

Request for City Council Committee Action from the Department of Community Planning and Economic Development

Date: May 4, 2010

To: Council Member Lisa Goodman, Chair
Community Development Committee

Referral to: None

Subject: Healthy Housing Research Presentation

Recommendation:

a. Receive and File

Previous Directives: None

Department Information

Prepared by: Jeff Schneider, CPED Research (673-5124), with Katie White, Brad Utecht from CPED, and assistance from Regulatory Services and Assessor staff
Approved by: Tom Streitz, CPED Housing Division Director _____ 673-5138
Presenters in Committee: Tom Streitz and Jeff Schneider

Financial Impact

- No financial impact: action is within current budget

Community Impact

- Neighborhood Notification: Report will be made available to neighborhoods after this presentation

Supporting Information

Along with other city departments, CPED has long monitored trends in the city's residential housing stock and more generally in the overall housing market. In the last three years, the City has had to cope with unprecedented upheavals in the housing market. In response CPED has worked with many partners to develop a number of innovative approaches and programs to address these challenges. This research stemmed from new information needs that resulted from these new challenges and programs:

- A need to better understand how the housing crisis was impacting city housing stock, particularly at the neighborhood level
- A need to improve our ongoing monitoring of key housing trends
- A need to understand the relationship between various program interventions and key housing indicators

Early last year, CPED staff began to define a core set of key housing indicators. CPED research staff conducted a literature review, and compiled a list of over 60 housing indicators being used by various city departments here and elsewhere. Follow up conversations were conducted with representatives from the City Assessors office and Regulatory Services for their ideas about what constitutes key indicators. An initial pilot report covering the 2005-2008 time period, using 12

indicators¹ and 8 neighborhoods was compiled by CPED research staff in mid-2009. Drafts were shared with Regulatory Services and City Assessor staff. The feedback was positive and the decision was made to expand the analysis to all city neighborhoods.

An initial version of the full citywide analysis using a somewhat expanded list of indicators² and now covering a five year period – 2005-2009 - was completed earlier this year. This draft has been shared with CPED housing staff, City Assessor, Regulatory Services, as well as a committee of realtors that is working with CPED on marketing its various housing programs. All provided helpful comments. It remains a work in progress, and we welcome your comments.

The plan is to use these indicators to identify problems, evaluate initiatives, fine tune programs, target investments, and generally help inform the City about itself. Making sound investments in housing resources is crucially important as we receive federal and state dollars to aid in the ongoing housing crisis, and to measure the impacts of various program interventions. We plan to update these indicators annually, making the information widely available. By tracking these over time, we hope to eventually be able to describe what the 'new normal' is for the Minneapolis housing market.

Many individuals have contributed to this effort and should be acknowledged for their efforts:

CPED: Mark Anderson, Desiree Culpitt, Scott Ehrenberg, Thomas Leighton, Elfric Porte, Jeff Schneider, Thavisack Silaphet, Tom Streitz, Brad Utecht, Katherine White

Assessor: Patrick Todd, Scott Lindquist, Denise Lingwall

Finance: Robert Cooper

Regulatory Services: Maria Dahlen, Kellie Jones, Steve Hanson, Ahna Minge, Henry Reimer, Joann Velde, Grant Wilson

¹ See Appendix A for list

² See Appendix B for list

Appendix A
Initial List of 12 Housing Indicators in 2009 Pilot

Physical Condition of Housing Stock

1. Percent of residential properties that are listed on the vacant building registry;
2. Average length of time on vacant and boarded registry;
3. Percent of residential properties with housing violations (excluding vacant);
4. Percentage of residential structures in Assessors Category 6 or 7.

Homestead Status

5.
 - a. Percentage of residential properties (1-3 units) that are homesteaded;
 - b. Annual percent change in residential properties (1-3 units) that are homesteaded over time;

Health of Real Estate Market Demand

6. Annual percent change in median sale price of homes over time
 - a. Single family;
 - b. Duplex and triplex;
7. Annual percent change over time in median estimated market value (EMV);
8. Average number of days a house stays on the market;
9. Percent of properties foreclosed in each neighborhood.

Level of Public/Private Investment

10.
 - a. Number of building/remodeling permits;
 - b. Percent of residential properties that undergo rehab investment above \$5,000;
11. Average value of permits for residential properties
 - a. New building permits;
 - b. Remodel permits;
 - c. Over-the-counter permits;
12. CPED and other public program investments
 - a. Neighborhood Revitalization Program (NRP);
 - b. Other city loans/grants.

Appendix B
Current List of Indicators for Citywide Report

Indicators of Housing Distress

1. Number of housing violations;
2. Number of VBR Properties;
3. Average time on VBR;
4. Number of residential foreclosures;
5. Non-homesteaded single family residential
 - i. 2005-2009
 - ii. 1995-2009
6. Location of rental licenses;
7. Residential condition.

Indicators of Housing Investment

8. Residential permits over \$5,000;
 - i. Number of permits;
 - ii. Value of permits;
 - iii. BINB permit reinvestment;
 - iv. BIRE permit reinvestment;
 - v. BOTC permit reinvestment;
 - vi. Reinvestment in residential property (all types);
9. Public/Private Investment in Single Family and Mortgage Programs;
 - i. 2005-2009;
10. Public/Private Investment in Multi-Family;
 - i. 2005-2009.

Indicators of Value

11. Change in median single family sales price;
12. Change in median estimated market value.