



Healthy Housing

May 15, 2012

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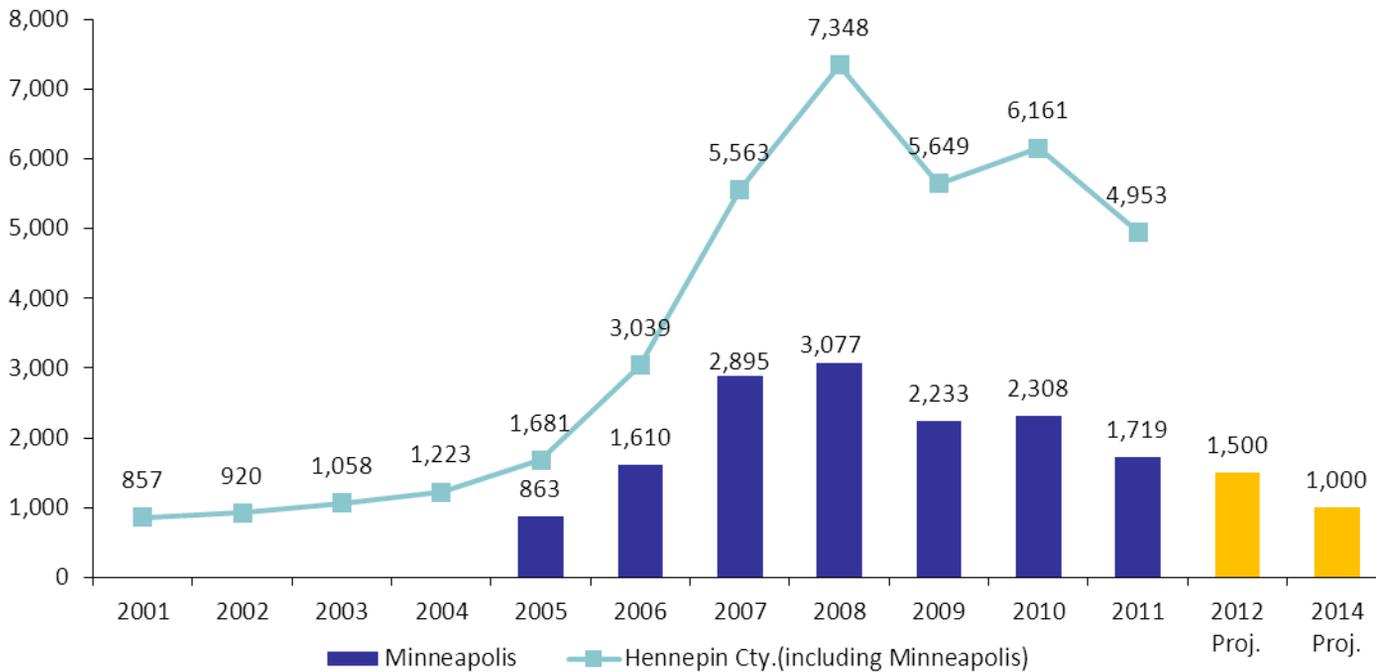
Since 2006, the housing market in Minneapolis has gone from historic highs, suffered through the great recession and is now beginning to show signs of rebounding. This dramatic swing can be seen clearly in many of the community indicators and programmatic performance measures in the pages that follow. As examples, the number of foreclosures peaked over 3,000 in 2008 and are now predicted to be half that amount in 2012; new dollars added to the residential tax base was over half a billion dollars annually in 2006, 2007 and 2008, but in 2010 that number dropped to just over \$100 million, before increasing in the last two years; and single family home sales once numbered almost 4,700 in 2006 dropped to just over 1,700 last year. As we slowly emerge out of this challenging time, the housing market is very different, characterized by more cost burdened households compared to 2000, a huge reduction in owner-occupied single family homes in many neighborhoods and a greater interest in renting property versus owning.

In response to the changes in the housing market, the City, led by Community Planning and Economic Development (CPED) and Regulatory Services, along with our strategic partners have focused on a three point plan to stabilize and reverse the downward trends. Below are three key strategies and highlights from the pages that follow:

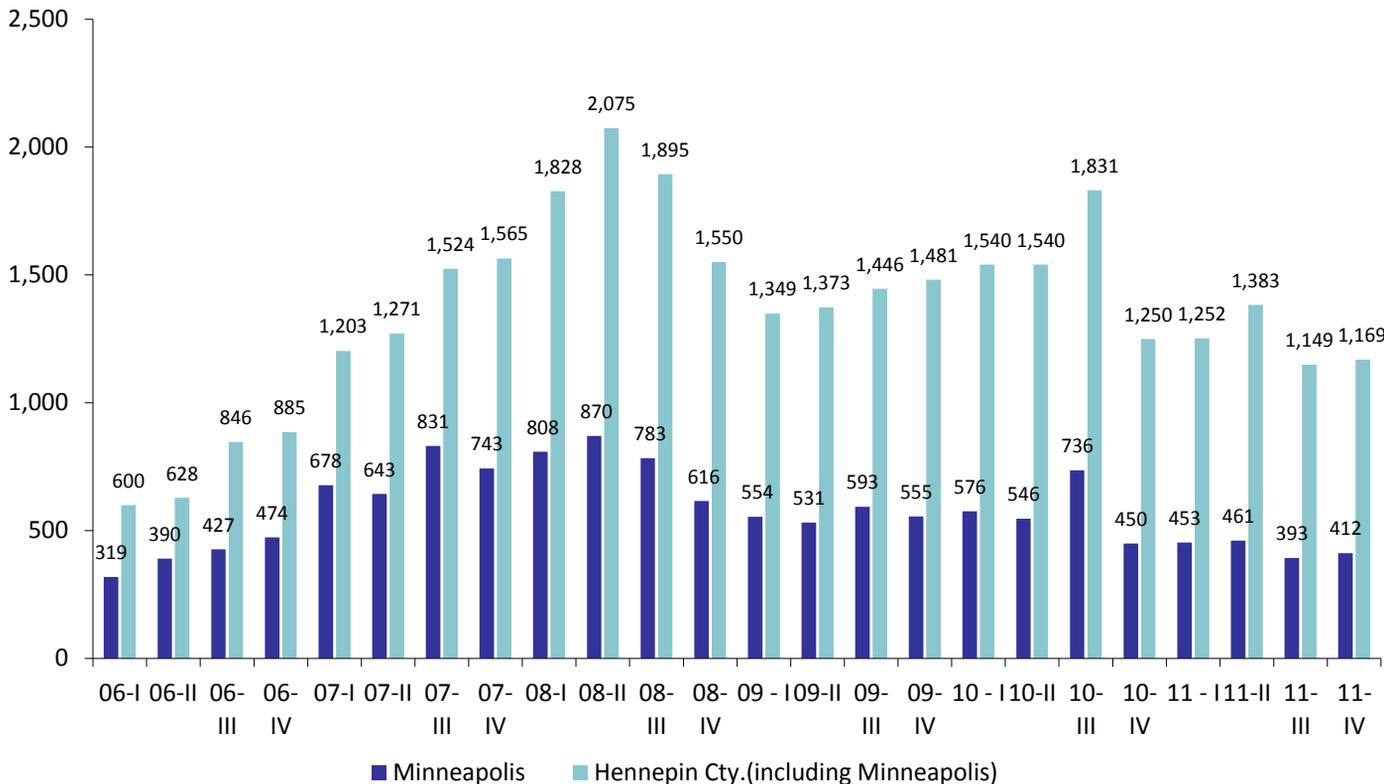
- 1. Prevent foreclosures** – Between 2007 and 2011, the City helped over 1,470 homeowners avoid foreclosure. To minimize the blight and negative impact that accompanies foreclosed and vacant properties, the City has aggressively worked to keep properties maintained through our inspection efforts and in some cases have turned to acquiring properties.
- 2. Reinvest**- While not as high as it once was, private investment by homeowners and investors to remodel and rehabilitate properties in Minneapolis is on the rise once again. For vacant and blighted properties that are beyond repair, the City uses demolition as a last resort to remediate a problem property and add stability to the neighborhood. The City has dedicated millions of dollars to rehabilitate over 900 properties since 2007.
- 3. Reposition the market**- As noted above, as we emerge from the housing challenges of recent years, we are left with a housing market very different than what existed prior to the great recession. The City has been actively working through various policy and programmatic means to soften negative market forces and get the housing market back to a place of stability. Efforts like the Minneapolis Advantage loan program have helped rebuild the housing market in some of the City's hardest hit neighborhoods and rental license revocation actions have worked to hold rental property owners accountable for their responsibilities to maintain livable properties.

The first 12 pages of this report highlight some of the key housing outcomes we are watching. Following these pages, the report is organized by the three strategies (noted above) and related programmatic efforts.

Properties Foreclosed in Minneapolis and Hennepin County



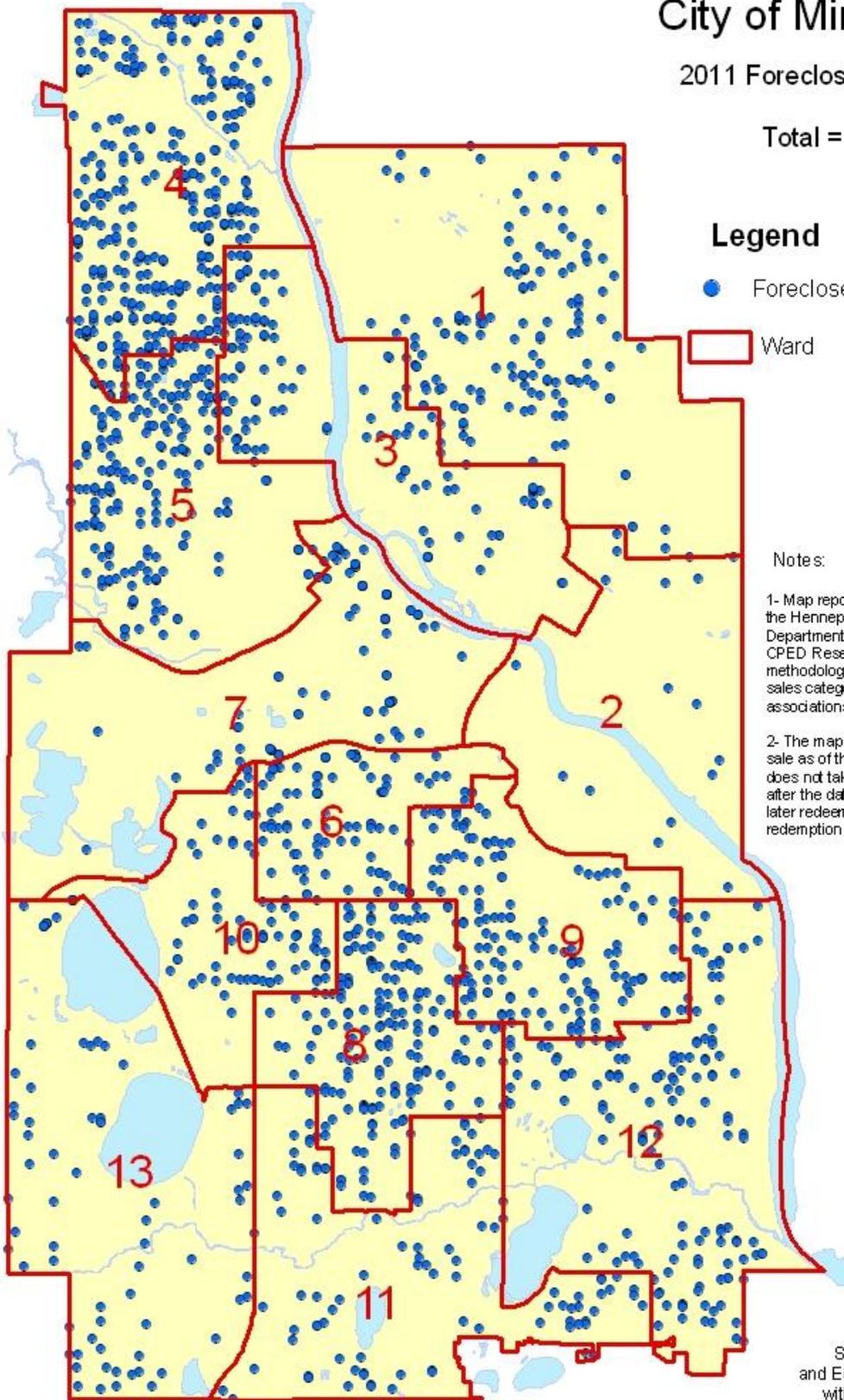
Properties Foreclosed in Minneapolis and Hennepin County (by quarter)



City of Minneapolis

2011 Foreclosures by Ward

Total = 1,719



Legend

- Foreclosed 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 data was compiled, nor any properties later redeemed by the owner in the 6 month redemption period.



City of Minneapolis
Department of Community Planning
& Economic Development - CPED

Source: Community Planning
and Economic Development Research
with data from Hennepin County.
January 2012

Residential Property Foreclosures

Number of Residential Property Foreclosures

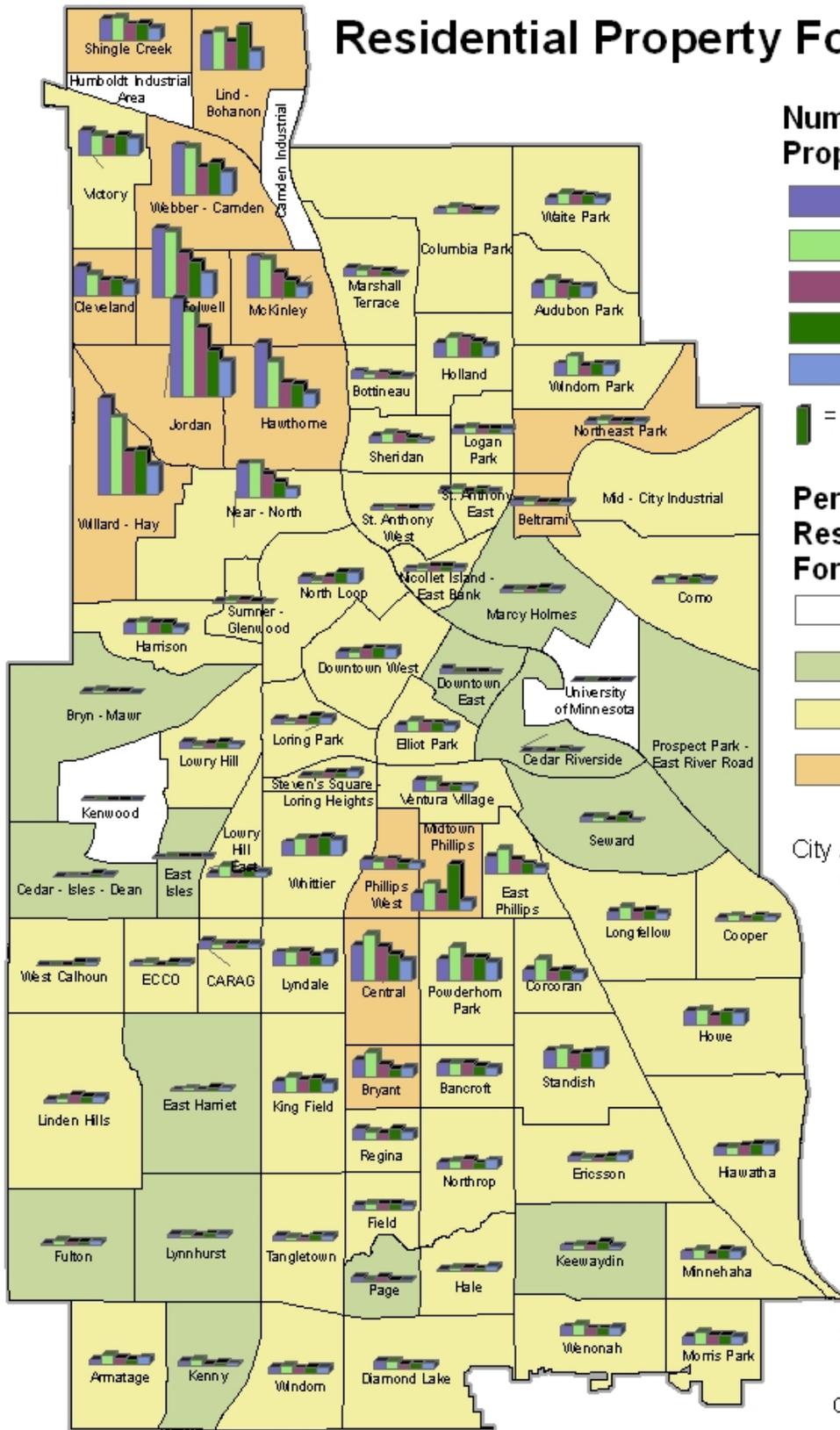
- Foreclosures in 2007
- Foreclosures in 2008
- Foreclosures in 2009
- Foreclosures in 2010
- Foreclosures in 2011

= 100 Foreclosed Residential Properties

Percentage of Residential Properties Foreclosed in 2011

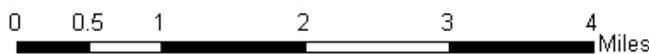
- No Foreclosed Properties
- Below Average (0.1% - 0.6%)
- City Average +/- 1% (0.6% - 2.6%)
- Above Average (2.6% - 4.9%)

City Average (2011) = 1.6% (1,719 of 107,947)

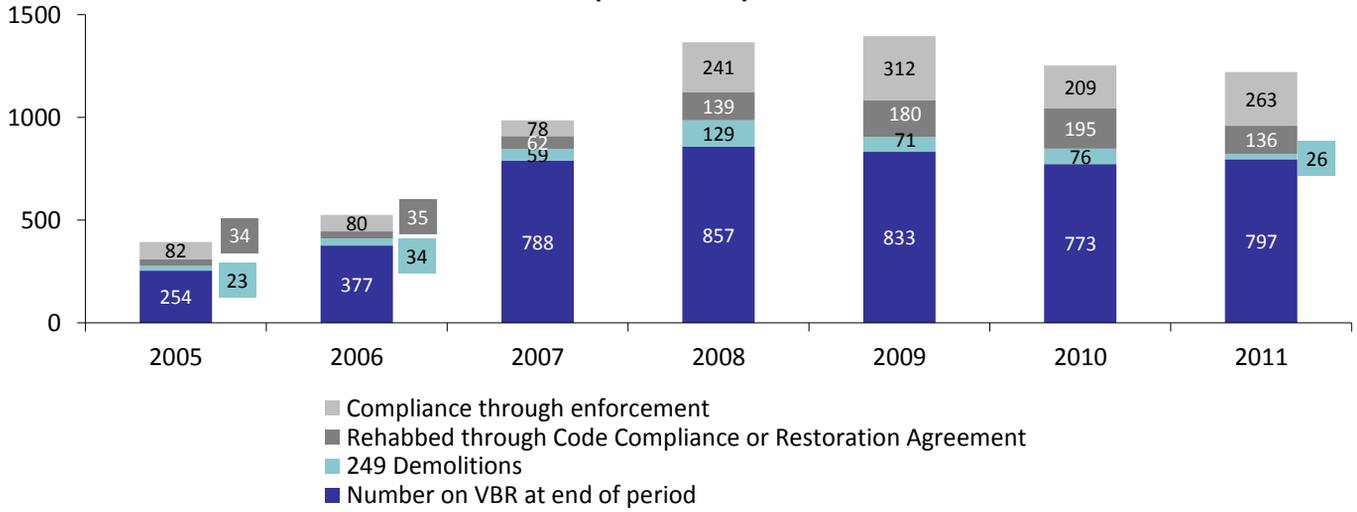


Source: Hennepin County Sheriff's Office

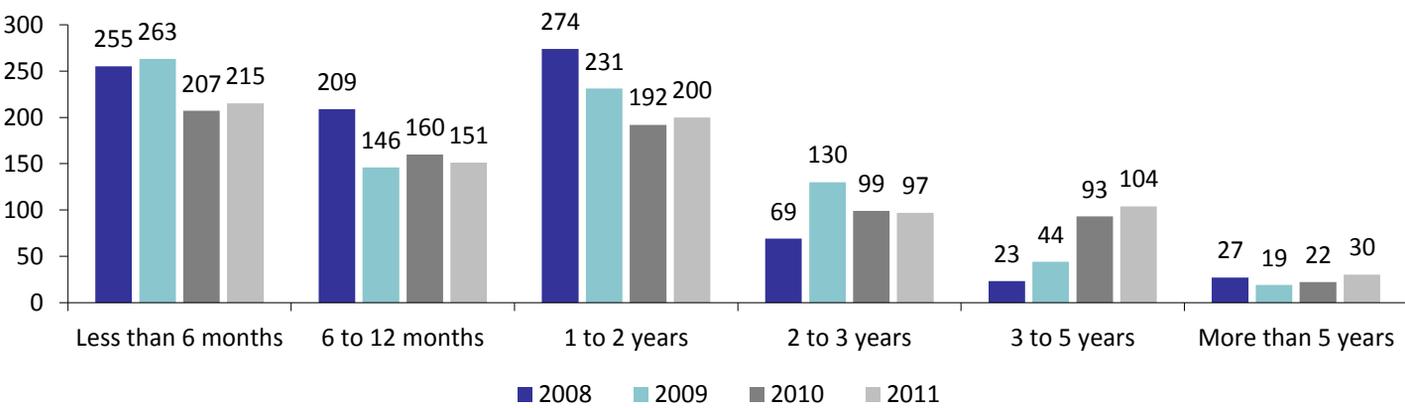
Created by CPED Research
May 2012



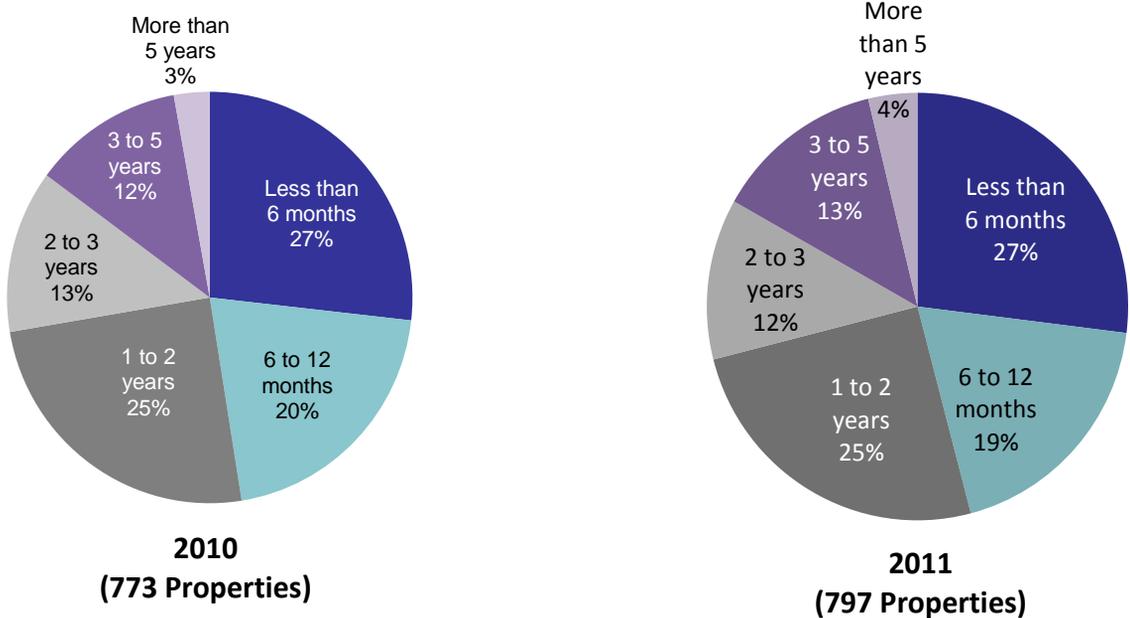
Vacant Building Registration Activity (2005-2011)



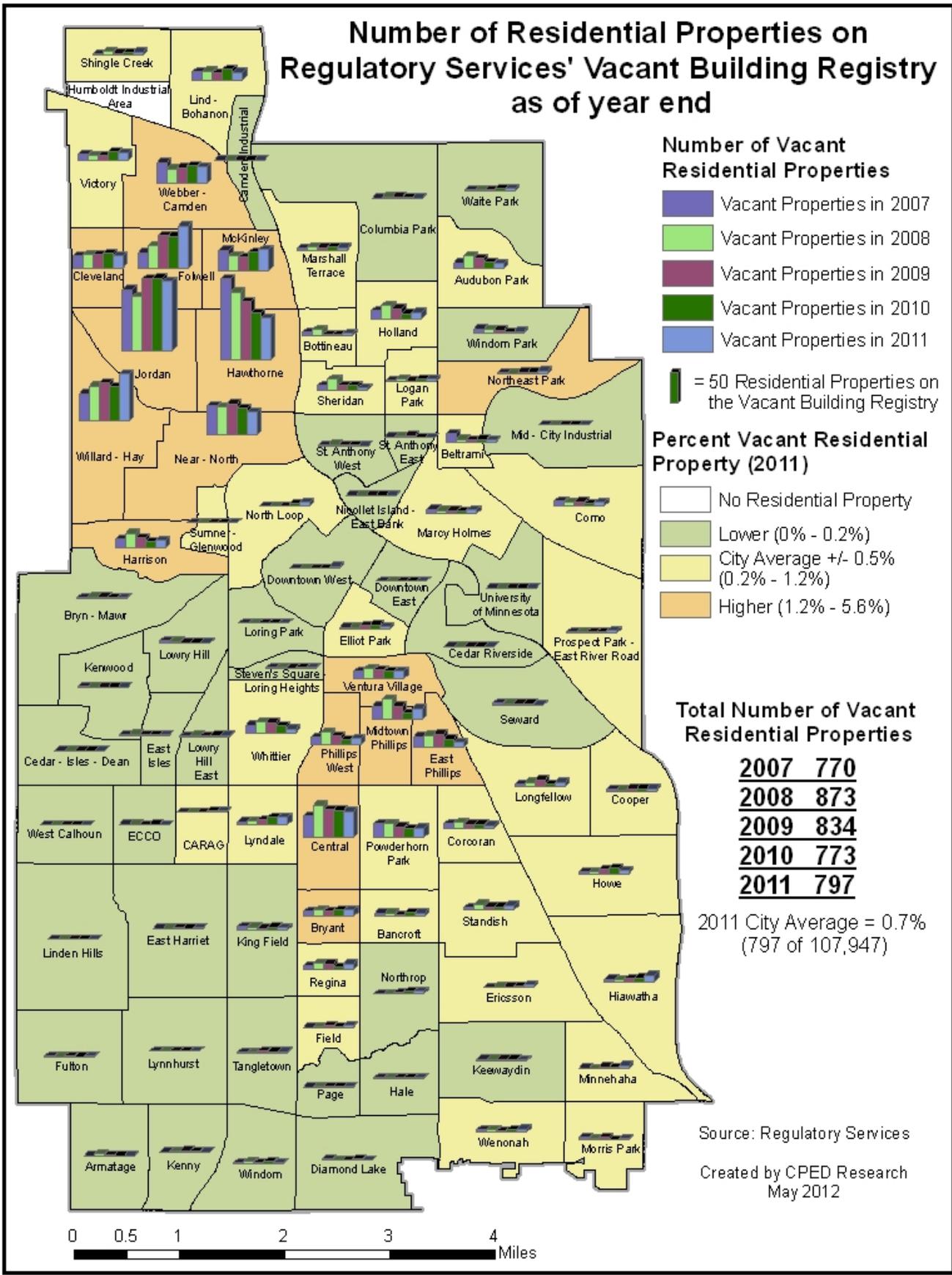
Length of Time on the Vacant Building Registration List



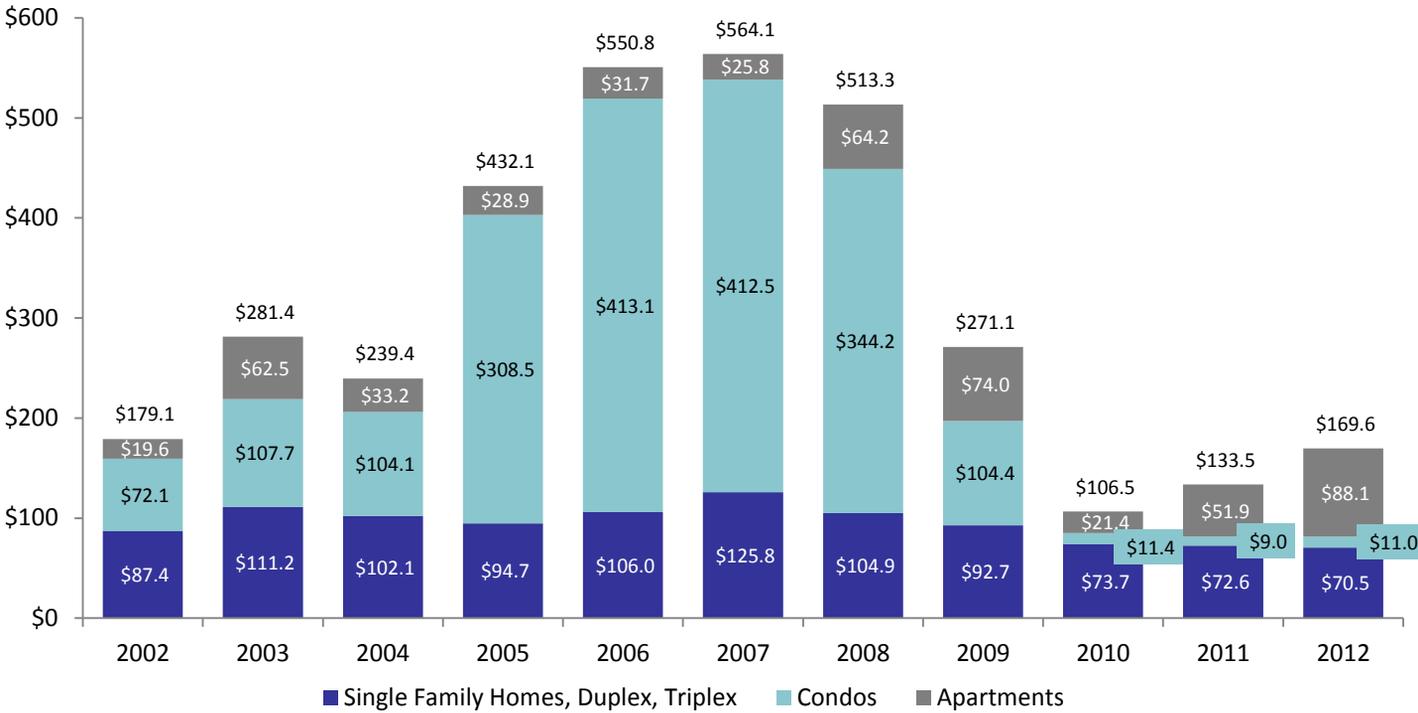
Length of Time on Vacant Building Registration List (represents properties on list at the end of the year)



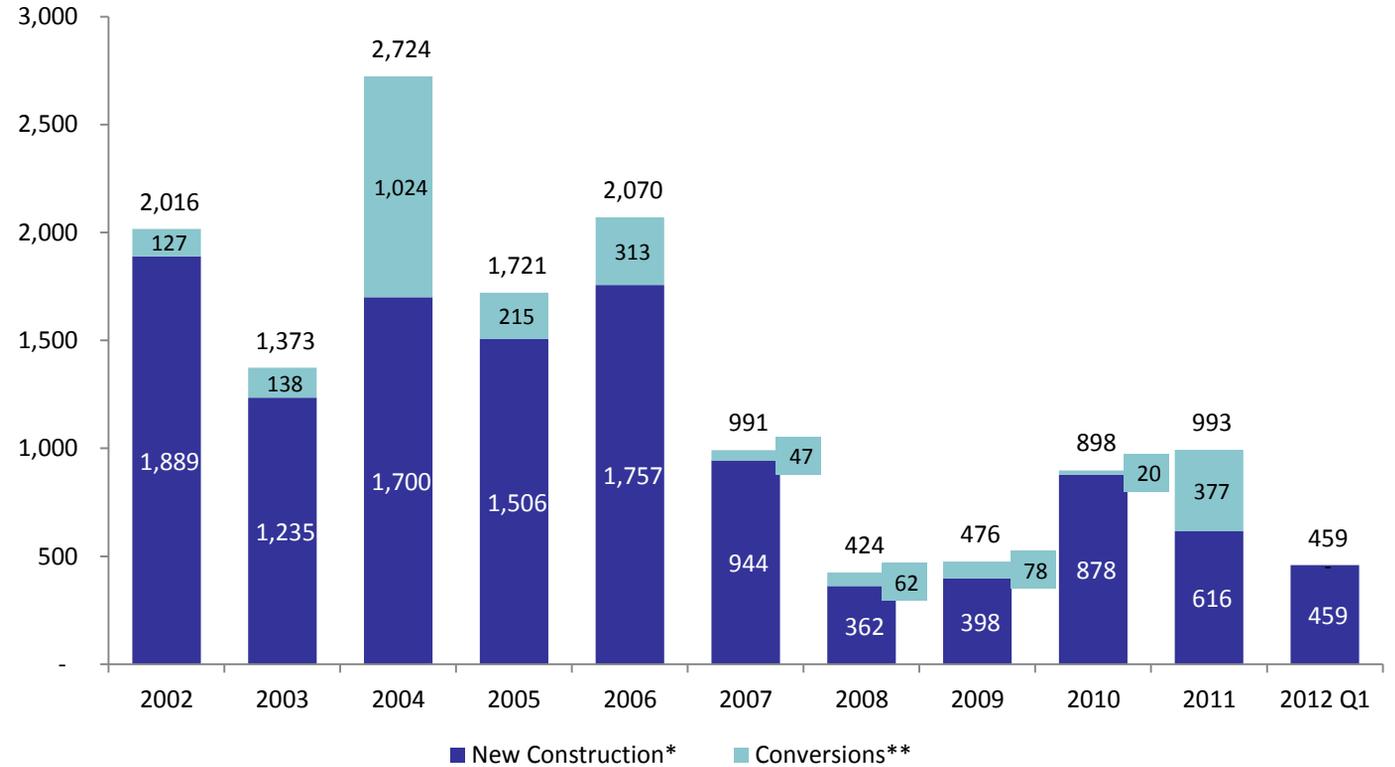
Number of Residential Properties on Regulatory Services' Vacant Building Registry as of year end



New Dollars Added to Tax Base, Based on Building Permit Data (in millions of \$, by assessment year)

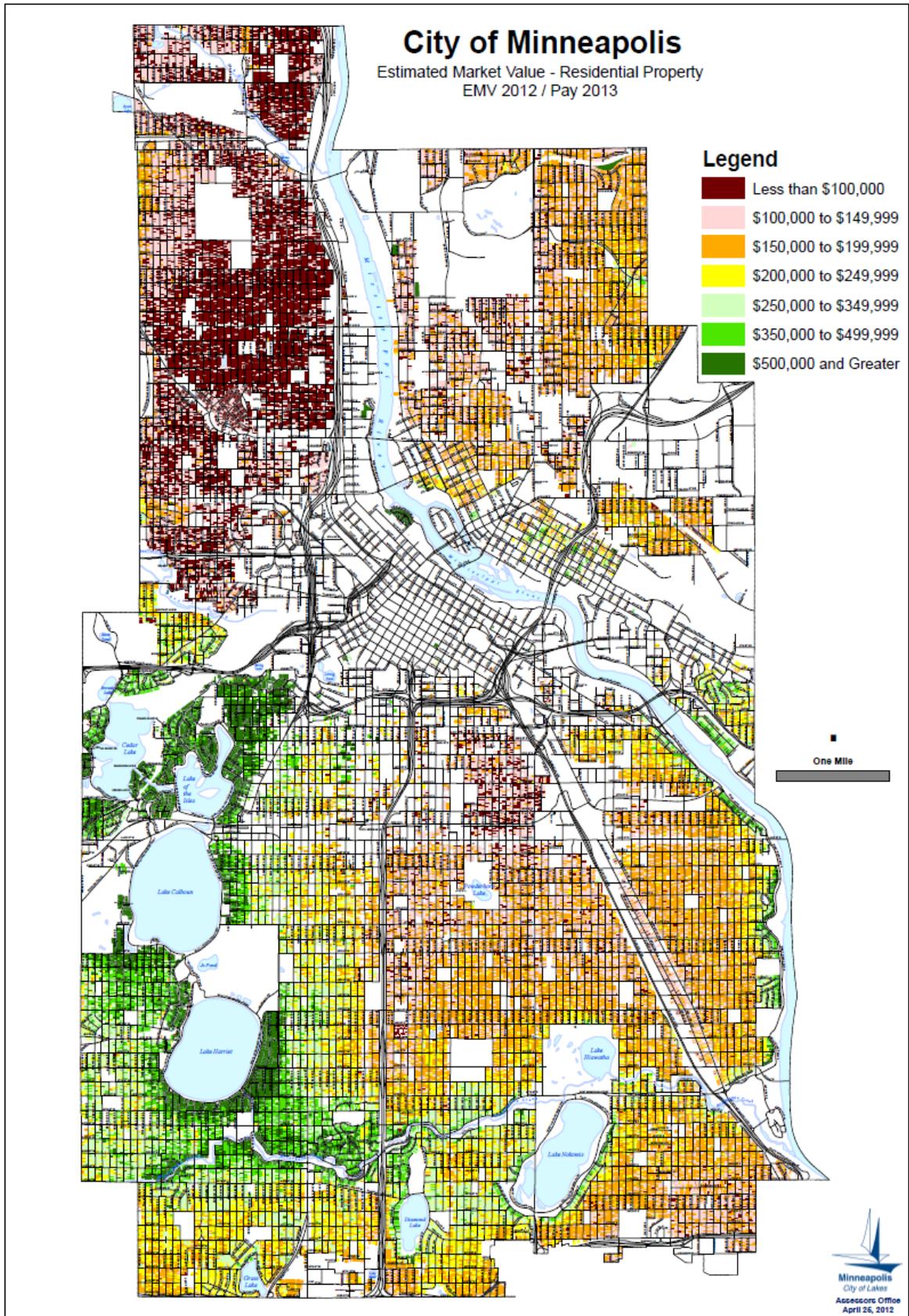


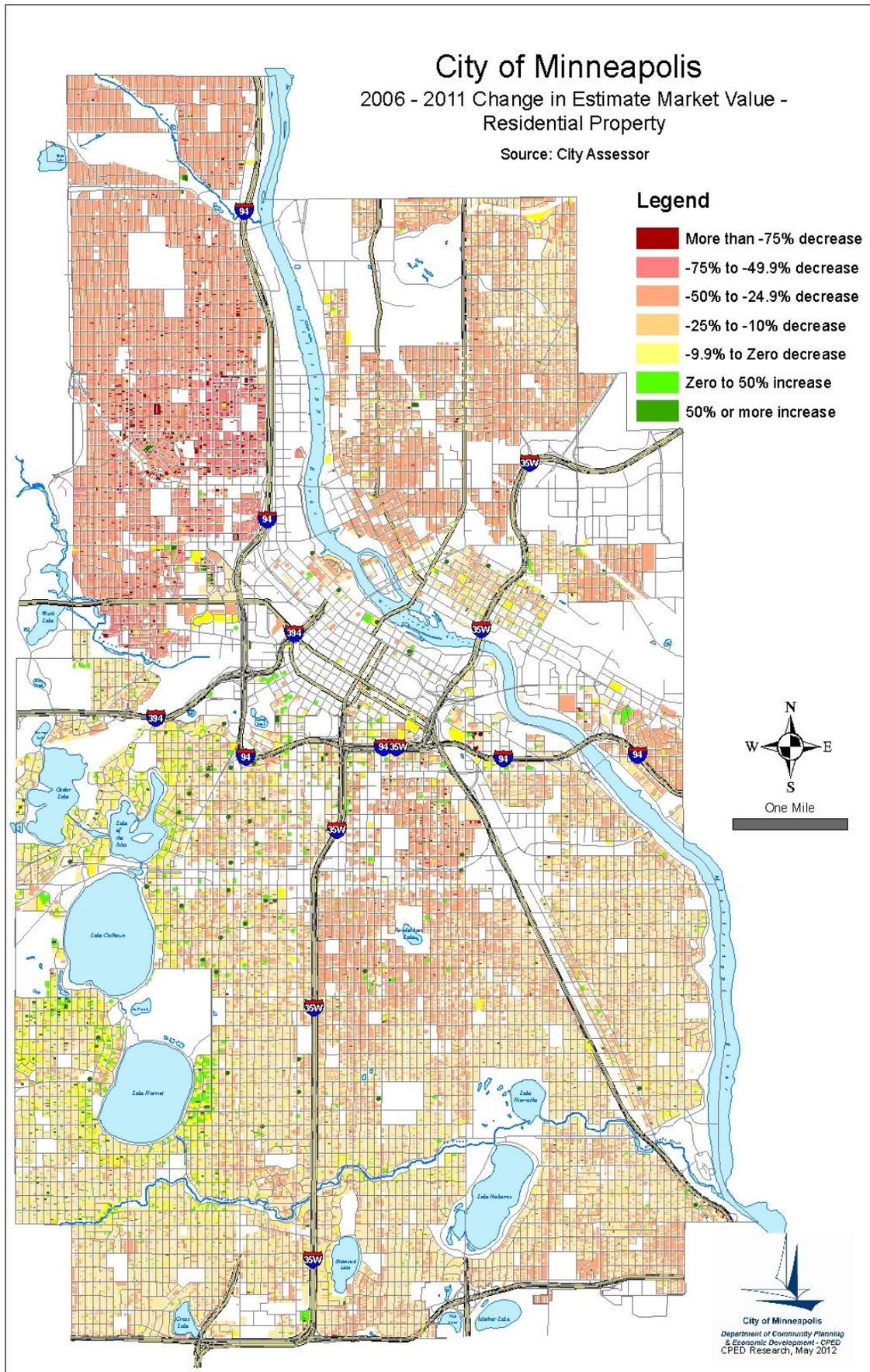
Housing Construction Permits

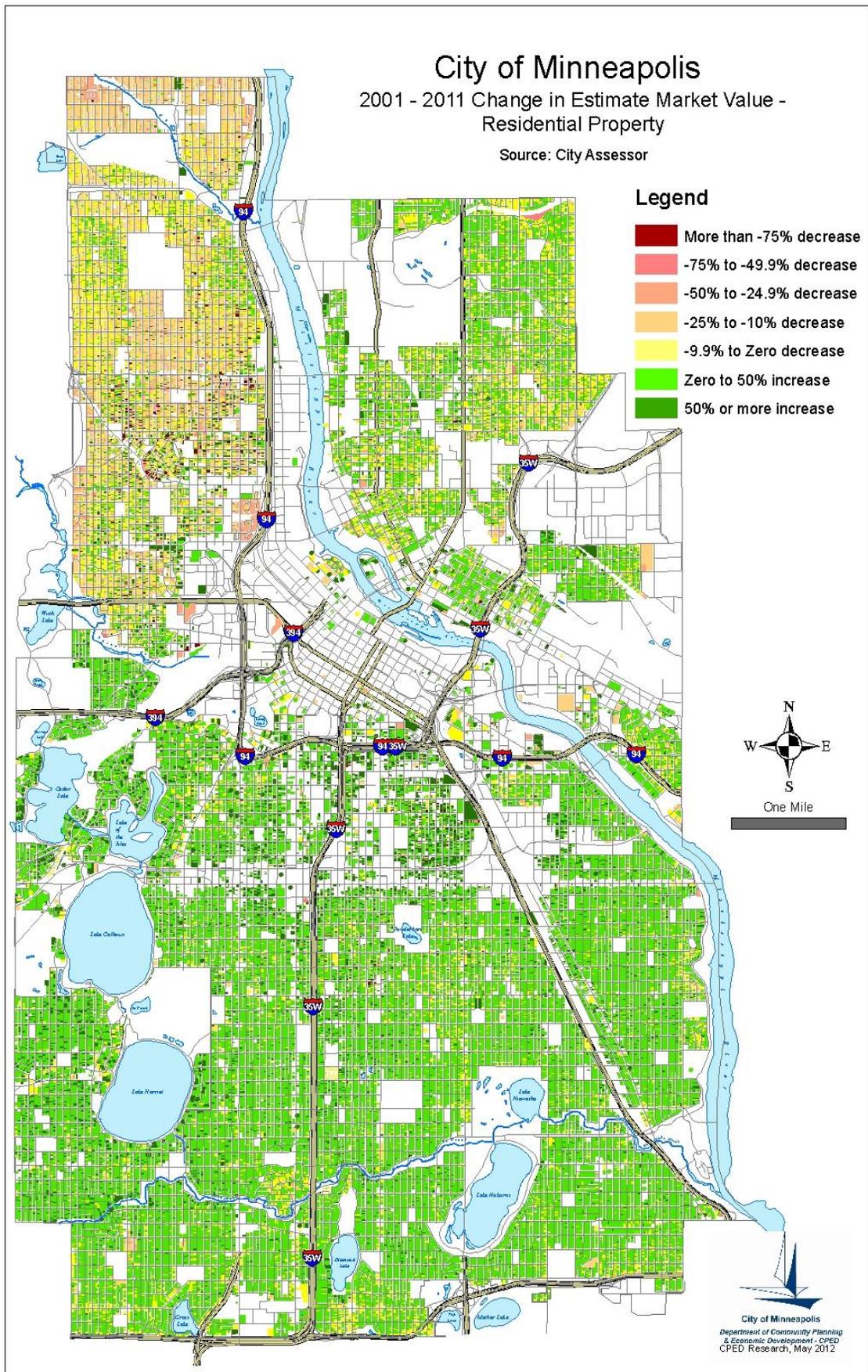


*Includes single family and multi-family

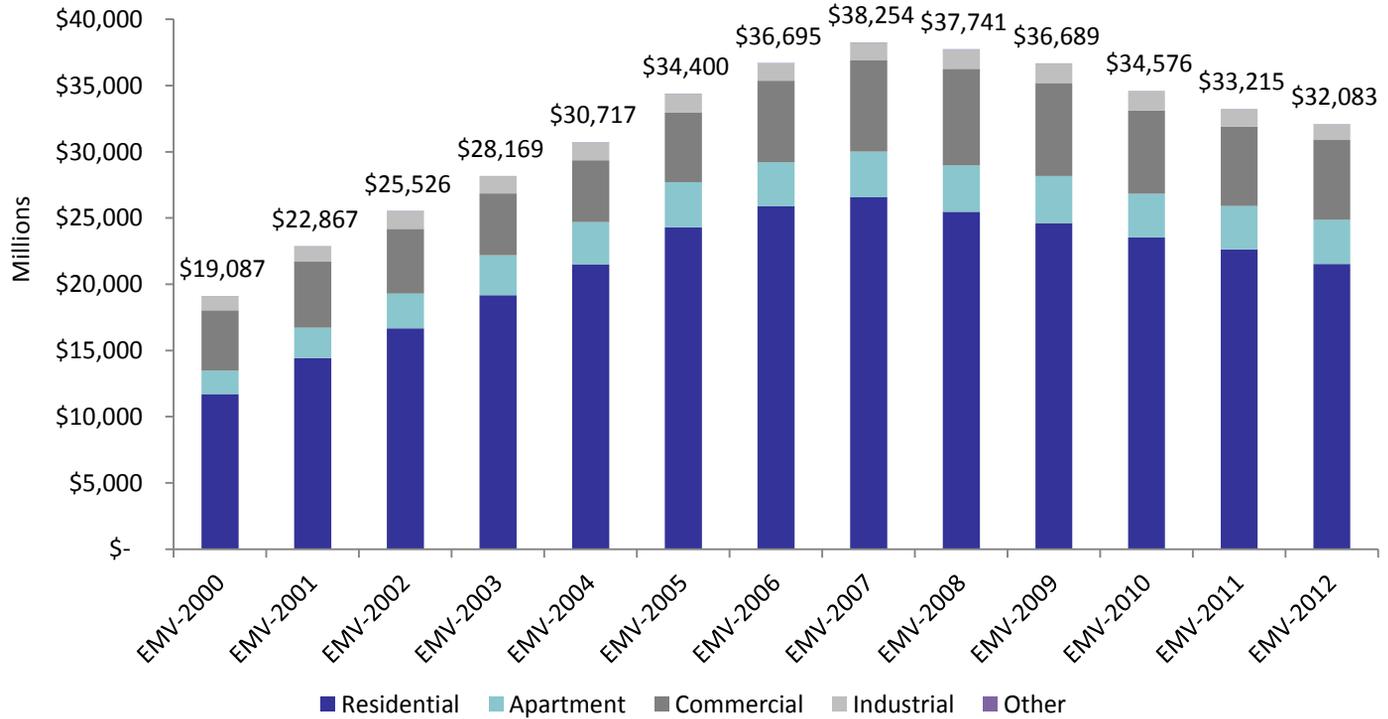
** Residential conversions from non-residential space.



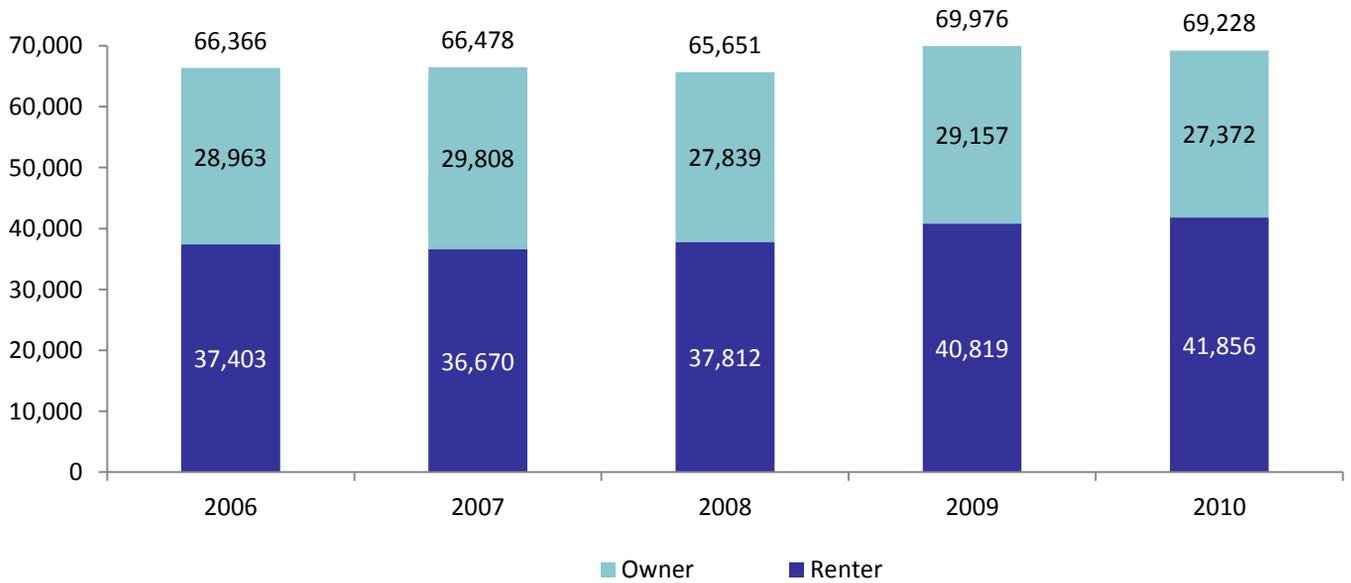




Estimated Market Value by Property Type (in millions)



Number of Cost Burdened Households



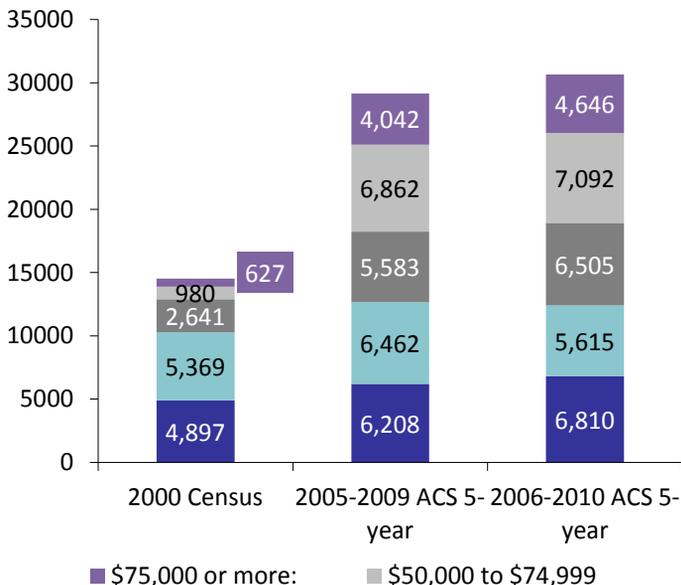
Source: Census Bureau

Note: Estimates based on American Community Survey 5 year average. Cost burdened is defined as households spending 30% or more of their income on housing.

Created by CPED Research, May 2012

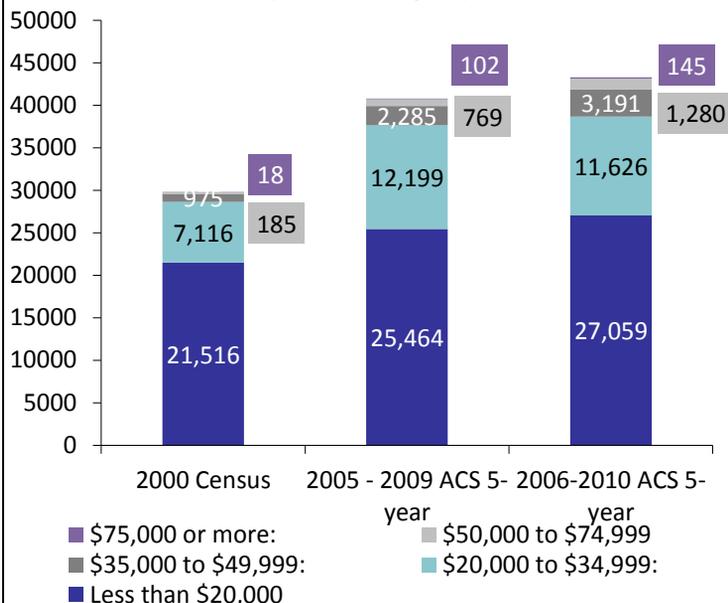
Additional measures on next page...

Income Distribution of Households Spending 30% or More of Their Income on Housing (Owner-Occupied)



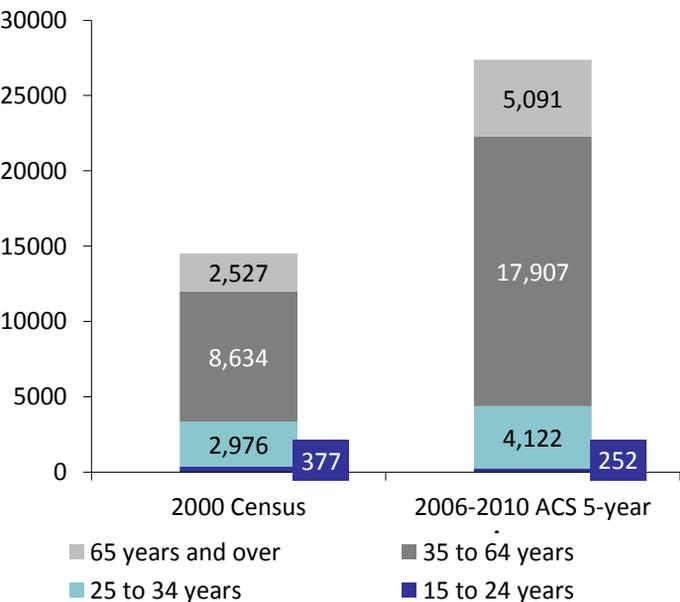
Source: 2000 Census, 2005-2009 American Community Survey, 2006-2010 American Community Survey (5 year estimates)
Created by CPED Research, May 2012

Income Distribution of Households Spending 30% or More of their Income on Housing (Renter-Occupied)



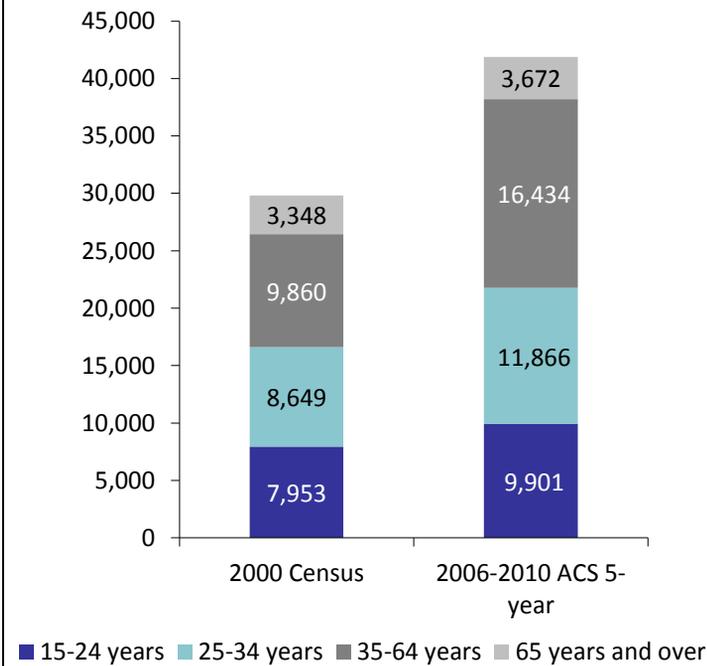
Source: 2000 Census, 2009 ACS, 2006-2010 ACS (5 yr estimates)
Created by CPED Research, May 2012

Age Distribution of Households Spending 30% or More of their Income on Housing (Owner-Occupied)



Source: 2000, 2010 Census, ACS 2005-2009 (5 yr estimates).
Created by CPED Research, April 2012

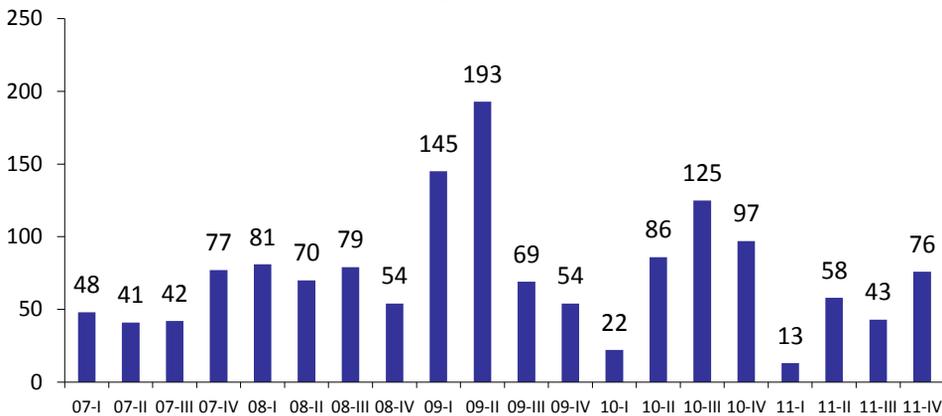
Age Distribution of Households Spending 30% or More of Their Income on Housing (Renter Occupied)



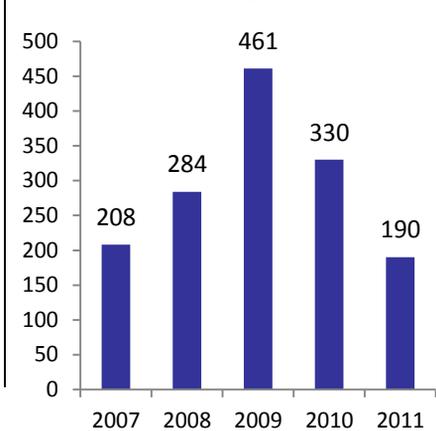
Source: 2000, 2010 Census, ACS 2005-2009 (5 yr estimates).
Created by CPED Research, April 2012

Foreclosure Prevention

Foreclosures Prevented (by quarter)



Foreclosures Prevented (by year)



Why is this measure important?

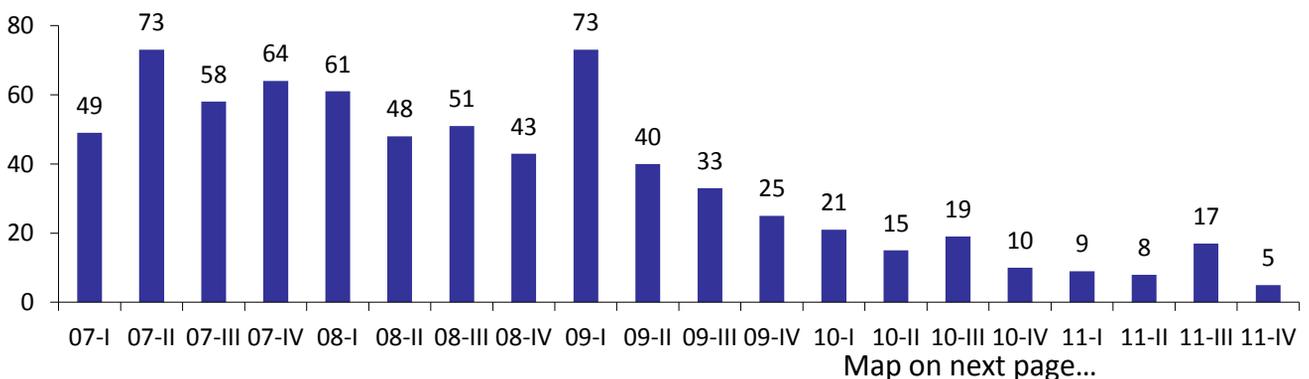
Foreclosure prevention services helped prevent 221 foreclosures in Minneapolis in 2011. In addition, there are nearly 550 cases still in process. The City is continuing aggressive prevention strategies as long as foreclosure rates remain high. The costs associated with a foreclosed property average \$78,000. In comparison, foreclosure counseling and prevention cost, on average, \$400 per family assisted. Prevention is not only preferable for neighborhood stability but is estimated to have saved the City over \$20 million in 2011.

The City partners with the Minnesota Home Ownership Center (MN HOC) in addressing the goal of preventing foreclosures. The City allocates funding to the MN HOC to support local organizations' work (Twin Cities Habitat for Humanities and others) in providing counseling to homeowners experiencing foreclosures.

What will it take to make progress?

While there is more to be done, our lending partners have improved their ability to work with our counselors to assist more families with loan modifications and refinancing. By targeting services to homeowners who have missed mortgage payments two months in a row, we have put in place more effective communication to families about opportunities available and enabled them to access services sooner. Additionally, ensuring that home buyers attend the homebuyer education workshops before they purchase homes leads to long-term housing stability.

311 Service Requests on Mortgage Foreclosure Prevention



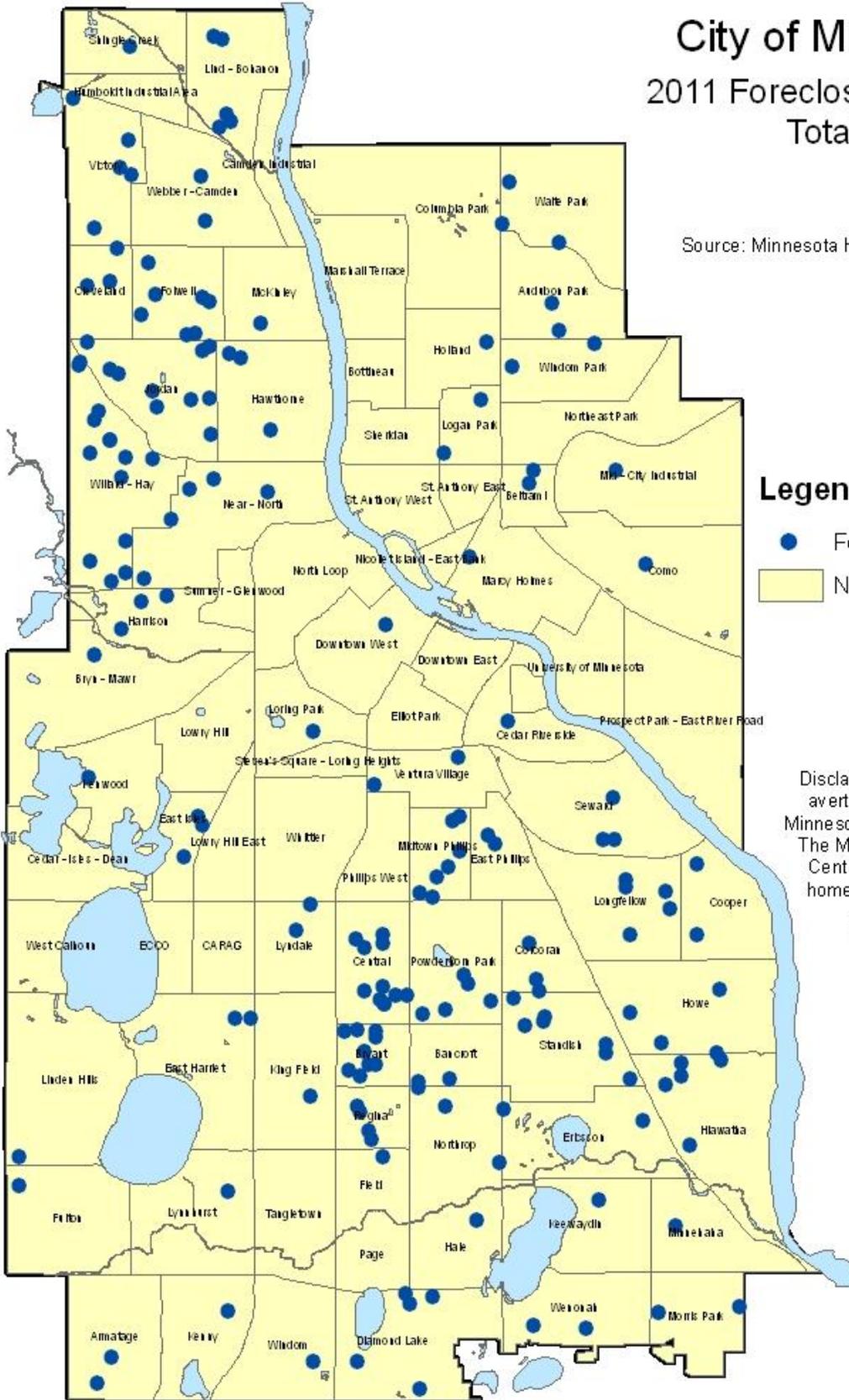
Map on next page...

City of Minneapolis

2011 Foreclosure Prevented

Total: 190

Source: Minnesota Home Ownership Center



Legend

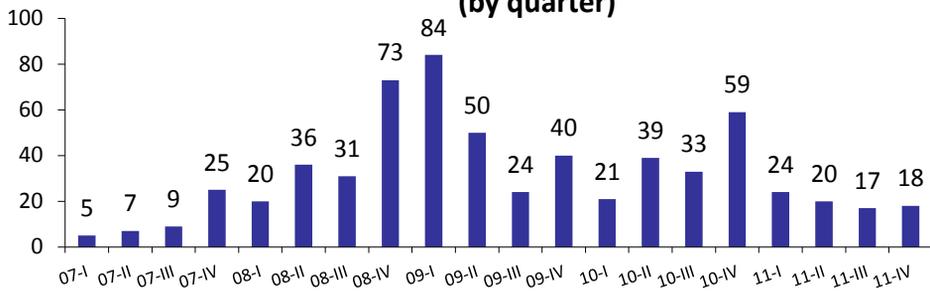
- Foreclosure Prevented
- Neighborhood

Disclaimer: Data on foreclosures averted was collected from the Minnesota Home Ownership Center. The Minnesota Home Ownership Center serves owner-occupied homeowners, investors are not eligible for services. <http://www.hocmn.org>

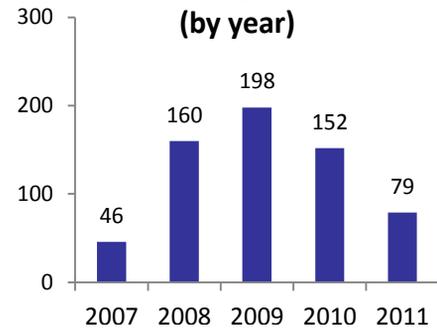


CPED Research, May 2012

Home Acquisitions (by quarter)



Home Acquisitions (by year)



Why is this measure important?

Blighted properties that are not acquired and treated, are subject to being vandalized and subsequently becoming boarded and vacant. As a result, other property owners nearby may become frustrated, and decide to abandon their own properties, which then become vandalized and subsequently boarded and vacant, creating a downward cycle.

One of the City’s approaches to prevent properties from becoming boarded and vacant is to acquire them before they get into the hands of irresponsible property owners. The acquisition is almost always done by the City or through the use of City financing. The City of Minneapolis then makes the property available for development or rehab by a responsible developer partner who is responsible for developing the property and selling it to an owner-occupied household.

Additionally, boarded or vacant properties make it more difficult for other property owners in the area to sell their houses. No one wants to buy a property that is next to a boarded property. With so many unsold units on the market, competition is tough. Removing blighted properties can reduce the time it takes for other owners to sell and improve the neighborhood market.

What will it take to make progress?

We are in competition with many investors to acquire these properties. Some have the funds and the ability to act more quickly than the City and, in some instances, are willing to pay more than the property is actually worth. Due to the foreclosure problem, the number of properties becoming vacant and tax delinquent is increasing. We need to be able to identify more resources to acquire these properties. With limited resources, there is not much that can be done. Therefore the City staff has commenced discussions with Hennepin County staff to negotiate increasing the number of properties the City can acquire for \$1.00. Currently, that number is 20 percent of all tax-forfeited properties in targeted neighborhoods. The negotiations are intended to increase the amount to 40 percent. Additionally, City staff is negotiating with some banks about donating some of the low-valued properties that need to be demolished.

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Additionally, stabilization of neighborhoods will foster enhanced confidence in the market, which will enable more private investment. City needs to continue the support of acquisition and rehab, but also need to focus some attention on the support of new construction. CPED staff has commenced the development of program design to support construction of new housing. This effort will assist in the quest for building confidence in the market.

Map on next page...

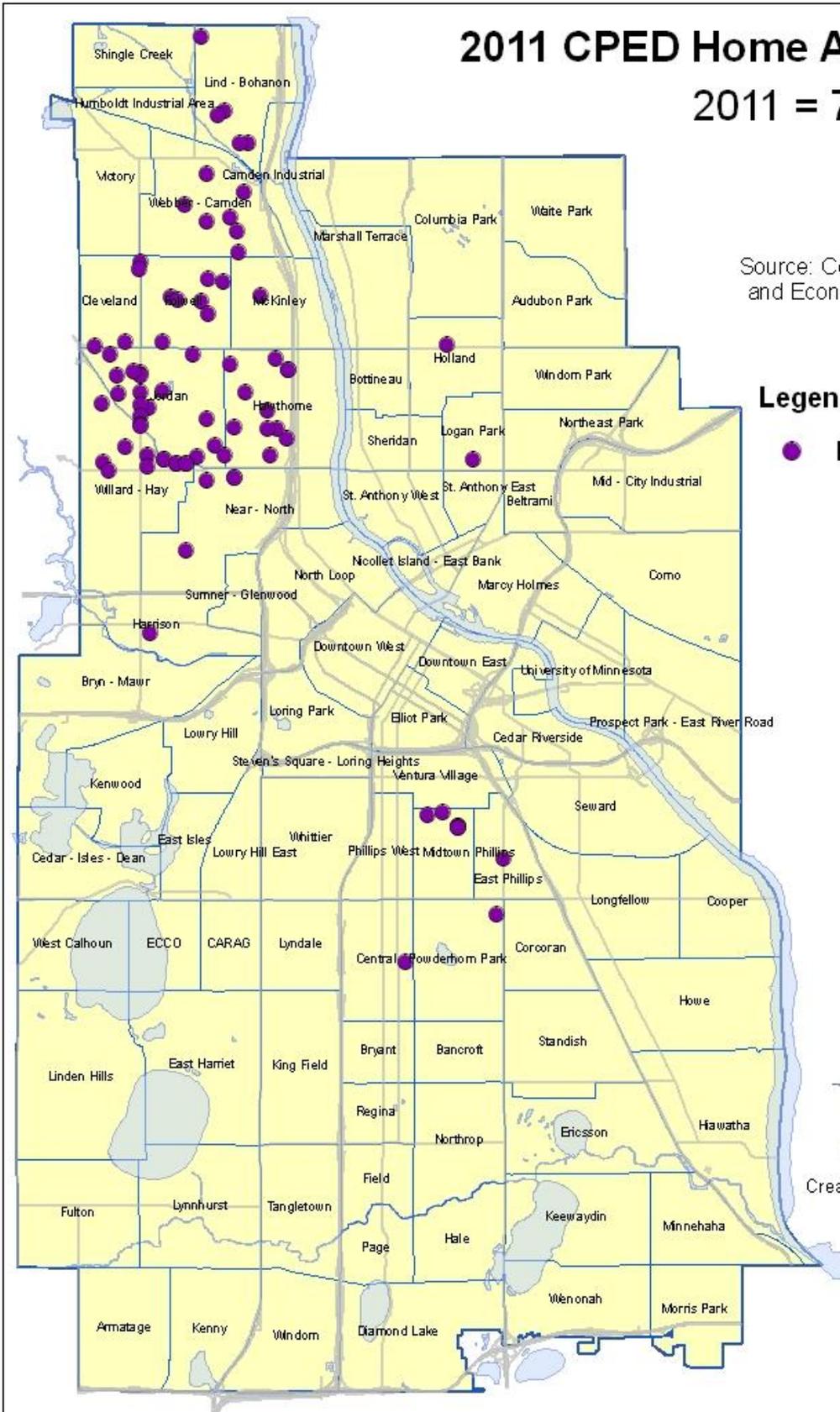
2011 CPED Home Acquisitions

2011 = 79

Source: Community Planning and Economic Development

Legend

 Home Acquisition

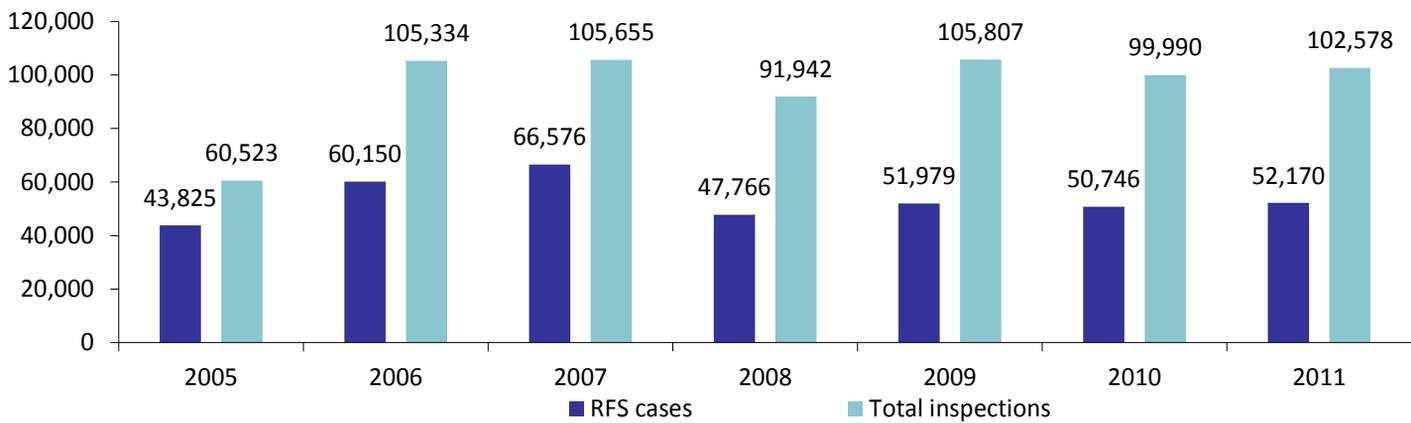



Minneapolis
City of Lakes
Community Planning & Economic Development



Created by CPED Research
May 2012

Number of Housing Inspections and Cases



Note: One case may result in multiple inspections

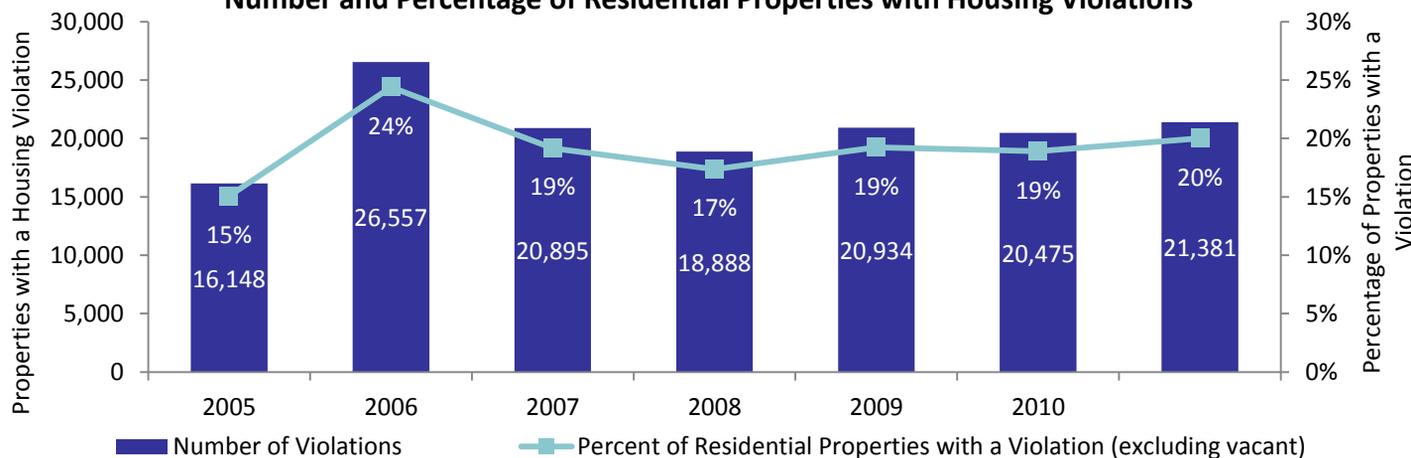
Why is this measure important?

Every citizen within the City is entitled to live next to or in a dwelling that is decent, safe, sanitary and meets the minimum housing standards set forth by our City. The core mission of Housing Inspection Services is to promote quality housing and livable neighborhoods for all residents. We are maintaining and improving the housing stock by responding to customer 311 complaints on properties, pro-active nuisance condition inspection activities and our systematic rental license program. Regulatory Services has maintained staffing vacancies to address budgetary challenges which may have cause some of the reduction of activity in 2008 & 2010.

What will it take to make progress?

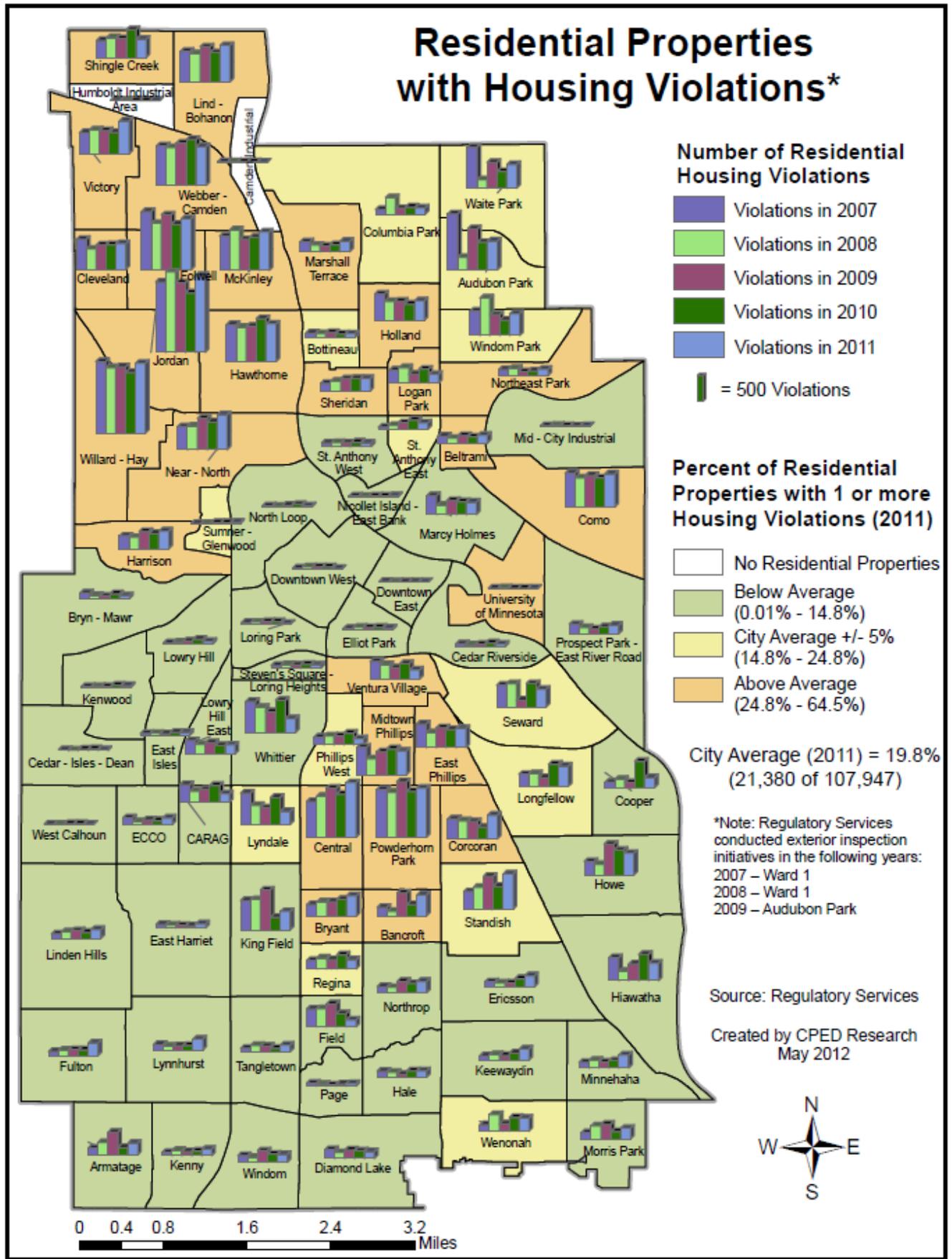
In an effort to focus rental inspection resources where they are most needed, the City has developed a tiered approach to rental license inspections. Rental properties which are poorly maintained and managed, based on set criteria, will be inspected annually rather than on the current five year inspection rotation cycle. The City recently implemented programs in which properties are inspected upon conversion from owner occupied to rental and when a rental property changes ownership. The City has developed automated systems to review rental property records to ensure compliance with all licensing standards. Those properties which fail to meet standards are given an opportunity to come into compliance. Failure to bring the property into compliance will lead to rental license revocation.

Number and Percentage of Residential Properties with Housing Violations



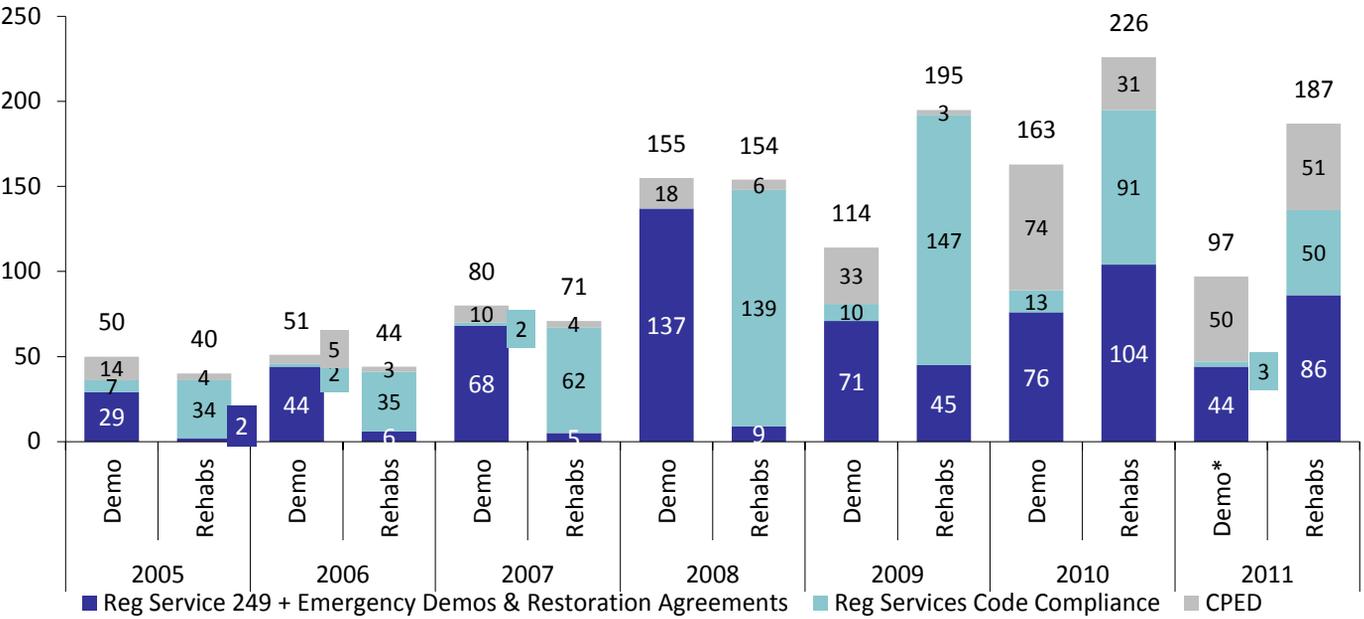
Map on next page...

Residential Properties with Housing Violations*



Reinvestment

Housing Demolitions and Rehabilitations



* This number does not include the 30 emergency garage and house demolitions related to the tornado.

Why is this measure important?

Increasing the number of demolitions and rehabilitations is the most effective strategy to reduce the number of vacant and boarded buildings across the City, and thereby increasing the safety and livability of our neighborhoods and the value of our housing stock. Regulatory Services has three main regulatory business processes that directly impact whether a property is rehabbed or demolished. They include:

- Code Compliance* – This is the process which requires all condemned properties to be brought up to all current codes before a certificate of occupancy will be issued.
- Emergency Demolition* – This uses the City’s regulatory authority to order emergency demolitions of properties that pose an immediate hazard to public safety.
- Nuisance Declaration and Abatement (249 Ordinance)* – This process is used to determine when a property should be declared a nuisance and abated through demolition or rehab.

The chart is separated into residential properties that were either rehabbed or demolished by using the regulatory tools currently available. It shows a consistent increase in rehabilitations between 2007 and 2010 with a slight drop in 2011. Demolitions show a there was an over-all increase in demolitions between 2007 and 2010 with fluctuations within the years. There was a fairly significant drop in demolition activity between 2010 and 2011. This is due in large part to a redirection of staff resources to the tornado damaged area and a decision to reserve funds for possible demolition activity in later months due to the tornado and an over all decrease in the number of properties eligible for demolition in the Chapter 249 Program. For the past several years while the number of vacancies has remained relatively constant, the actual number of condemned properties, which are the main pool of properties evaluated for demolition, has dropped. This would also explain the over-all reduction in Code Compliance Inspections.

Community Planning and Economic Development has dedicated approximately \$4.2 million in federal Neighborhood Stabilization Program (NSP1) funds to demolish and hold vacant 120 properties for future redevelopment as the housing market rebounds in neighborhoods most impacted by foreclosures. These funds were obligated in 2009. An additional approximately \$3.6 million in NSP2 funds will be allocated to 56 foreclosed properties.

Narrative continued on next page...

What it will take to make progress?

As the number of vacant and boarded buildings has risen in recent years, the City has increased the number of demolitions and rehabilitations while conducting aggressive enforcement. The increased demand for demolitions and rehabilitations has led the City to take several steps. The average cost to demolish a residential structure was around \$17,500. In 2008, the City collaborated with Hennepin County to bundle our demolitions thereby reducing this cost significantly. Such bundling practices will continue to be used by Regulatory Services for much of their demolition work. In addition, abatement costs are assessed and recouped on future property tax collections. Regulatory Services implemented a revolving account that will ensure budgetary resources are available for future nuisance abatement actions. The increase of the annual fee for properties on the Vacant Building Registration (VBR) will provide the necessary additional resources without negative consequence to the general fund.

Residential Building Permit Valuation and Permits Issued



Why is this measurement important?

The measurement of residential permit activity and value of the work is an indicator of investment in the community by property owners. The information displayed is for the residential portion of building permit activity and valuation only.

What is needed to maintain the measurement?

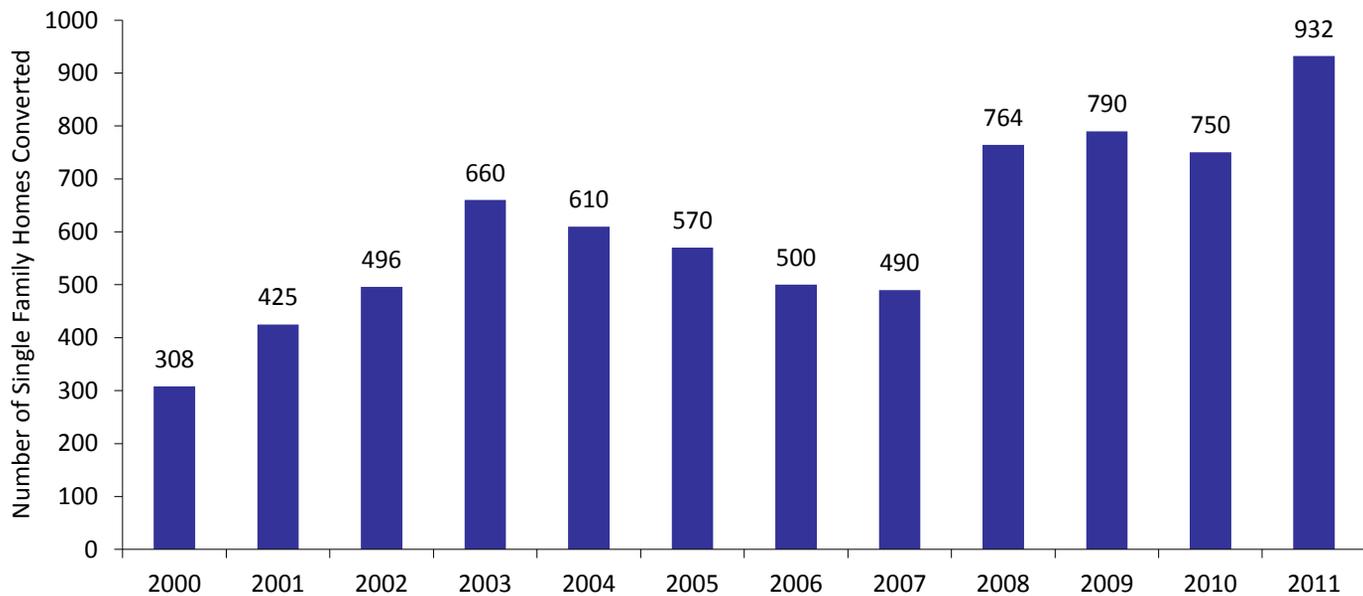
The information reported is for residential building permits for single-family dwellings to high-rise multi-family dwellings and includes new construction, additions, remodeling, and repairs. The current land management system is somewhat limiting in allowing further separation of this type of data but it is hoped a new land management system will provide more options related to the dissemination of permit information. Until implementation of a new system, information similar to that reported here will continue to be available.

Number and Value of Residential Property Permits Over \$5,000



Market Repositioning

Conversions from Owner-Occupied to Rental



Why is this measure important?

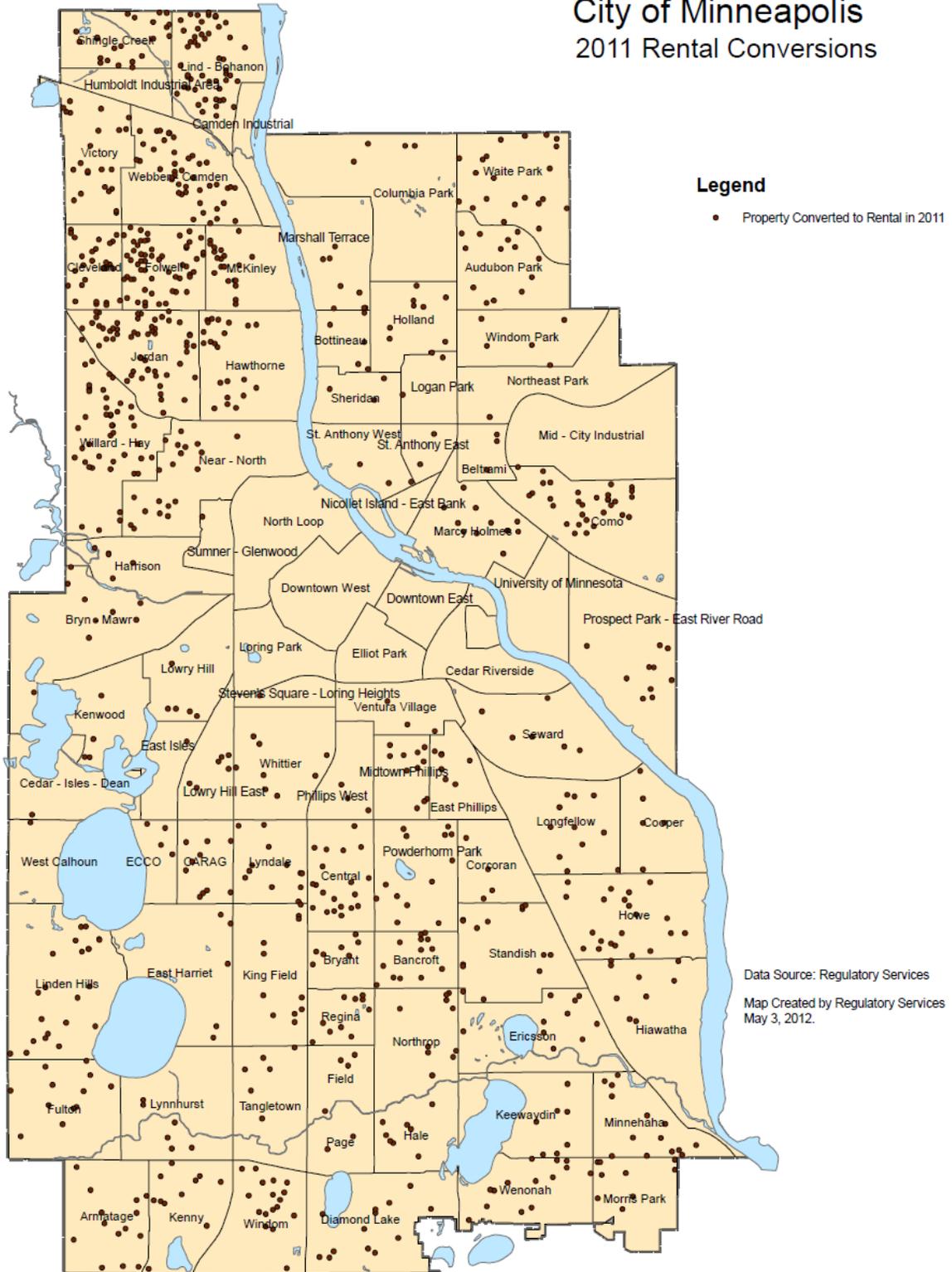
Since 2001, there has been a dramatic rise in conversions of single family homes from owner occupied to rental in the City. These trends raise questions as to their impact. The benefits of home ownership result from the belief that homeowners have a greater financial stake in their homes compared to renters. Studies have linked homeownership with reduced crime, higher incomes, less reliance upon welfare, more politically active residents among other benefits.

What will it take to make progress?

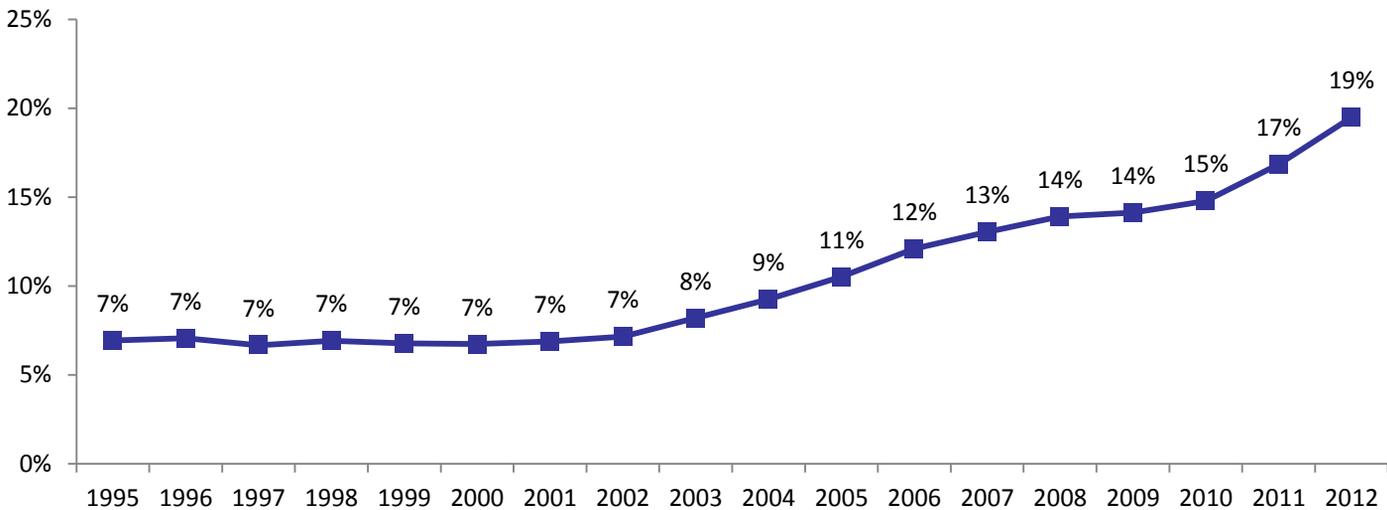
To help stem the movement to more rental properties, a coordinated effort by the City, State and Federal agencies is necessary. Working together, these agencies can provide homeowners and prospective homeowners with targeted funding, education and financial incentives that assist and promote homeownership in all neighborhoods. Out of concern for the proliferation of rental properties that had formerly been owner occupied, the City Council passed a law in 2008 to require an inspection of these properties shortly after their application for a rental license. Rental properties, even well managed ones, are much more demanding of City resources. The inspection is intended to ensure properties meet the minimum Housing Maintenance Code requirements.

Map on next page...

City of Minneapolis 2011 Rental Conversions



Percent of Single Family Homes Not Homesteaded



Why is this measure important?

Historically (pre 2003), the homestead rate on residential property hovered around 93 percent with non-homestead property accounting for the remaining 7 percent. However, over the past nine years the rate of non-homestead property in Minneapolis has more than doubled to about 20 percent. The rapid increase can be tied to three significant events:

- A 2002 legislative decision to lower the classification rate (tax rate) on non-homestead property.
- Historically low interest rates for investors to borrow money.
- Record high foreclosures and short sales pushing down housing values.

The recent trend of single family homes as rental property can have both positive and negative impact on neighborhood stability.

Positive	Negative
Provides a housing option for family’s displaced after a foreclosure	Neighborhoods can hit a “tipping point” when rental density in a neighborhood is > 30%
Allows flexibility in housing options for people that choose not to own real estate	High tenant turnover (average 6-12 months) limits opportunities for community engagement
Prevents foreclosures for owners upside-down on their mortgage	Decline in property upkeep, Increased demand on city services

How do we assure an equitable balance of homestead vs. non-homestead property

The first challenge is to fully understand when a non-homestead rate has a negative effect on a neighborhood i.e. “the tipping point”. This will require additional research to fully understand the impact of non-homestead rates in a neighborhood. If it is determined that a particular rate of non-homestead causes problems (e.g. loss of value among homestead properties, increased crime/vandalism, the flight of homestead residents moving out of the neighborhood), then potential solutions could include:

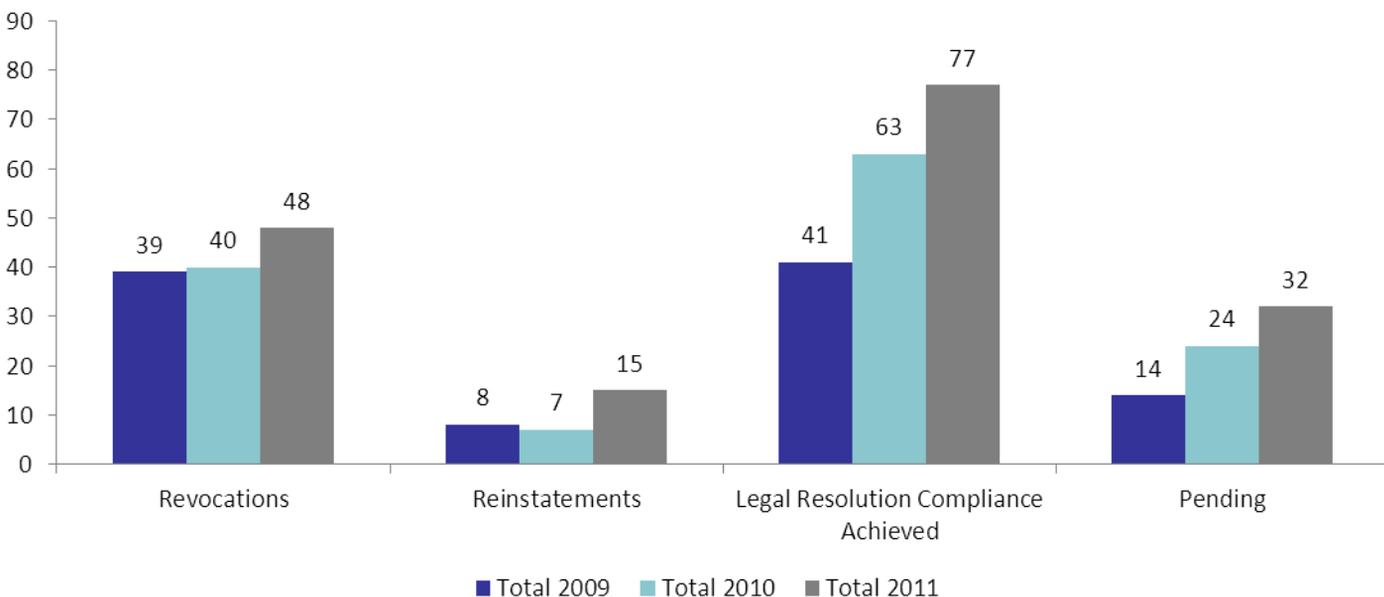
- Developing policies that limit the amount of rental property in any given neighborhood.
- Increasing the tax rate on non-homestead properties as a potential deterrent to having non-homestead properties.

Additional data on next page...

Top 15 Neighborhoods with the Greatest Declines in Single Family Homestead Residences

Rank Based on % Change	Neighborhood	1995	2000	2012	Percentage Point Change from 1995-2012
1	Folwell	90%	87%	57%	-33
2	McKinley	87%	86%	54%	-32
3	Como	84%	81%	52%	-32
4	Jordan	82%	78%	50%	-31
5	Webber-Camden	91%	89%	63%	-27
6	Hawthorne	74%	74%	50%	-24
7	Lind-Bohanon	93%	91%	69%	-24
8	Willard-Hay	84%	84%	63%	-21
9	Shingle Creek	96%	96%	75%	-21
10	Marcy-Holmes	70%	71%	49%	-21
11	Beltrami	91%	90%	71%	-20
12	Cleveland	93%	92%	73%	-20
13	Holland	91%	90%	74%	-17
14	Northeast Park	92%	91%	76%	-16
15	Marshall Terrace	95%	93%	79%	-16

Rental License Revocation Action

**Why is this measure important?**

Holding rental property owners accountable is a key component in maintaining neighborhood livability. Beginning in 2008, technology advances allowed Housing Inspection Services (HIS) to proactively conduct audits of rental properties to ensure compliance with section 11 of the rental licensing standards, unpaid administrative citations. In 2010, the audits were expanded to include other rental licensing standards.

Rental property owners found in violation of licensing standards are notified of the violation by letter of non-compliance. Owners are given an opportunity to correct the licensing standard violation and/or put on notice that further violations will result in rental license revocation. In 2011, more than 1,300 letters of non-compliance were sent to rental property owners. Housing Inspection Services initiated 172 rental license revocation actions due to failure to comply or repeated violation of the rental license standards.

Proactive audits have resulted in greater compliance with rental license standards and increased rental license revocation actions. Rental license revocation actions due to rental license standards violations have increased from two or three per year, prior to 2008, to 172 actions taken in 2011.

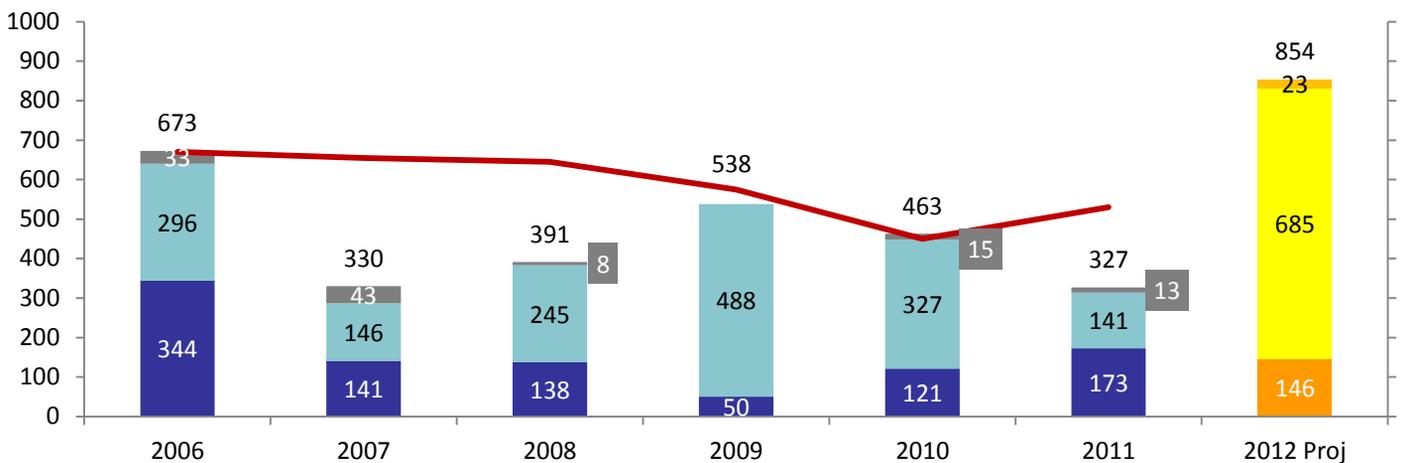
What will it take to make progress?

In 2011, the City initiated Tiered Inspections of rental properties. Tiered Inspections identifies rental properties that are poorly managed and maintained for more frequent inspections. Properly managed and maintained rental properties are inspected less often.

The City continues to develop and enhance automated systems which allow resources to be directed where they are most needed in order to maintain the safety and livability of Minneapolis neighborhoods.

Affordable Housing Production

Number of Affordable Housing Units Complete ≤50% AMI



■ Rental - New <50% AMI
 ■ Rental - Rehab <50% AMI
 ■ Ownership <50% AMI
 — Annual Production Target*

*The annual production targets are based on Council actions; multi-year targets are displayed as annual averages

Why is this measure important?

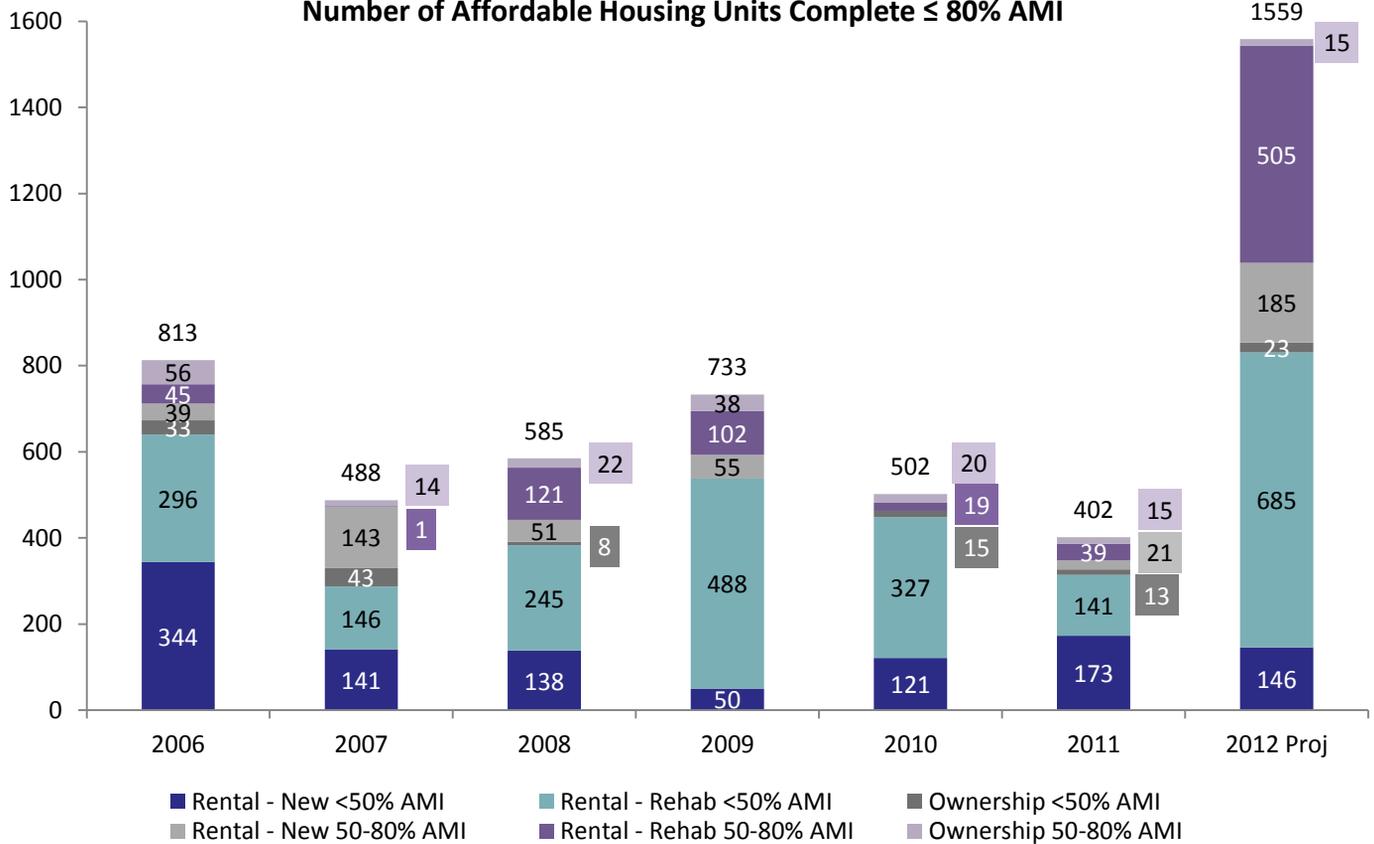
The production and preservation of affordable housing is a longstanding City priority. Since the adoption of the initial affordable housing policy in 1999, the City Council has established multi-year production goals for new/converted and preserved/stabilized affordable housing at the 50 percent of annual area median income (AMI) affordability threshold. For the three year period from 2009 – 2011, the goal was set at 1,555 units of housing at or below 50 percent AMI. The goal for 2009 was set at 575 units of such housing. CPED managed the completion of 518 units by the end of 2009. As the economy grows away from recession, CPED has seen improvements housing production, particularly in new construction. These improvements have greatly utilized the resources for affordable housing investments.

This policy also sets goals for various related program efforts, such as the geographic distribution of affordable housing, unit production at the 30 percent AMI level, and other specific categories. The above graph highlights only the overall annual production total; progress against other related goals is reported annually by the department in a detailed report to the City Council. Other measures of annual housing production for Metro Area jurisdictions are published by the Metropolitan Council and Housing Link. CPED's multi-family housing section has brought new management techniques to lagging projects; their goal is to aggressively manage the 2,300 units in the development pipeline to bring production up to target levels, even during the current lagging economy. Goals for 2012-2014 have not been set. CPED, in consultation with the City Council will establish these goals over the next few months. Additionally, CPED Single Family Housing section has earmarked all of the federal Neighborhood Stabilization Program Funds dedicated to rehabilitation of foreclosed properties with two or more units to serve households at or below 50 percent of the area median income.

What will it take to achieve the targets?

First, aggressive management of projects by multi-family housing staff. Second, additional financial resources will be necessary to address the need for affordable housing as the rents increase due to the low vacancy rates.

Affordable Housing Production Number of Affordable Housing Units Complete \leq 80% AMI



Why is this measure important?

This slide builds on the previous one by including affordable housing production from 50 – 80 percent AMI, in addition to the previous slide’s production at or below 50 percent AMI. As reference, for 2008, 80 percent of AMI equates to an income of \$64,720 for a family of four. This additional production is supported by key funding sources, such as low income tax credits [60 percent AMI] and Community Development Block Grants (CDBG) [80 percent AMI], thus reflecting a more complete picture of CPED’s affordable housing efforts. Projects reflect housing designed for a variety of households, including single parent families, elderly persons, homeless youth, persons living with special needs, workforce housing, and recent immigrants. The terms of the assistance also vary, from renovation loans for elderly households, to capital investments in new, high quality rental housing. Additionally, some of CPED’s Single Family Housing section programs cater to the provision of ownership housing opportunities to households with incomes at, or below, 80 percent of the area median income.

What will it take to make progress?

Using funds from a variety of sources - federal, state, county, city, and foundations - the City of Minneapolis is building an inventory of attractive, high quality and affordable housing that will last for many years and provide neighborhood stability and reinvestment. Many of the initial City investments have sparked a renewed confidence in areas of the city that have in turn resulted in increased private investment in additional housing, jobs and infrastructure. Maintaining all of the above funding sources is essential to achieving the City’s targets to provide housing to this broader income range.

CityLiving, Minneapolis Advantage and other Home Purchase and Improvement Programs

CityLiving is a mortgage program that provides below market rate financing to first-time homebuyers. In addition to the lower interest rate first mortgage, the program offers buyers special financing to help pay for closing costs and down payment. This second mortgage is forgiven if the buyers stays in the home seven years-

The Minneapolis Advantage Program is a down payment, closing cost and housing rehabilitation assistance program to help rebuild the housing market in key neighborhoods that have been heavily impacted by mortgage foreclosures. The program now offers up to \$20,000 in a zero-percent interest loan that is forgivable over five or ten years, depending upon the size of the loan, to anyone buying a home in which they will live in these key neighborhoods.

There are two home improvement programs offered by the City which are the City Code Abatement program which serves borrowers at 50 percent of the area median or less. This loan has no interest charge, no monthly payments and the maximum loan amount is \$20,000. The Home Repair Loan is offered to borrowers at 80 percent of the area median or less. The loan has monthly payments, a one-percent interest charge and the maximum loan is \$25,000. It is generally for borrowers who can not qualify through other lenders because of the borrower's credit problems.

Why is this measure important?

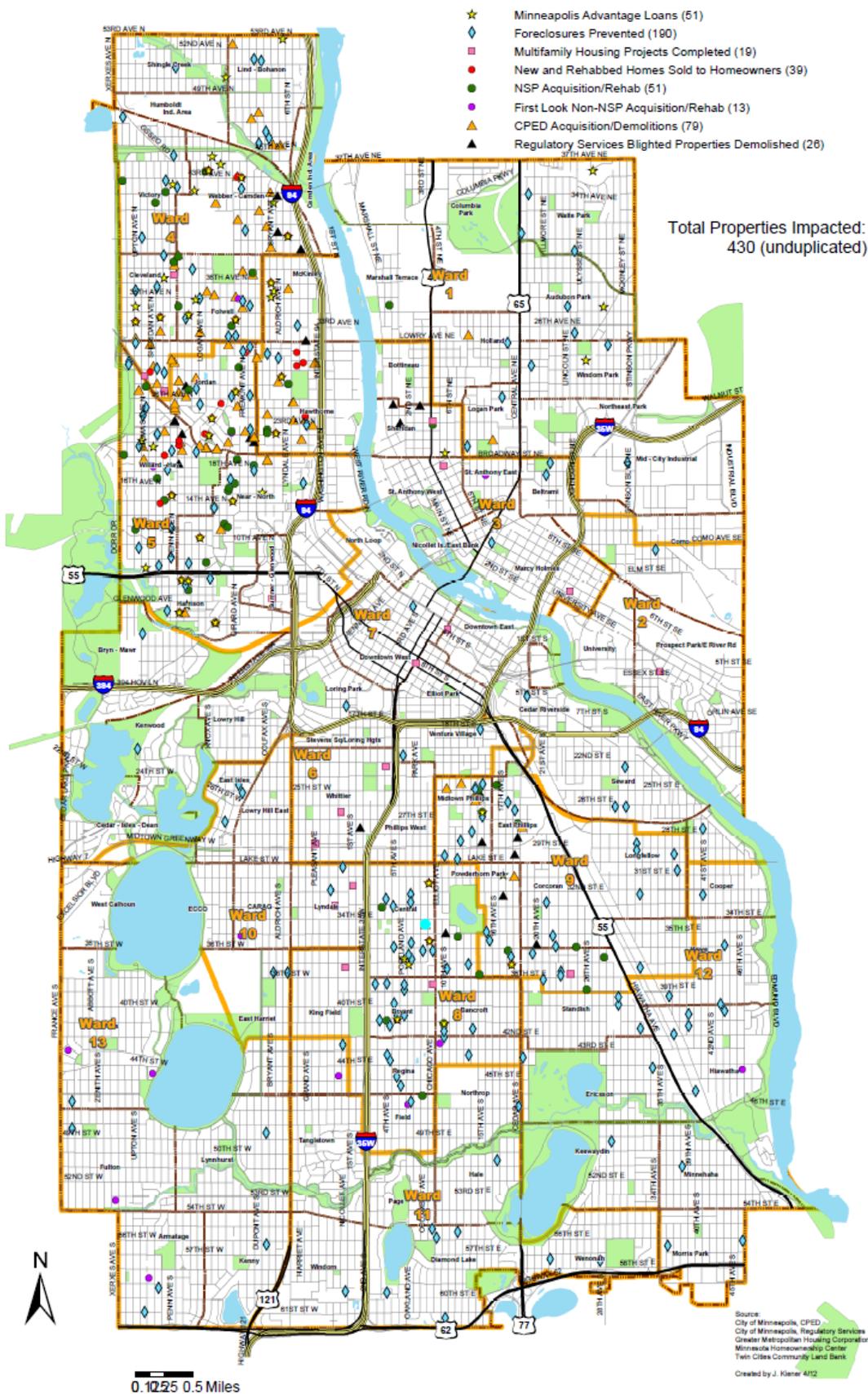
Since late 2005, foreclosures have significantly impacted the health and vitality of the housing industry. The number of foreclosures, particularly in north Minneapolis, has caused a precipitous decline in the property values which not only impacts the economic futures of the current residents, but also the amount of taxes the City can obtain from the property taxes. Additionally, investors have come in and acquired properties by the hundreds and rent them out with little regard for City licensing requirements or the health and maintenance of the home.

What will it take to make progress?

It will take continued significant investment of funds from private lenders, government and non-profit organizations to acquire and demolish vacant and boarded properties that are not economically viable. Private lenders will need to finance the purchase of properties by qualified homebuyers, including cases where the buyer wants to purchase and rehabilitate a house that has significant housing maintenance code violations. It will also take non-profit developers to buy up properties, renovate them and resell them.

Maps on next four pages...

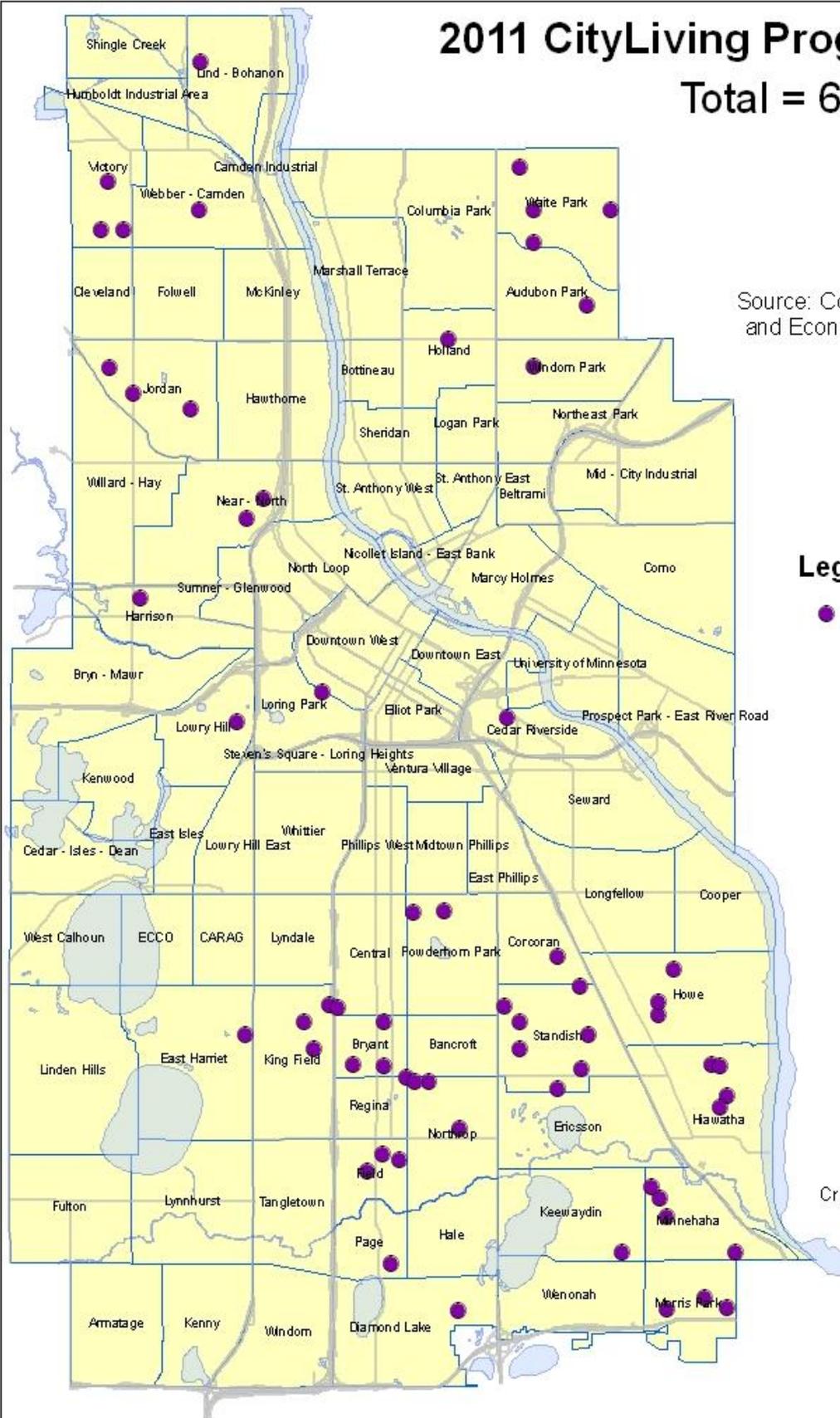
Minneapolis Housing Investments 2011



2011 CityLiving Program Loans

Total = 63

Source: Community Planning and Economic Development



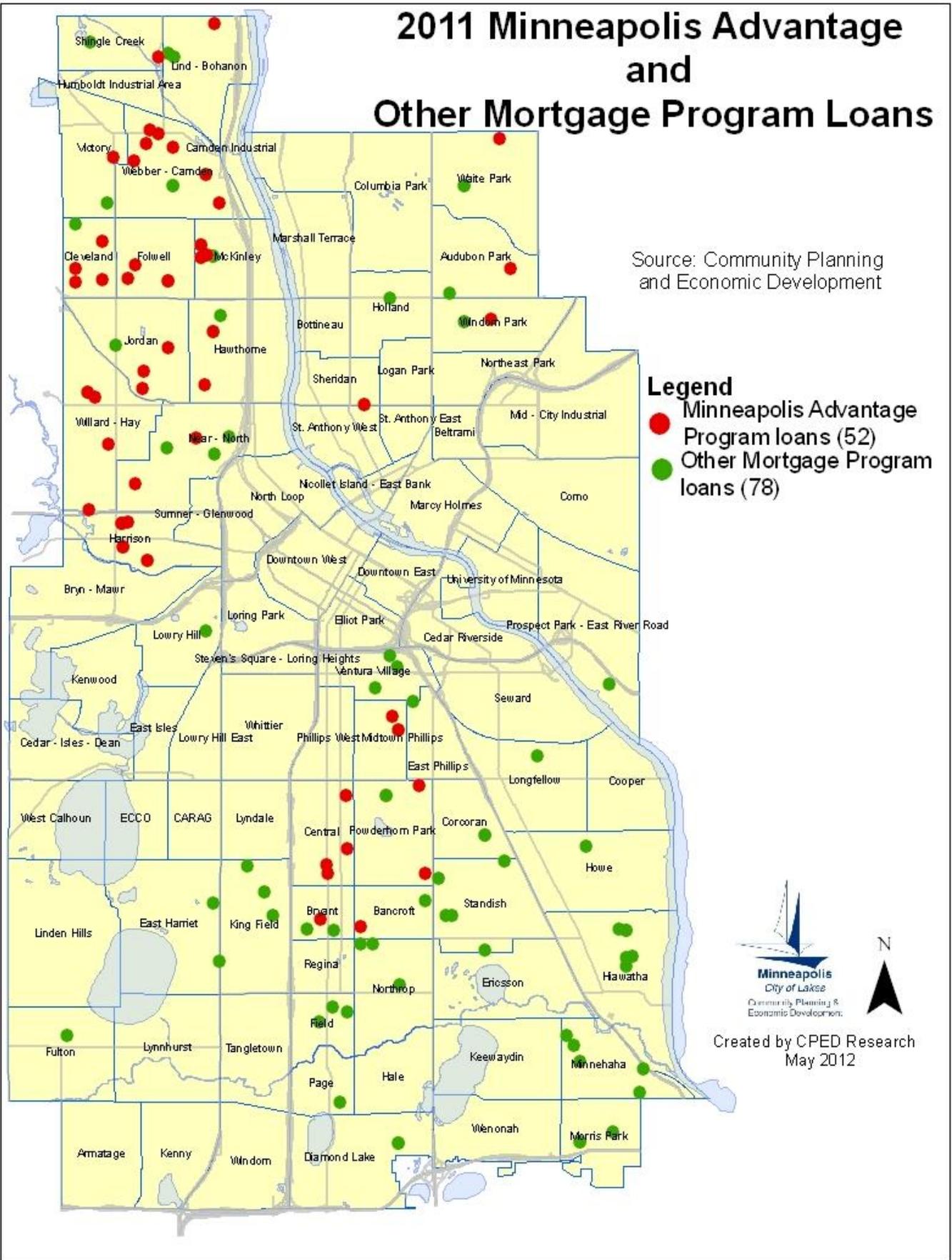
Legend

- CityLiving Loan



Created by CPED Research
May 2012

2011 Minneapolis Advantage and Other Mortgage Program Loans

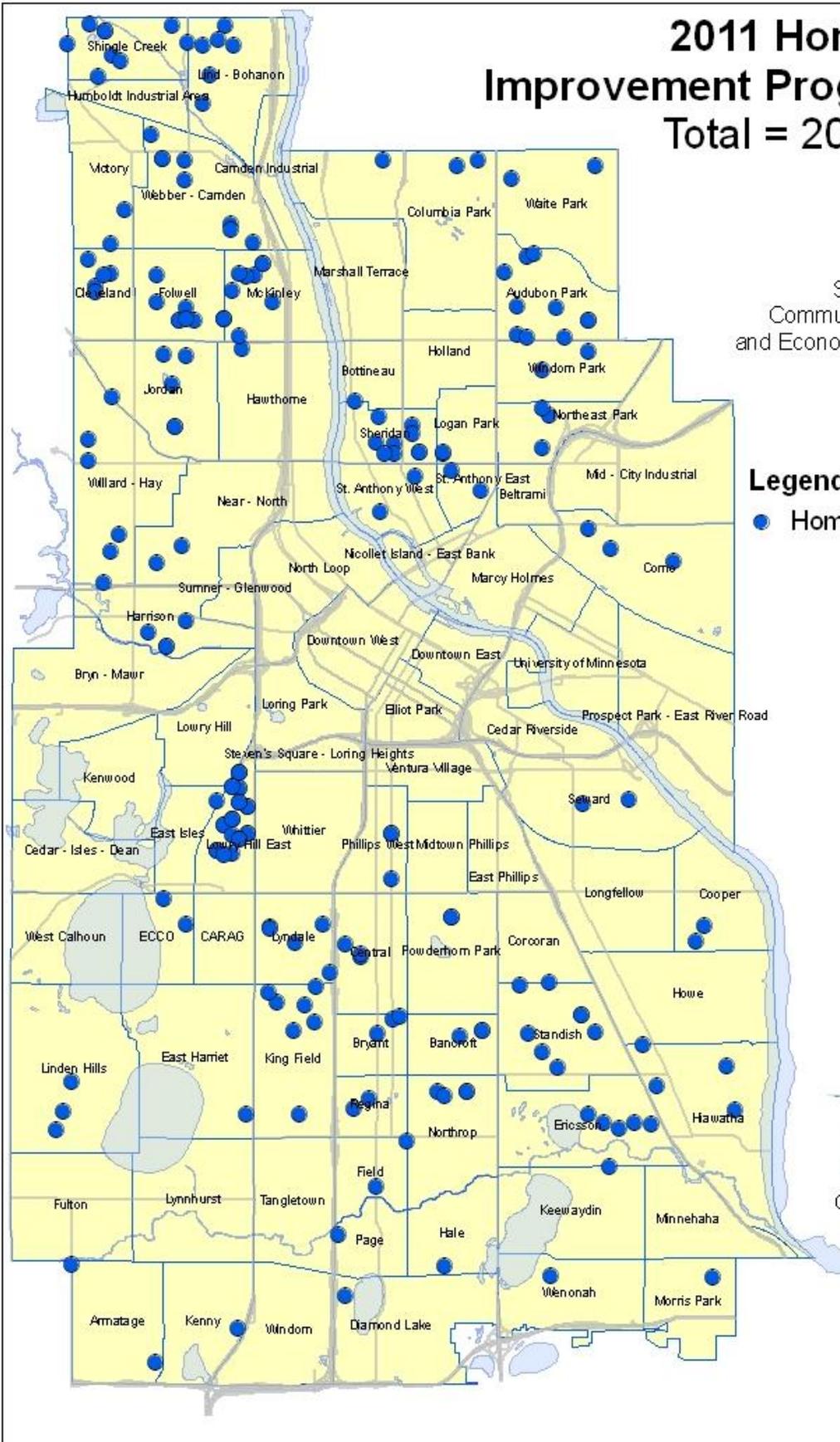


2011 Home Improvement Program Loans Total = 201

Source:
Community Planning
and Economic Development

Legend

● Home Improvement Loan



Created by CPED Research
May 2012

Senior housing in Minneapolis

Why is this measure important?

The Minneapolis City Council and Mayor have adopted a senior housing policy to encourage the development of senior housing choices throughout the city. CPED Housing division has been aggressively implementing this policy over the last several years by assisting in the development of new senior housing options at various income levels in all parts of the City as demonstrated by the accompanying map.

What will it take to make progress?

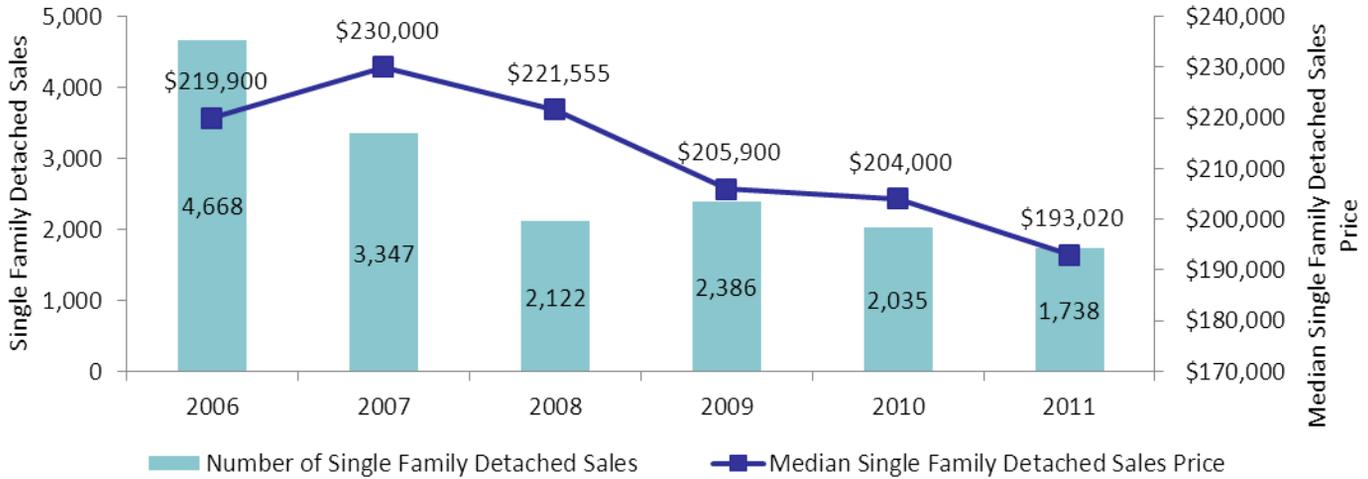
Since 2007, CPED has initiated the construction of 179 senior housing units. In 2011, CPED closed on 157 senior units. There will be another 60 units closed on in 2012. These recent projects have been completed with the assistance of the HUD 202 program. It is understood that this program has discontinued, senior housing production will be more difficult unless an alternate funding resources is developed or identified.

Demographic trends and recent surveys all indicate that this segment of our population will continue to grow and we will need to continue to develop a wide variety of housing types at different levels of affordability if the City is going to continue maintain and grow our population, the needs of this population is part of that equation.

Map on next page...

Appendix

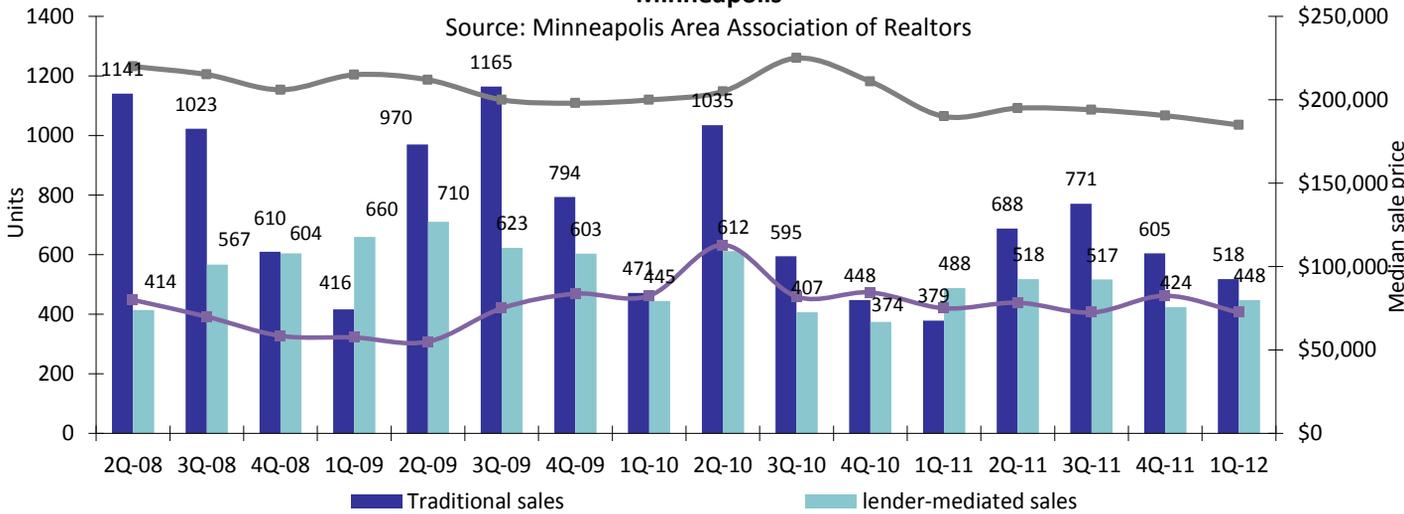
Single Family Detached Sales and Median Price



Traditional and Lender-Mediated Closed Sales and Median Sale Price

Minneapolis

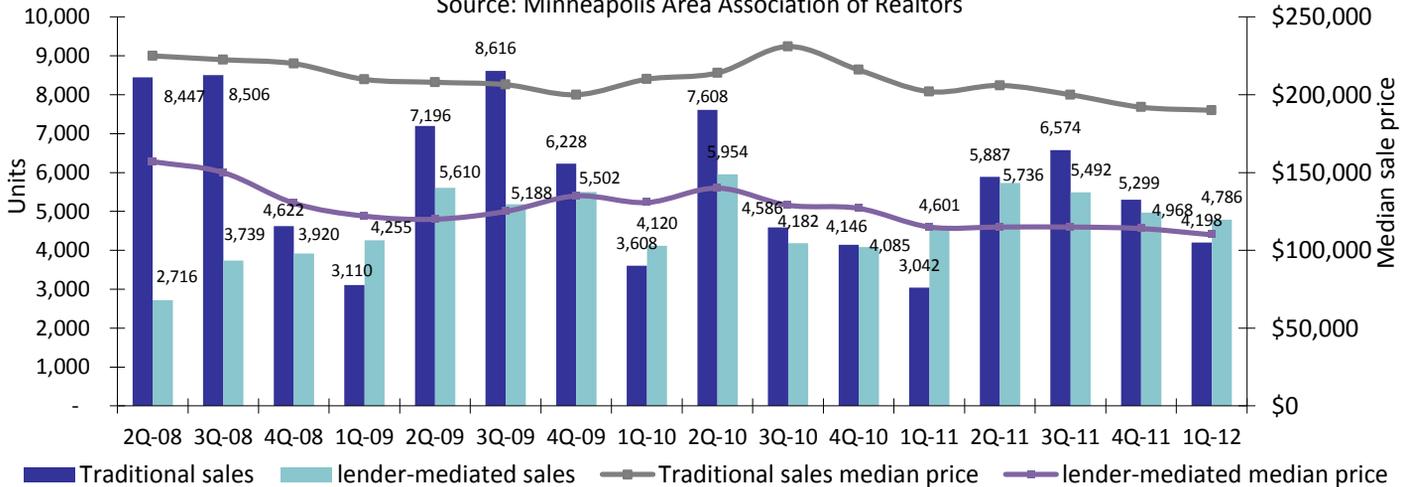
Source: Minneapolis Area Association of Realtors



Traditional and Lender Mediated Closed Sales and Median Sale Price

Metro Area

Source: Minneapolis Area Association of Realtors



Change in Median Sale Price

Single Family Detached Residential*, 2007-2011

*Single-family detached excludes condos, townhomes, coops, and duplex/triplex

Number of Single Family Detached Residential Sales

- Single Family Sales in 2007
- Single Family Sales in 2008
- Single Family Sales in 2009
- Single Family Sales in 2010
- Single Family Sales in 2011

= 100 Single Family Residential Sales

Change in Median Sale Price (2007 to 2011)

- No Properties Sold in either 2007 or 2011
- Decrease (-40% to -58%)
- Decrease (-22% to -39%)
- City Average +/- 6% (-10% to -22%)
- Above Average (-10% to 0%)
- Increase (0.0%- 15%)

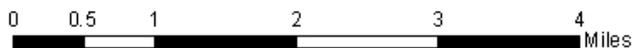
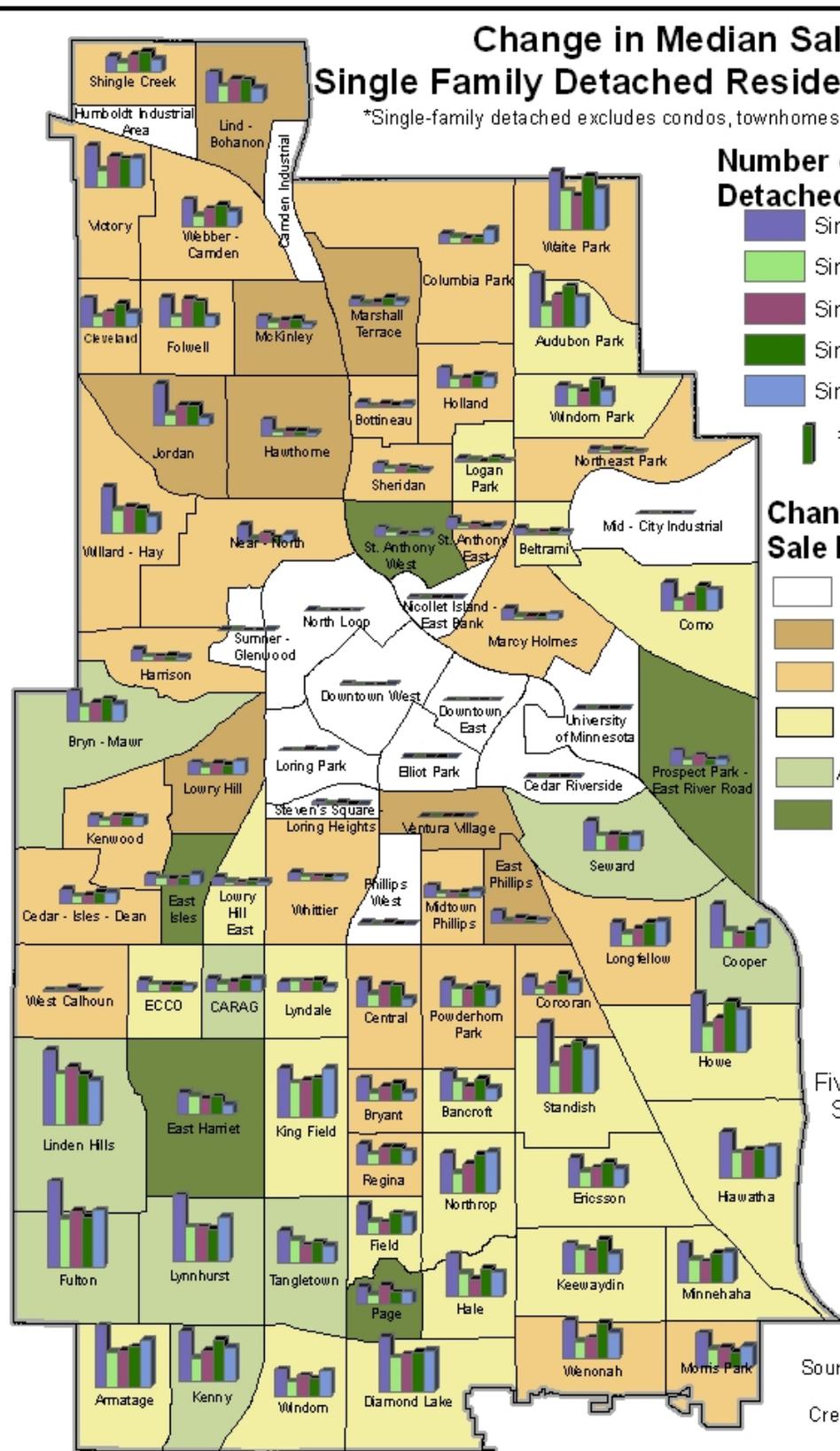
Annual City Median Sale Price

2007	\$230,000
2008	\$221,555
2009	\$205,900
2010	\$204,000
2011	\$193,020

Five Year Change in Median Sale Price (2007 to 2011) = 16.1% decrease

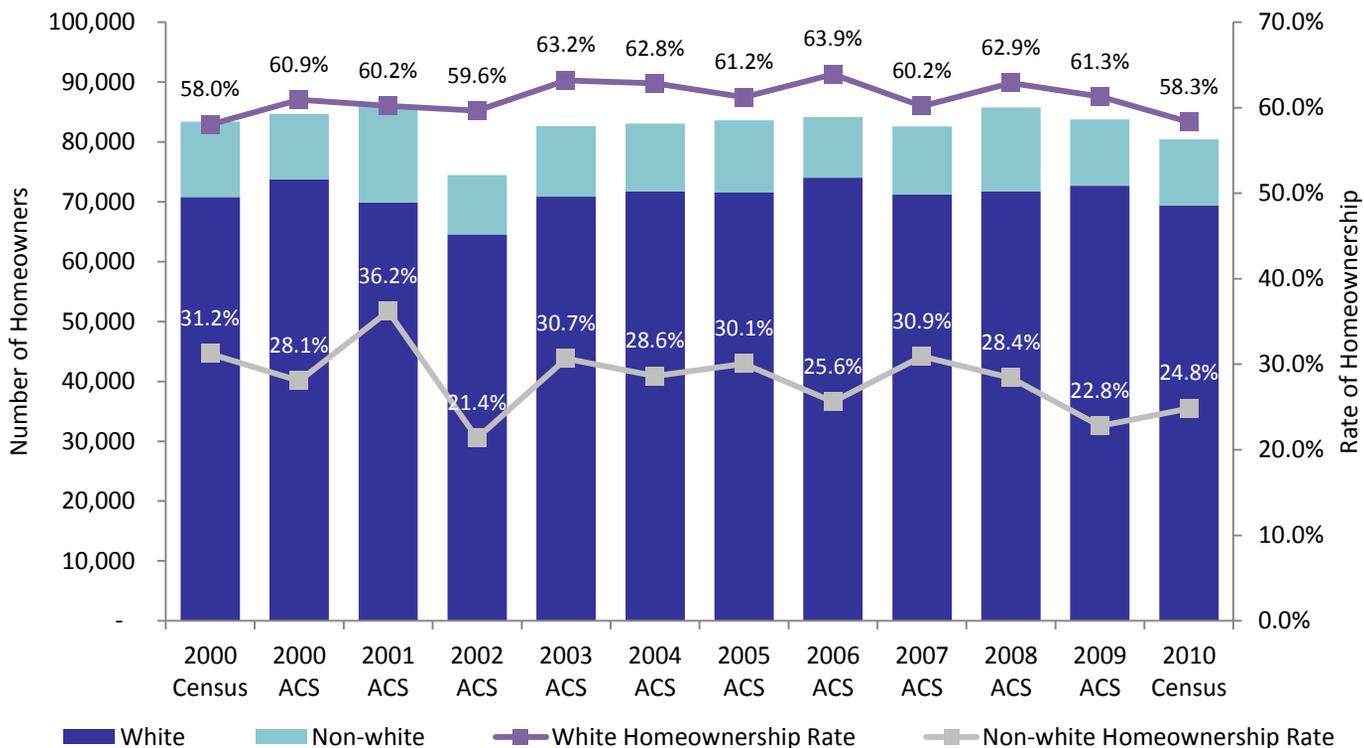
Source: City Assessors Office

Created by CPED Research
May 2012



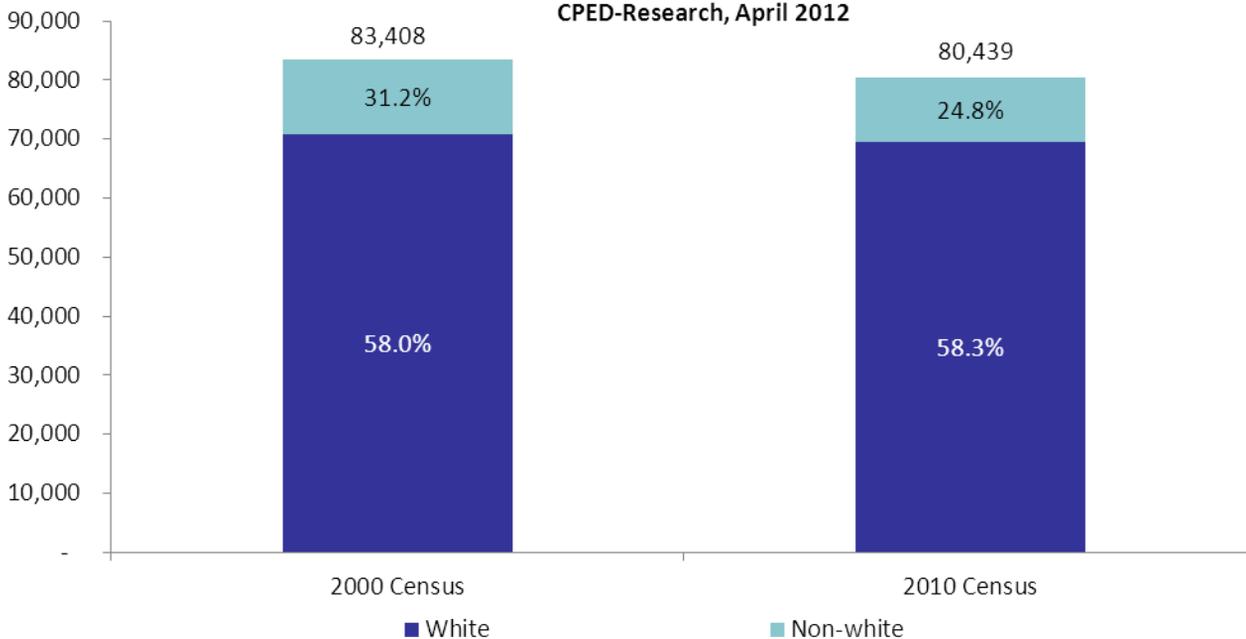
Volume and Percentage Rate of Homeownership by White and Non-white Minneapolis Households

Source: 2000 & 2010 Census
2000-2009 American Community Survey



Volume and Percentage Rate of Homeownership by White and Non-white Minneapolis Households

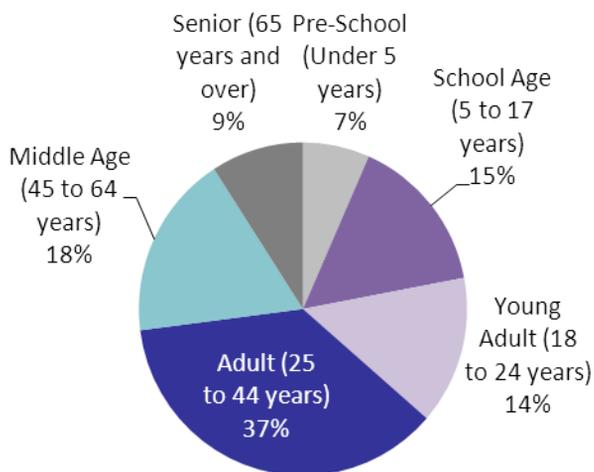
Source: 2000 and 2010 Census
CPED-Research, April 2012



Age Distribution and Household Characteristics

2000 Census - Age distribution

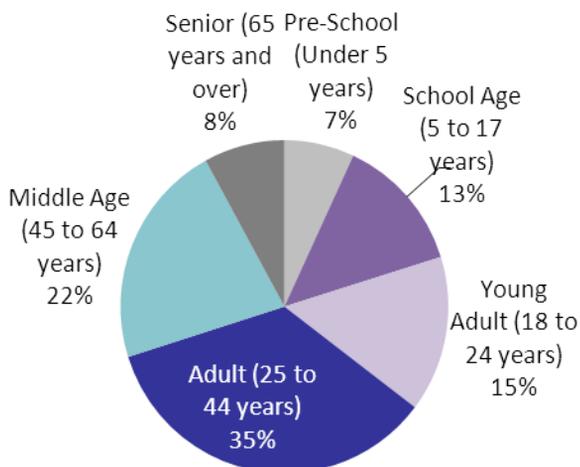
Source: Census Bureau



Created by CPED Research, April 2011

2010 Census - Age Distribution

Source: Census Bureau



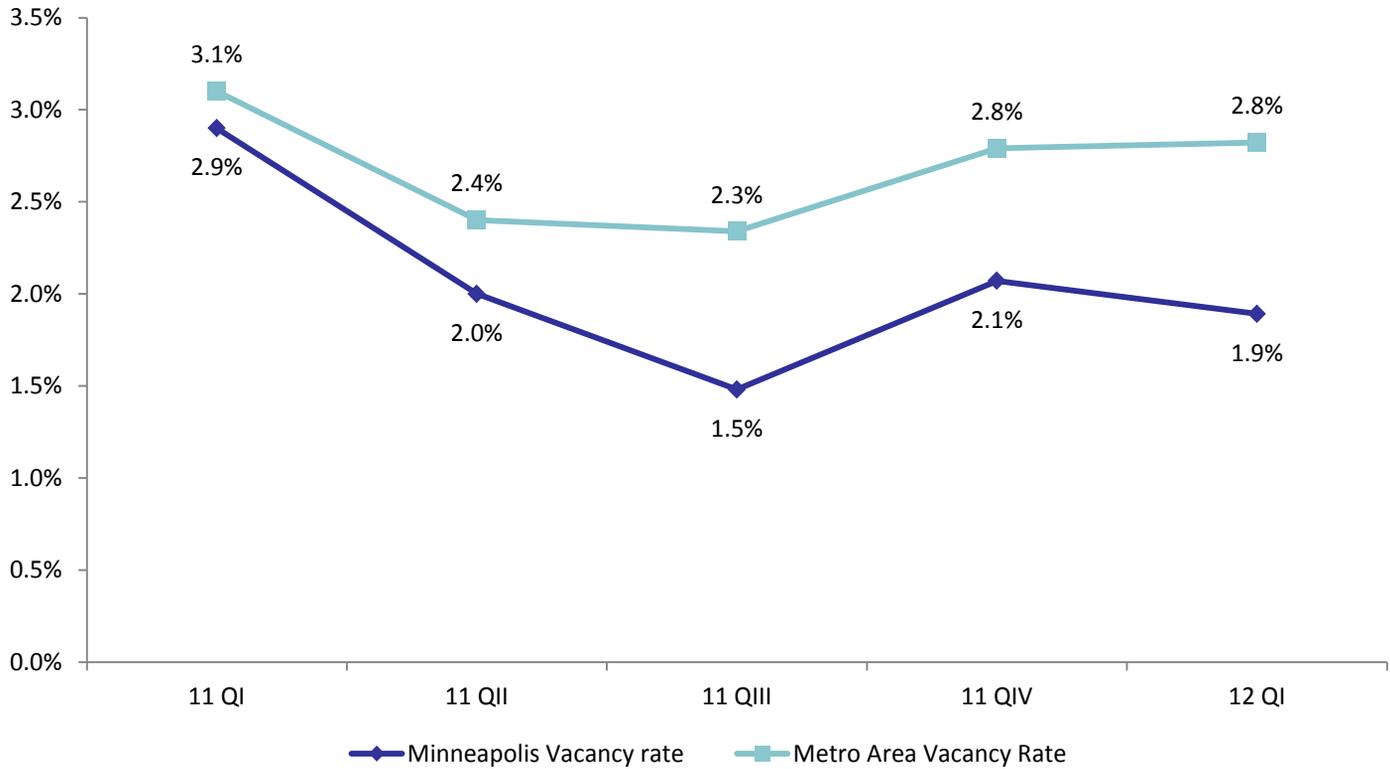
Created by CPED Research, April 2012

Selected household characteristics	2000 Census		2005-2009 ACS (5-year estimates)		2010 Census	
	Count	Percentage	Count	Percentage	Count	Percentage
Total Households	162,352		165,253		163,540	
Households with one or more people under 18 years	40,579	25.0%	39,810	24.1%	38,481	23.5%
Households with one or more people 65 years and over	22,822	14.1%	22,450	13.6%	23,036	14.1%
Average Household size	2.25		2.19		2.23	

Source: 2000 Census, ACS 2005-2009 - 5-year estimates, and the 2010 Census

Created by CPED Research, April 2012

Minneapolis and Metro Area Apartment Vacancy Rates



Minneapolis Permitted New Residential Construction (in units)

