in Minneapolis neighborhoods hardest hit by foreclosures.

Properties foreclosed in Minneapolis and Hennepin County (by quarter)



City of Minneapolis

2010 Foreclosures by Ward

Total = 2,308

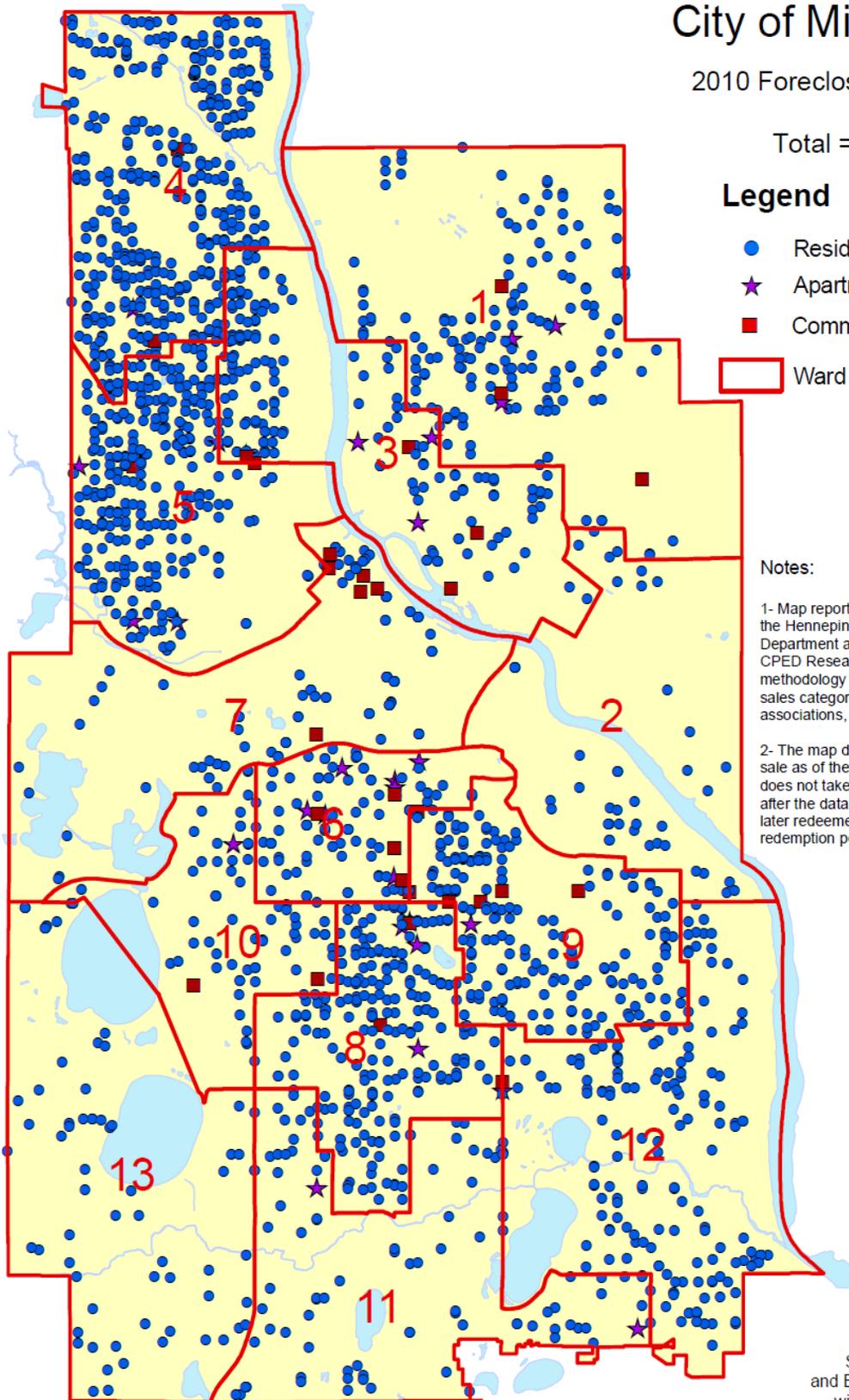
Legend

- Residential Property (1-3 units)
- ★ Apartment (4+ units)
- Commercial Property
- Ward

Notes:

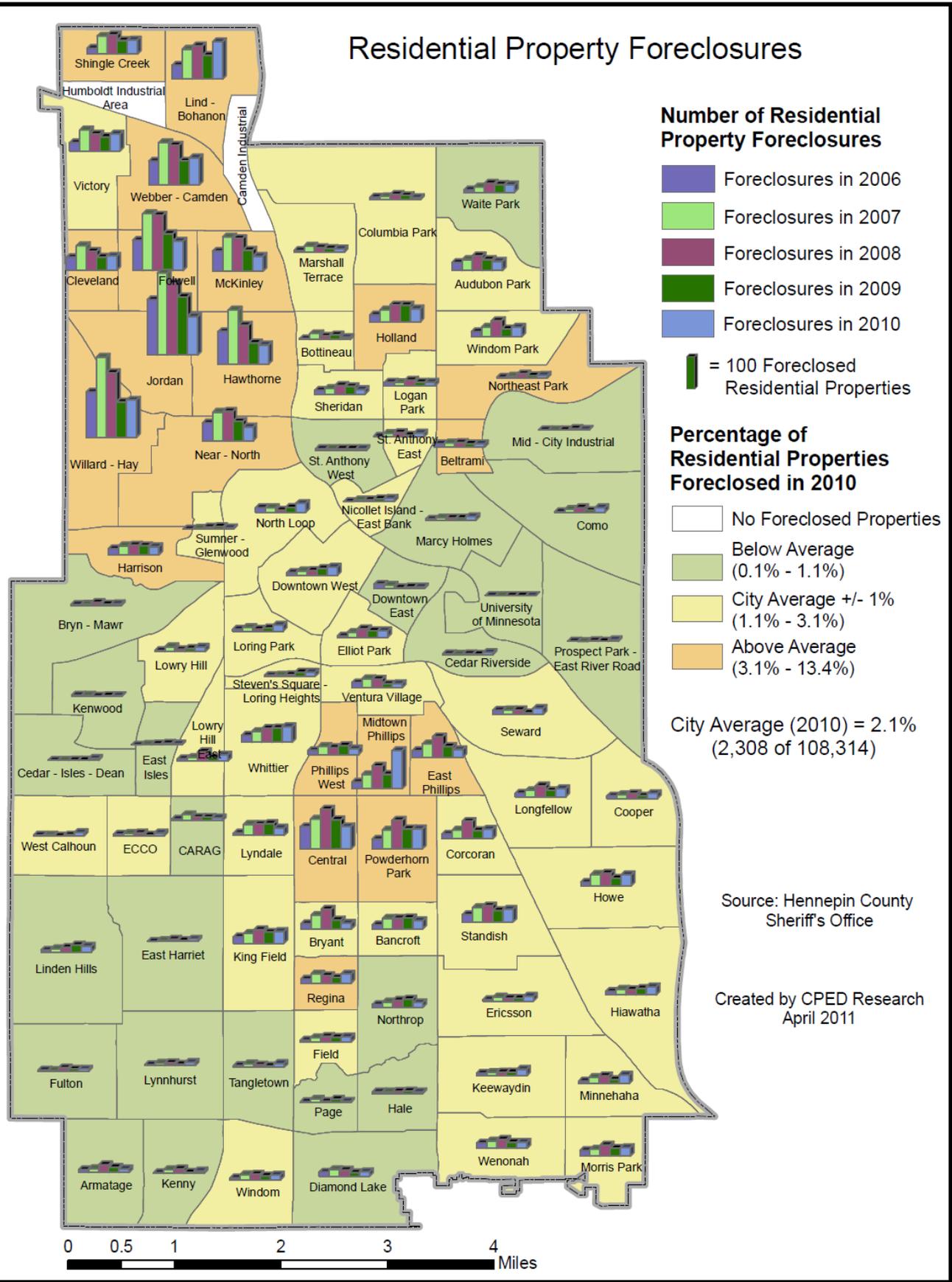
1- Map reports foreclosure sales reported by the Hennepin County Sheriff to Taxpayer Services Department and later sent to City of Minneapolis CPED Research Division. Hennepin County's methodology is to count all foreclosure sheriff's sales categories (mortgage, assessments, associations, executions, and judgments).

2- The map displays foreclosures at the Sheriff's sale as of the most recent reporting period and does not take into account foreclosures recorded after the data was compiled, nor any properties later redeemed by the owner in the 6 month redemption period.

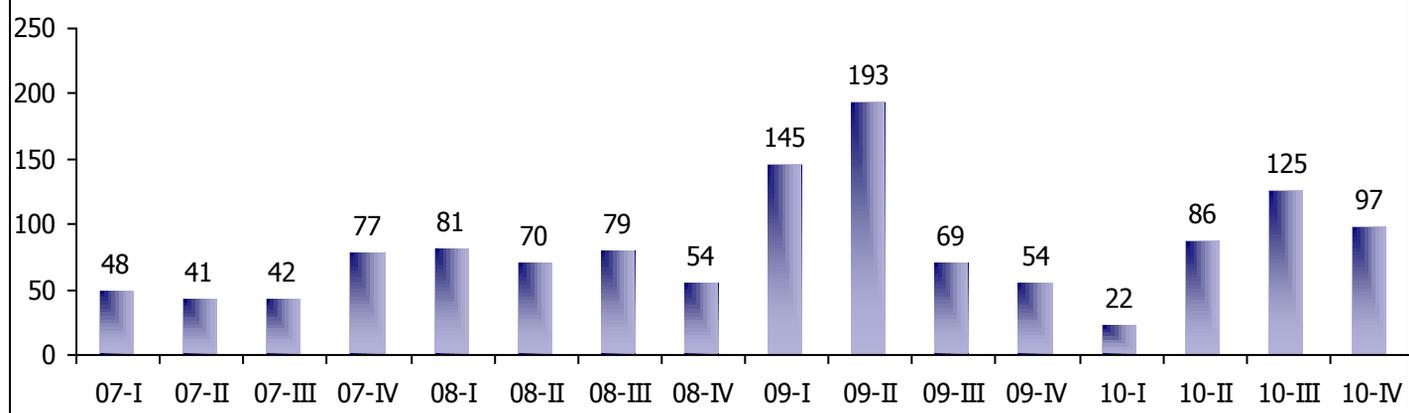


Source: Community Planning and Economic Development Research with data from Hennepin County. Jan. 28, 2011

Residential Property Foreclosures



Foreclosures prevented



Why is this measure important?

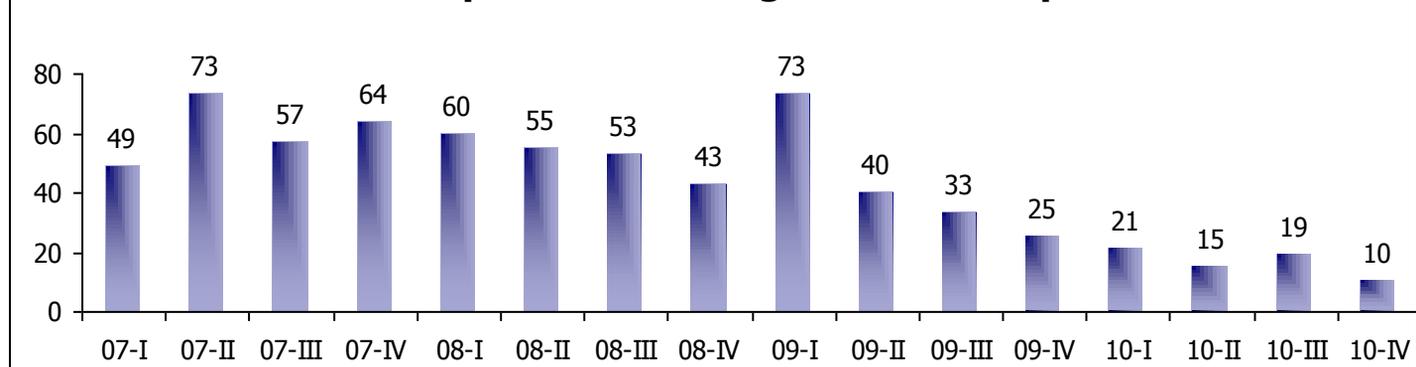
One can conclude that, but for this tool, 330 foreclosures in Minneapolis would not have been prevented in 2010. The City is continuing aggressive prevention strategies as long as foreclosure rates remain high. The costs associated with a foreclosed property average \$78,000. Foreclosure counseling and prevention costs, on average, \$400 per family assisted. Prevention is not only preferable for neighborhood stability but is estimated to have saved the City over \$20 million in 2010.

The City partners with the Minnesota Home Ownership Center (MN HOC) in addressing the goal of preventing foreclosures. The City allocates funding to the MN HOC to support local organizations' work (Twin Cities Habitat for Humanities and others) in providing counseling to homeowners experiencing foreclosures.

What will it take to make progress?

While there is much more to be done, our lending partners have improved their ability to work with our counselors to assist more families with loan modifications and refinancing. The good news is we have put in place more effective communication to families about the opportunity that exists and their needing to access the service sooner in the process by targeting services to homeowners that have missed mortgage payments two months in a row based on the pre-foreclosure notice requirement. Additionally, proactive measures in ensuring that home buyers go through the homebuyer education workshops before they purchase homes lead to long-term housing stability.

311 service requests on mortgage foreclosure prevention

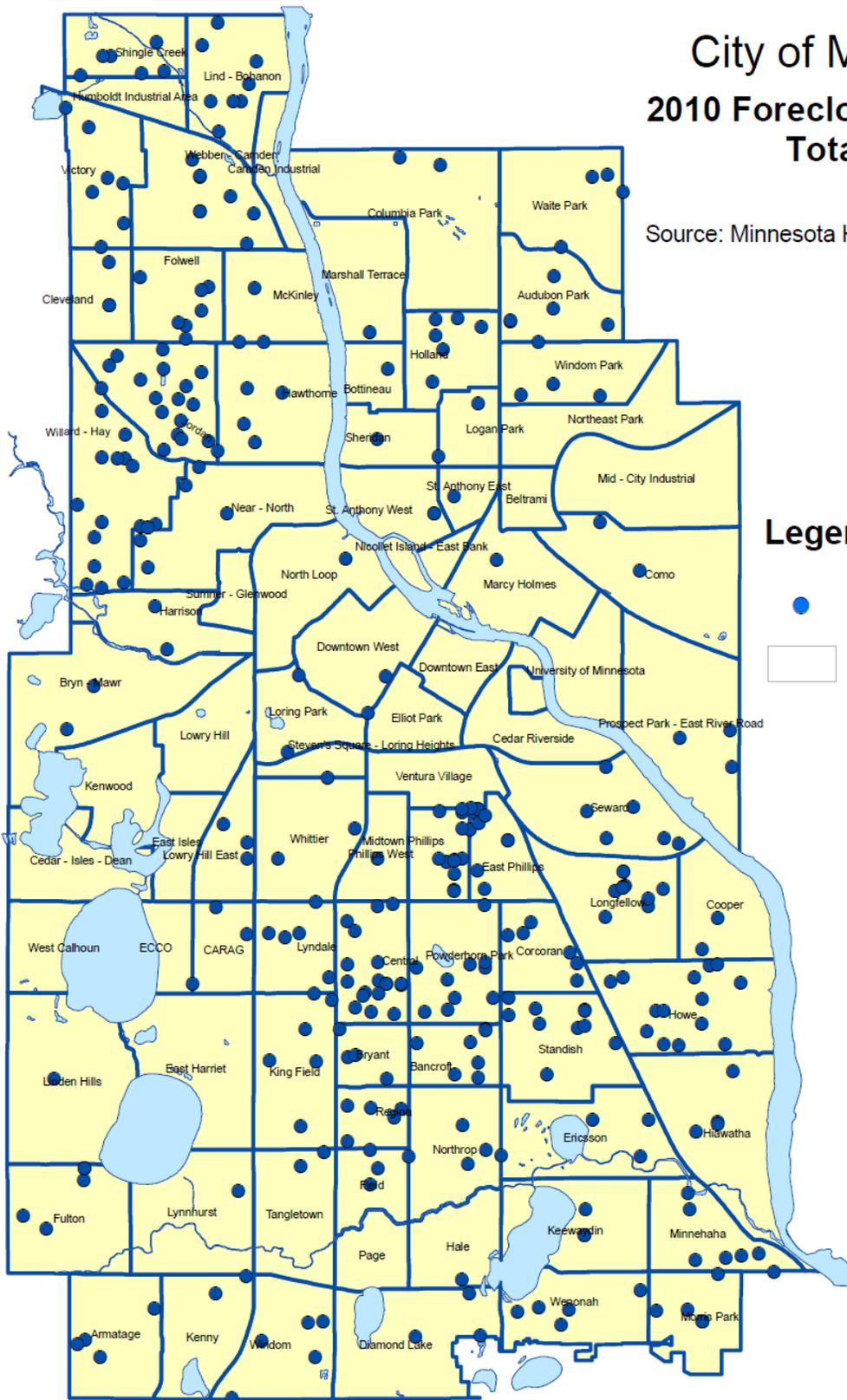


City of Minneapolis 2010 Foreclosure Prevented Total = 330

Source: Minnesota Home Ownership Center

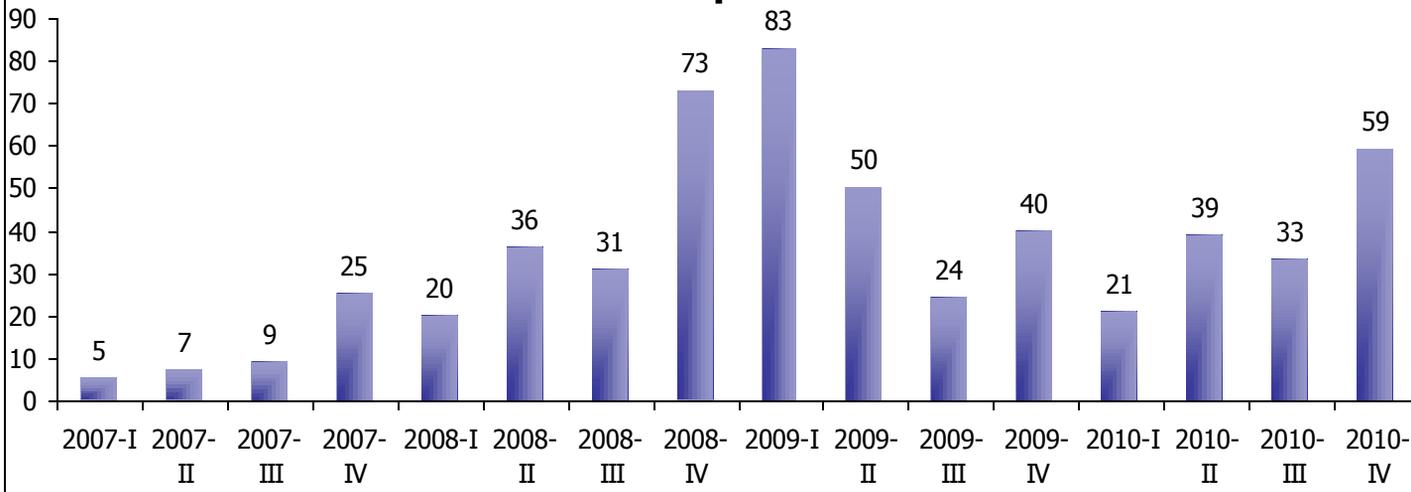
Legend

- Foreclosure Prevented
- ▭ Neighborhood



Disclaimer: Data on foreclosures averted was collected from the Minnesota Home Ownership Center. The Minnesota Home Ownership Center serves owner-occupied homeowners, investors are not eligible for services. <http://www.hocmn.org>

Home acquisitions



Why is this measure important?

It is believed that if these blighted properties are not acquired and treated, they will be eventually vandalized and subsequently become boarded and vacant. This could lead to other property owners becoming further frustrated, thereby making the decision to also abandon their properties, resulting in their properties becoming vandalized and subsequently boarded and vacant, starting the cycle.

One of the City of Minneapolis' approaches to prevent properties from becoming boarded and vacant is to acquire them before they get into the hands of irresponsible property owners. The acquisition is almost always done by the City or through the use of City financing. The City of Minneapolis then makes the property available for development or rehab by a responsible developer partner who is responsible for developing the property and selling it to an owner-occupied household.

Additionally, with the over saturation of unsold units on the market, the removal of the blighting influences assist with the reduction in the time on market. No one wants to buy a property that is next to a boarded property.

What will it take to make progress?

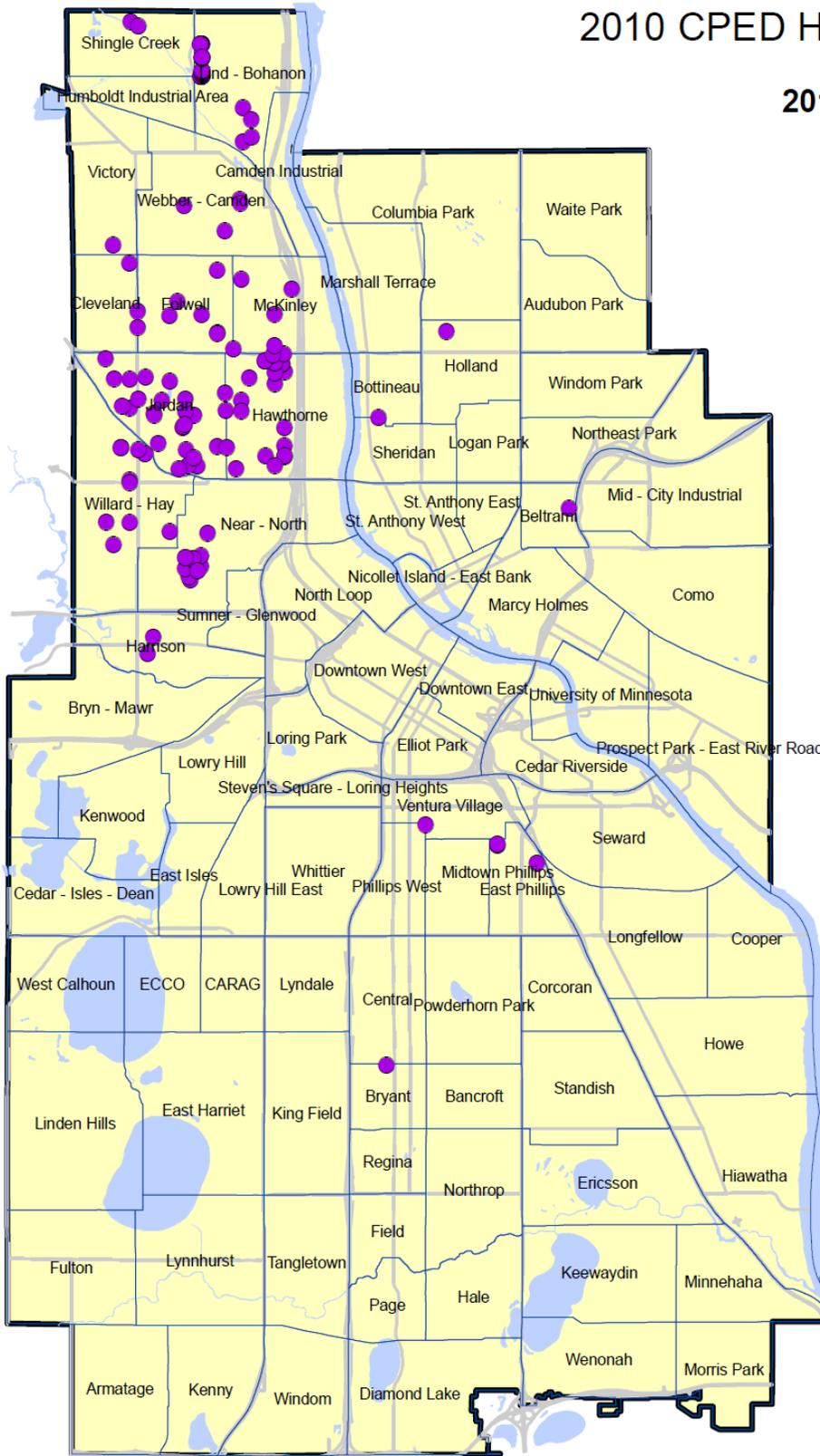
There are a lot of investors out there that we are in competition with to acquire these properties. Some have the funds and the ability to be quicker than the City and in some instances willing to pay more than the property is actually worth. It should also be noted that due to the foreclosure problem, more and more properties are becoming vacant. We need to be able to identify more resources to acquire these properties.

The federal Neighborhood Stabilization Program (NSP) strategically targets federal resources to Minneapolis neighborhoods most impacted by foreclosures. By September 2010, the City obligated \$14 million impacting a total of 275 NSP1 properties; including 96 properties purchased for rehabilitation and redevelopment, 68 properties acquired for future redevelopment, and 111 condemned and blighted properties demolished. In 2011, the City will begin to expend \$15.5 million to impact a total of 260 NSP2 properties; 70 in homeownership incentive financing, 134 properties to be purchased for rehabilitation and redevelopment, and 56 properties to be acquired for future redevelopment and \$3.4 million to impact a total of 56 NSP3 properties; 12 in homeownership incentive financing, 34 properties purchased for rehabilitation and redevelopment, and 10 properties acquired for future redevelopment.

The innovative Minneapolis First Look program of the Twin Cities Community Land Bank has leveraged \$30 million and saved \$3.3 million through coordinated transfer of real estate-owned properties from financial institutions nationwide to the City and our development partners. 186 foreclosed properties have been purchased through the Minneapolis First Look and targeted bulk purchase pre-market discount program from 2008 to date; 46 to for profit developers, 109 to nonprofit developers, and 31 to the City. Of these, 79 properties will utilize Neighborhood Stabilization Program funds.

2010 CPED Home Acquisitions

2010 = 152



Legend

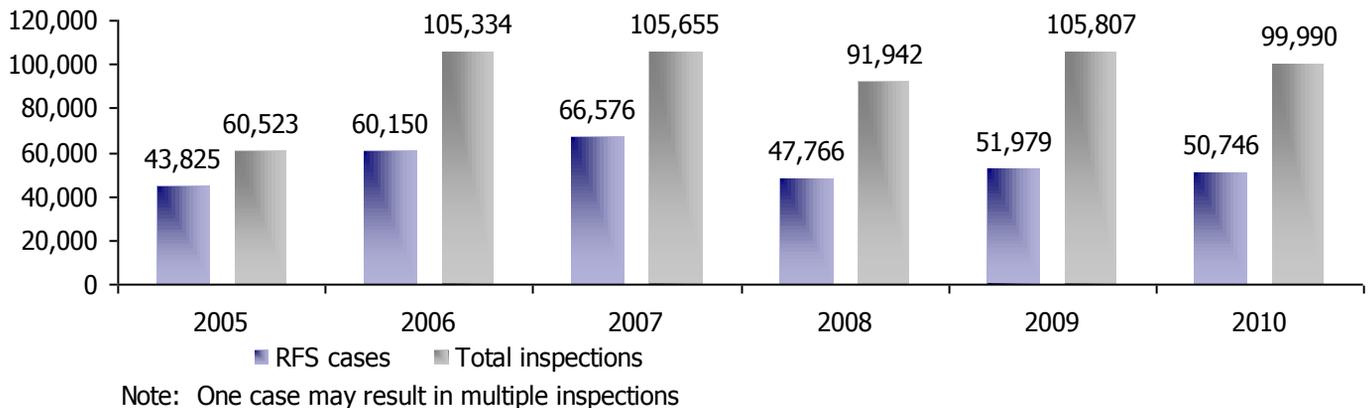
● Home Acquisition



Created by CPED Research, April 2011

Source: Community Planning and Economic Development

Number of housing inspections and cases



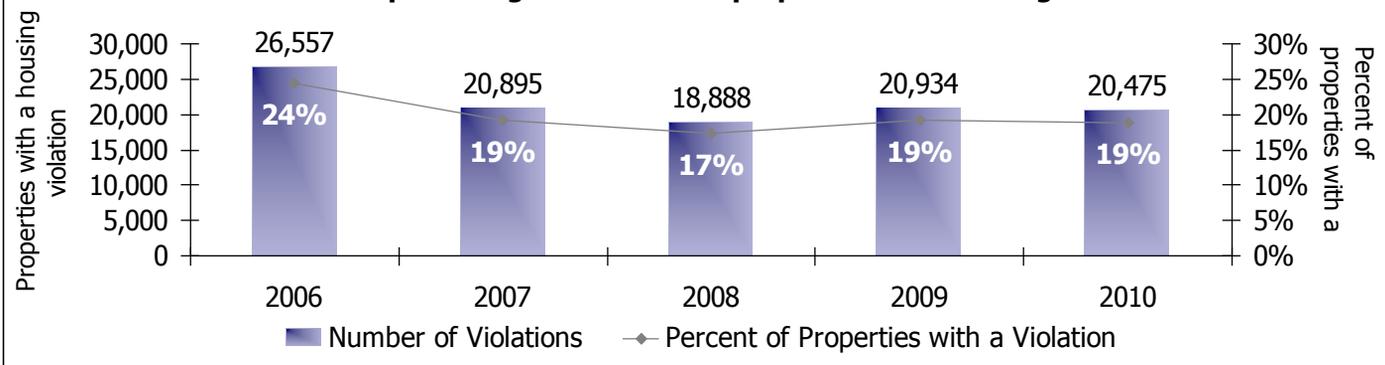
Why is this measure important?

Every citizen within the City is entitled to live next to or in a dwelling that is decent, safe, sanitary and meets the minimum housing standards set forth by our City. The core mission of Housing Inspection Services is to promote quality housing and livable neighborhoods for all residents. By responding to customer 311 complaints on properties, pro-active nuisance condition inspection activities and our systematic rental license program, we are maintaining and improving the housing stock. Regulatory Services has maintained staffing vacancies to address budgetary challenges which may have cause some of the reduction of activity in 2008 & 2010.

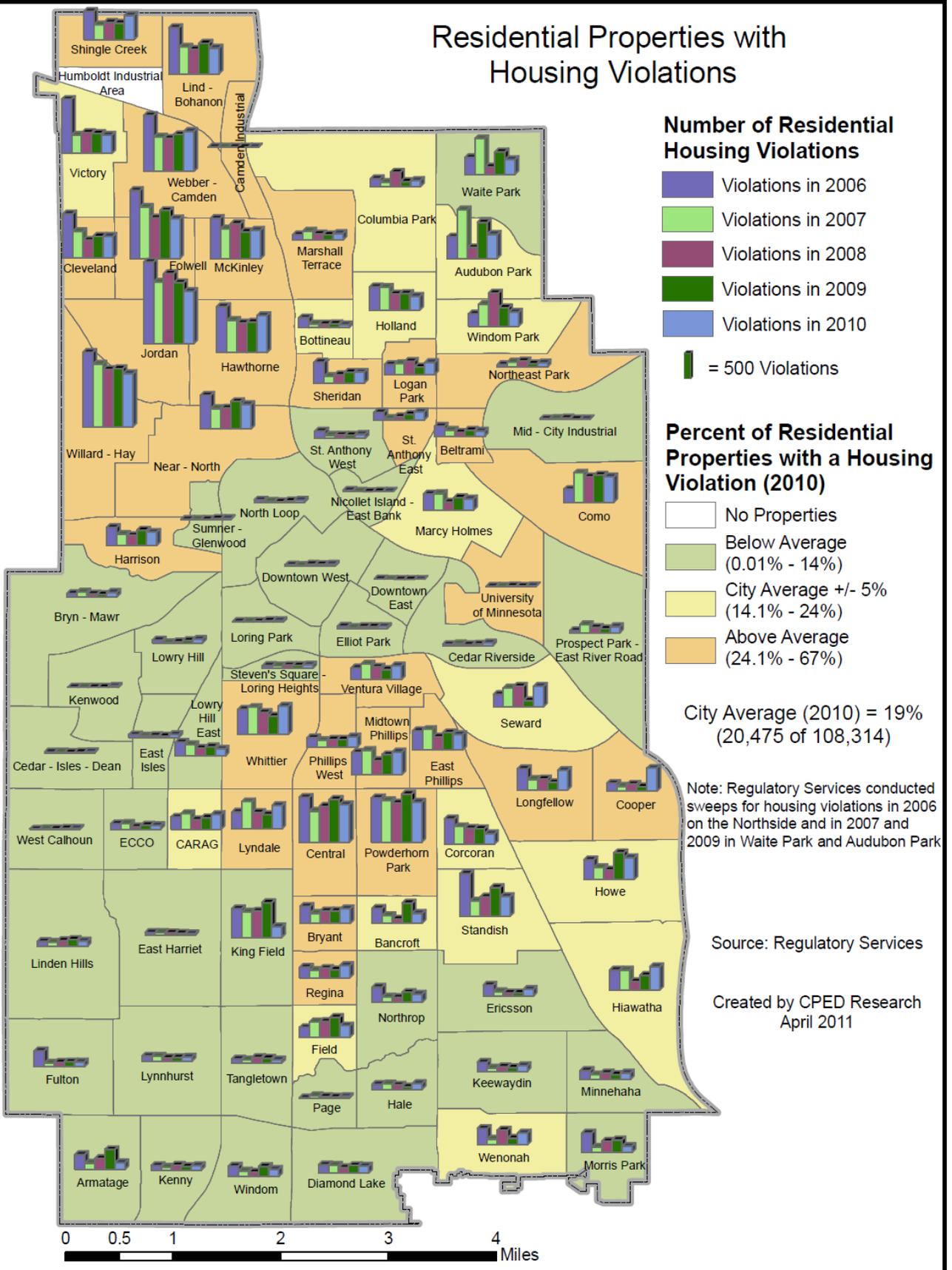
What will it take to make progress?

In an effort to focus rental inspection resources where they are most needed the City has developed a tiered approach to rental license inspections. Rental properties which are poorly maintained and managed, based on set criteria, will be pulled from the current 5 year inspection rotation cycle to be inspected annually. The City recently implemented programs by which properties are inspected upon conversion from owner occupied to rental and when a rental property changes ownership. The City has developed automated systems to review rental property records to ensure compliance with all licensing standards. Those properties which fail to meet standards are given an opportunity to come into compliance. Failure to bring the property into compliance will lead to rental license revocation.

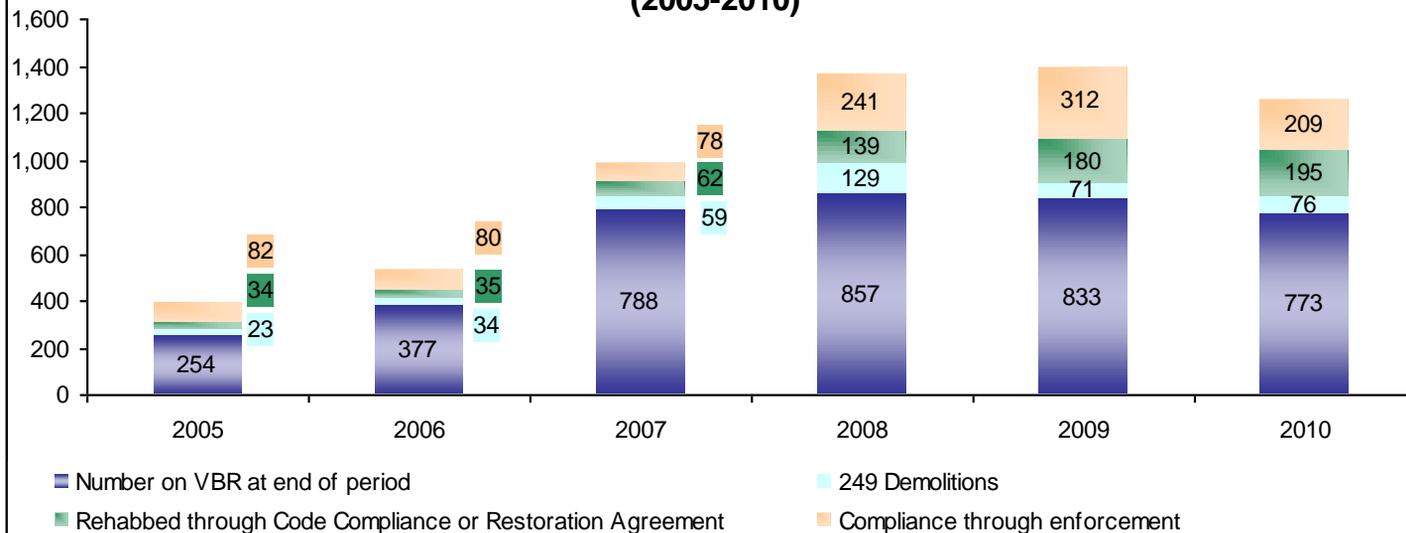
Number and percentage of residential properties with housing violations



Residential Properties with Housing Violations



Vacant Building Registration Activity (2005-2010)



Why is this measure important?

Vacant and boarded buildings negatively affect the safety and livability of the City's neighborhoods. They frequently become havens for criminal activity and contribute to blight and reduced property values. The safety and livability of our neighborhoods is improved with each vacant and boarded building that is demolished or rehabbed.

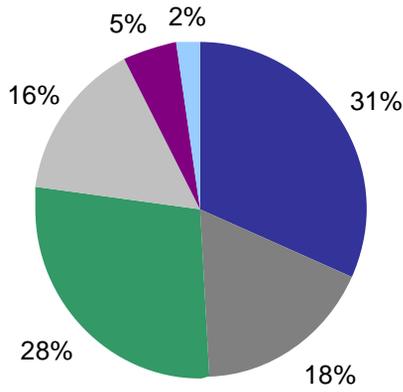
The longer a building remains in the City's Vacant Building Registration program, the more likely it is to experience serious decline and the more costly it will be to rehabilitate in the future. It is in the best interest of everyone to move the property back into the housing market as fast as possible and remove the blighting influence.

Looking at the list of properties that were registered as vacant at the end of 2010, of the 733 properties, 47 percent (367) have been on the list for 12 months or less. This is a slight decline from the number of properties in this category at the end of 2009, 49 percent (409 properties). In addition, the properties registered from 1-2 years fell from 28 percent (231) to 25 percent (192). Conversely, the number of long-term vacant properties has increased. In 2010, 28 percent of properties (214) in the Vacant Building Registration program had been on the list for more than two years, an increase from 2009 when the number was approximately 25 percent (193). This trend is partially attributed to the large influx of VBR properties in 2007. It may also be due to continually high turnover in newly registered buildings. In 2010, 480 properties were removed from the VBR - 38 percent of those registered over the course of the year. In 2009, only 563 properties came off of the list, which comprised 40 percent of properties on the list throughout the year. These high percentages may be an indirect result of increased VBR fees, more restoration agreements, and increased awareness of City-led demolition initiatives.

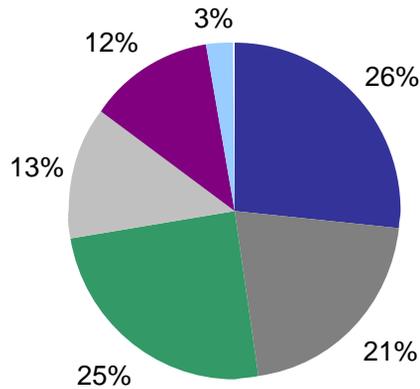
What will it take to make progress?

In 2008, the City increased the VBR fee from \$2000 annually to \$6000. The fee is attached to an annual indexing scale and went up to \$6550 on April 1, 2009. To minimize the economic impact and provide an incentive for rehabilitation, the City also adopted a "waiver" provision which permits owners to postpone payment of the fee if they agree to enter into a Restoration Agreement with the City and bring the property up to code in a timely manner. In 2009, 45 property owners took advantage of this opportunity by completing a Restoration Agreement. This number increased to 104 properties in 2010.

Length of time on vacant building registration list (represents properties on list at the end of the year)



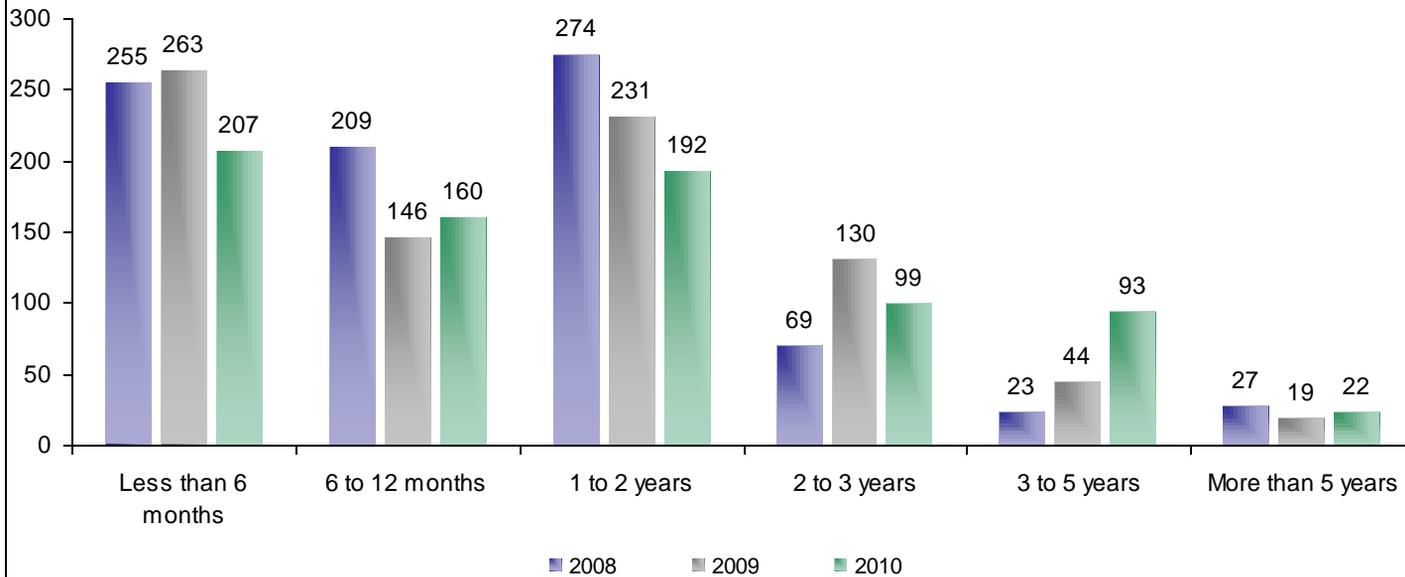
2009 (833 properties)



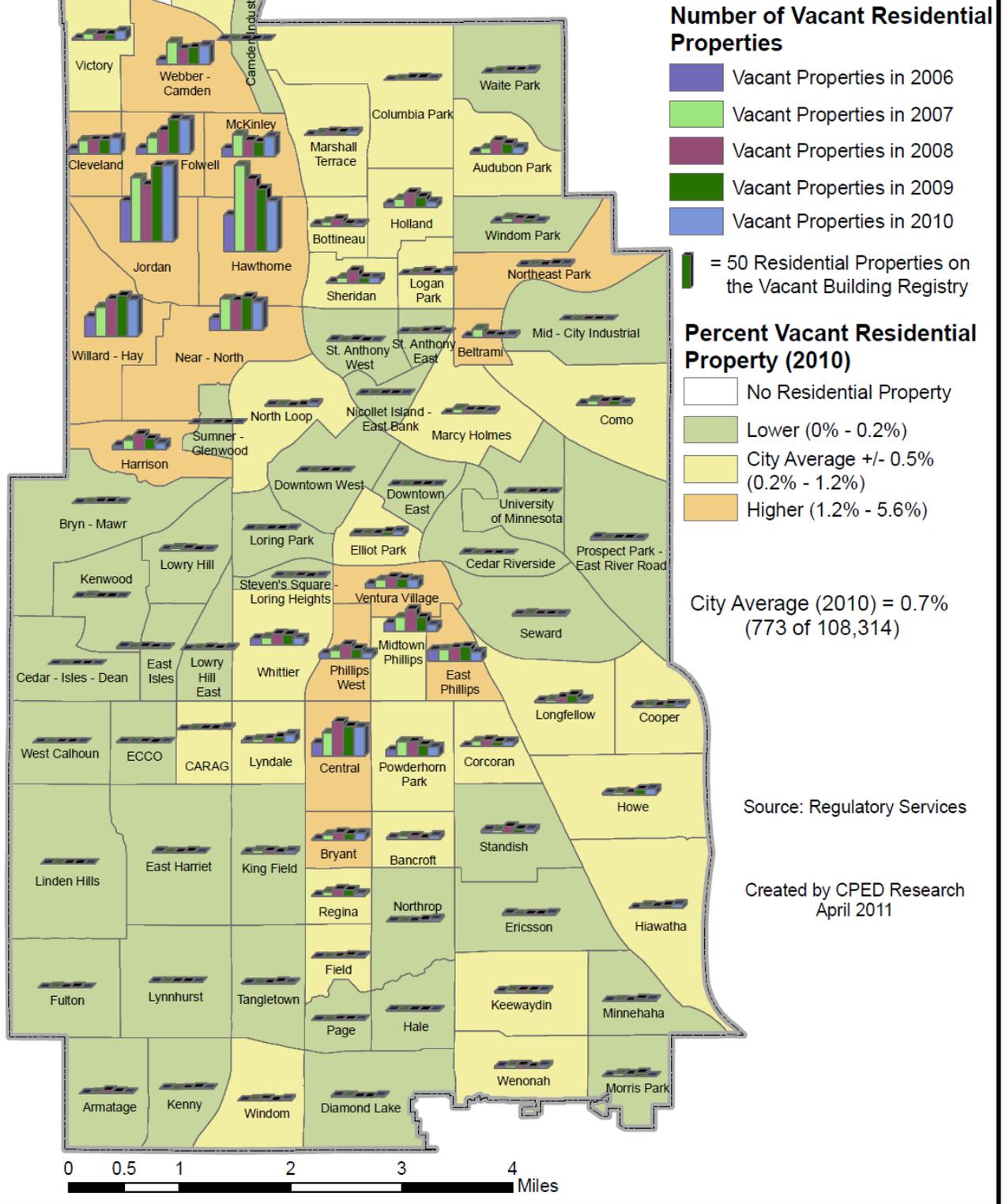
2010 (773 properties)

- Less than 6 months
- 6 to 12 months
- 1 to 2 years
- 2 to 3 years
- 3 to 5 years
- More than 5 years

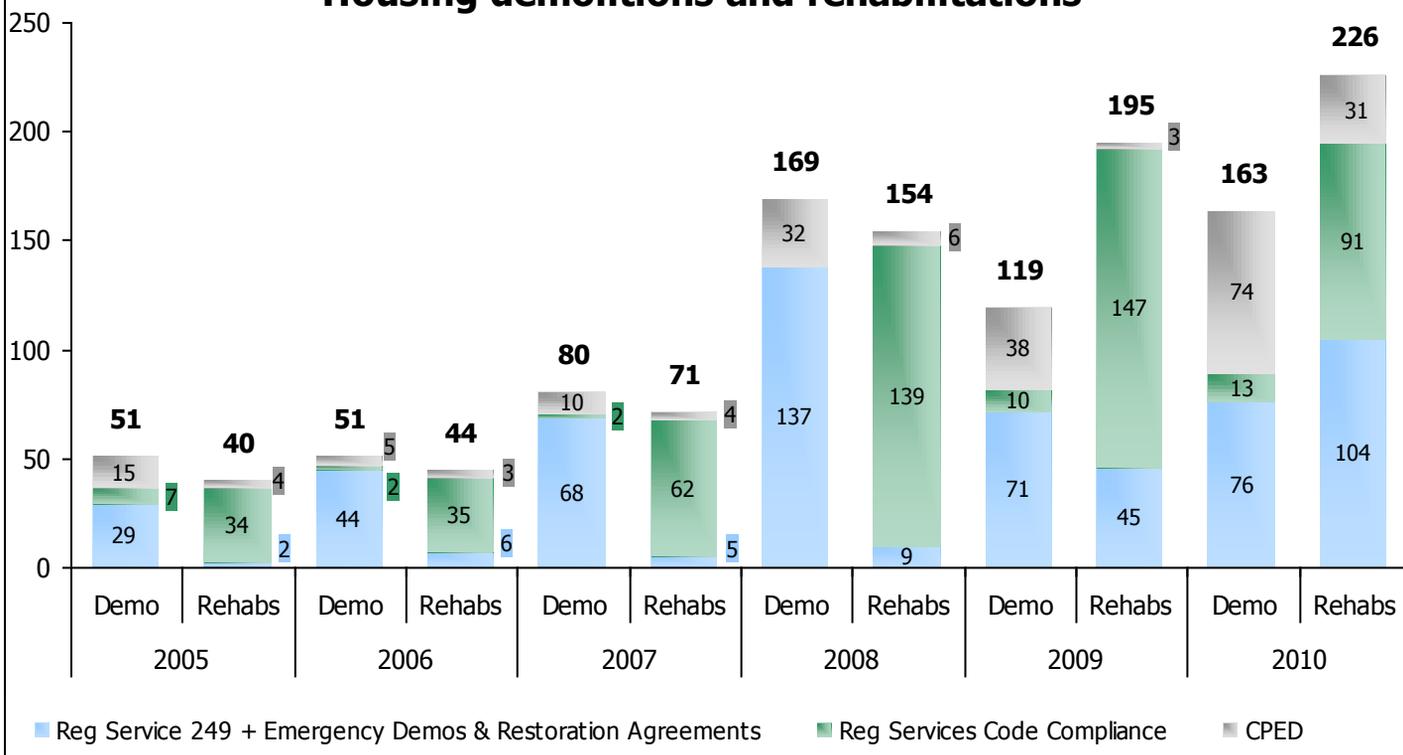
Length of time on the vacant building registration list



Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end



Housing demolitions and rehabilitations



Why is this measure important?

Increasing the number of demolitions and rehabilitations is the most effective strategy to reduce the number of vacant and boarded buildings across the City, and thereby increasing the safety and livability of our neighborhoods and the value of our housing stock. Regulatory Services has three main regulatory business processes that directly impact whether a property is rehabbed or demolished. They include:

Code Compliance – This is the process which requires all condemned properties to be brought up to all current codes before a certificate of occupancy will be issued.

Emergency Demolition – This uses the City’s regulatory authority to order emergency demolitions of properties that pose an immediate hazard to public safety.

Nuisance Declaration and Abatement (249 Ordinance) – This process is used to determine when a property should be declared a nuisance and abated through demolition or rehab.

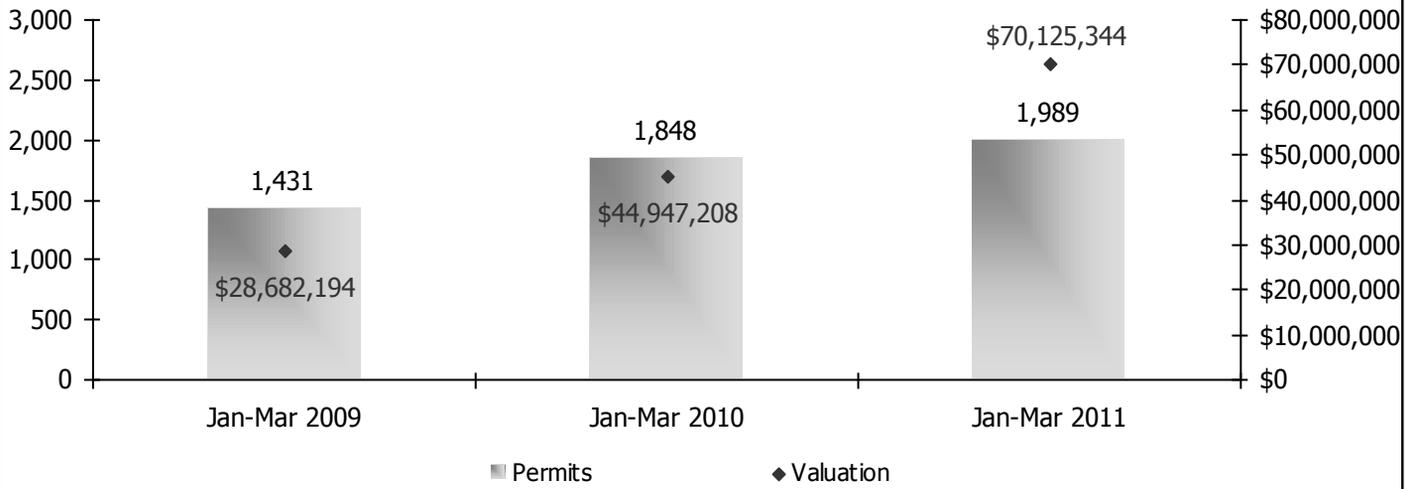
The chart is separated into residential properties that were either rehabbed or demolished by using the regulatory tools currently available. It shows a continued increase in both demolitions and rehabs. Between 2007 and 2008 there was a 120 percent increase in the number of residential properties that were rehabbed and returned to residential use. From 2008 to 2009, there was a 25 percent increase in the number of residential properties that were rehabilitated. In 2010, there was a 15 percent increase from the previous year.

Community Planning and Economic Development has dedicated approximately \$4.2 million in federal Neighborhood Stabilization Program (NSP1) funds to demolish and hold vacant 120 properties for future redevelopment as the housing market rebounds in neighborhoods most impacted by foreclosures. These funds were obligated in 2009. An additional approximately \$3.6 million in NSP2 funds will be allocated to 56 foreclosed properties.

What it will take to make progress?

As the number of vacant and boarded buildings has risen in recent years the City has increased the number of demolitions and rehabilitations while conducting aggressive enforcement. The increased demand for demolitions and rehabilitations has led the City to take several steps. The average cost to demolish a residential structure was around \$17,500. In 2008, the City collaborated with Hennepin County to bundle our demolitions thereby reducing this cost significantly. Such bundling practices will continue to be used by Regulatory Services for much of their demolition work. In addition, abatement costs are assessed and recouped on future property tax collections. Regulatory Services implemented a revolving account that will ensure budgetary resources are available for future nuisance abatement actions. The increase of the annual fee for properties on the Vacant Building Registration (VBR) will provide the necessary additional resources without negative consequence to the general fund.

Residential building permit valuation and permits issued



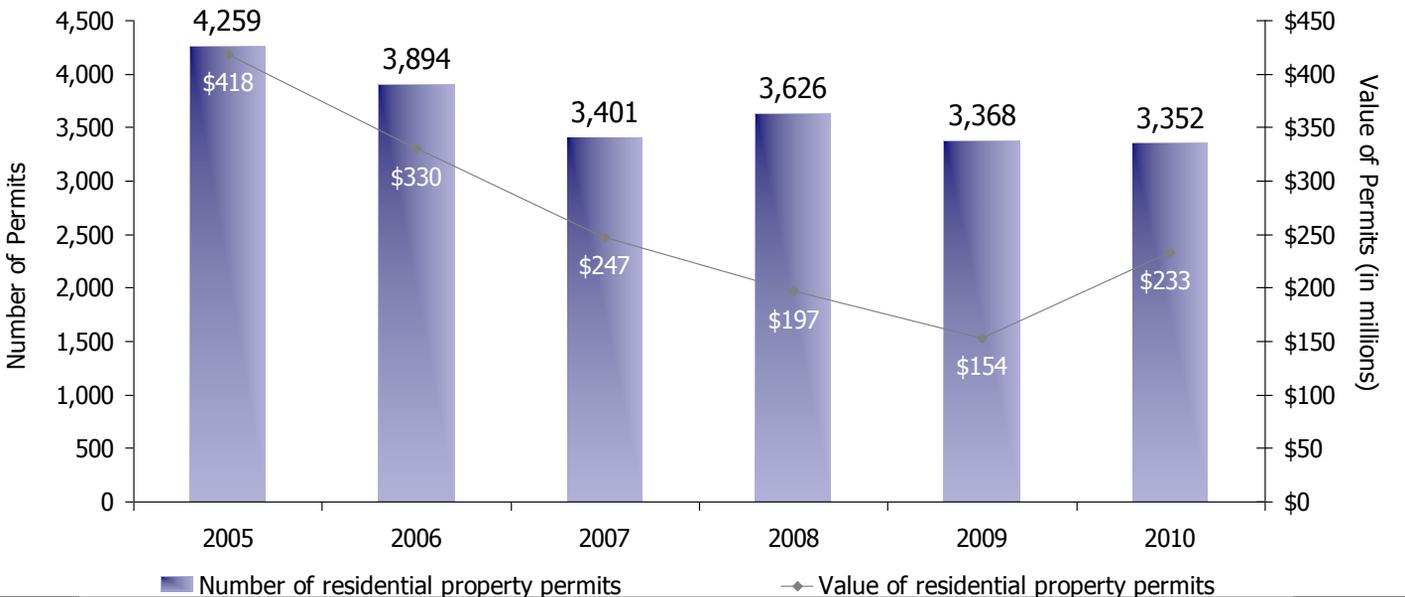
Why is this measurement important?

The measurement of residential permit activity and value of the work is an indicator of investment in the community by property owners. The information displayed is for the residential portion of building permit activity and valuation only.

What is needed to maintain the measurement?

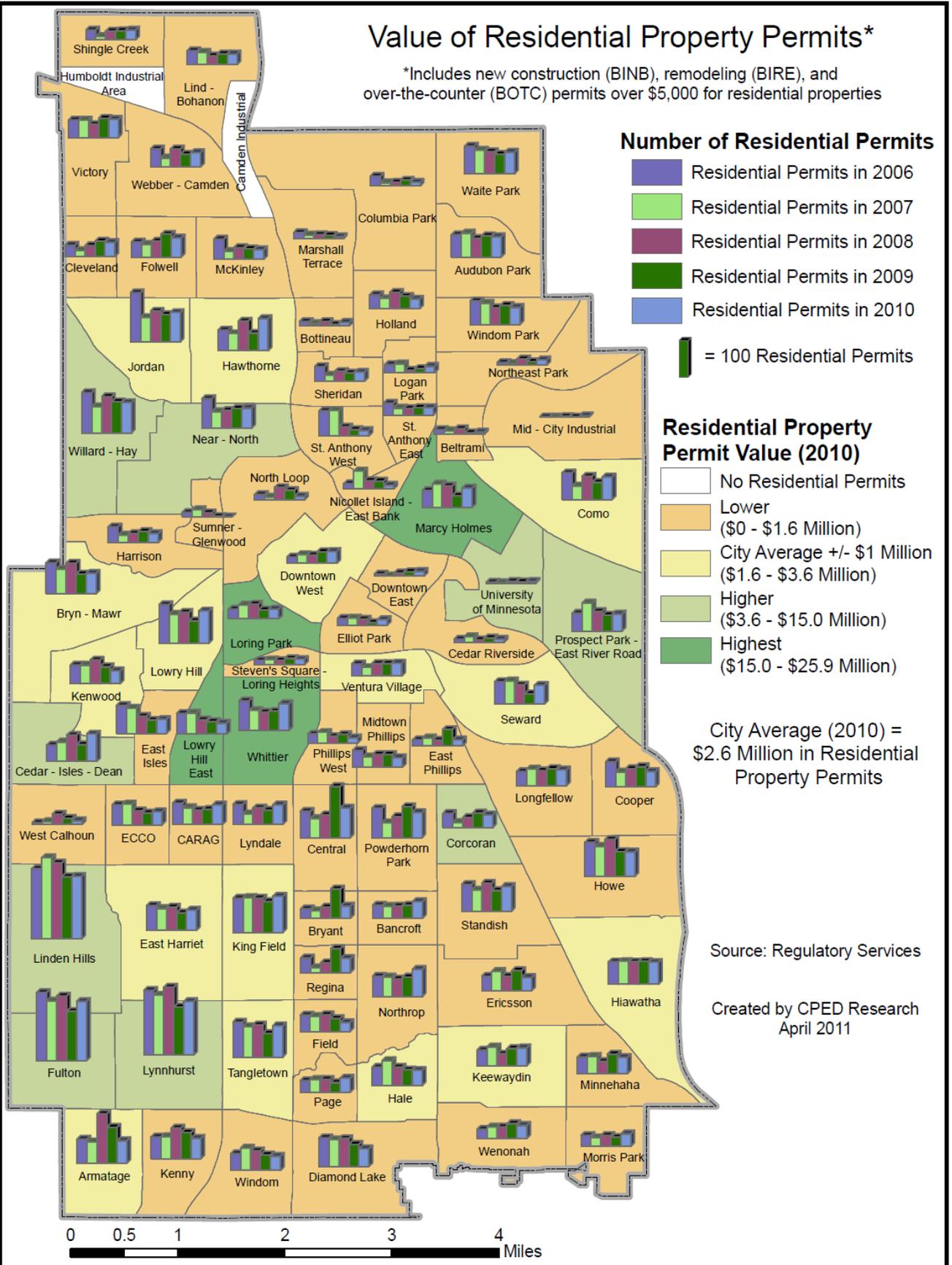
The permit system that is in place was not originally designed to allow the separation of information into residential and commercial activity; the ability to separate the information is new. Construction Code Services (CCS) implemented new codes into the system that now make this possible. The information shown is for all residential building types from single-family to multi-family and includes new construction, additions, remodeling, and repairs. This type of information is available for 2009 and moving forward.

Number and value of residential property permits over \$5,000

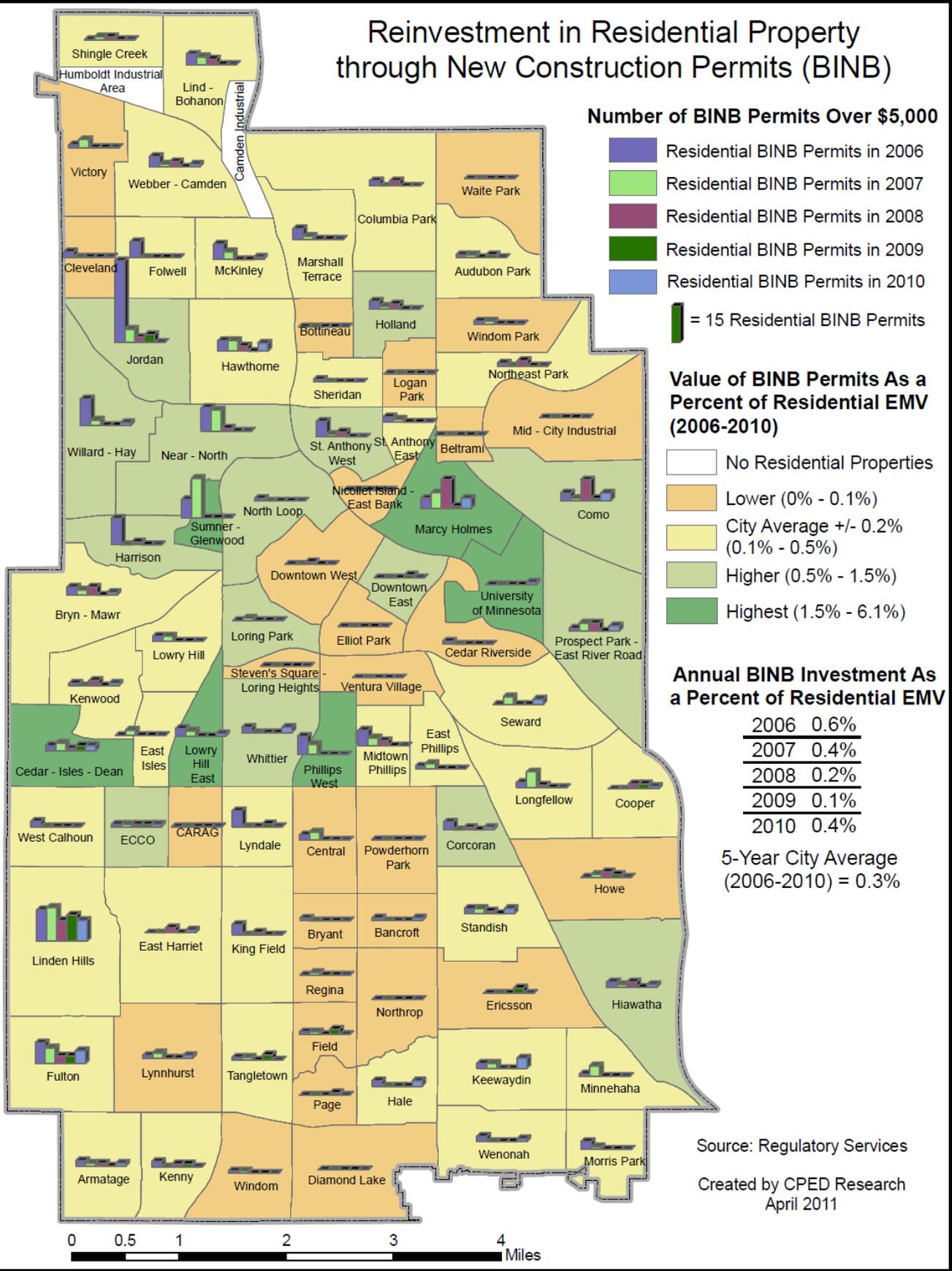


Value of Residential Property Permits*

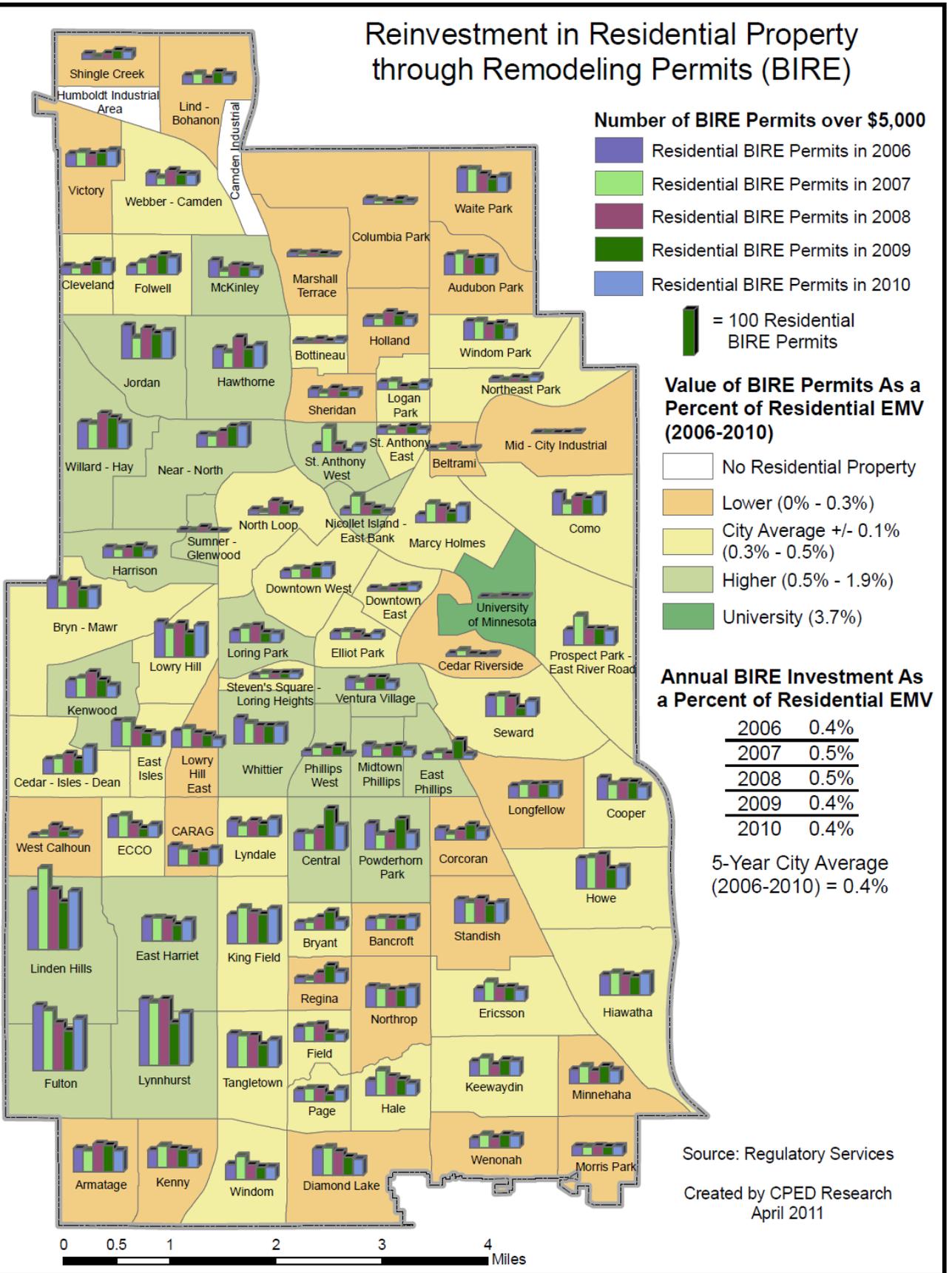
*Includes new construction (BINB), remodeling (BIRE), and over-the-counter (BOTC) permits over \$5,000 for residential properties



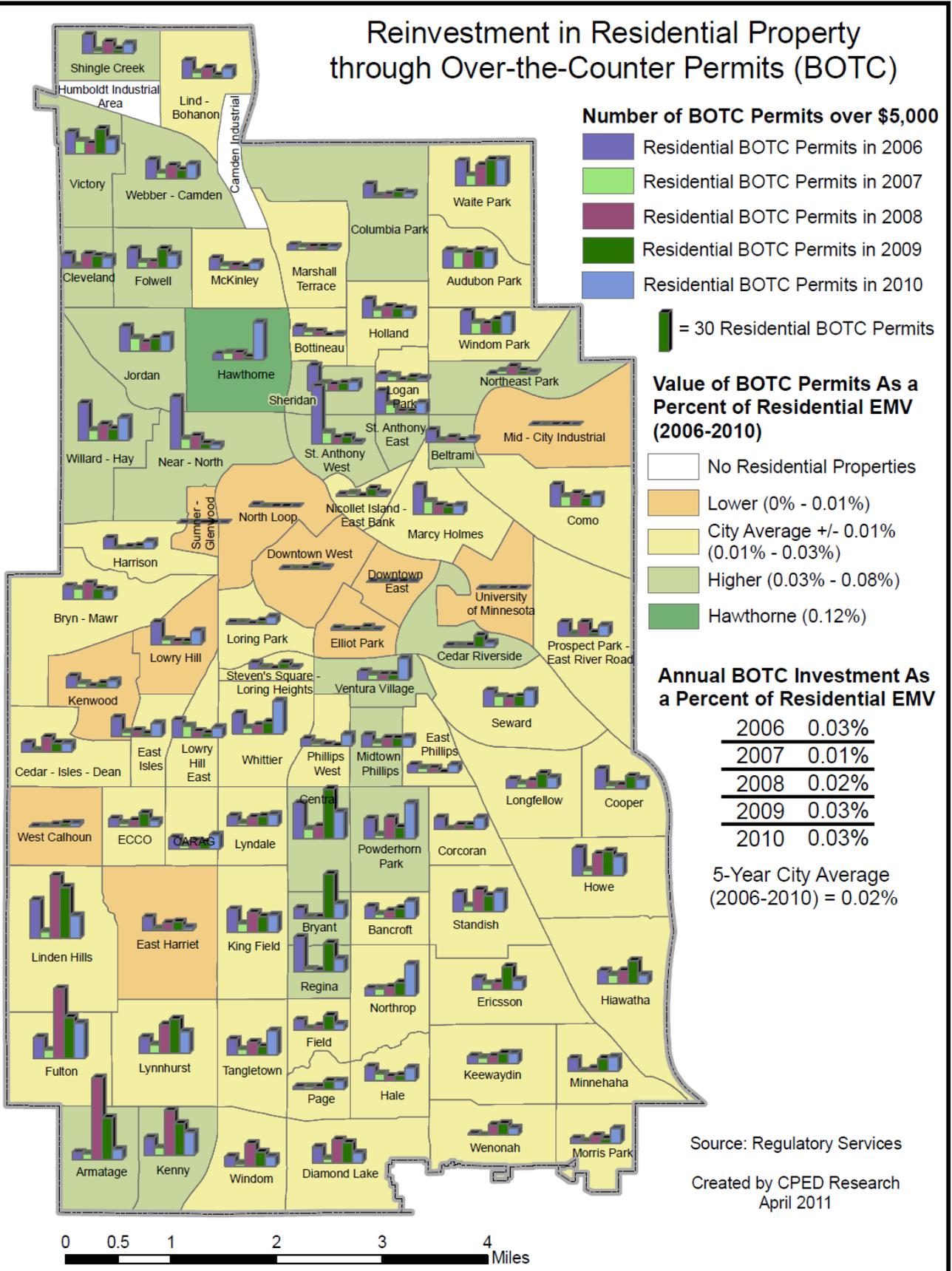
Reinvestment in Residential Property through New Construction Permits (BINB)



Reinvestment in Residential Property through Remodeling Permits (BIRE)



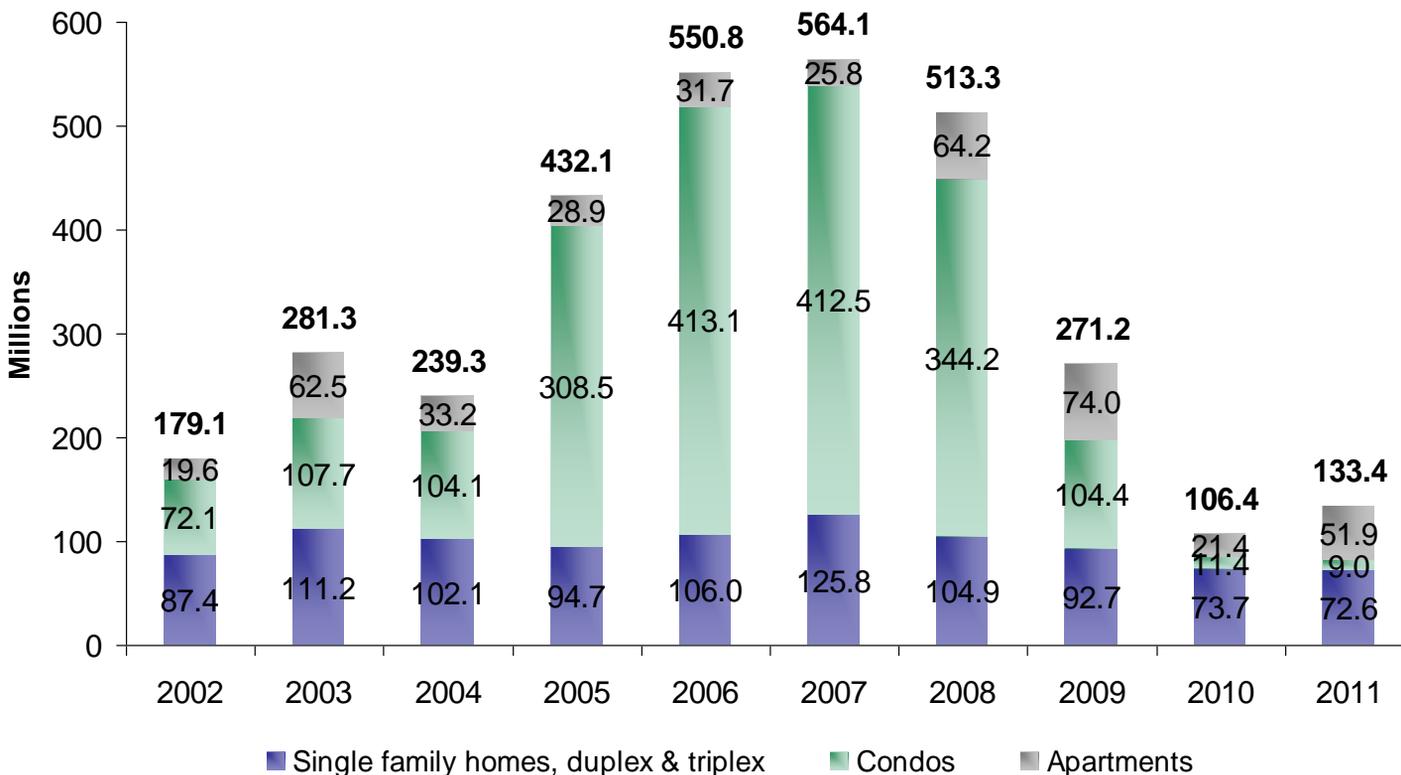
Reinvestment in Residential Property through Over-the-Counter Permits (BOTC)



Source: Regulatory Services

Created by CPED Research
April 2011

New dollars added to tax base, based on building permit data (in millions of \$, by assessment year)



Why is this measure important?

This measure tracks the amount of investments (growth and redevelopment) being made in Minneapolis properties. It only includes permits that added value to the property. This measure is an indication that people are willing to invest in the City to keep it vibrant and growing, rather than pulling up stakes and moving elsewhere. The amount of dollars invested in property improvements impacts the tax base and tax levy.

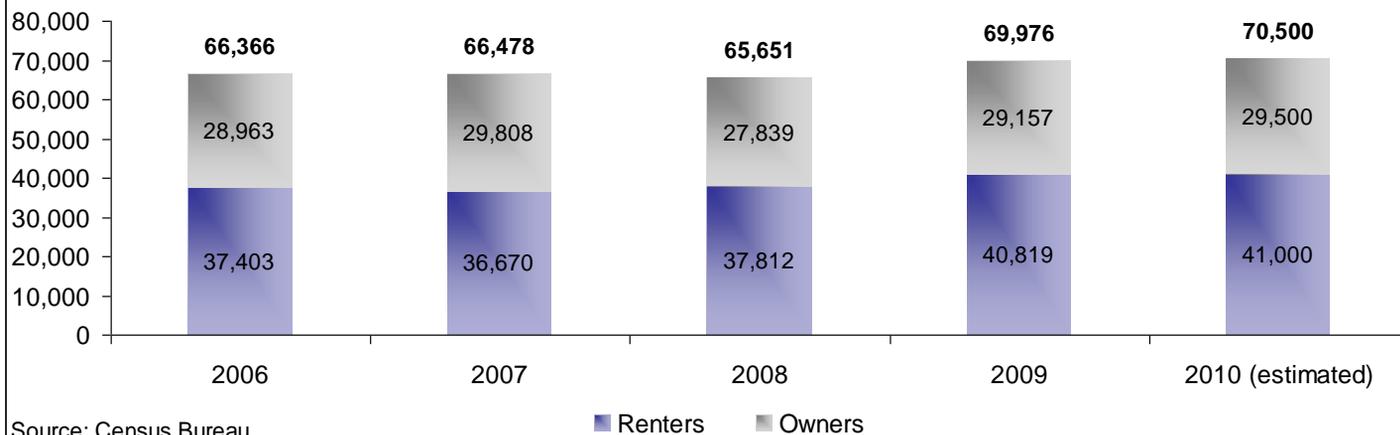
What will it take to reverse this trend?

Record high foreclosures and short sales, more stringent mortgage lending guidelines, diminishing loan-to-value ratios on homes, high unemployment and the overall impact of the recession has had a significant negative impact on this measure.

- An overall market recovery is necessary for this measure to reverse its current trend.
- Develop and implement neighborhood re-investment programs like This Old House Program.
- Continue to support programs like: Neighborhood Revitalization Program, Century Home Program, and Northside Home Fund, Affordable Ownership Housing Development Program



Number of cost burdened* households



Source: Census Bureau

*Cost burdened is defined as households spending 30% or more of their income on housing. See page 45 in the appendix for income distribution of the above population.

Why is this measure important?

The cost of housing as a percentage of household income is a long-standing benchmark used by the housing and lending industries. Historically, HUD has considered households which spend 30 percent or more of their income on housing to be “cost-burdened;” some lenders have used that threshold to evaluate the purchasing capacity of home buyers. The two charts on the previous page display the recent growing gap between median household income and the cost of housing in Minneapolis for renters and owners. Note that although there are many more renter than owner households that are cost burdened, the largest percentage increase in recent years is on homeowners. The Minneapolis experience tracks closely with regional, state and national trends.

What will it take to make progress?

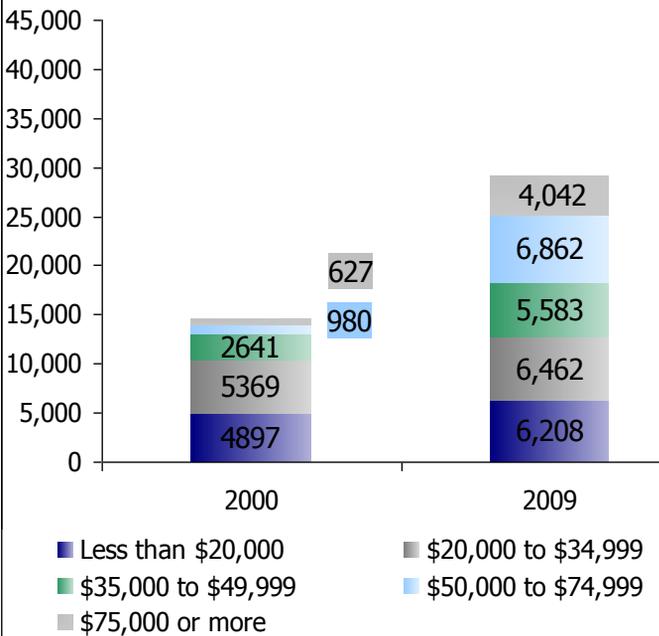
Reducing the ratio of housing costs relative to income can be accomplished by any of the following ways: increasing incomes; decreasing housing costs; decreasing borrowing costs. Each of these factors is subject to regional and national market trends which largely determine the ongoing relationship between income and housing costs. CPED, the City and its many partners have a number of short and long range programs to address all three factors. Examples include:

- Increasing income earning potential: youth and adult workforce programs through CPED/METP, as well as the Minneapolis Promise; which enables selected Minneapolis high school graduates to attend college free of charge.
- Decreasing housing cost, including energy costs: provision of affordable ownership and rental housing through a variety of housing programs.
- Decreasing cost of borrowing: provision of below-market mortgage loans and down payment assistance through programs such as CityLiving, Take Credit! and Minneapolis Advantage (see maps on slides 36-38).

In addition to these ongoing CPED programs, the department’s entire approach to recent market failure in housing has been organized within a Three Point Housing Strategy:

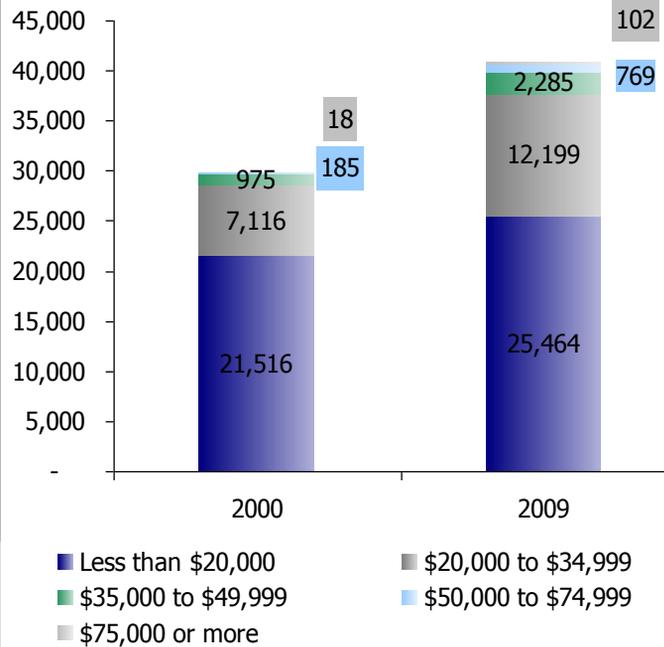
- Prevention - Continue foreclosure prevention outreach and counseling
- Reinvestment - Pursue aggressive property acquisition and promote property development
- Repositioning - Engage in community building and marketing efforts

Income distribution of households spending 30% or more of their income on housing (owner occupied)



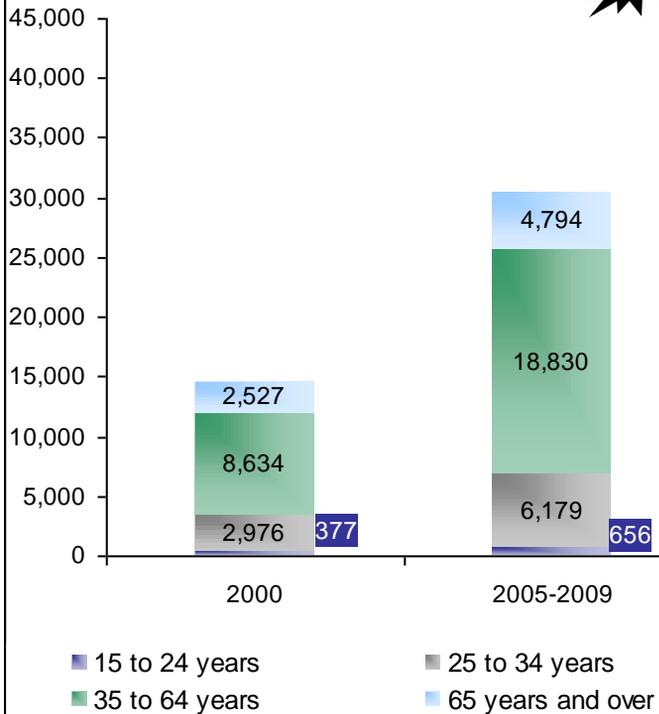
Sources: 2000 Census and 2000-2009 American Community Survey

Income distribution of households spending 30% or more of their income on housing (renter occupied)



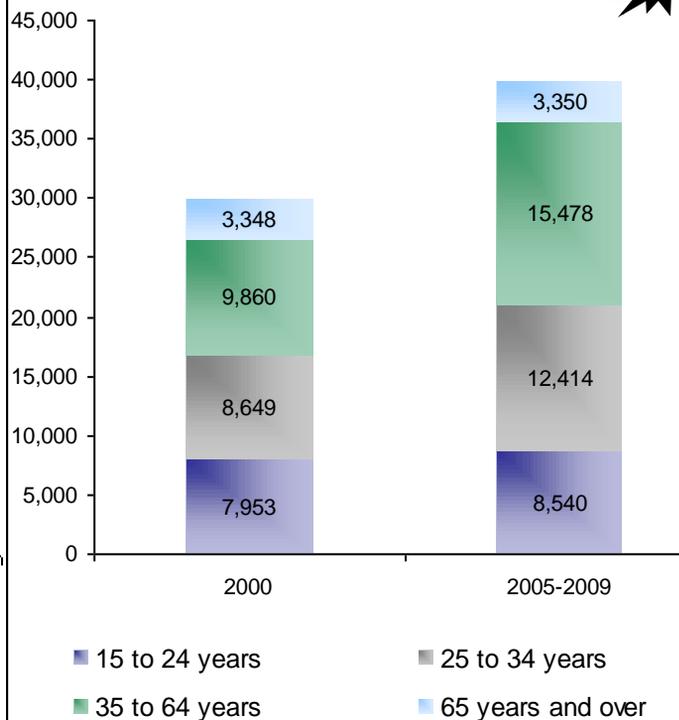
Sources: 2000 Census and 2000-2009 American Community Survey

Age distribution of households spending 30% or more of their income on housing (owner occupied)



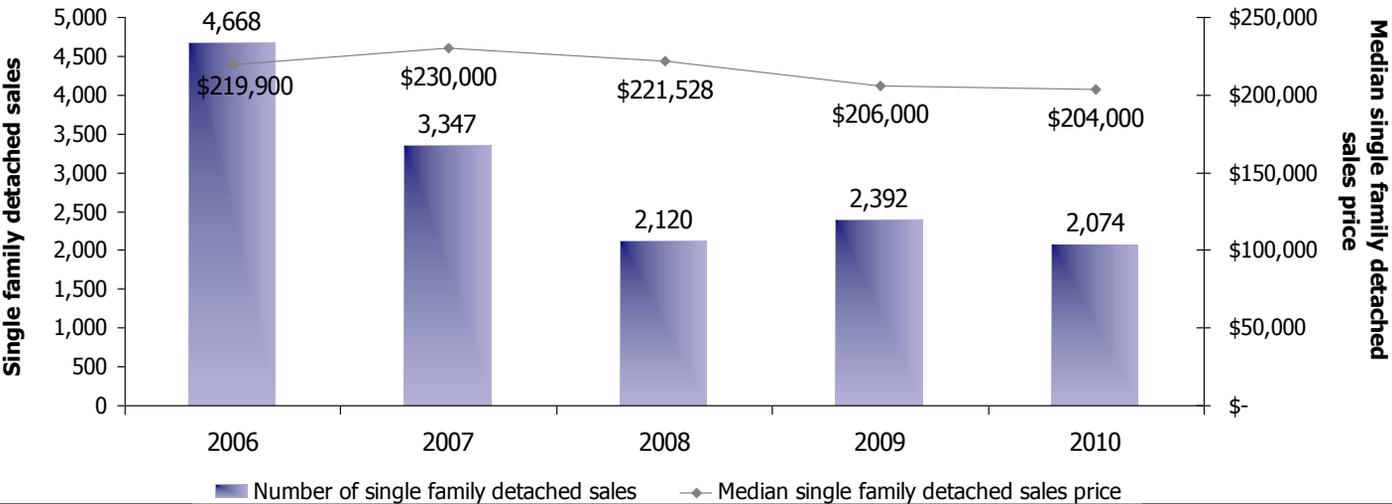
Sources: 2000 Census and 2005-2009 American Community Survey

Age distribution of households spending 30% or more of their income on housing (renter occupied)



Sources: 2000 Census and 2005-2009 American Community Survey

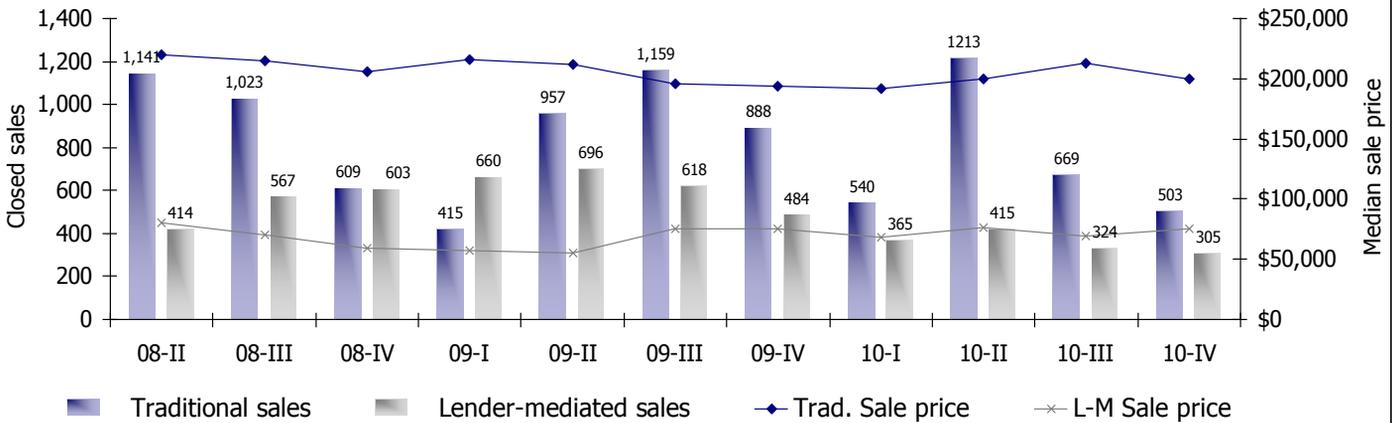
Single family detached sales and median price



■ Number of single family detached sales ◆ Median single family detached sales price

Traditional and lender-mediated closed sales and median sale price Minneapolis

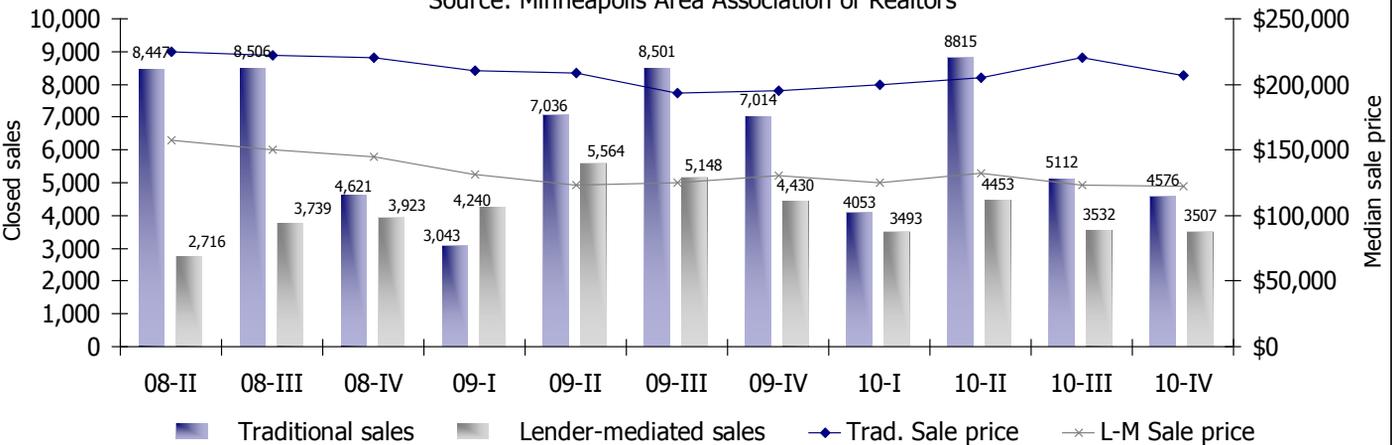
Source: Minneapolis Area Association of Realtors



■ Traditional sales ■ Lender-mediated sales ◆ Trad. Sale price × L-M Sale price

Traditional and lender-mediated closed sales and median sale price Metro area

Source: Minneapolis Area Association of Realtors



■ Traditional sales ■ Lender-mediated sales ◆ Trad. Sale price × L-M Sale price

Change in Median Sale Price Single Family Detached Residential*, 2006-2010

*Single-family detached excludes condos, townhomes, coops, and duplex/triplex

Number of Single Family Detached Residential Sales

- Single Family Sales in 2006
- Single Family Sales in 2007
- Single Family Sales in 2008
- Single Family Sales in 2009
- Single Family Sales in 2010

= 100 Single Family Residential Sales

Change in Median Sale Price (2006 to 2010)

- No Properties Sold in either 2006 or 2010
- Decrease (-30% to -60%)
- Decrease (-12% to -30%)
- City Average +/- 6% (-12% to 0%)
- Increase (0.1% to 29.7%)

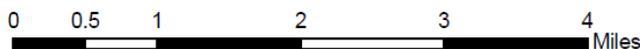
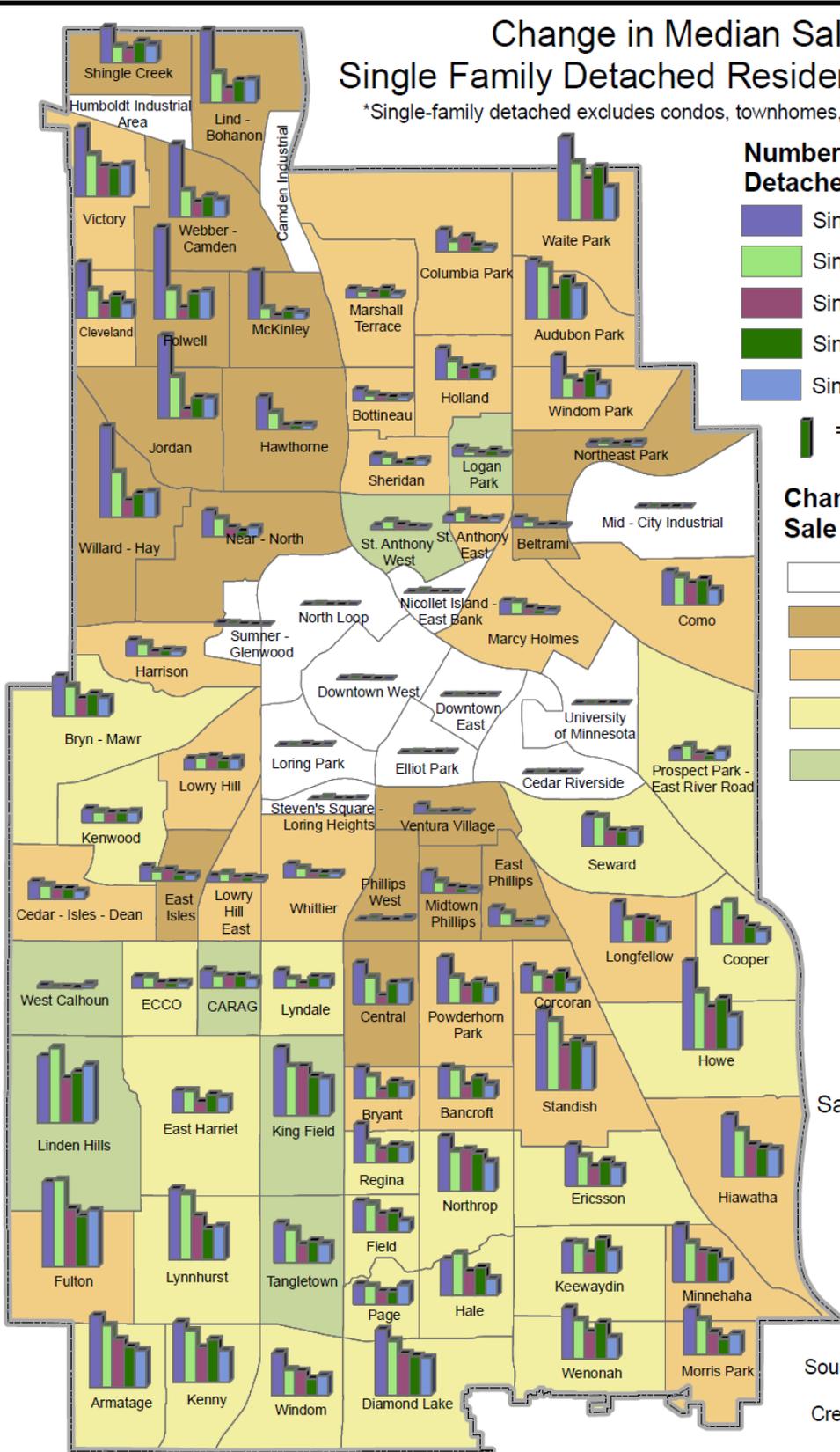
Annual City Median Sale Price

2006	\$219,900
2007	\$230,000
2008	\$221,000
2009	\$202,000
2010	\$206,000

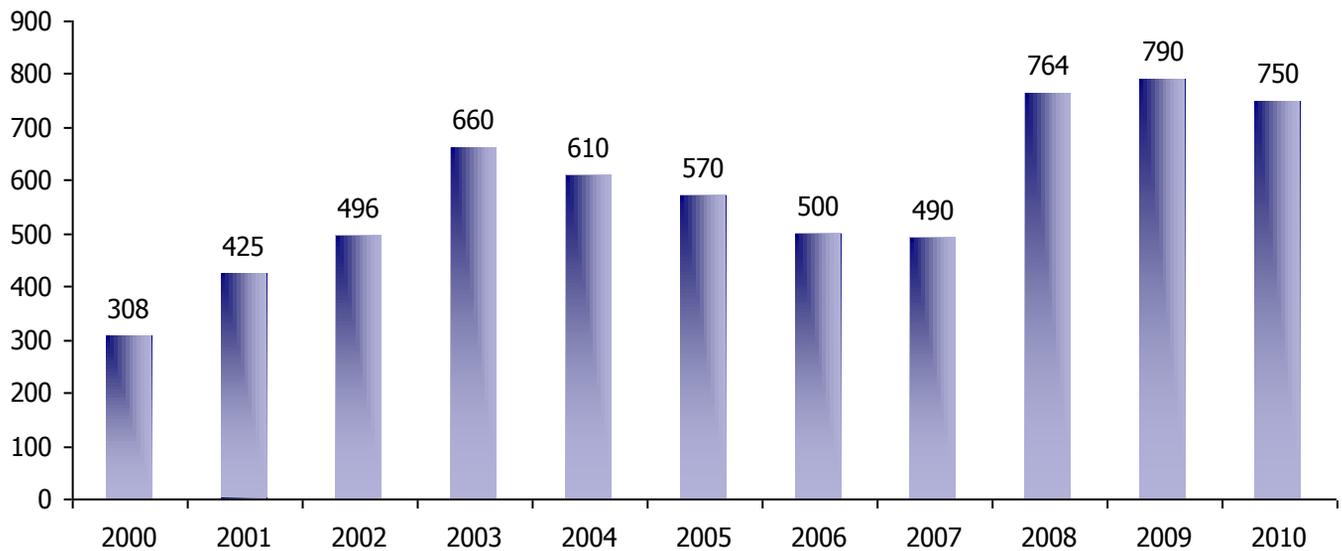
Change in Median Sale Price (2006 to 2010)
= 6% decrease

Source: City Assessors Office

Created by CPED Research
April 2011



Conversions from owner-occupied to rental



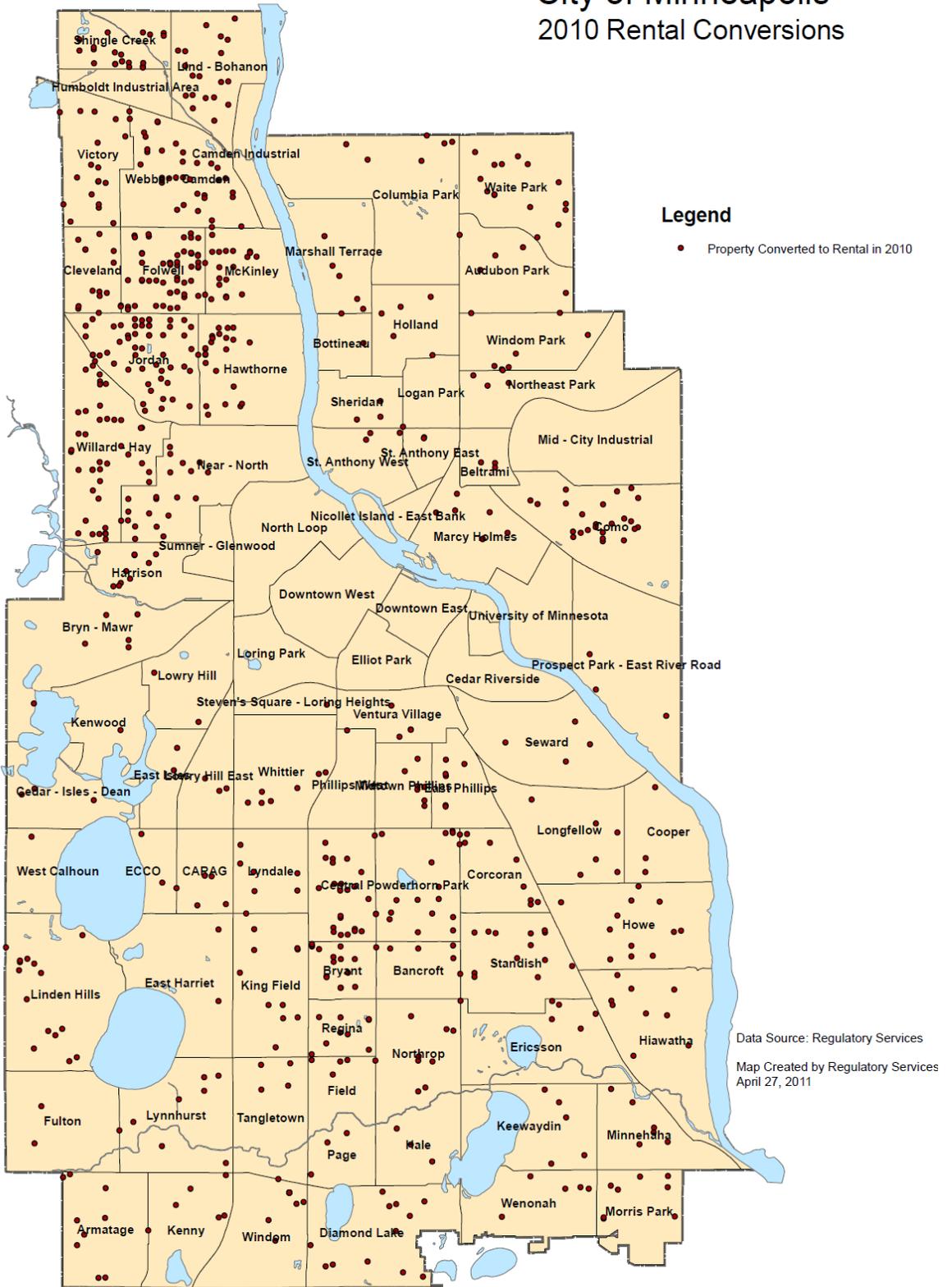
Why is this measure important?

Since 2001, there's been a dramatic rise in conversions of single family homes from owner occupied to rental in the City. These trends raise questions as to their impact. The benefits of home ownership result from the belief that homeowners as compared to renters have a greater financial stake in their homes. Studies have linked homeownership with reduced crime, higher incomes, less reliance upon welfare, more politically active residents among other benefits.

What will it take to make progress?

To help stem the movement to more rental properties, a coordinated effort by the City, State and Federal agencies is necessary. Working together, these agencies can provide homeowners and prospective homeowners with targeted funding, education and financial incentives that assist and promote homeownership in all neighborhoods. The City Council passed a law in 2008, out of its concern over the proliferation of rental properties that had formerly been owner occupied, to require an inspection of these properties shortly after their application for a rental license. Rental properties, even well managed ones, are much more demanding of City resources. The inspection is intended to ensure properties meet the minimum Housing Maintenance Code requirements.

City of Minneapolis 2010 Rental Conversions

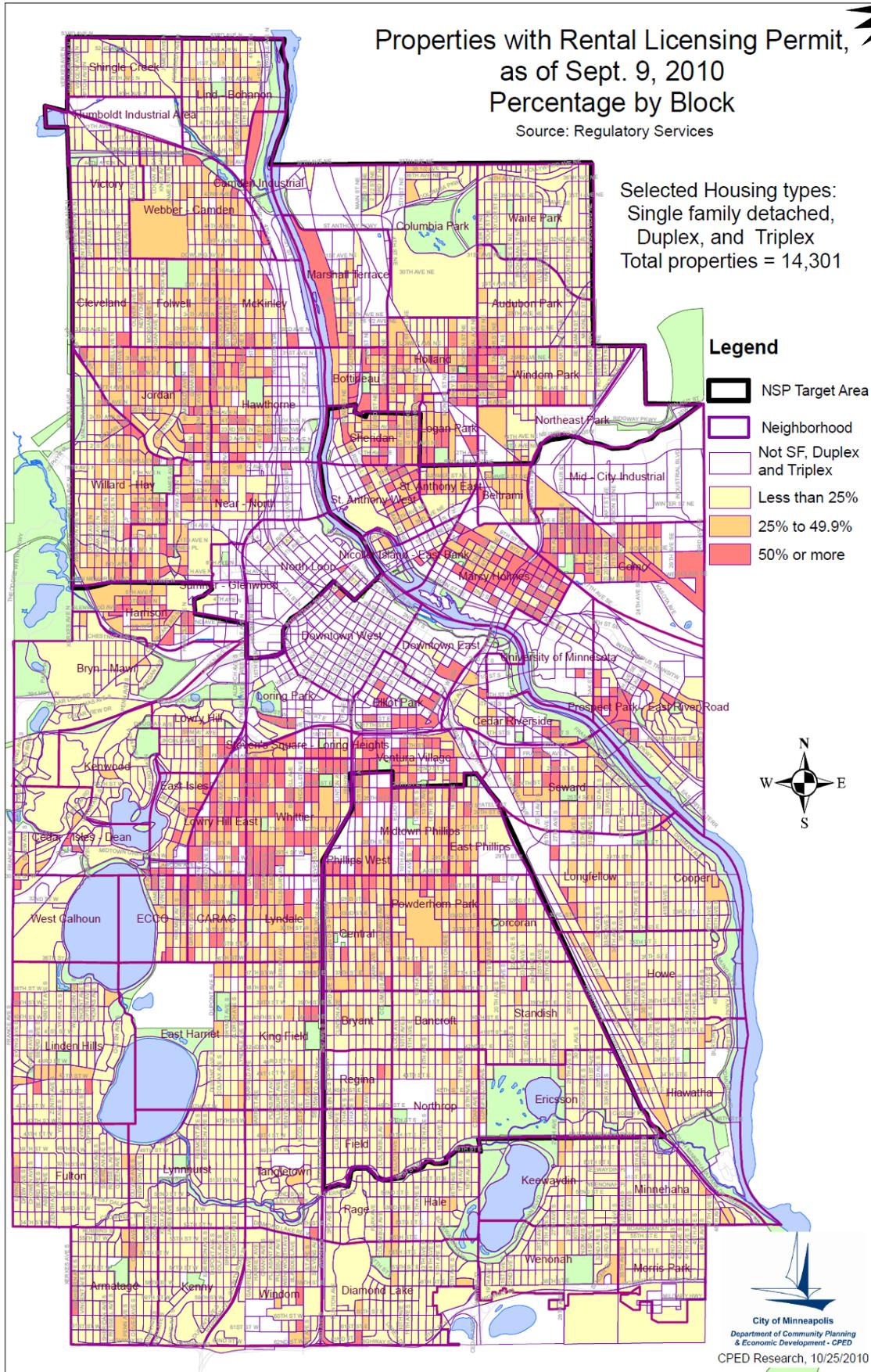




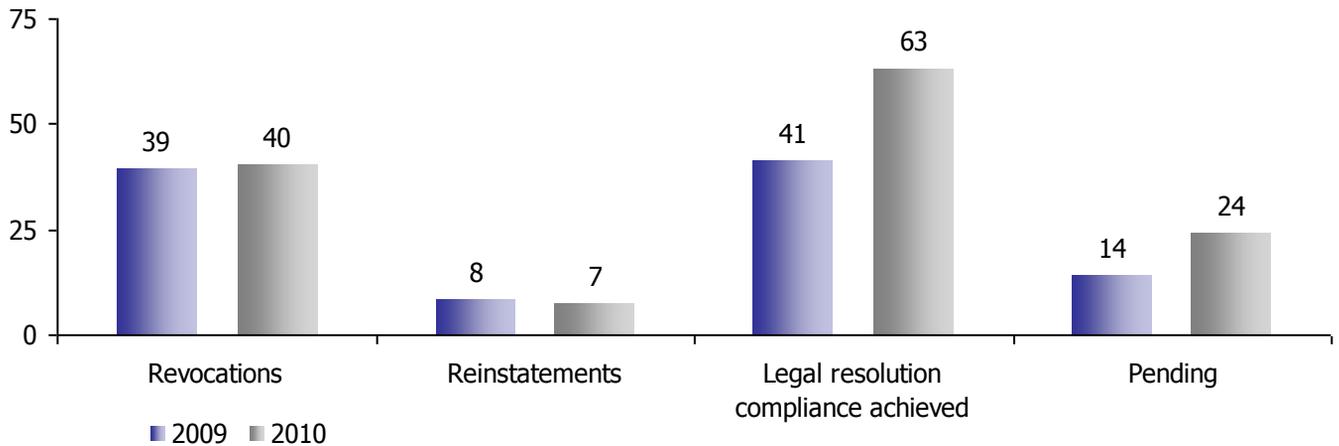
Properties with Rental Licensing Permit, as of Sept. 9, 2010 Percentage by Block

Source: Regulatory Services

Selected Housing types:
Single family detached,
Duplex, and Triplex
Total properties = 14,301



Rental license revocation actions



Why is this measure important?

In 2008, Housing Inspection Services (HIS) began proactively conducting audits of rental properties to ensure compliance with section 11 of the rental licensing standards which includes unpaid administrative citations. The results of the proactive audits was greater compliance with licensing standards violations and increased rental license revocation actions. There were a total of 102 rental license revocation actions taken in 2009, 41 were resolved through compliance.

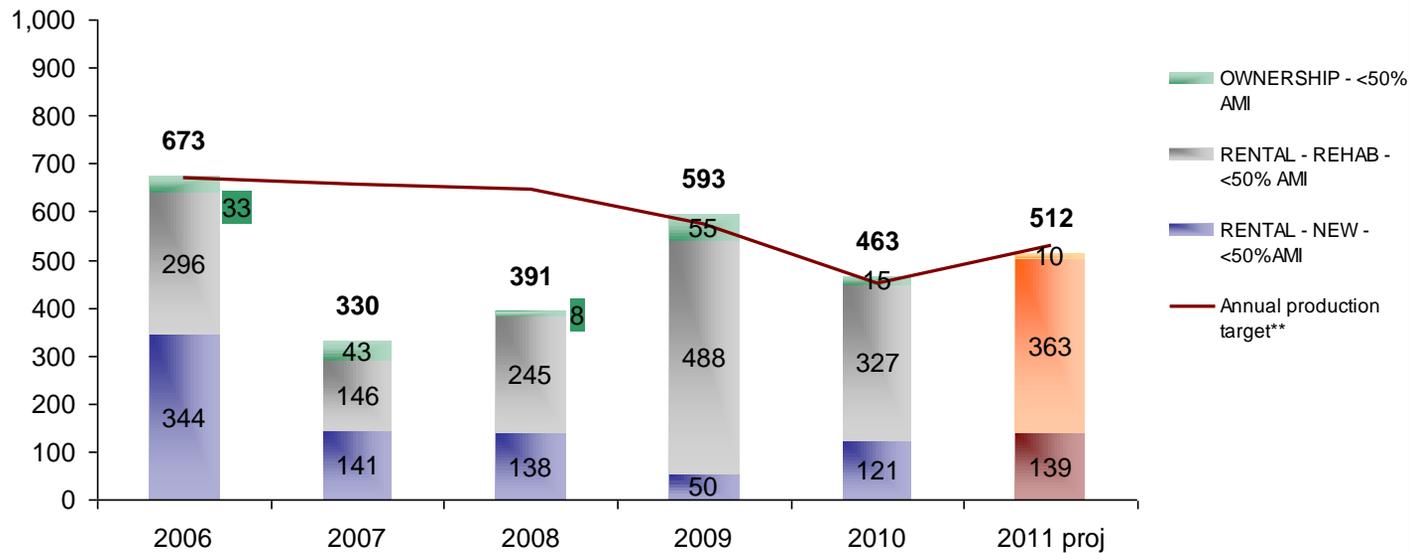
In early 2010, HIS audits expanded to include all rental properties which have repeated nuisance abatements and rental property owners operating without a license. In 2010, more than 1200 notices of non-compliance of the rental licensing standards of repeated nuisance abatements, operating without a license and/or unpaid administrative citations to rental property owners. Rental license revocation actions increased as did compliance with rental license standards violations. There were a total of 134 rental license revocation actions taken in 2010, 63 were resolved through compliance.

What will it take to make progress?

In 2011, the City initiated tiered inspections to systematically direct resources to those properties with a history of non compliance. The city continues to develop and enhance automated systems to identify rental properties which do not meet all required rental license standards. In the first quarter of 2011, 66 rental license revocation actions had already commenced with rental property owners who failed to come into compliance with all licensing standards after notification.

Affordable housing production

Number of affordable housing units complete ≤ 50% MMI



** The annual production targets are based on Council actions; multi-year targets are displayed as

Why is this measure important?

The production and preservation of affordable housing is a longstanding City priority. Since the adoption of the initial affordable housing policy in 1999, the City Council has established multi-year production goals for new/converted and preserved/stabilized affordable housing at the 50 percent of annual MMI affordability threshold. For the 3 year period from 2009 – 2011, the goal is set at 1,555 units of housing at or below 50 percent AMI. The goal for 2009 was set at 575 units of such housing. CPED managed the completion of 518 units by the end of 2009. As the economy begins to turn the corner from recession, CPED expects the housing production, particularly in new construction to improve from the downturn seen in 2007 and 2008.

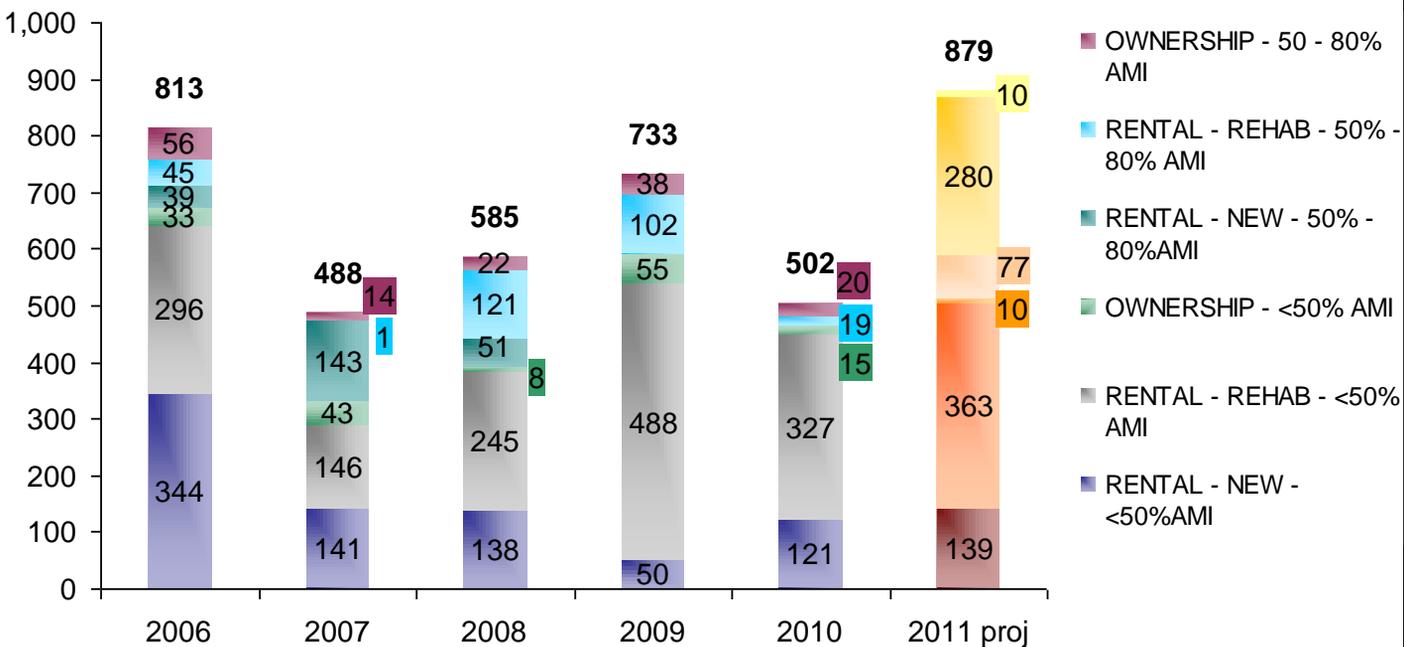
This policy also sets goals for various related program efforts, such as the geographic distribution of affordable housing, unit production at the 30 percent MMI level, and other specific categories. The above graph highlights only the overall annual production total; progress against other related goals is reported annually by the department in a detailed report to the City Council. Other measures of annual housing production for Metro Area jurisdictions are published by the Metropolitan Council and Housing Link. CPED’s multi-family housing section has brought new management techniques to lagging projects; their goal is to aggressively manage the 2,300 units in the development pipeline to bring production up to target levels, even during the current lagging economy.

What will it take to achieve the targets?

- One: aggressive management of projects by multi-family housing staff.
- Two: additional financial initiatives will be necessary to address the collapses in the bond and low-income tax credit markets.

Affordable housing production

Number of affordable housing units complete ≤ 80% MMI



Why is this measure important?

This slide builds on the previous one by including affordable housing production from 50 – 80 percent MMI in addition to the previous slide’s production at or below 50 percent MMI. As reference, for 2008, 80 percent of MMI equates to an income of \$64,720 for a family of four. This additional production is supported by key funding sources such as low income tax credits [60 percent MMI] and CDBG [80 percent MMI], thus reflecting a more complete picture of CPED’s affordable housing efforts. Projects reflect housing designed for a variety of households, including single parent families, elderly persons, homeless youth, persons living with special needs, workforce housing, and recent immigrants. The terms of the assistance also vary, from renovation loans for elderly households, to capital investments in new, high quality rental housing.

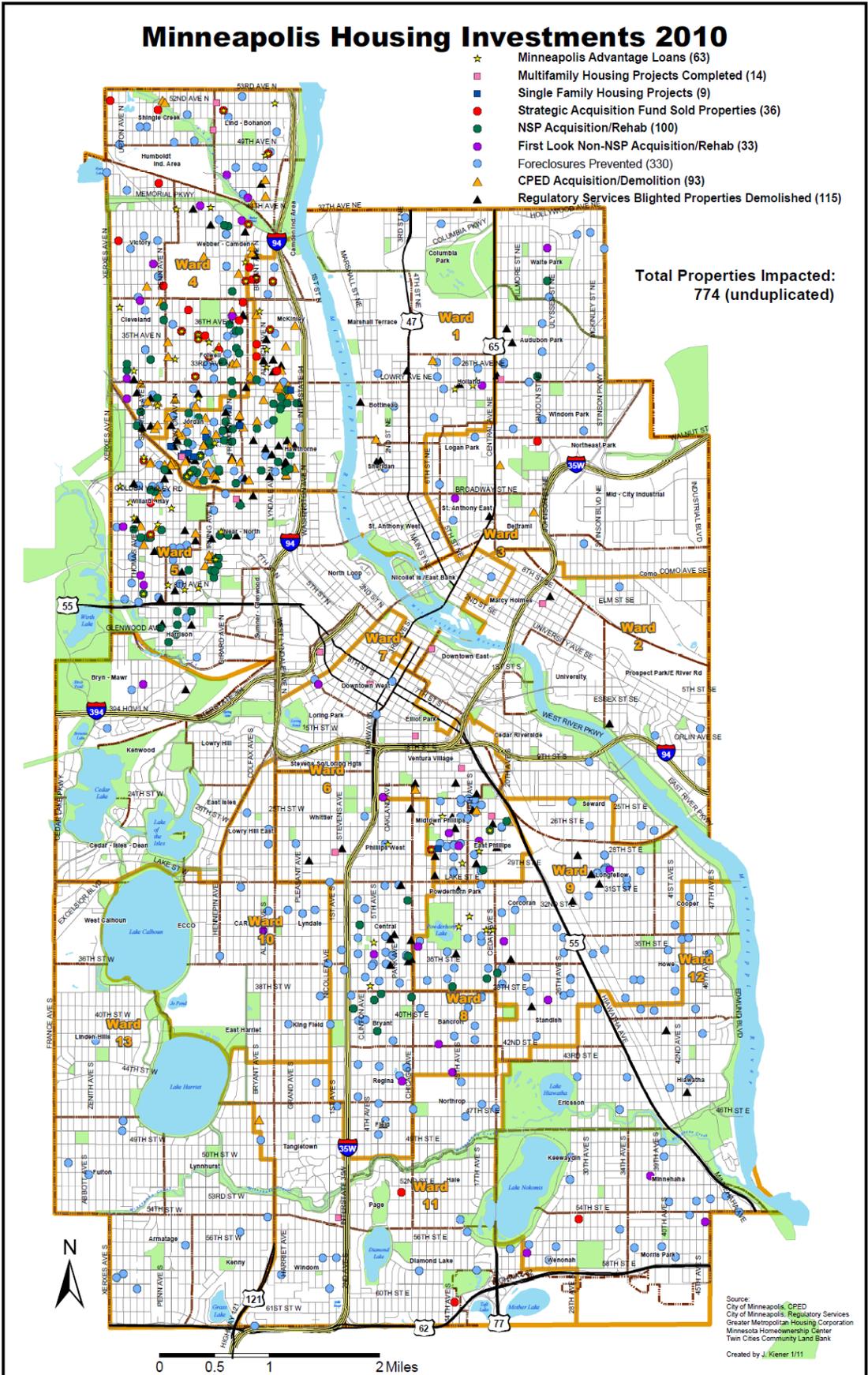
What will it take to make progress?

Using funds from a variety of sources - federal, state, county, city, and foundations - the City of Minneapolis is building an inventory of attractive, high quality and affordable housing that will last for many years and provide neighborhood stability and reinvestment. Many of the initial city investments have sparked a renewed confidence in areas of the city that have in turn resulted in increased private investment in additional housing, jobs and infrastructure. Maintaining all of the above funding sources is essential to achieving the city’s targets in providing housing to this broader income range.

Minneapolis Housing Investments 2010

- ★ Minneapolis Advantage Loans (63)
- Multifamily Housing Projects Completed (14)
- Single Family Housing Projects (9)
- Strategic Acquisition Fund Sold Properties (36)
- NSP Acquisition/Rehab (100)
- First Look Non-NSP Acquisition/Rehab (33)
- Foreclosures Prevented (330)
- CPED Acquisition/Demolition (93)
- ▲ Regulatory Services Blighted Properties Demolished (115)

**Total Properties Impacted:
774 (unduplicated)**



Source:
City of Minneapolis, CPED
City of Minneapolis, Regulatory Services
Greater Metropolitan Housing Corporation
Minnesota Homeownership Center
Twin Cities Community Land Bank
Created by J. Kener 1/11

CityLiving, Minneapolis Advantage and other Home Purchase and Improvement Programs *(Maps to follow)*

CityLiving is a mortgage program that provides below market rate financing to first-time homebuyers. Take Credit! allows a home buyer to purchase a Minneapolis home and then they receive a mortgage credit certificate which gives them a federal income tax credit for 20 percent of their annual mortgage interest. This credit allows them to adjust their W-4 withholding so that they have more net income on each paycheck to help them make their mortgage payments

The Minneapolis Advantage loan program is a down payment, closing cost and housing rehabilitation assistance program to help rebuild the housing market in key neighborhoods that have been heavily impacted by mortgage foreclosures. The program now offers a \$5,000 zero-percent interest loan that is forgivable over five years to anyone buying a home in which they will live in these key neighborhoods.

There are two home improvement programs offered by the City which are the City Code Abatement program which serves borrowers at 50 percent of the area median or less. This loan has no interest charge, no monthly payments and the maximum loan amount is \$20,000. The Home Repair Loan is offered to borrowers at 80 percent of the area median or less. The loan has monthly payments, a one-percent interest charge and the maximum loan is \$25,000. It is generally for borrowers who can't qualify through other lenders because of the borrower's credit problems.

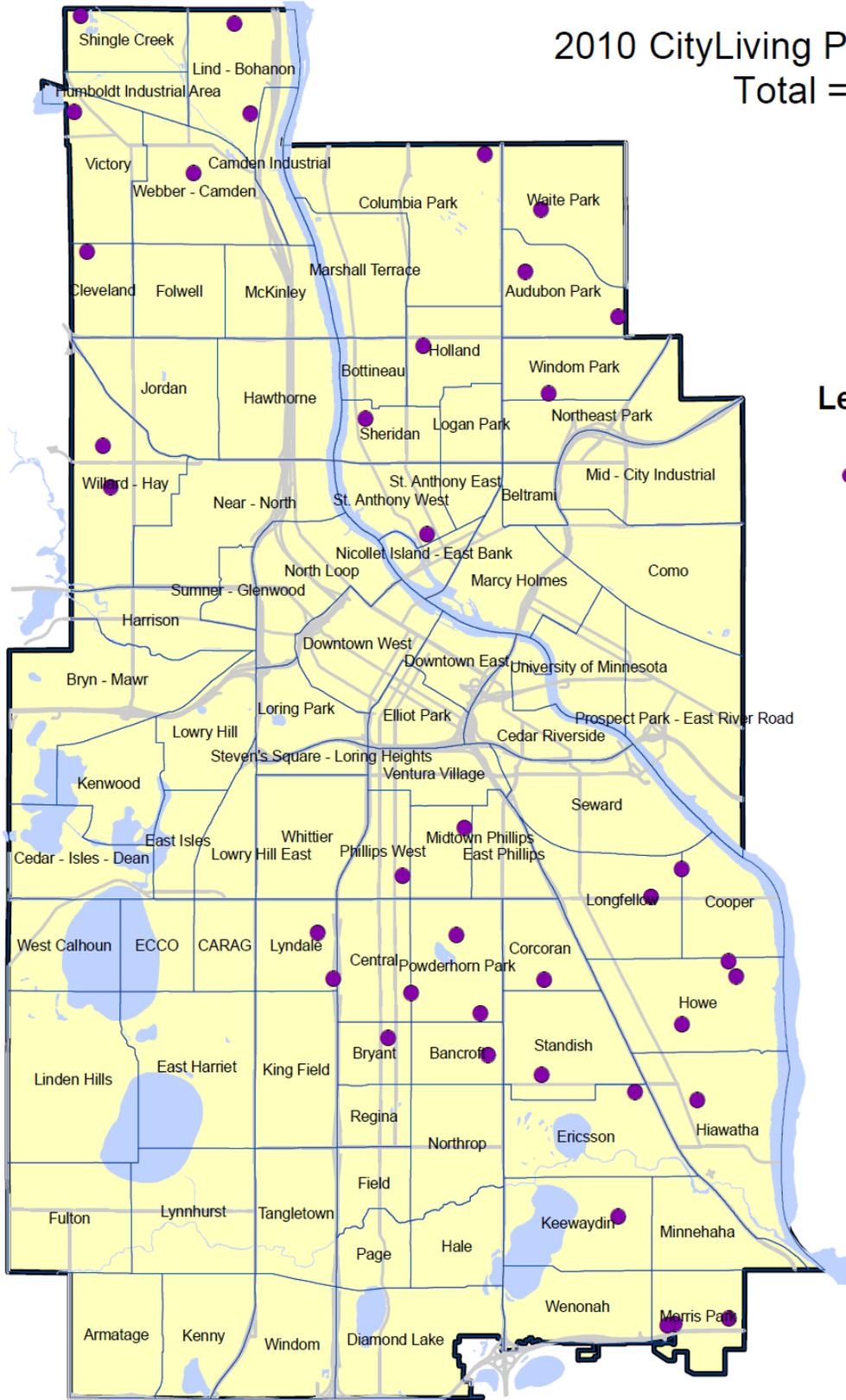
Why is this measure important?

Since late 2005, foreclosures have significantly impacted the health and vitality of the housing industry. The number of foreclosures, particularly in north Minneapolis, has caused a precipitous decline in the property values which not only impacts the economic futures of the current residents, but also the amount of taxes the City can obtain from the property taxes. Additionally, investors have come in and acquired properties by the hundreds and rent them out with little regard for City licensing requirements or the health and maintenance of the home.

What will it take to make progress?

It will take continued significant investment of funds from private lenders, government and non-profit organizations to acquire and demolish vacant and boarded properties that are not economically viable. Private lenders will need to finance the purchase of properties by qualified homebuyers including cases where the buyer wants to purchase and rehabilitate a house that has significant housing maintenance code violations. It will also take non-profit developers to buy up properties, renovate them and resell them.

2010 CityLiving Program Loans Total = 38



Legend

● CityLiving Loan



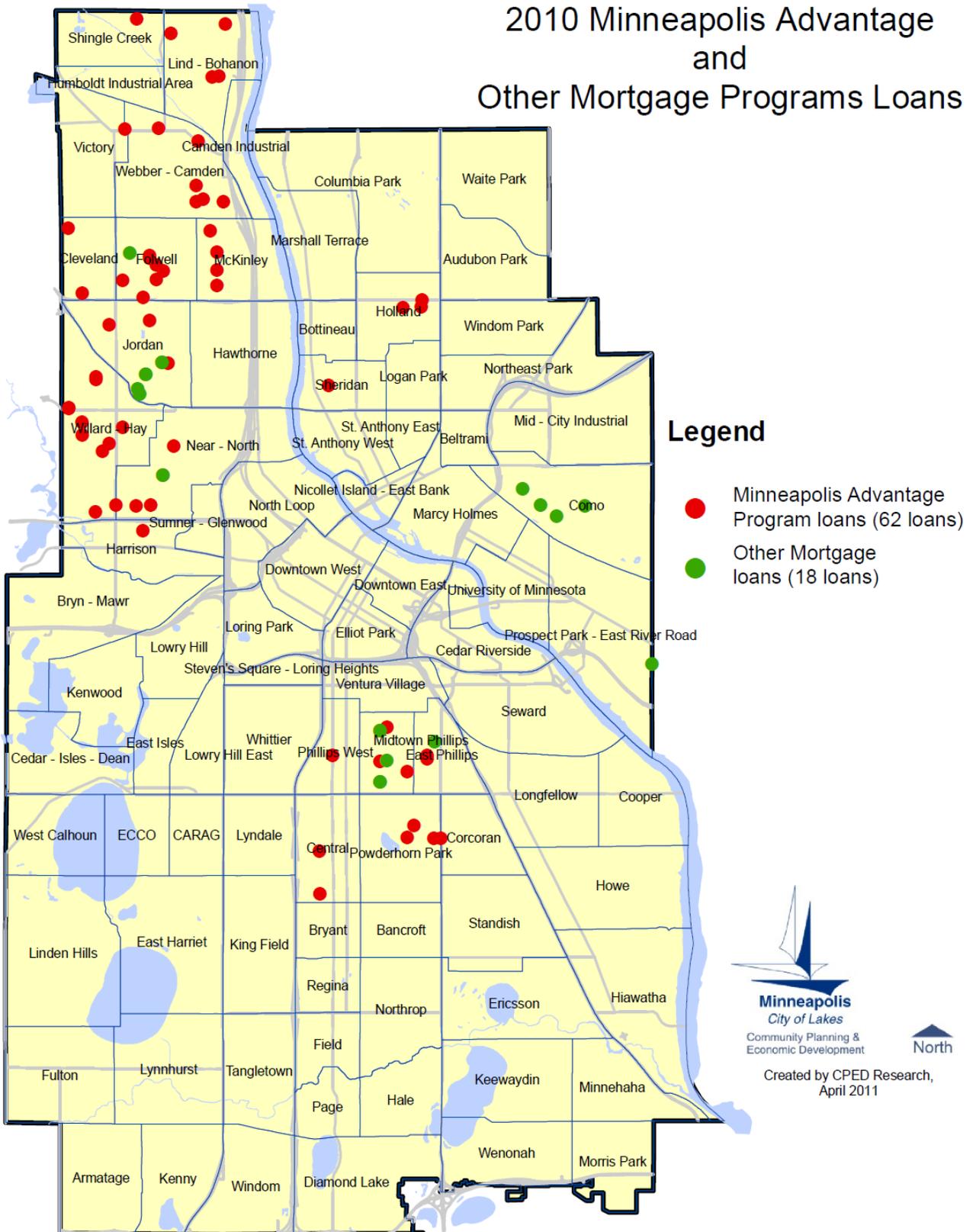
Minneapolis
City of Lakes
Community Planning &
Economic Development



Created by CPED Research,
April 2011

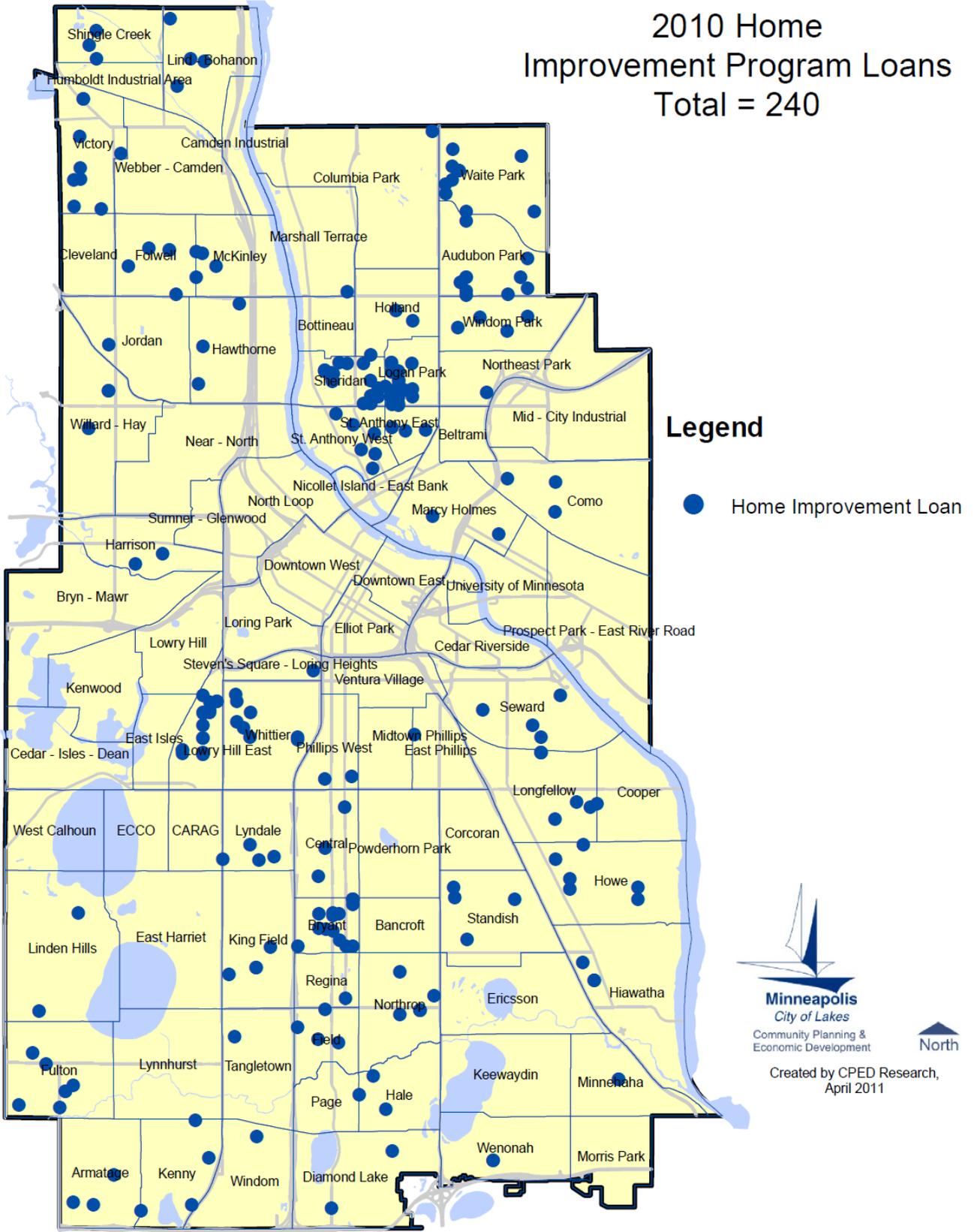
Source: Community Planning and Economic Development

2010 Minneapolis Advantage and Other Mortgage Programs Loans



Source: Community Planning and Economic Development

2010 Home Improvement Program Loans Total = 240



Source: Community Planning and Economic Development

Senior housing in Minneapolis

[see map next page]

Why is this measure important?

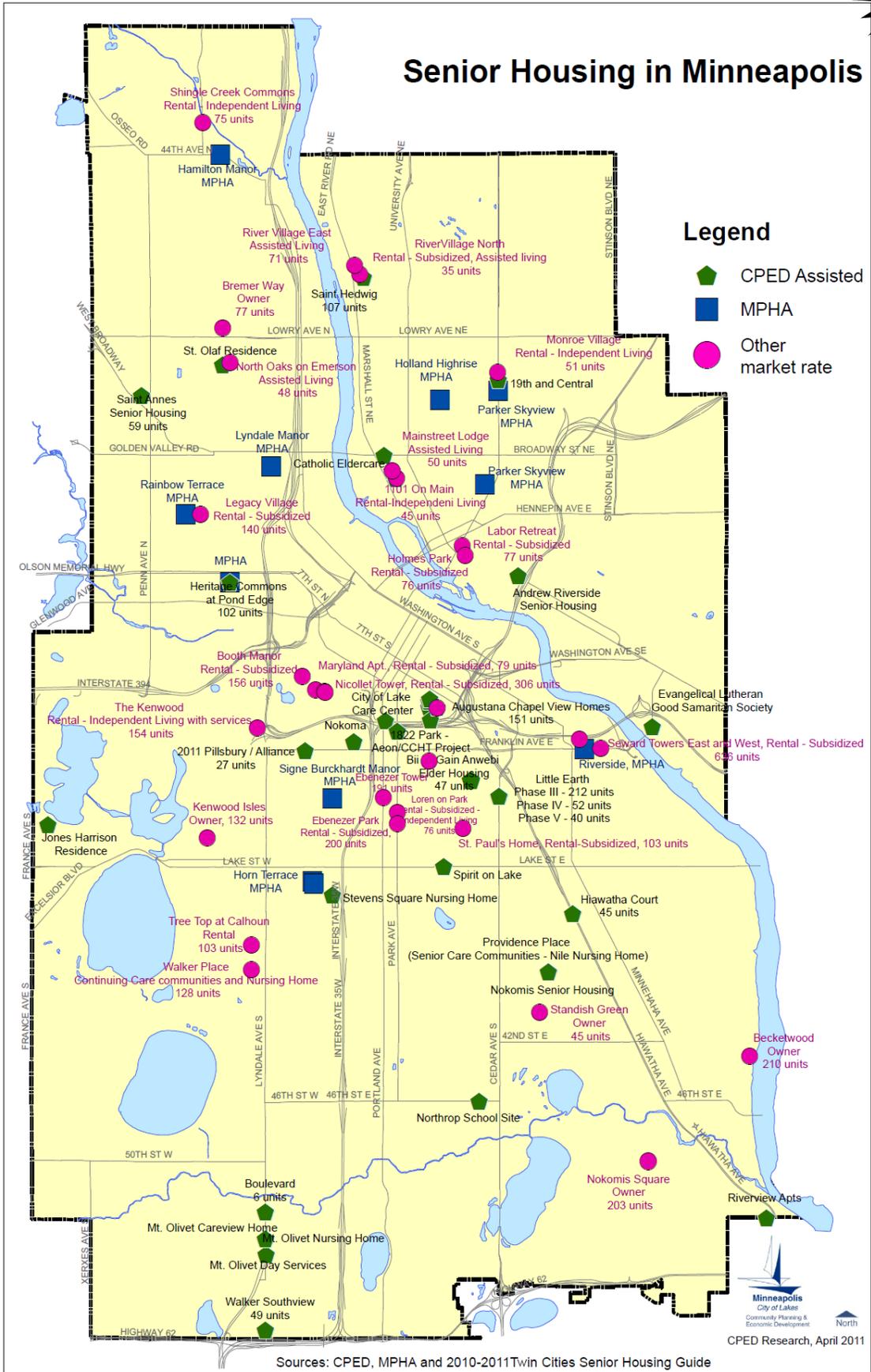
The Minneapolis City Council and Mayor have adopted a senior housing policy to encourage the development of senior housing choices throughout the city. CPED Housing division has been aggressively implementing this policy over the last several years by assisting in the development of new senior housing options at various income levels in all parts of the City as demonstrated by the accompanying map.

What will it take to make progress?

Since 2007, CPED has initiated the construction of 179 senior housing units. In 2011, CPED is set to close on 157 senior units and there are another 205 senior housing units in the CPED development pipeline. Demographic trends and recent surveys all indicate that this segment of our population will continue to grow and we will need to continue to develop a wide variety of housing types at different levels of affordability if the City is going to continue maintain and grow our population.”



Senior Housing in Minneapolis



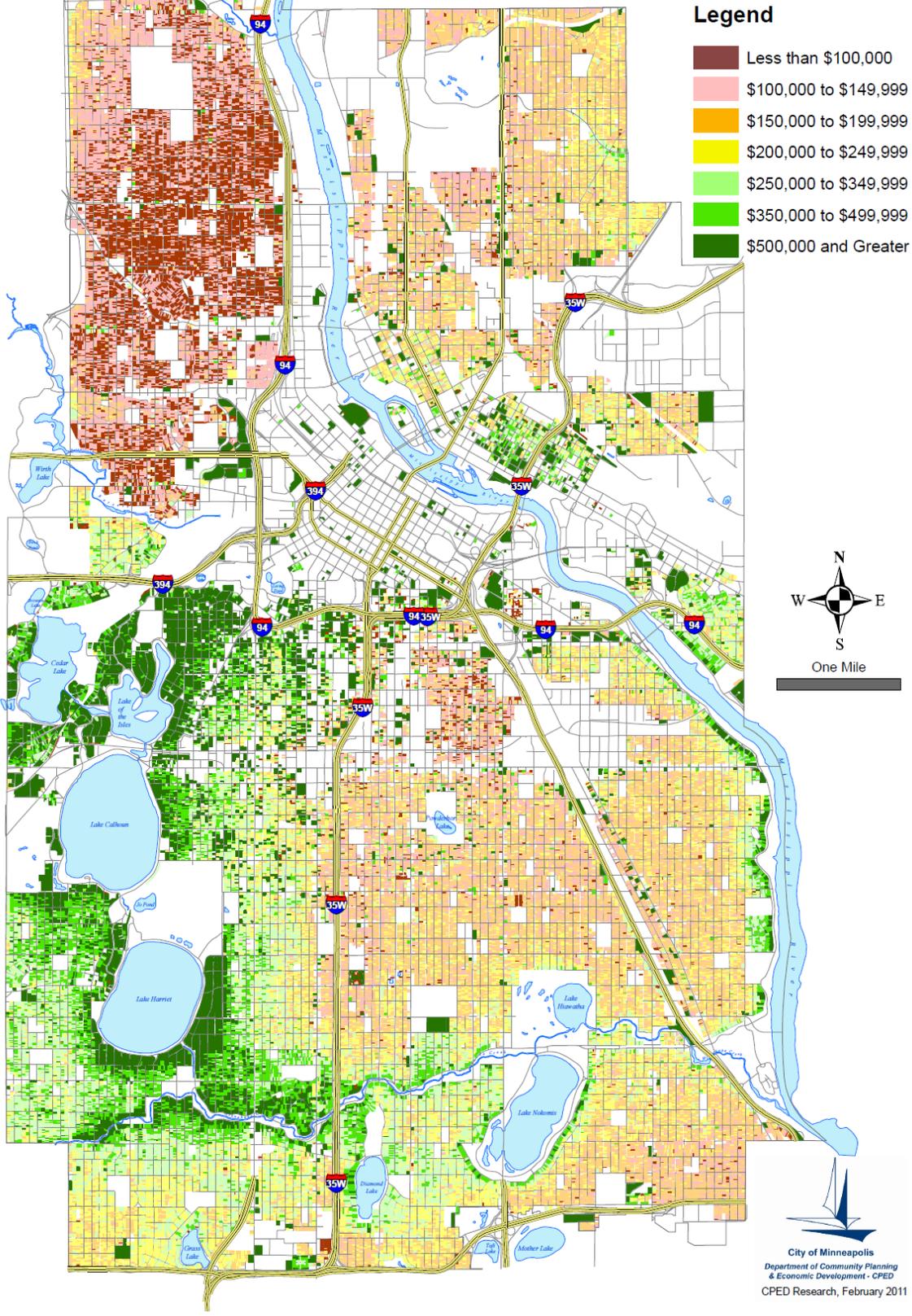
Appendix

City of Minneapolis

Estimated Market Value - Residential Property

EMV 2010 / Pay 2011

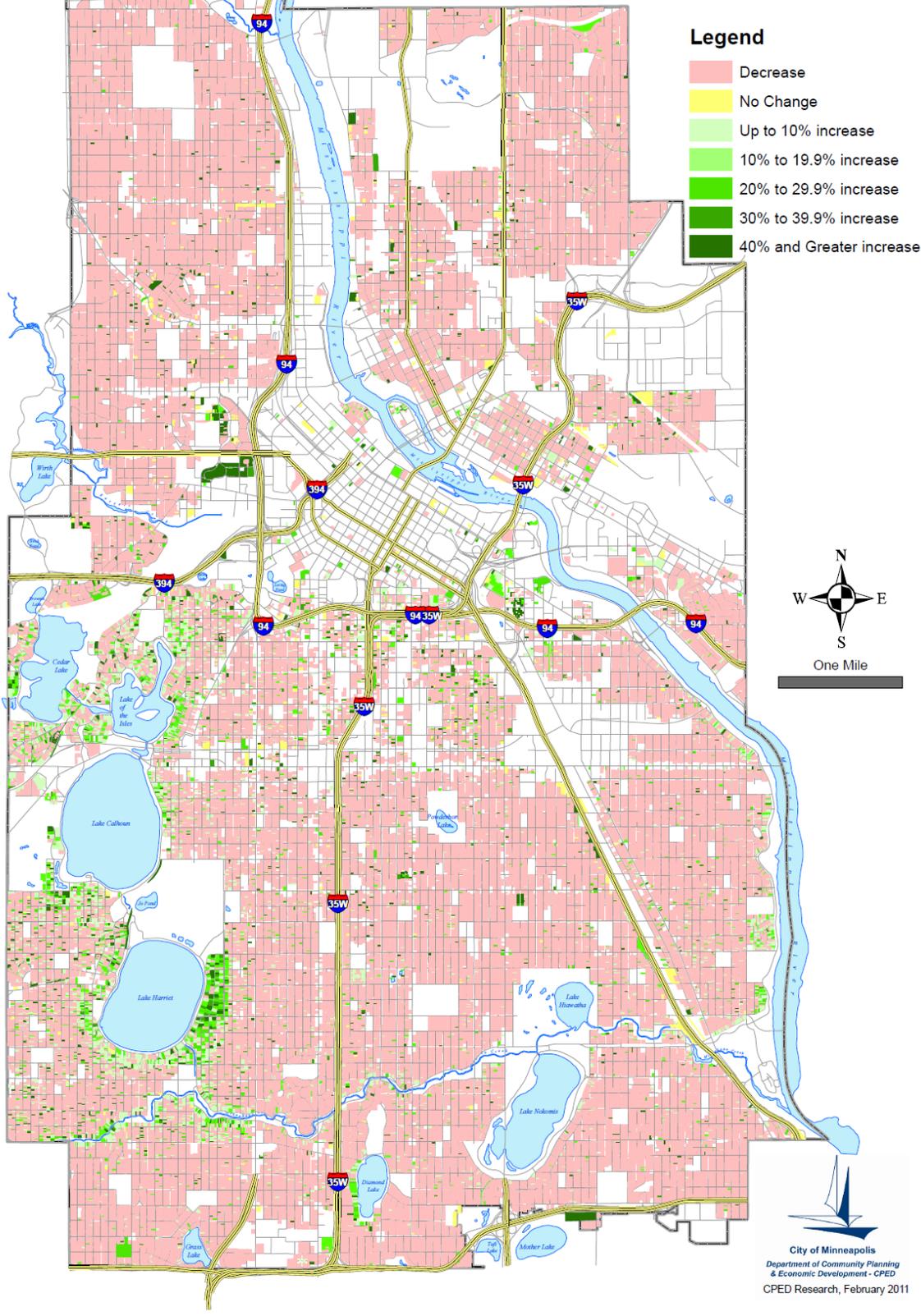
Source: City Assessor



City of Minneapolis

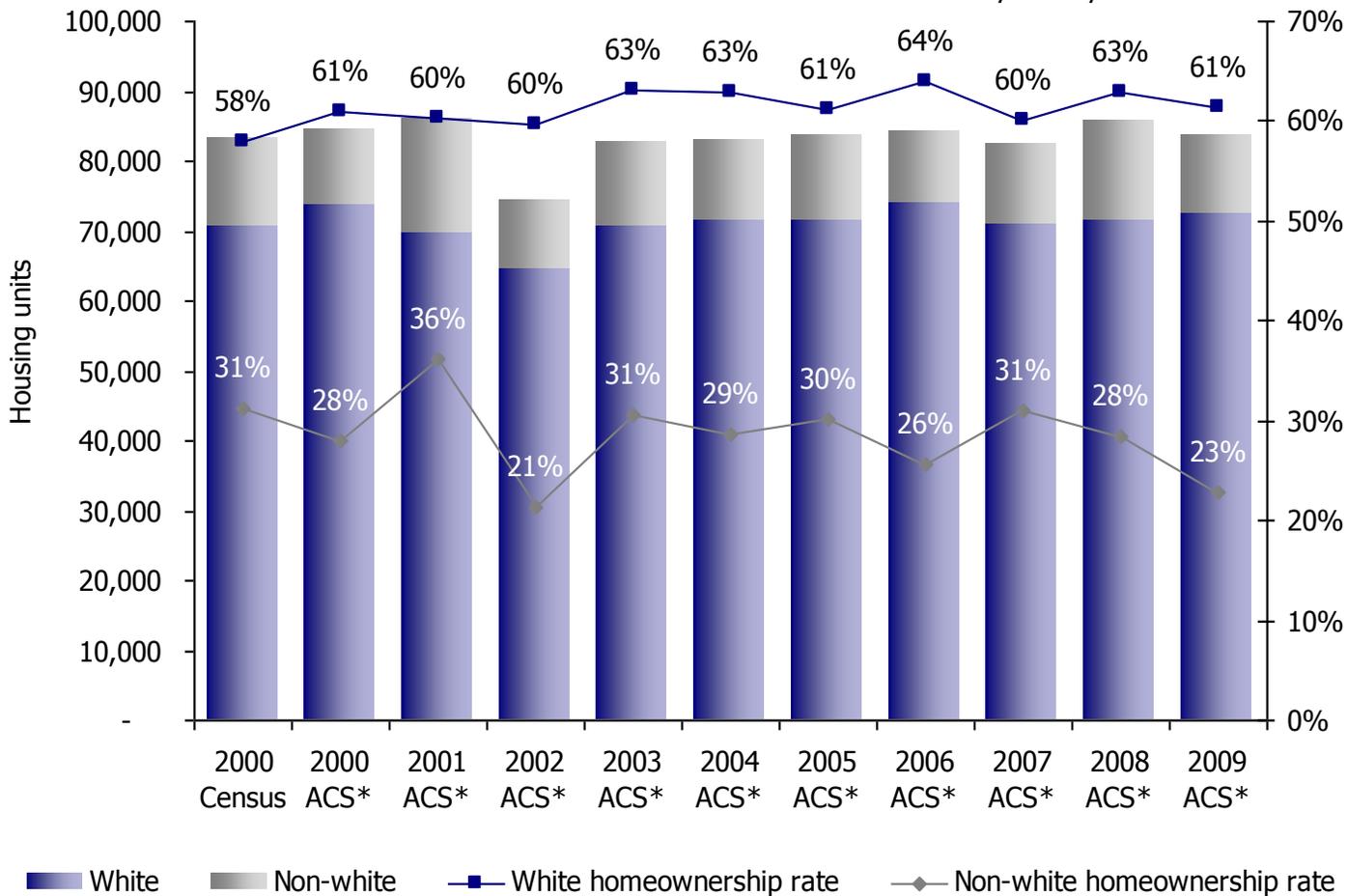
2005 - 2010 Change in Estimated Market Value - Residential Property

Source: City Assessor



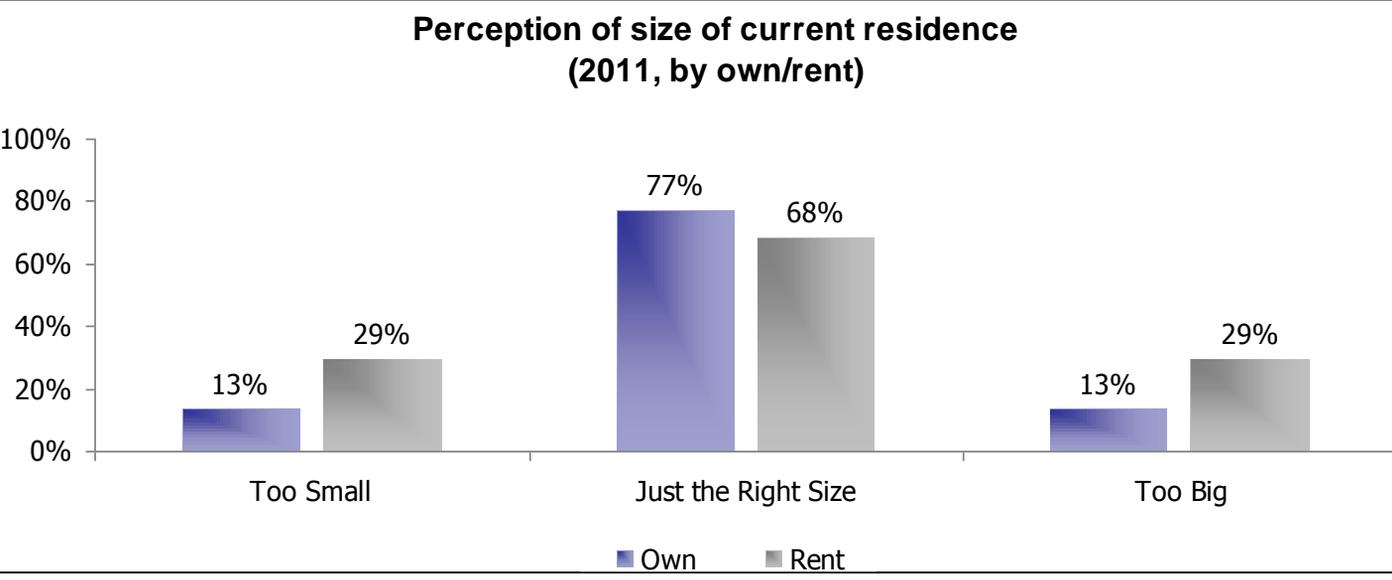
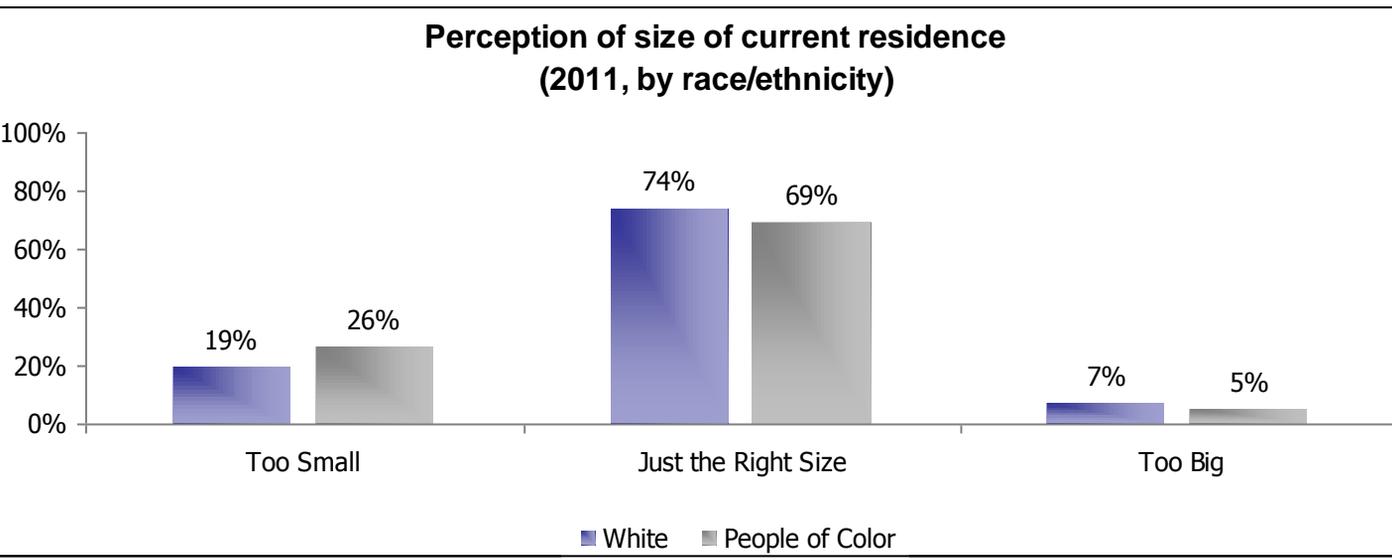
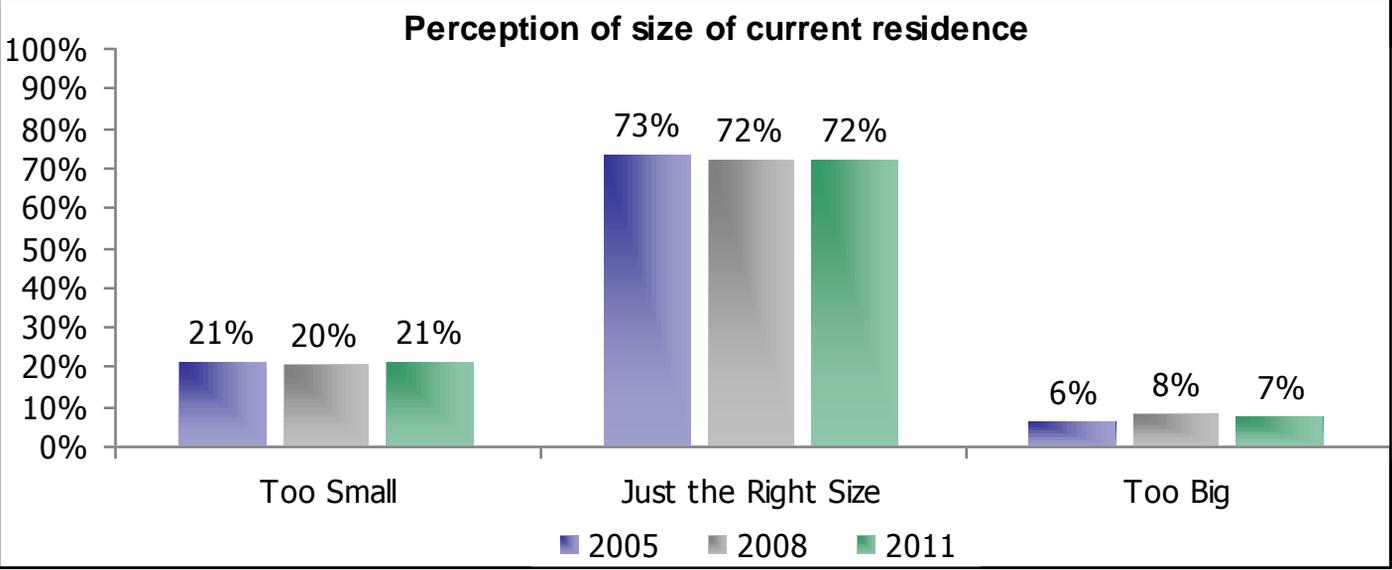
Volume and percentage rate of homeownership by white and non-white Minneapolis households

Sources: 2000 Census and 2000-2009 American Community Survey



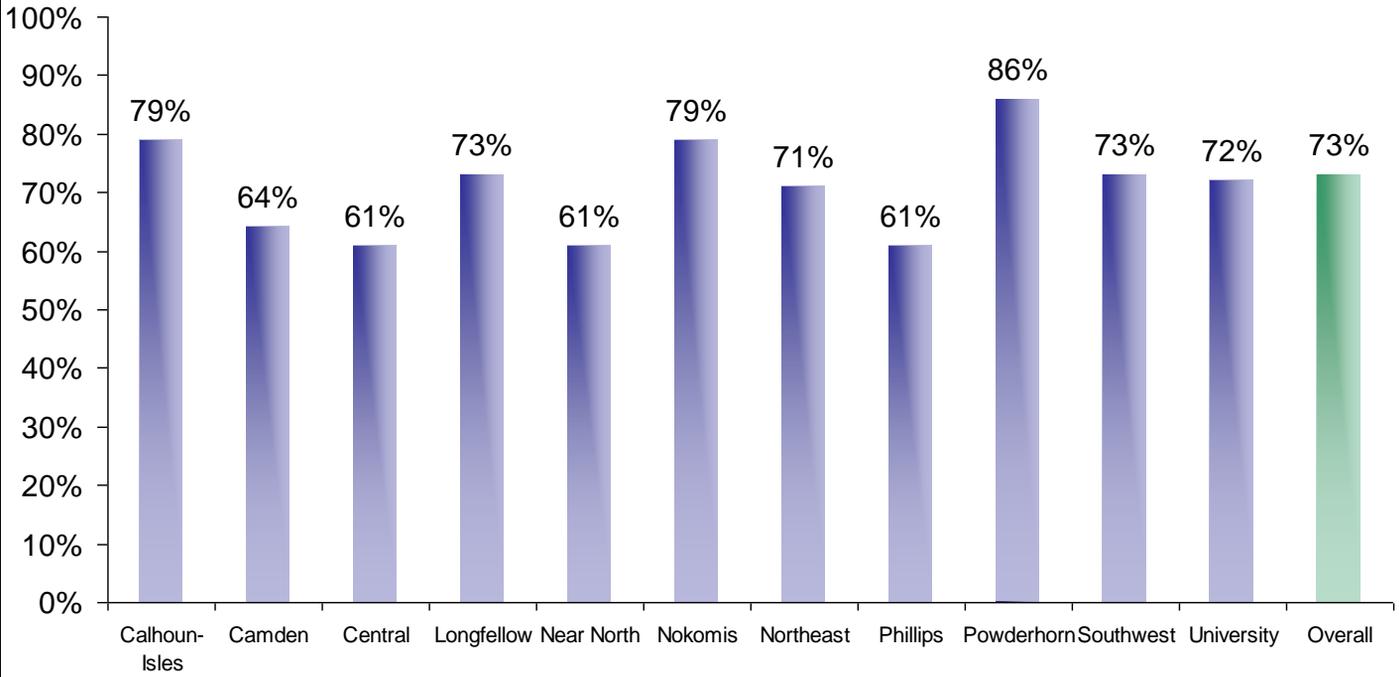


Measures from Resident Survey



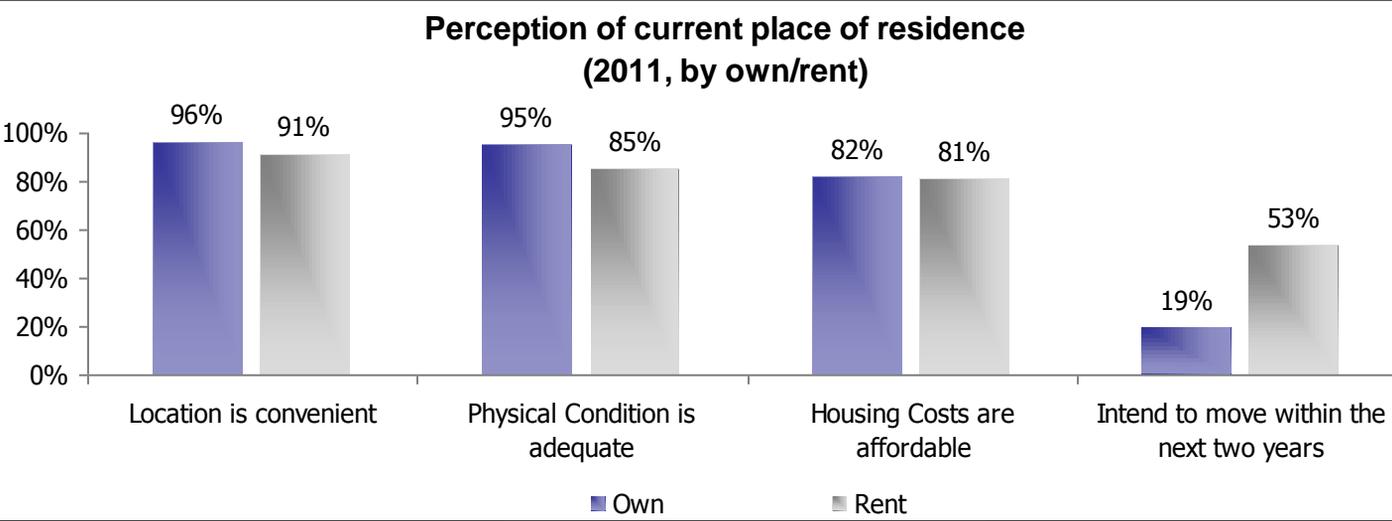
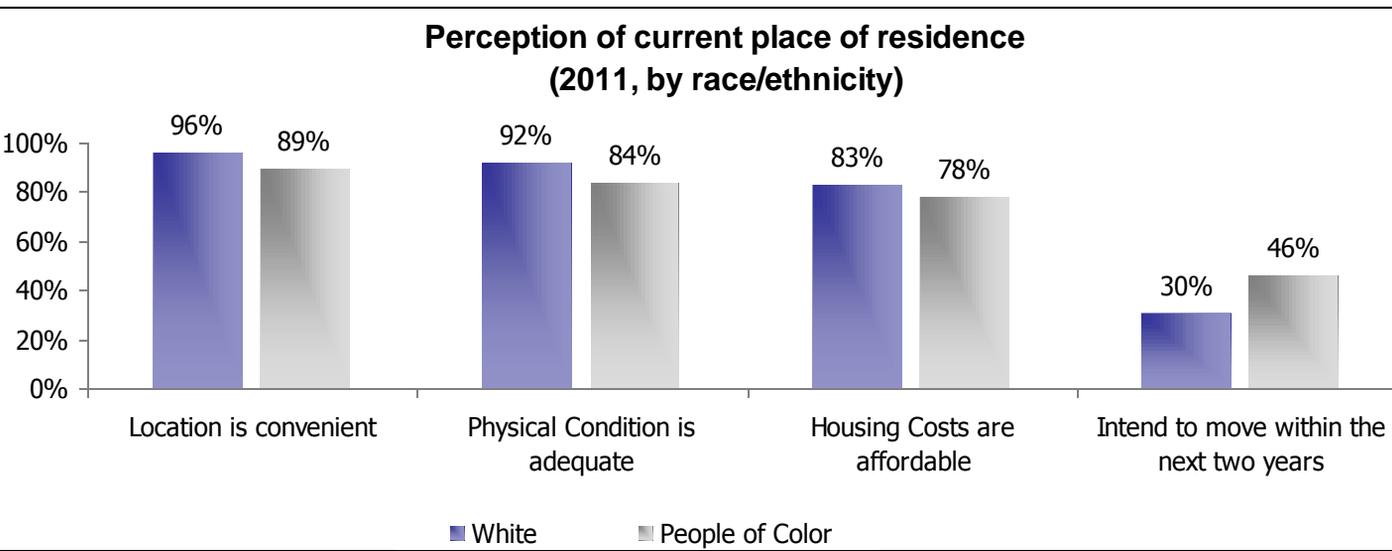
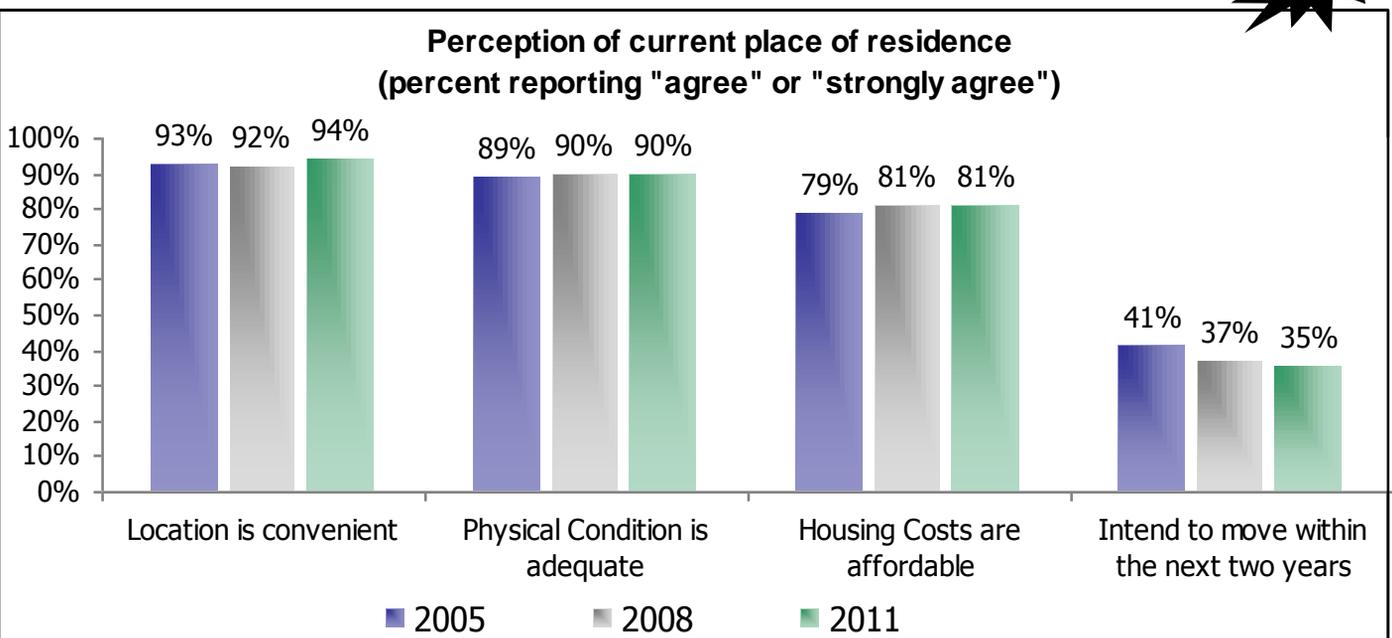


Perception of current size of residence: percent responding "just the right size"
(2011 by planning district)



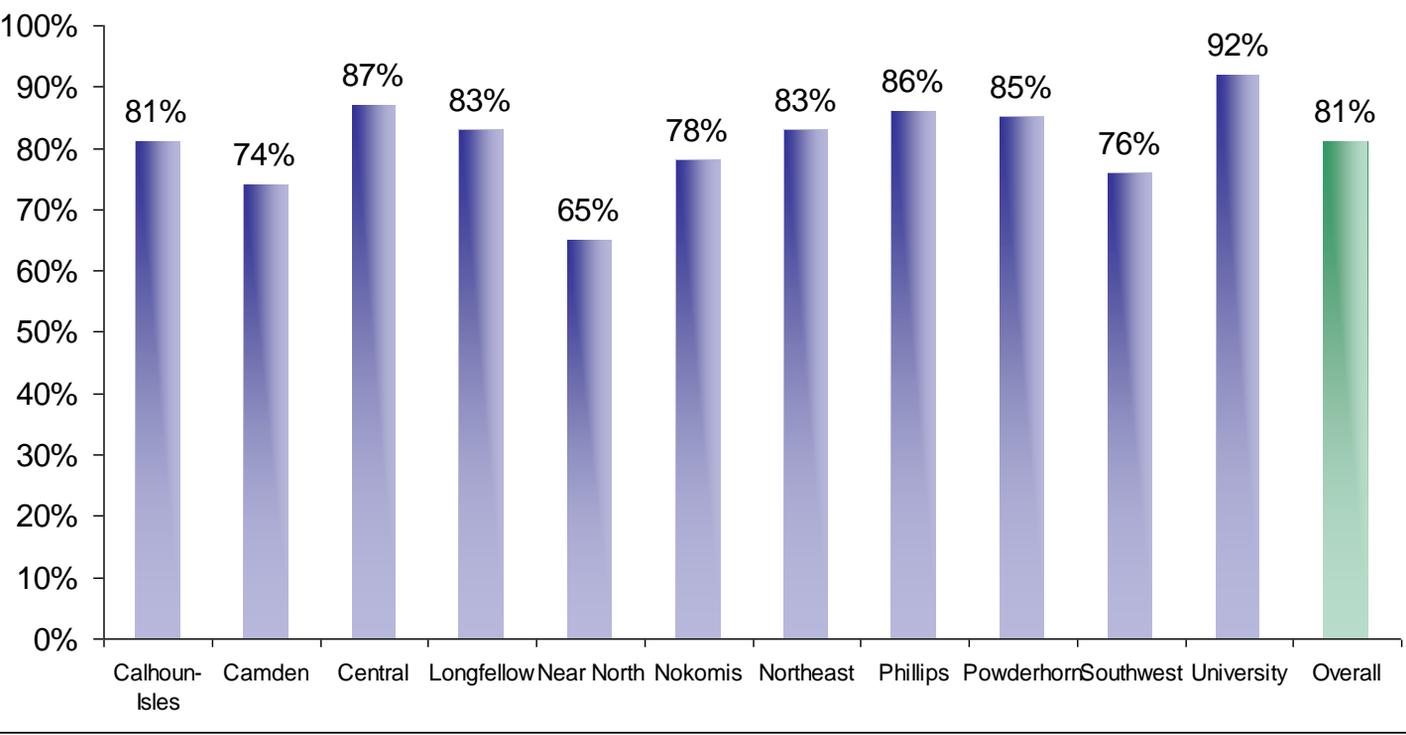


Measures from Resident Survey





Housing costs are affordable (percent responding "agree" or "strongly agree")
2011 by planning district

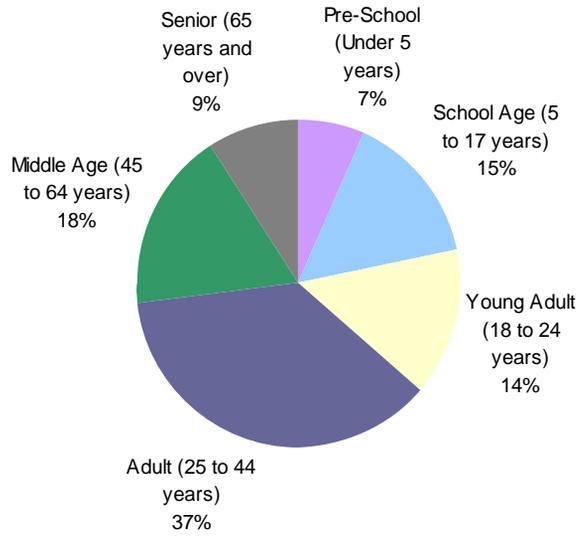




Age distribution and household characteristics

2000 Census - Age distribution

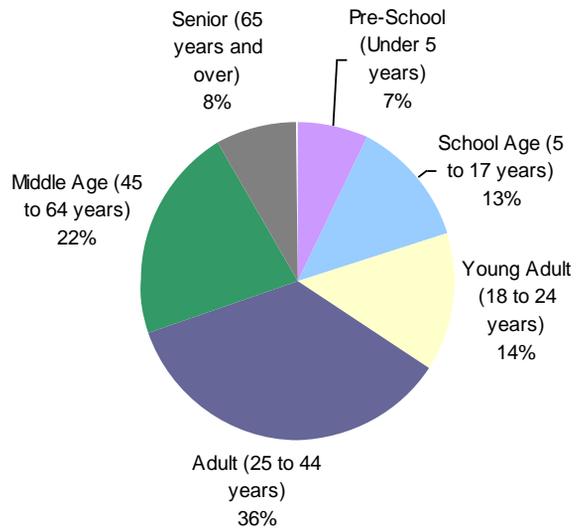
Source: Census Bureau



Created by CPED Research, April 2011

ACS 2005 to 2009 (5-year estimates) - Age Distribution

Source: Census Bureau



Created by CPED Research, April 2011

Selected household characteristics	2000 Census		2005-2009 ACS (5-year estimates)	
	Count	Percentage	Count	Percentage
Total Households	162,352		165,253	
Households with one or more people under 18 years	40,579	25.0%	39,810	24.1%
Households with one or more people 65 years and over	22,822	14.1%	22,450	13.6%
Average Household size	2.25		2.19	

Source: 2000 Census and ACS 2005-2009 - 5-year estimates

Created by CPED Research, April 2011