



**Request for City Council Committee Action**  
**From the Department of Community Planning & Economic Development**

**Date:** March 1, 2005

**To:** Council Member Lisa Goodman, Community Development Cmte  
Council Member Barbara Johnson, Ways and Means/Budget Cmte

**Prepared by:** Mark S. Anderson, Senior Contract Management Specialist, Phone 612-673-5289

**Presenter in Committee:** Mark S. Anderson

**Approved by:** Elizabeth Ryan \_\_\_\_\_

**Subject:** Approval of payment of \$250,000 to Home Ownership Center to support the Mortgage Foreclosure Prevention Program

**RECOMMENDATION:** Approve a \$250,000 grant from fund FBG to the Home Ownership Center to support the ongoing activities of the Mortgage Foreclosure Prevention Program and authorize the execution of the necessary documents.

**Previous Directives:** Previous policies were approved by the MCDA Board

**Financial Impact** (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (Summarize below)

**Ward:** All wards

**Neighborhood Notification:** Not required

**City Goals:** No impact on City goals

**Comprehensive Plan:** Not applicable

**Zoning Code:** Not applicable

**Living Wage/Job Linkage:** Not applicable

### **Background/Supporting Information**

The Mortgage Foreclosure Prevention Program was developed in 1992 in cooperation with the Family Housing Fund and the City of Saint Paul to provide an additional level of support for home ownership programs in the two Cities. The purpose of this program is to assist current homeowners who are behind on their house payments so that they can stabilize their financial situation and bring their house payments current. The homeowners receive extensive counseling and budgeting assistance and if necessary they also receive financial assistance to bring their house payments current.

A study from the Family Housing Fund conducted early in the program demonstrated that this program saves the City and lending community millions of dollars each year by avoiding foreclosure and the associated legal fees. In addition, the City benefits by maintaining an owner occupied property and avoiding the property becoming vacant and boarded during the foreclosure and resale process.

Attached to this report are statistics from the first half of 2004. The second half statistics are not yet available.

Staff is recommending the continued support for this program and requests that the Board authorize a \$250,000 grant to the Home Ownership Center. The Board is also requested to authorize the execution of the necessary documents.