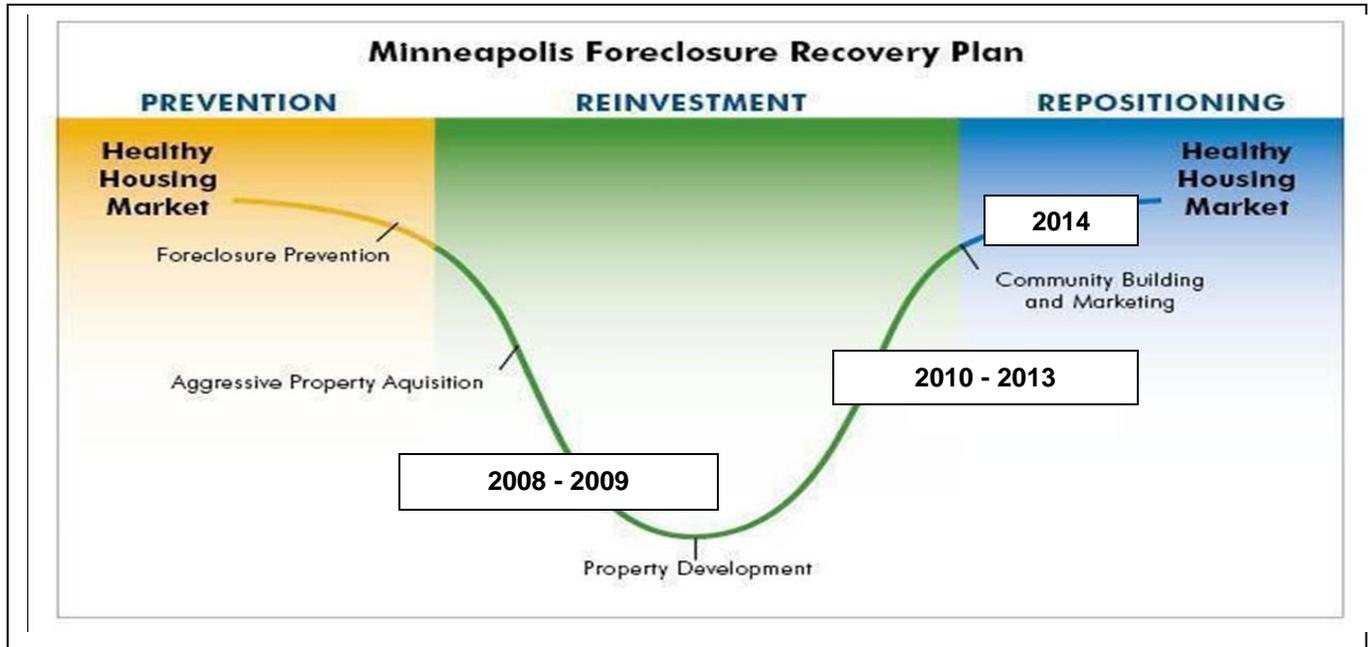


# Minneapolis Three Point Plan For Foreclosure Recovery and Neighborhood Stability

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



**There were 879 foreclosures in 2013.** Foreclosures will remain down from the foreclosure numbers of 1,448 in 2012, 1,719 in 2011, 2,308 in 2010 and 2,233 in 2009 which are significantly down from the height of the crisis of 3,077 in 2008 and 2,895 in 2007.

### 1. 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.
- Mortgage Foreclosure Prevention Counseling shows that it costs approximately \$400 to prevent a foreclosure, where the estimated cost is nearly \$80,000 once a property is in foreclosure.

### 2. REINVESTMENT

**842 properties (964 units)** were directly impacted by the Neighborhood Stabilization Program.

- **118 homebuyers** purchased homes with financial assistance towards closing costs or down payment.
- **233 properties (355 units)** purchased for rehabilitation and 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.

- **NSP Contractors include:** over 26% Minority-owned Business Enterprise, 9% Women-owned Business Enterprise, and 24% Section 3 low-income contractors with a total of **\$25,331,881** contracted. NSP provided **250,873 hours of employment** to these contractors.
- **First Look Program /Twin Cities Community Land Bank: \$183 million leveraged, over \$11 million saved** through coordinated transfer of real estate-owned properties from financial institutions nationwide to local housing organizations in collaboration with state and local governments.
- **1,222 total foreclosed properties purchased** through the First Look and targeted bulk purchase pre-market discount program from 2008 -2013. **Minneapolis only: 414 properties**, 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.
- **Strategic Acquisition Fund: \$12 million – 273 total properties impacted** through the purchase, rehabilitation, and/or resale of properties to homeowners from 2007 to through 2013.
- **13 purchases and 18 properties sold to an owner-occupant in 2013.** 158 homes sold to owner-occupants since program inception.
- **TJ Waconia Lawsuit: \$11.7 million in restitution; 141 North Minneapolis properties transferred** to GMHC for rehabilitation and resale.
- **The Northside Home Fund Cluster Developments** removed the blighting influence of more than **100 properties** previously boarded and vacant in the clusters through property acquisition, demolition, and working with property owners to bring their buildings up to code for re-sale to stable owner-occupants.
- **Regulatory Services** promotes rental ownership investment.
- **Vacant Building Registration (VBR) Program** requires owner to register vacant properties and pay a fee of \$6948 per year on each property for as long as it remains vacant unless the property is brought into code compliance within six months.
- **Conversion Fee** of \$1,000 and an inspection is required (cost is covered by the fee) when an owner-occupied home is converted to rental property.
- **Change in Ownership Fee** of \$450 and an inspection is required (cost is covered by the fee) when a rental property in a building with 1-4 rental units has a change of ownership.
- **Rental Finder** provides a fulltime inspector to identify rental properties that are operating without a license and ensure that properties are brought into compliance according to City regulations.

### 3. MARKET REPOSITIONING

- **Minneapolis Advantage: \$5 million, 446 homeowners purchased homes** from 2008 to date. Approximately 90% are first time homebuyers, 60% moved into Minneapolis from outside the City; and over 50% of the homes were previously registered as rental. Minneapolis Advantage funding provides home buyers with a \$10,000 - \$20,000 incentive for down payment and closing cost assistance to purchase a vacant or foreclosed home.
- **CityLiving: 186 Loans and Take Credit mortgage credit certificates closed** through 2011.
- **Bridge to Success: 50 contract for deed loans** to date in Minneapolis that are socially responsible for low to moderate income homebuyers who do not qualify for traditional mortgage programs.
- **Green Homes North: \$3 million; 27 green homes under construction; 45 funded.** Developers have proposed to build an additional 18 homes in 2014. Building nearly 50 new, green, energy efficient housing on City owned vacant lots will build area market value, add a boost to the Northside housing market, and increase confidence of current homeowners.