

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

Date: March 4, 2008
To: Council Member Lisa Goodman, Chair, Community Development Committee
Subject: Approval to grant \$180,000 to support the "Don't Borrow Trouble Campaign"

Recommendation: Approve an extension to the grant agreement with the Family Housing Fund which will add \$180,000 for the Don't Borrow Trouble Campaign.

Previous Directives: In 2006 the City authorized a contribution of \$90,000 toward the Don't Borrow Trouble Campaign. During the City's normal budget process the City Council appropriated \$90,000 in 2007 and \$90,000 in 2008 for this campaign.

Prepared by: Mark Anderson, Senior Contract Management Specialist Approved by: Tom Streitz, Director of Housing Policy and Development _____ Charles T. Lutz, Deputy CPED Director _____ Presenters in Committee: Tom Streitz

Financial Impact

Action is within the Business Plan

Supporting Information

In February 2004, the CD Committee reviewed a report from a committee convened by the City Attorney's Office to study predatory lending activities occurring in many Minneapolis neighborhoods. After reviewing the report, the Committee directed CPED staff to present a proposal in response to its recommendations. CPED, in-turn, recommended that the city contribute \$90,000 to an existing educational campaign called "Don't Borrow Trouble Campaign" (DBT).

The DBT campaign was launched in March 2003 as a public education and community outreach initiative offered to help prevent predatory lending and foreclosures in the Twin Cities. Led by the Family Housing Fund, the DBT has developed into a strong and diverse coalition of over 60 private and public organizations, including nonprofit organizations, government agencies, housing counselors, mortgage lenders, and attorneys. This collaborative effort is what has given DBT its strength because it has facilitated better communication and promoted better educational opportunities between lenders, borrowers, and other interested parties.

DBT has multiple avenues of outreach into the communities, which are broken down as follows:

Word of mouth 19% Referrals by organizations 13%

Television 24%	Radio 6%
Billboards 12%	Bus Transtop 6%
Newspapers 9%	Website 2%
Unknown 9%	

To get a better picture of the outreach of this campaign, the following information covers the period from 2003 through 2006.

- 1,350 consumers received one-on-one assistance.
- The DBT website, www.dontborrowtrouble.org, received over 6,000 hits.
- Close to 60% of the callers were referred to over a dozen counseling agencies to obtain more personalized attention.
- Approximately 150,000 brochures, door hangers, and posters were distributed.
- Over 75,000 seniors received information through monthly newsletters, direct mailing, presentations, and informational fairs.
- 40% of those calling the DBT hotline, 612-312-2020, were from both Minneapolis and Saint Paul.
- The campaign also purchased television and radio advertising on stations that have high minority viewing or listening.

In 2007, the information and referral line for DBT was transferred from the United Way to the Minnesota Home Ownership Center in order to take advantage of the Center's expertise and well established network of statewide housing counselors. New creative materials have been produced to better address the foreclosure crisis in the Twin Cities and to encourage homeowners to call for assistance early before they actually experience financial problems.

The Family Housing Fund reports that in 2008, the DBT campaign plans to launch another intensive media campaign and community outreach effort to get these new DBT foreclosure materials in the hands of consumers via bus ads, television commercials, billboards, community events, direct outreach, etc. The campaign also plans to create a new commercial that will also focus on the foreclosure prevention message. The 2007/2008 funding from the City of Minneapolis will be instrumental in helping this campaign reach its target audience, especially in areas hardest hit by foreclosure like North Minneapolis. DBT plans to work in partnership with the Home Ownership Center, the Northside Home Fund, the Foreclosure Funder's Council, neighborhood organizations, and other key partners.

Staff is recommending that the city continue to invest in this already recognized program rather than take steps to develop a new solution to this pressing and ongoing problem. Resources will be focused where the majority of foreclosures have taken place in Minneapolis. The resources will primarily be directed toward broadcast media

with a focus on shows that appeal to communities of color. In addition, resources will be used for print material, community outreach efforts, and billboards.

These resources have already been appropriated through the 2007 and 2008 budget process and are a part of CPED's business plan. All \$180,000 will come from fund 01FNA (Neighborhood Development Account).