

**Minneapolis City Council  
Study Session:  
Housing Policy and Development**

Community Planning and Economic Development

Thursday April 10, 2014

# Introductions

## Presenters:

- Thomas Streit, Director Housing Policy and Development
- Wesley Butler, Manager, Residential Finance
- Elfric Porte II, Manager, Residential & Real Estate Development
- Cherie Shoquist, Principal Project Coordinator, Residential & Real Estate Development
- Mikkel Beckmen, Director, Minneapolis / Hennepin County Office to End Homelessness

# Mission of CPED

## Housing Policy and Development

**MISSION:** To grow a sustainable city; more people, more jobs.

**GOALS:**

1. Plan and develop a vibrant, sustainable community;
2. Promote private sector growth to build a healthy economy;
3. Promote economic self-sufficiency for individuals and families;
4. Develop and preserve life-cycle housing throughout the city; and
5. Partner effectively to promote regional growth and investment.

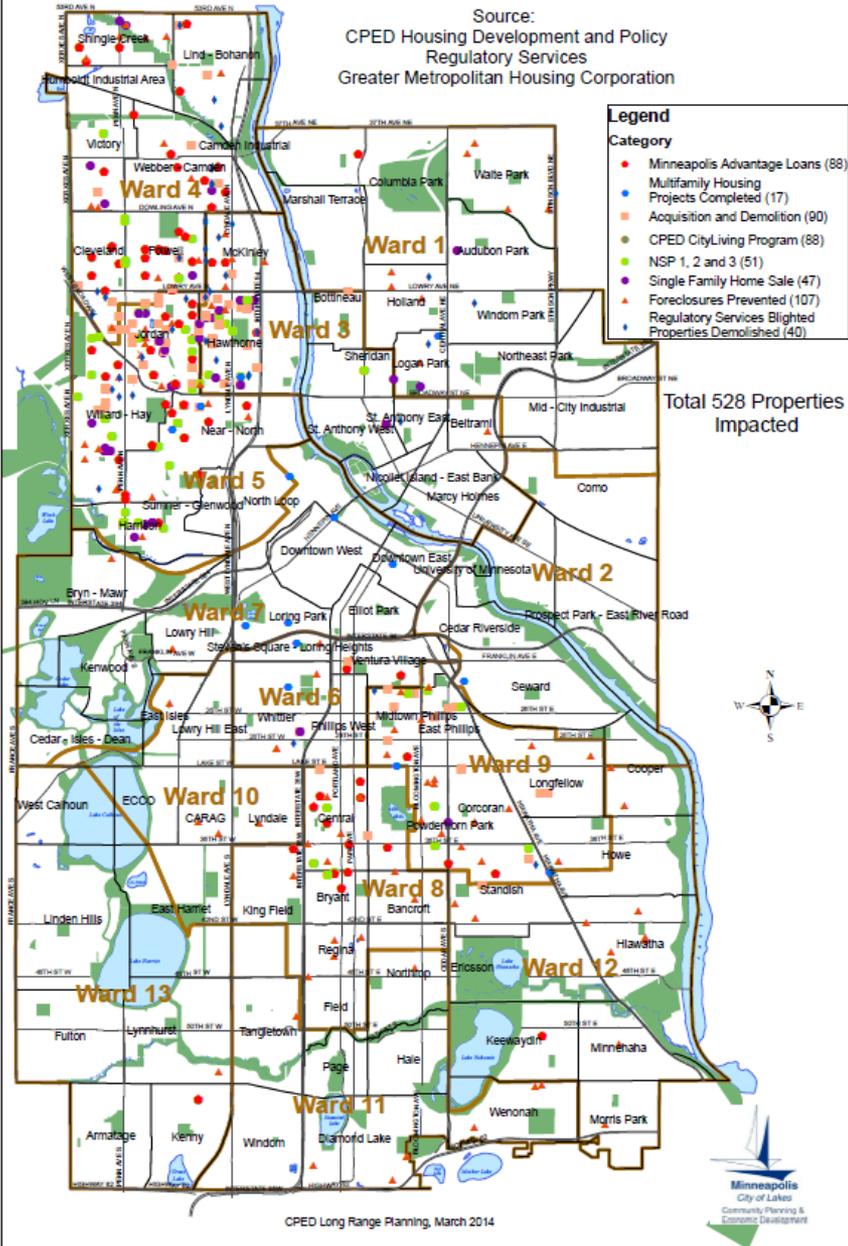
# Minneapolis Housing Investment

**2238 Properties impacted 2010-2013** (unduplicated count)

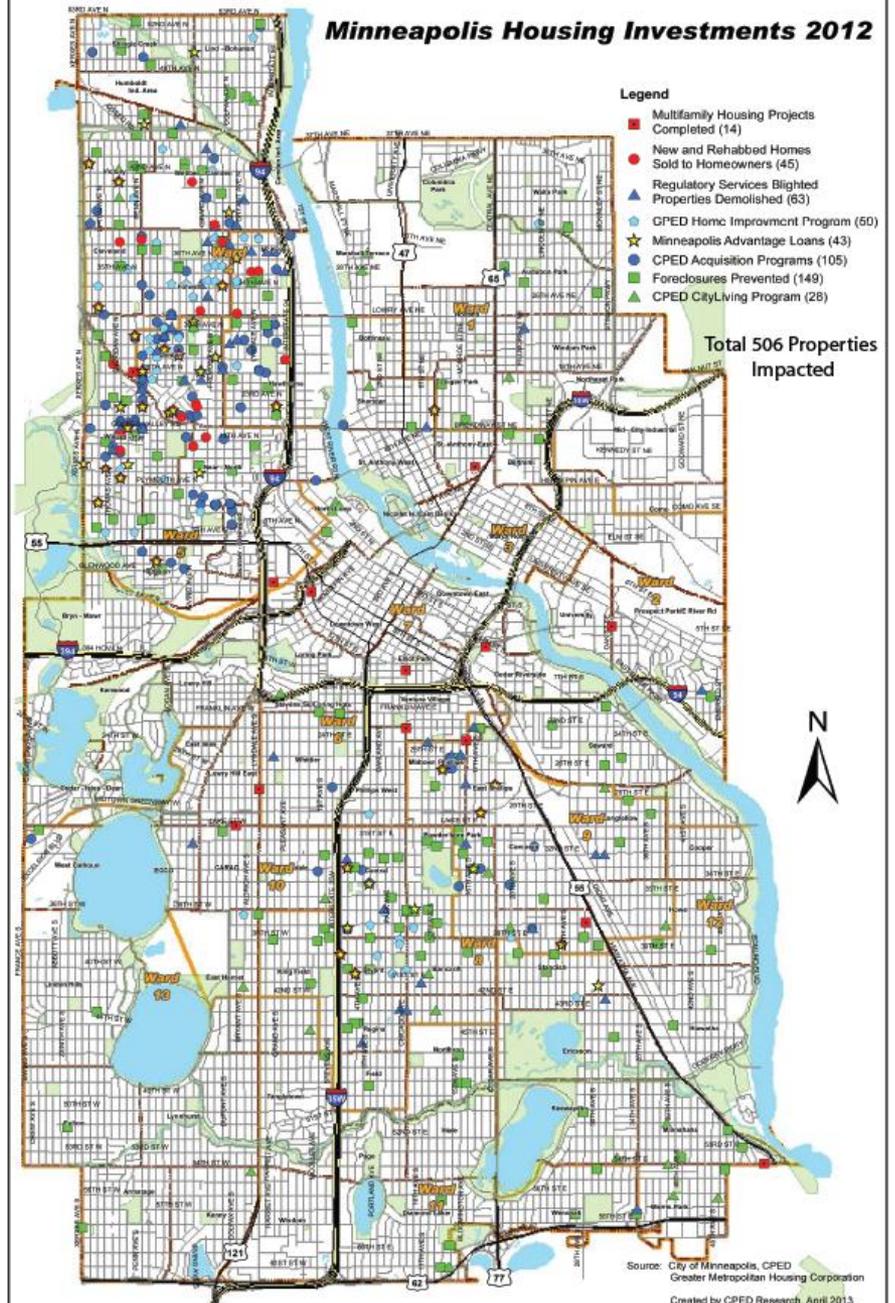
- **64** Multifamily Housing Projects Completed
- **195** Acquisitions and Demolitions
- **244** Regulatory Services Blighted Properties Demolished
- **233** Neighborhood Stabilization Program (NSP)
- **414** First Look Program Properties Purchased
- **140** Single Family Home Sales
- **273** Strategic Acquisition Properties Sold
- **446** Minneapolis Advantage Loans
- **776** Foreclosures Prevented

# Minneapolis Housing Investments 2013

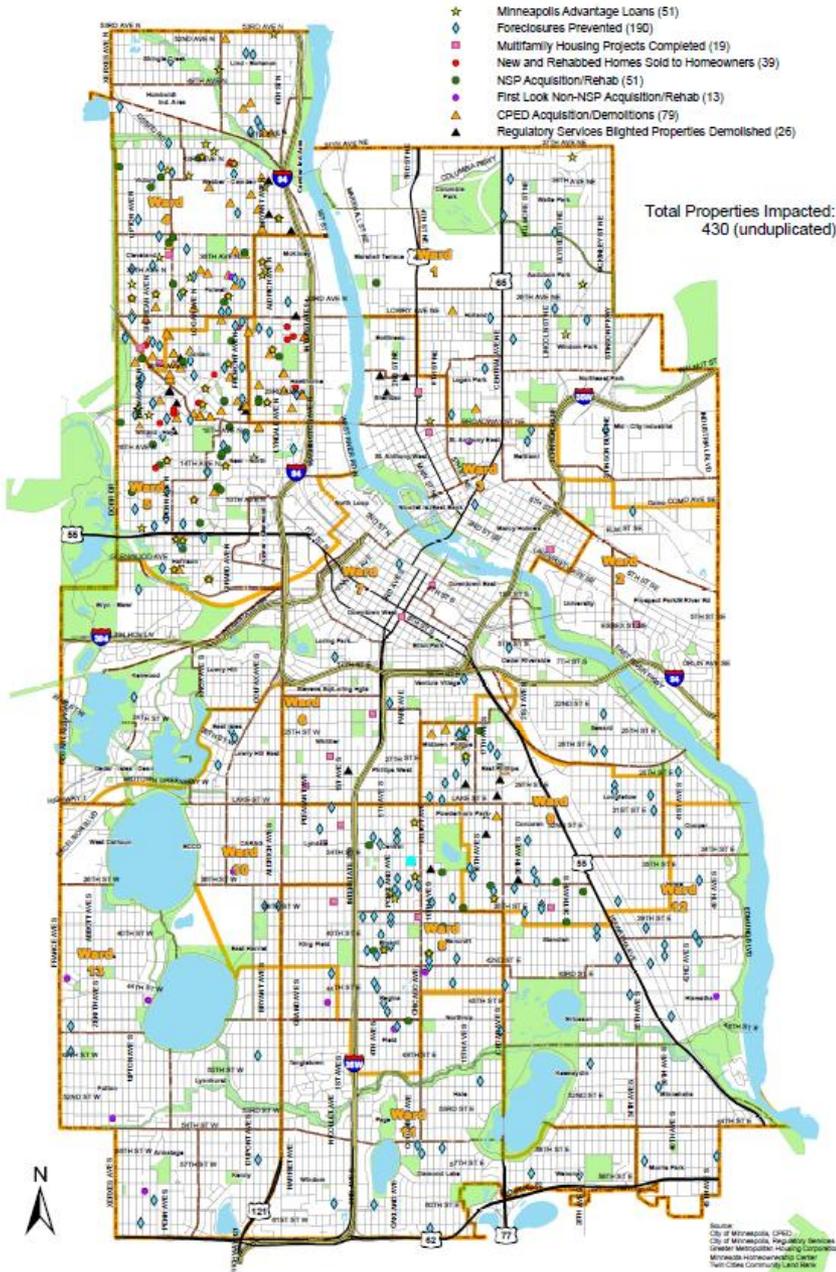
Source:  
CPED Housing Development and Policy  
Regulatory Services  
Greater Metropolitan Housing Corporation



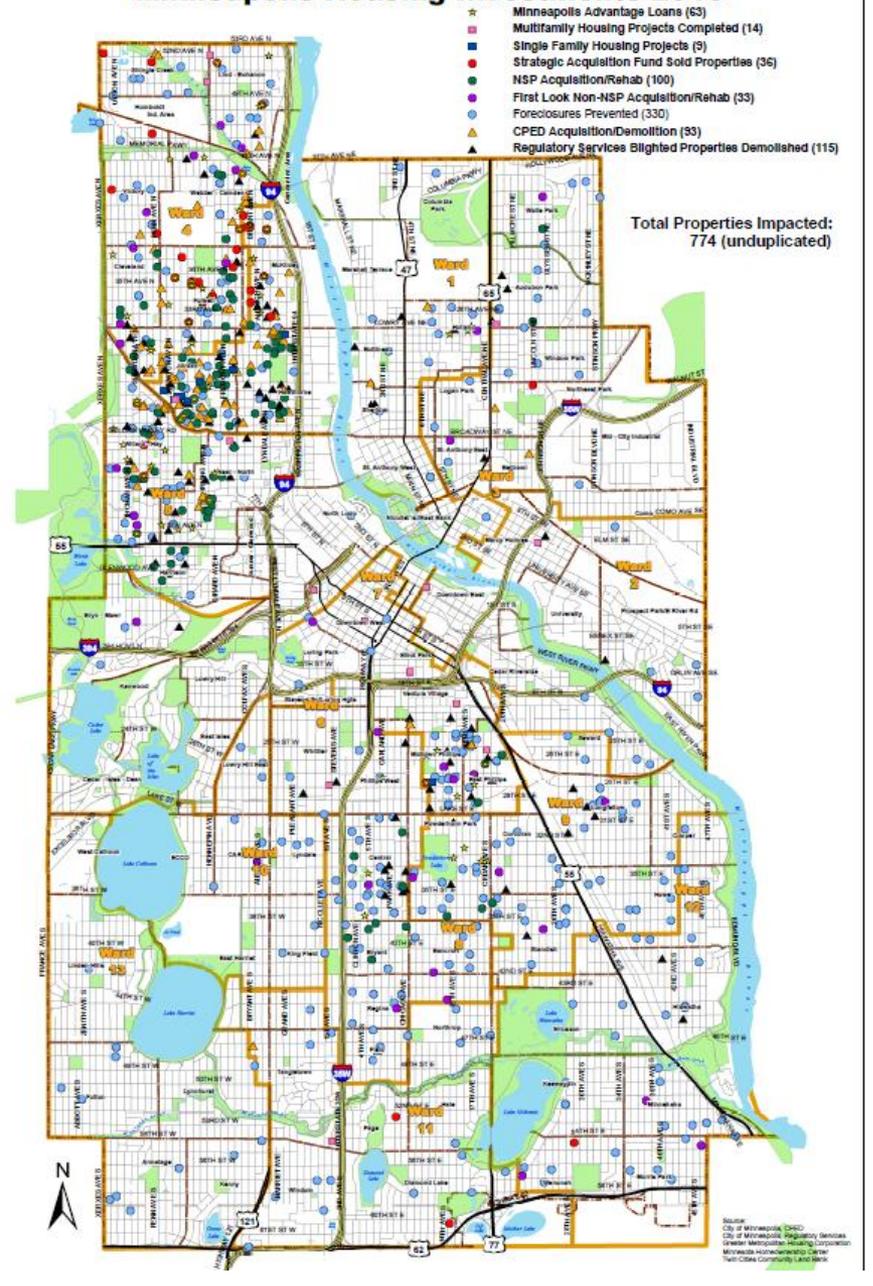
# Minneapolis Housing Investments 2012



# Minneapolis Housing Investments 2011



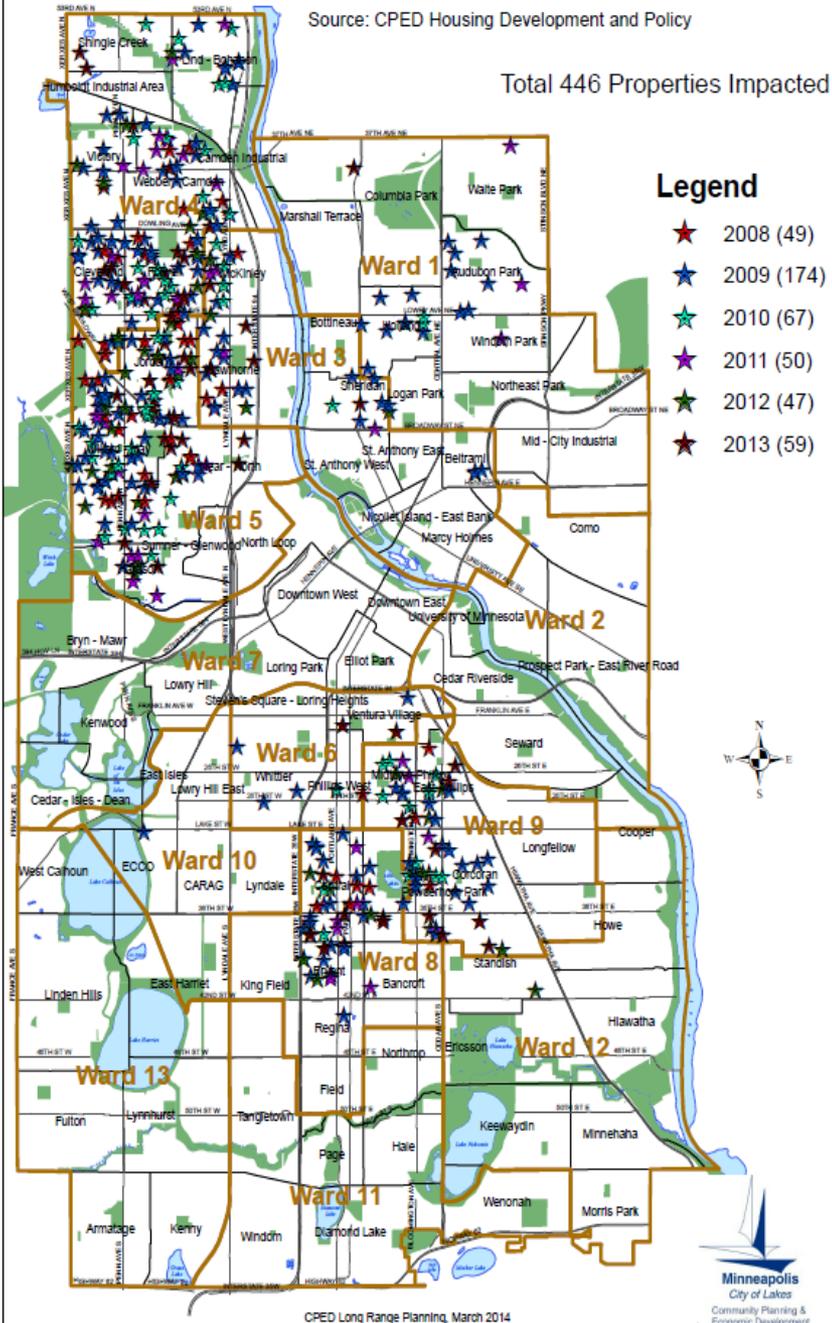
# Minneapolis Housing Investments 2010



# Minneapolis Advantage Program 2008 to 2013

Source: CPED Housing Development and Policy

Total 446 Properties Impacted

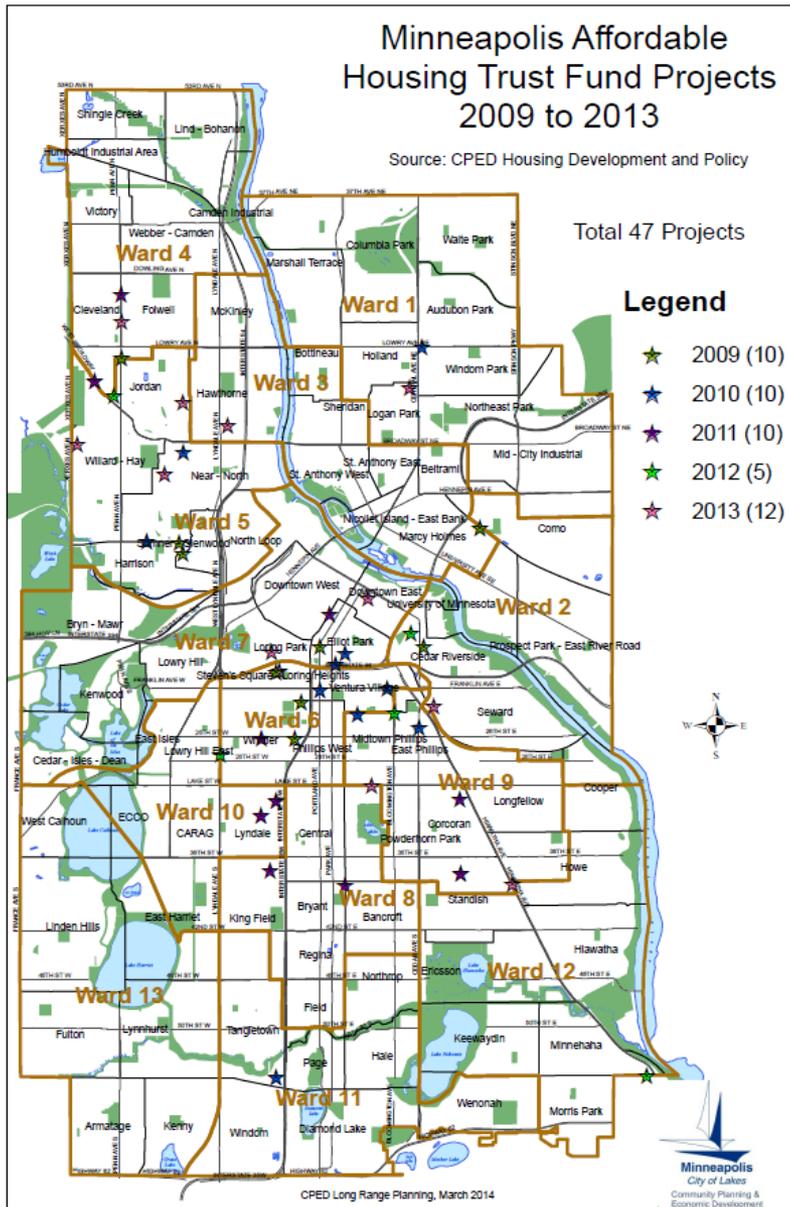


# Minneapolis Advantage

- 446 homebuyers purchased homes in neighborhoods highly impacted by foreclosure with down payment and closing cost assistance from \$5,000 - \$20,000.

# **Rental Investment Residential Finance**

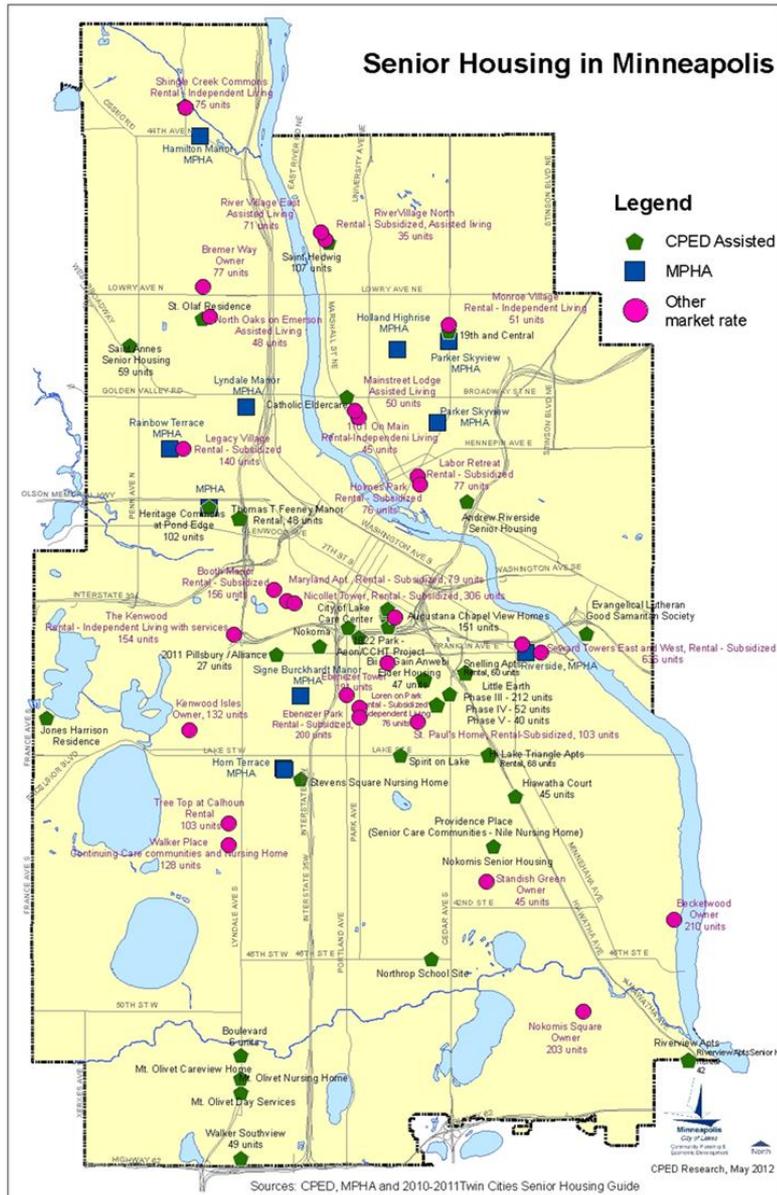
# Affordable Housing Trust Fund



- Established by the City Council and Mayor to create and preserves affordable rental housing by providing gap funding for development.
- For every \$1 of AHTF, the city attracts \$9 of additional funding through debt, equity and other funders.
- 47 Projects funded in 5 years.



# Senior Housing Initiative



The Senior Citizen Housing Initiative will focus resources to ensure at least one new senior housing project is created annually ward by ward until all 13 wards have at least one new senior housing project.

**Ownership Investment  
Residential & Real Estate  
Development**

# The Homeownership Program

- Source of Funds: CDBG
- A partnership with the Greater Metropolitan Housing Corporation
- Goal is to rehabilitate or construct new housing and sell to owner-occupied households
- Household Income: 80% AMI (\$63,900 for a family of 4)

# Home Ownership Works

- Source of Funds: HOME
- A partnership with local non-profit partners
- Goal is to rehabilitate or construct new housing and sell to owner-occupied households
- Household Income: 80% AMI (\$63,900 for a family of 4)

# Example of a Rehab Project



# Example of a Rehab Project

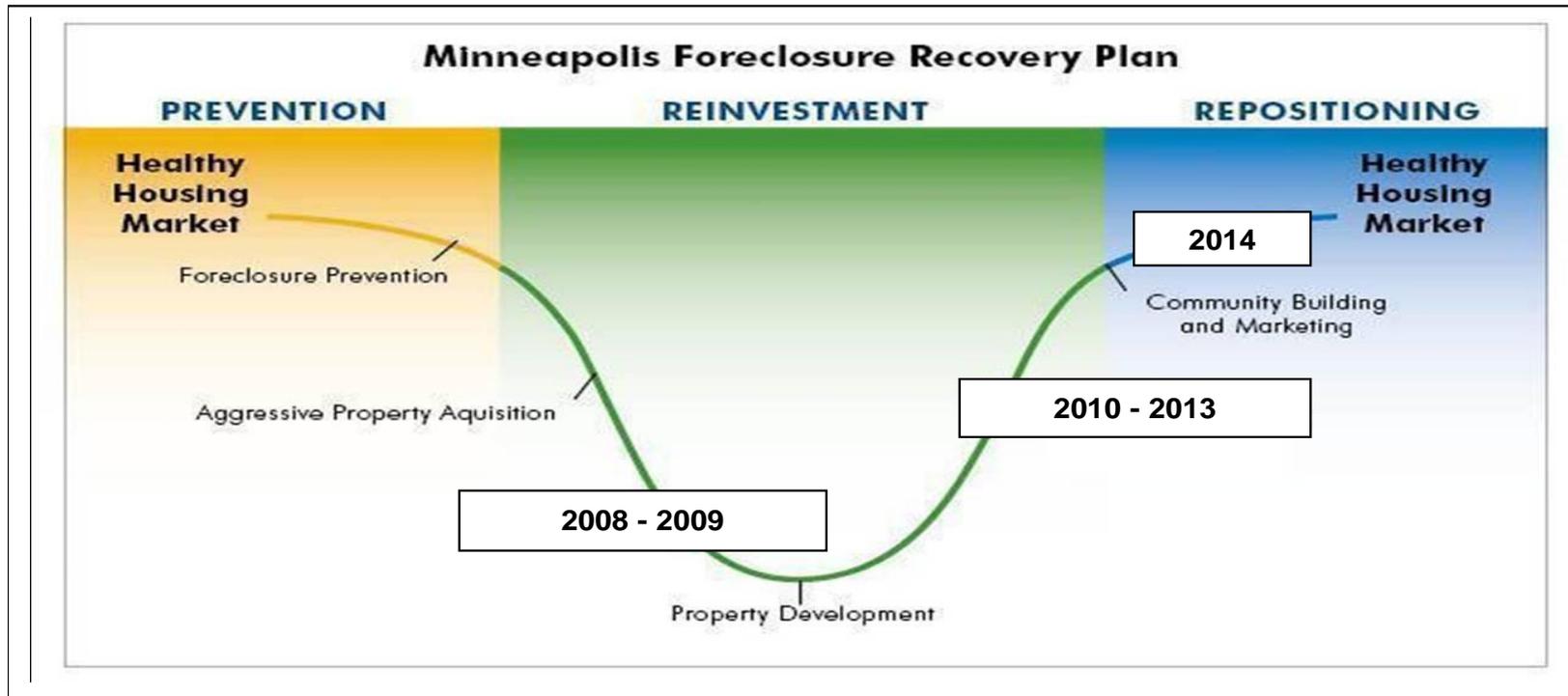


# Neighborhood Stabilization Program

## Minneapolis Three Point Plan For Foreclosure Recovery and Neighborhood Stability

1. PREVENTION: Continue foreclosure prevention outreach and counseling
2. REINVESTMENT: Pursue aggressive property acquisition and promote property development
3. REPOSITIONING: Engage in community building and marketing efforts

### FORECLOSURES



# Neighborhood Stabilization Program

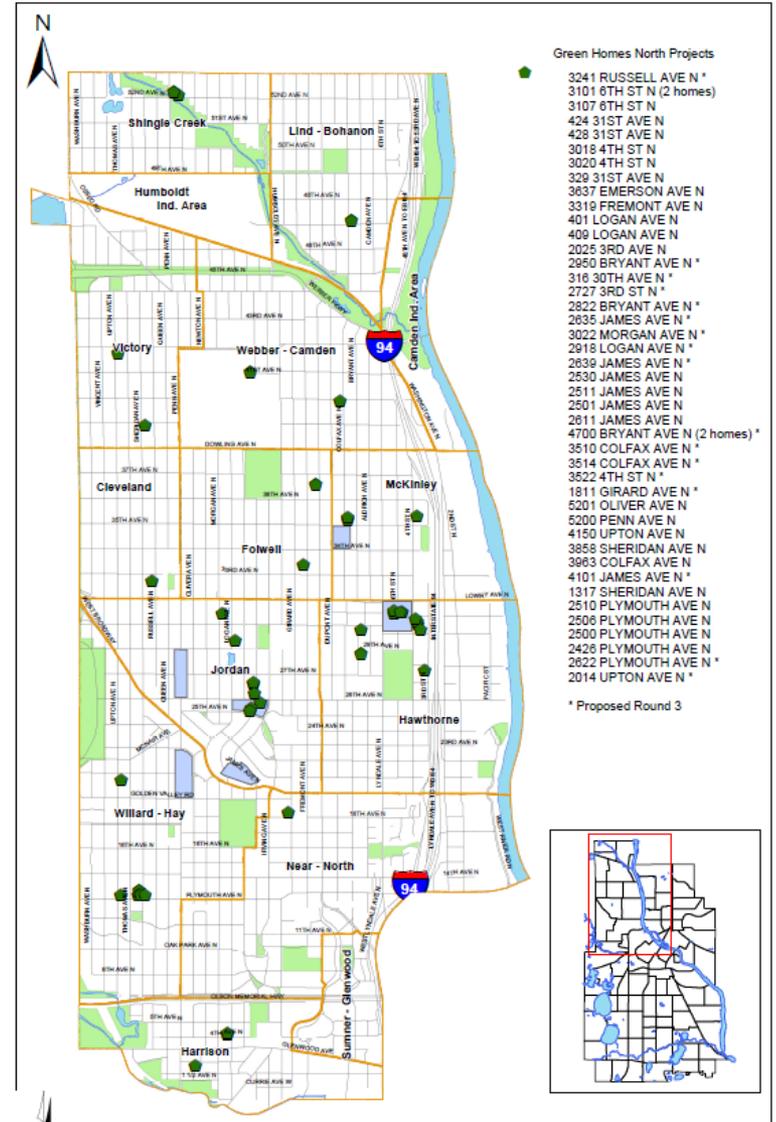
- **842 properties (964 units)** were directly impacted by NSP.
- **118 homebuyers** purchased homes with financial assistance towards closing costs or down payment.
- **233 properties (355 units)** purchased for rehabilitation or redevelopment.
  - **188 homeownership properties**; 144 homes sold, 27 homes rehabbed and listed for sale, 17 homes in different phases of rehabilitation.
  - **45 rental properties (167 units)**; 127 units rented, and 40 units in different phases of rehabilitation.
- **231 properties acquired** for future redevelopment.
- **260 (142 city-owned and 118 privately-owned) condemned and blighted properties** demolished.

# Green Homes North

## Green Homes North Project Locations

### Three Goals of Green Homes North:

- Build 100 energy efficient homes over 5 years to revitalize neighborhoods in North Minneapolis.
  - Create job opportunities for local residents and minority and women-owned businesses.
  - Promote Minneapolis businesses providing green housing products.
- 45 homes funded to date:  
4 sold,  
23 under construction, and  
18 will begin construction this spring.



# **Future Strategies**

# Homeownership Opportunity in Minneapolis

- Minneapolis has one of the worst rates of racial disparity in homeownership.
- There are **13,408\*** Minneapolis households of color with incomes between \$40,000 and \$99,000 that can afford homes in Minneapolis between \$80,000 - \$200,000.
- What will bring households of color into sustainable homeownership in Minneapolis?

\*

Based on 2012 U.S. Census Data

# Homeownership Opportunity in Minneapolis

## **PROPOSAL: Homeownership Opportunity in Minneapolis (HOM)**

- \$1,000,000 to provide down payment and closing cost assistance for 100 new home buyers.
- \$125,000 to fund homeownership outreach and assistance for 5 culturally specific organizations to serve homebuyers of color:
  - African American
  - Somali
  - Hispanic
  - Asian
  - American Indian

# Vacant Lot Strategies

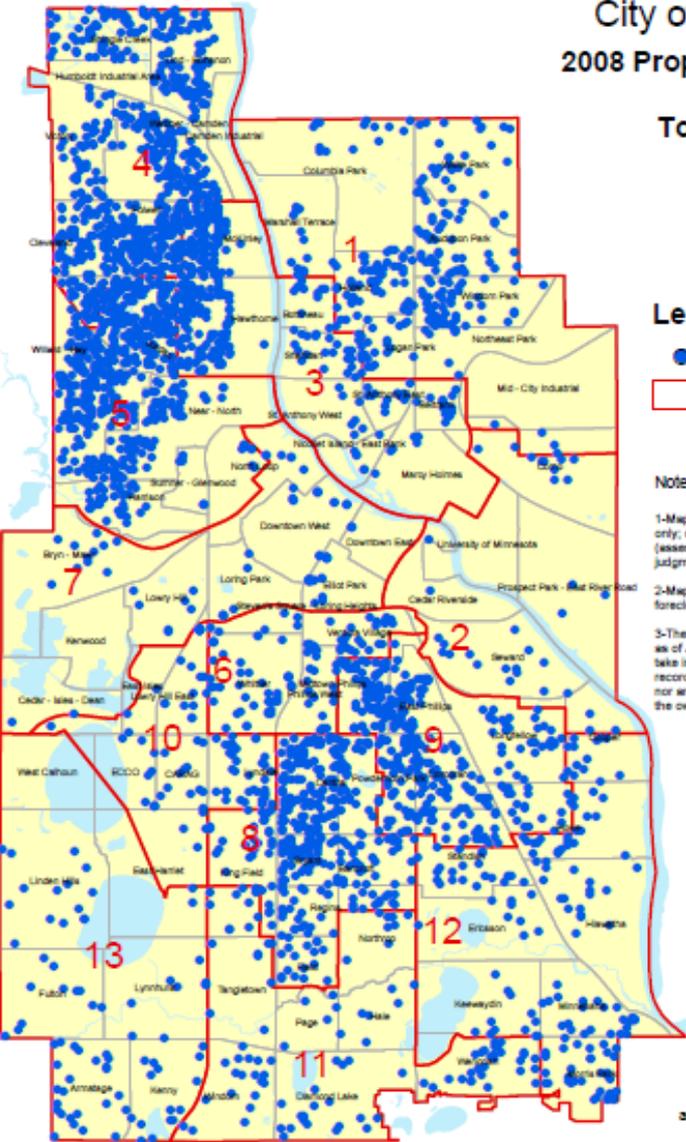
- Goal – To Grow the City
- 709 vacant housing parcels
  - Assemblage for Housing Development
  - Single Family In-fill
  - Unbuildable Lots: sale to adjacent owners
- Community Gardens
  - Unbuildable Lots
  - Tornado Zone

# Twin Cities Community Land Bank

- Formed to assemble, manage and dispose of property related to the foreclosure crisis, the Land Bank now serves a broader community purpose through integrated recovery efforts including community lending, property acquisition. Land banking and more.
- **First Look Program** coordinated transfer of real estate-owned properties from financial institutions nationwide to local housing organizations in collaboration with state and local governments.
- **414** foreclosed properties purchased through the First Look and targeted bulk purchase pre-market discount program from 2008 - 2013; 168 to private developers, 183 to nonprofit developers, and 63 to the City. Of these, 252 properties utilized Neighborhood Stabilization Program funds.
- **39** properties were donated through the Land Bank to the City from financial institutions, including Fannie Mae (4), Wells Fargo (5), Bank of America (19), Chase (5) and others.

# Foreclosure Prevention and Remediation

City of Minneapolis  
2008 Properties foreclosed  
by Ward  
Total = 3,077

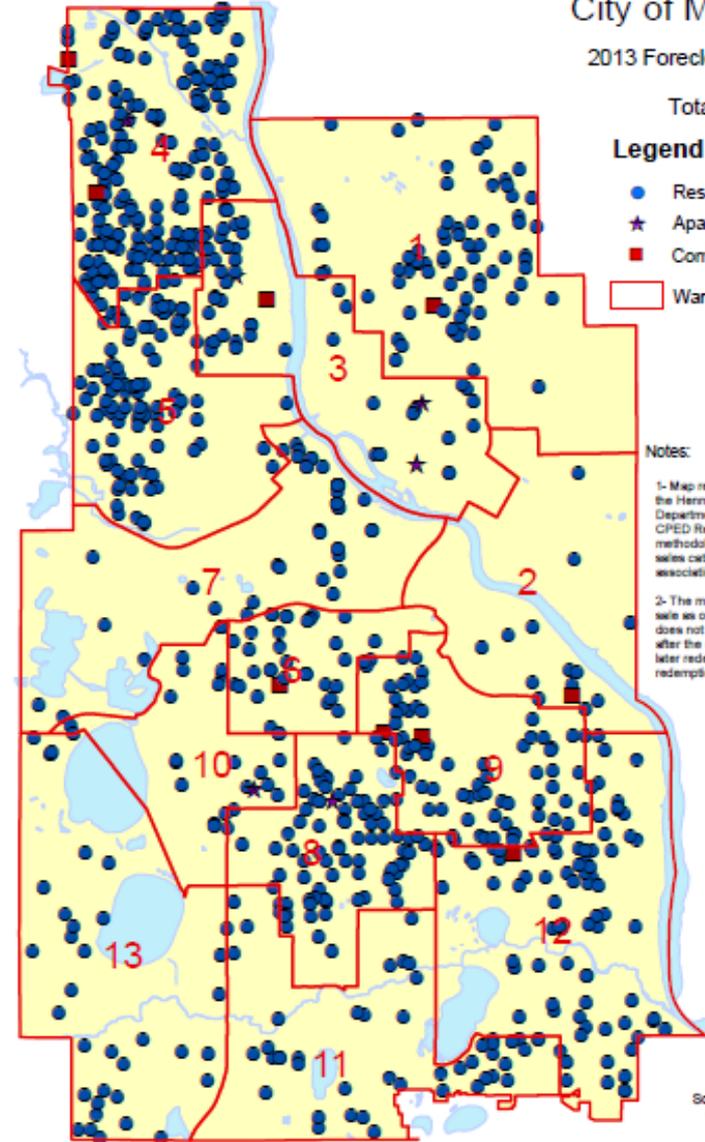


**Legend**  
 ● Properties foreclosed  
 □ Ward

**Notes:**  
 1-Map reports mortgage foreclosures only; other foreclosure categories (assessments, associations, executions, judgments) not included.  
 2-Map reports the number of properties foreclosed rather than foreclosure sales.  
 3-The map displays foreclosures reported as of January 10, 2009, and does not take into account back-dated foreclosures recorded after the date was retrieved, nor any properties later redeemed by the owner within the 6 month redemption period.

Source: Community Planning and Economic Development Research with data from Hennepin County. Jan. 23, 2009

City of Minneapolis  
2013 Foreclosures by Ward  
Total = 879



**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 date was compiled, nor any properties later redeemed by the owner in the 6 month redemption period.

Source: CPED Long Range Planning with data from Hennepin County. February 5, 2014

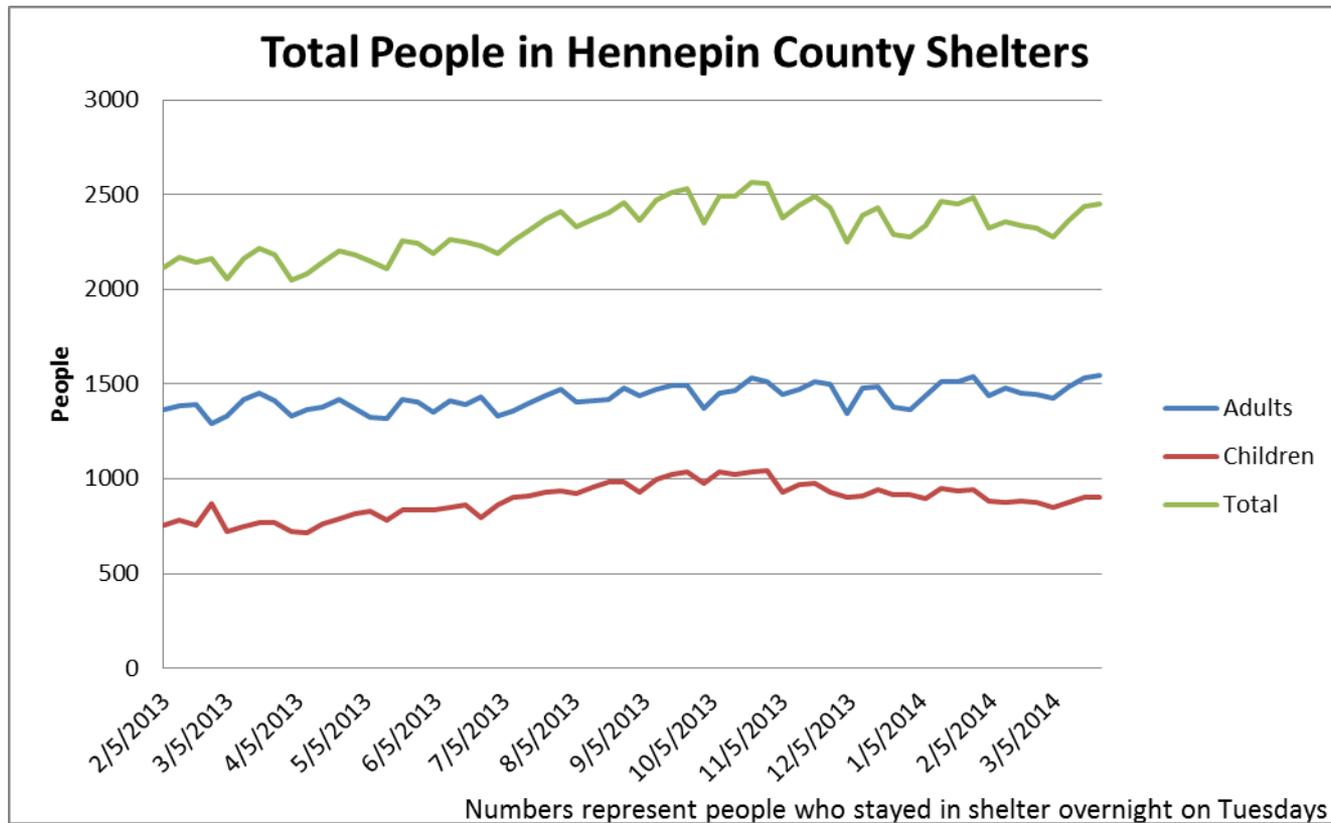
## Foreclosure Prevention:

- 2,362 (48%) foreclosures prevented of 5,679 households served or receiving services from 2008- 2013.
- 740 households are still receiving services and have cases pending.

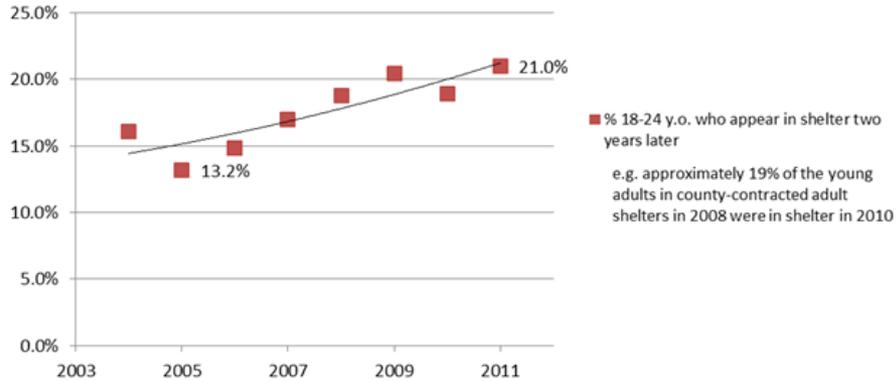
Foreclosures in Minneapolis are significantly down from the height of the crisis.

	2013	2012	2011	2010	2009	2008	2007
<b>January</b>	117	135	146	214	223	329	264
<b>February</b>	94	96	123	169	216	226	206
<b>March</b>	100	108	184	193	115	253	208
<b>April</b>	83	109	146	179	136	294	174
<b>May</b>	66	140	163	182	199	317	284
<b>June</b>	67	156	152	185	196	259	185
<b>July</b>	65	109	136	236	209	290	250
<b>August</b>	61	136	122	286	184	263	290
<b>September</b>	66	137	135	214	200	230	291
<b>October</b>	57	119	133	158	216	268	263
<b>November</b>	58	105	120	158	178	196	241
<b>December</b>	45	98	159	134	161	152	239
<b>Year-to-Date</b>	879	1,448	1,719	2,308	2,233	3,077	2,895
<b>Year Total</b>	879	1,448	1,719	2,308	2,233	3,077	2,895

# Ending Homelessness in Minneapolis



### Young Adults Increasingly Stuck in County Adult Shelters



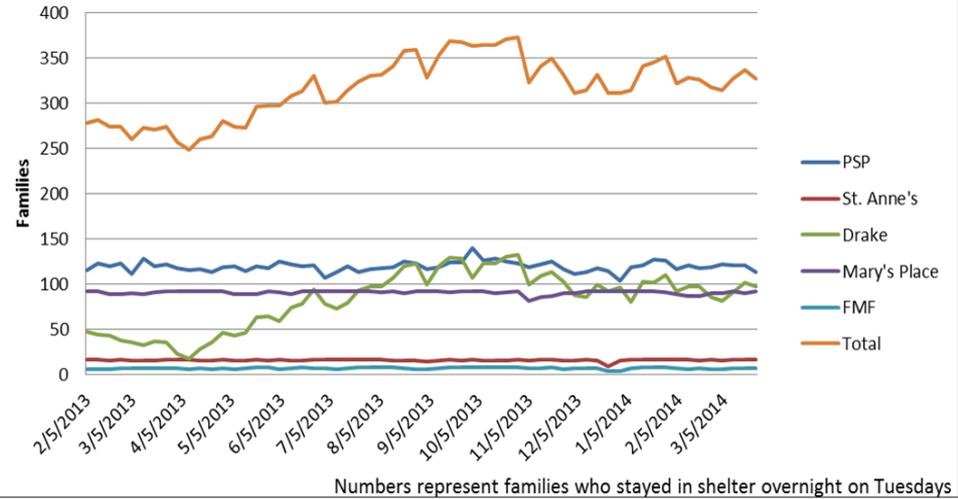
### Single Adults in Hennepin County Shelters



### Youth in Hennepin County Shelters



### Families in Hennepin County Shelters



# Discussion

- Housing Policies
- Rental Strategies
- Ownership Strategies
- Other

## **For more information**

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