Neighborhood Planning for Community Revitalization

Discerning Where They Are: Understanding Current Housing Trends and Related Internal Processes of Six Minneapolis Neighborhood Organizations

Discerning Where They Are: Understanding Current Housing Trends and Related Internal Processes of Six Minneapolis Neighborhood Organizations

Conducted on behalf of
Minneapolis Neighborhood Early Warning System

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Introduction

It is said that information is at once power and empowering. Whether information empowers a few or all depends largely on the decision-makers. At the local level, Minneapolis neighborhood organizations are choosing to tap the empowering potential of information culled from new geographic information systems (GIS) technologies in order to revitalize their neighborhoods.

These technologies have enabled communities to merge a variety of publicly available information by property parcel in neighborhoods. Public information like property tax delinquency, water bill delinquency, poor building condition, proximity to high crime areas, and proximity to abandoned properties have been shown to predict housing abandonment (Mardock, 1998). If these indicators can predict housing abandonment, then it is believed early intervention may be possible. It becomes possible by integrating the public information into a comprehensive database with the current GIS technologies. That is, Minneapolis neighborhood organizations will, for example, soon be able to map the number of properties behind on their water bill or property taxes. This will be accomplished by creating a computer program that tabulates the presence of the indicators at a given property parcel. Advanced notification will give neighborhood organizations the opportunity to respond before the 11th hour - when a property has deteriorated to such an extent that options for rehabilitation are limited - and to help property owners or residents access resources that will prevent abandonment.

Two years ago, six Minneapolis neighborhood organizations and representatives from the City of Minneapolis, Fannie Mae, Greater Minneapolis Metropolitan Housing Corporation, Southside Neighborhood Housing Services, Minneapolis Neighborhood Revitalization Program, Twin Cities Local Initiatives Support Corporation, and

University of Minnesota launched a collaborative project to design and construct such a GIS-based system. The participants in the Minneapolis Neighborhood Early Warning System (MNEWS) defined their goal as "providing timely and accurate information to neighborhood organizations to aid in the development and implementation of more effective housing plans and strategies."

These stakeholders view the role of technology as a tool to inform neighborhood organizations about the housing and property investment needs of their residents and property owners. Most importantly, these neighborhood organization representatives seek to assist their residents in stabilizing their housing situation before properties become so blighted that they must be abandoned and boarded. Historically, and not unlike other neighborhoods, the six Minneapolis neighborhoods have only been able to react to housing or property disinvestment at the final stage of decline, when the structure is vacant and or boarded (Mardock, 1998). One MNEWS neighborhood organization representative provided an apt analogy when he likened the work his organization does on property disinvestment to that of a hospital emergency room. Currently, neighborhood organizations provide life-sustaining treatment rather than preventative care.

While proceeding with the development of the GIS technologies in 2000, the MNEWS Steering Committee simultaneously employed the services of a University of Minnesota graduate research assistant to investigate the kinds of resources and strategies the six MNEWS neighborhoods use to aid at-risk properties. The assumption entering this inquiry was that neighborhood organizations already possess a set of intervention tools to help at-risk properties. The research assistant used an action-research model to conduct this study. The diagram on page 7 explains the model.

Action Research Model
(Source: <u>Organizational Diagnosis</u>)

1. Data Collection -- Entails gathering facts, opinions, etc. about the existing situation.	**2. Diagnosis --** Identify "gaps" between "what is" and "what ought to be" as supported by the data.	**3. Action --** Planning and carrying out steps that you predict will improve things.

5. Feedback -- Collect new data to address new problems or ideas.

4. Evaluation -- Rediagnosis: What's the gap now?
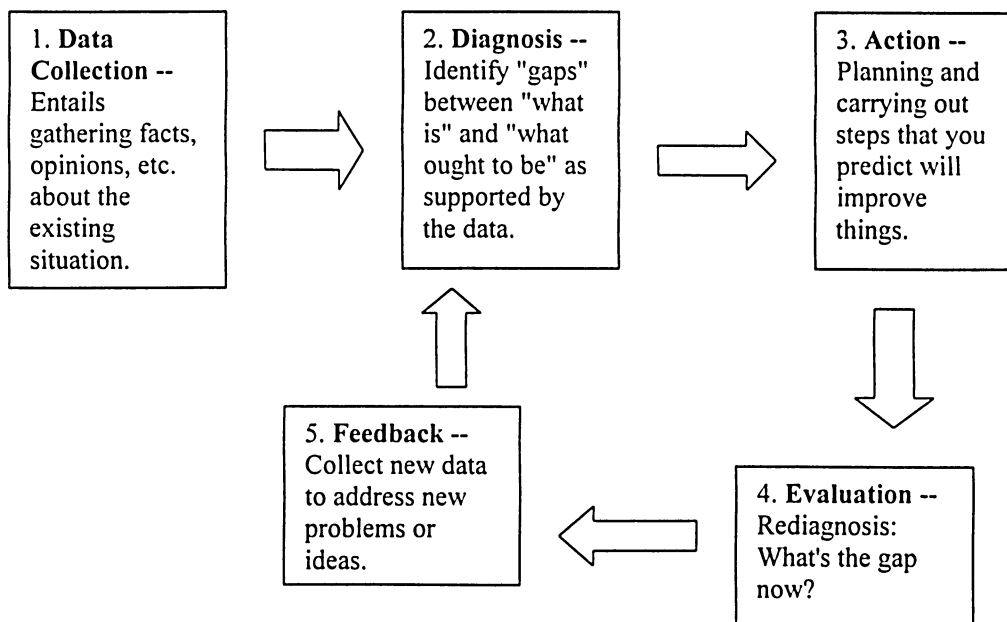
The researcher used this model as a way to help collect data on the kind of resources and strategies they currently use to address at-risk properties. By understanding what their current at-risk property practices were, the neighborhoods and the MNEWS Steering Committee could begin to understand the gap between "what is" and "what ought to be" (see #2 in pg. 7 diagram) in terms of intervention strategies and resources.

However, because at-risk property issues are tied to general neighborhood housing patterns, the MNEWS Steering Committee asked the researcher to also describe the existing housing programs and processes among the six neighborhoods. This report would then give the MNEWS neighborhoods a context in which to begin considering what might be done when the computer technology flags property owners or residents in need of housing investment resources.

Essentially, this inquiry responds the basic question that asks, "OK, now you know that a property is at risk for abandonment, what can be done to help?" MNEWS Steering Committee members and community members from the six neighborhoods have indicated the critical need to identify what can be done - with resources and/or strategies - to prevent the abandonment and boarding of properties so that property owners and residents can remain in their homes.

This report attempts to describe and document the way the six MNEWS neighborhoods:

- Track neighborhood housing issues;
- Gather housing information;
- Provide housing programs;
- Use outside resources or make referrals;

- Perceive existing housing-related needs;

- Define problem or at-risk properties;

- Identify problem or at-risk properties;

- Gather information about problem or at-risk properties;

- Respond to problem or at-risk properties;

- Provide programs or funding for dealing with problem or at-risk properties;

- Define their needs as they relate to problem or at-risk properties.

Each aforementioned point is discussed by neighborhood in narrative form. Following the six neighborhood narratives, a summary of findings is highlighted. Part of this report included the development of case studies on three of the six MNEWS neighborhoods. The case studies delve into more detail about how these neighborhoods address at-risk properties. Attached to the case studies are internal documents, which are provided to shed light on neighborhood practices and policies that may aid other neighborhoods.

This report concludes with a summary of the work begun by an MNEWS task force. This task force has started to investigate how it might organize information on the agencies, processes, and resources related to the indicators the MNEWS collaborative may use to predict abandonment (e.g., delinquent water bill, delinquent property tax, housing code violations, dirty collections points, and criminal activity).

It is hoped that this report serves as a tool for future discussions within neighborhood organizations about their organizations might track housing trends and address at-risk or problem properties. Ideally, neighborhood organization members on the MNEWS Steering Committee would share this report with their organization to help

create a vision of what "ought to be." From this dialogue, neighborhood organizations would come to a greater awareness of how they might use an Early Warning System to track housing trends, to address at-risk property issues, and to help residents remain in their homes.

CENTRAL NEIGHBORHOOD: Where CNIA Stands

A brief introduction to Central

Central neighborhood is one of the three neighborhoods in the MNEWS project located off Lake Street, a major Minneapolis street. Found in south central Minneapolis, Central neighborhood is bounded by five neighborhoods and is situated with East Lake Street serving as its northern boundary, Chicago Avenue as its western boundary, Second Avenue South as its eastern boundary, and East 38th Street as its southern boundary.

Elena Gaarder, now a Powderhorn Park Neighborhood Association employee, had been the housing coordinator at the Central Neighborhood Improvement Association (CNIA), the Central neighborhood organization prior to the summer of 2000. At that time, Gaarder served as CNIA's representative on the MNEWS Steering Committee. Interviews with Gaarder and Earl Rogers, a former Central resident, the Southside Neighborhood Housing Services executive director, and CNIA housing committee member, provided the information for this portion of the report.

Neighborhood housing issues

In 1999, the city assessor's office rated 30 to 82 percent of all housing units in Central neighborhood as below average. The city average is 21.5 percent. According to this data, between two and five percent of the housing units in Central are condos, townhouses and coop. Duplexes make up 23 to 53 percent of all housing units. Units in three and four unit buildings comprise nine to 16 percent of all housing units, and five to 16 percent are units in five or more unit buildings. In 1999, single-family homes made up 26 to 52 percent of all housing units in Central.

Of the six MNEWS neighborhoods, Central neighborhood is second to Hawthorne with the number of boarded and vacant properties (34 to 43 in Hawthorne, according to the housing inspections 249 list of 1999). As of May 2000, CNIA reported its neighborhood as having 26 vacant properties and 55 boarded properties.

Central faces two major housing issues and challenges. First, property value increases have created more demand for homebuyer assistance. Second, the increasing cost of structural rehabilitation, and increasing rate of mortgage foreclosure and tax forfeiture have forced owners to vacate their properties. Long-term property vacancy is said to lead to vandalism, and structural deterioration. Gaarder argues that this trend is related to three things:

- Mortgage companies granting high-interest loans to low-income residents;

- Elderly residents unable to pay taxes;

- Absentee owners who purchase and sell or rent properties for profit and leave without investing in the structure.

Gathering housing information

CNIA possesses no structured or organized process for tracking housing or property trends. This may be due to CNIA's total focus on assisting abandoned properties. University of Minnesota student interns have assisted CNIA in developing ways to track such information. The neighborhoods' participation in the MNEWS project is an attempt to develop tools that will provide CNIA with overall housing trend information.

Anecdotal information discussed among CNIA Tech Team members was the most significant source of housing information. The Tech Team is a group of community stakeholders that addresses abandoned property issues in the neighborhood. Along with

CNIA staff, the Tech Team members included representatives from the Hennepin County Tax Office, Southside Neighborhood Housing Services, Minneapolis Community Development Agency, and Community Crime Prevention/SAFE.

Information gathered by the Tech Team included owner and taxpayer name, mortgage company contracted, whether or not taxes are up to date, and whether or not the property is homesteaded. The largest sources of information for CNIA are the city of Minneapolis (e.g., police and housing inspections) and the county (e.g. Hennepin County Property Information and the tax office). Though the Tech Team Review List was used primarily for addressing "problem properties", it also informed the actions of the CNIA housing committee and was used to contact property owners if necessary.

Housing programs

Internal CNIA housing programs include:

- Central Neighborhood First Mortgage Product - purchase with rehabilitation with a seven-percent interest loan;

- Central Neighborhood Boarded and Vacant Program - a no-interest, no-payment, deferred loan forgiven if participant lives in the property for five years.

Southside Neighborhood Housing Services (SNHS) administers these programs for Central.

Outside resources & referrals

CNIA staff regularly made referrals to the following organizations:

- SNHS - for home improvement or mortgage loans, and home buyer counseling and workshops.

- Fannie Mae - to help develop mortgage products (e.g., low-interest down payment loans);

- Minnesota Housing Finance Agency - for loans, including for repair. These programs are administered by SNHS;

- Minneapolis Community Development Agency - for its rehabilitation support program. Occasionally, the program financially assists property owners with outstanding housing code violations;

- Foreclosure Prevention Program - for funding and counseling;

- Habitat for Humanity - for affordable housing projects;

- Housing Resource Center - to mediate between contractors and property owners and to access loan and grant programs.

Housing-related needs

Gaarder outlined the following needs, limitations, and gaps in available resources:

- More deferred loan or grant monies needed;

- More information on where affordable housing is available is needed;

- A mapping system that would store public information and enable the neighborhood to track trends and patterns.

Problem properties

CNIA defines problem properties in six ways. First, boarded, condemned or vacant properties are considered problem properties. Second, properties with posted citation from the city are considered problem properties. Third, properties reported as a nuisance by neighbors land on the Tech Team List are considered problem properties. Fourth, properties owned by individuals who are behind on their mortgage are considered

problem properties. Fifth, properties where excessive signs of crime are evident are considered problem properties. Finally, garbage homes are also considered problem properties.

A total of 160 properties were listed on CNIA's "problem property list." These properties spend approximately three years on the list. According to CNIA data, 15 to 20 properties on the problem property list as of May 15, 2000 were demolished. A copy of the Tech Team Review List is attached as a supplement to this Central report.

Identifying problem issues

Most often, problem properties came to the attention of CNIA staff by notification from neighbors, other community members, and by CNIA staff who drove through the neighborhood and counted the number of properties that were either boarded, being rehabilitated, or had been demolished. More detailed, formal sources of information used to identify problem properties include verbal updates from housing inspectors and CCP/SAFE officers, the Minneapolis Inspections 249 List, and official citation or violation postings on the properties.

Problem property information gathering and sources

As stated earlier, CNIA coordinated efforts to handle problem properties by forming what it called a Tech Team. The Tech Team rarely dealt with property owners on the verge of having their buildings or homes vacated and boarded. Tech Team intervention usually occurred after the properties were already boarded and vacant. Using the 249 List as a reference, the Tech Team would discuss each of the properties on the list to determine the status. Usually, Gaarder would select three properties to discuss. She selected properties for review by considering if she had received recent complaints, if the property had been on the list for two or more years, and if she believed it could be

resolved quickly. Meetings served mostly as updates and not for action planning.

Information kept on the Tech Team Review List included:

- Address, history, and notes;

- Number of units;

- Owner's name;

- The 249 code;

- Block club activity;

- Tech Team activity;

- Inspection activity;

- Whether or not a property assessment had been conducted;

- Whether it was being rehabilitated, newly developed, or researched;

- Housing Committee activity;

- If housing program funding was awarded;

- Future plans for the property (e.g., demolish, develop, rehabilitate, new construction, move, and expansion);

- Who was handling future plans for the property (e.g., private individual, SNHS, PRG, etc.);

- Current status - boarded, occupied, sold, building lot, parking lot, vacant, and move lot.

Properties that were not boarded or vacant would be dealt with through

CCP/SAFE. The Tech Team could choose to purchase and rehabilitate the property using

NRP funds. It could demolish the property, although often it only threatened demolition

to prompt action. CNIA could ask MCDA or SNHS to acquire and develop the property.

If behavioral issues were involved, CCP/SAFE personnel would take action.

Intervention strategies

Gaarder identified the following interventions used by CNIA during her tenure:

- Housing inspections enforcement of violations;

- Organized block club meetings with CCP/SAFE;

- Accessed grant dollars from Honeywell, CCP/SAFE, and James Ford Bell Foundation;

- Developed neighborhood revitalization plans through the Comprehensive Block Development project and Neighborhood Revitalization Program funding;

- Organized litter clean-ups, Youth Corp, Back-To-School Jam, barbecues, and school supply collections.

Problem property programming & funding

When dealing with problem properties, CNIA has four programs or funding sources at its disposal. First, the Homeownership for South Minneapolis Program (HOMS) provides funding to non-profit organizations to redevelop properties. Through this program organizations could receive as much as $30,000 in deferred loans. Second, CNIA could provide a subsidy. Central also used its boarded and vacant fund and problem property, revolving loan for properties that had previously been problem properties and became boarded or vacant. Third, the Home Improvement Lottery Grant was also used but no longer in exists. It is important to note that CNIA had no specific

programs targeted at existing problem properties; that is, those that were not boarded and vacant, but still problematic.

No formal or systematic form of evaluation exists for how CNIA addresses problem properties. Generally, CNIA staff evaluates its effectiveness by how long a property remains on the list.

Problem property needs

Gaarder recommends neighborhoods explore how city and state policy influence the increase or decrease in the number of problem properties in neighborhoods. Though this goes beyond the scope of this report, it may serve as a point of inquiry. Gaarder had this to say about the prospects of the MNEWS project: "This information would give us more time and help us identify the resources that are necessary for addressing problem properties and help us understand if we are spending our resources properly. To get the resources and to get change, you need information to make your case."

She believes that if CNIA staff had MNEWS indicator information, neighborhood organization staff members could send letters to property owners, or contact utility companies, lenders, or government agencies to initiate action.

Gaarder and Rogers identified the following needs for dealing with problem properties:

- Requiring property inspections prior to awarding rental licenses;

- Better sharing of information between governmental organizations and community groups;

- A pool of property acquisition money for non-profit or for-profit developers. These should be low interest, short-term loans so it is market driven;

- Being able to know when banks send default notices to property owners. This would allow developers the opportunity to make an offer to the bank and eliminate the foreclosure process;

- Provide second mortgages to families through a pool of NRP dollars. This could help neighborhoods intervene in situations where properties are on the verge of being boarded.

HARRISON NEIGHBORHOOD: Where HNA Stands

A brief introduction to Harrison

Harrison neighborhood rests on the northeast side of Minneapolis in the Near North community, which includes Jordan, Hawthorne, Willard Hay, Near North, and Summer Glenwood neighborhoods. Minnesota Highway 55 borders Harrison to the north and the Bryn-Mawr neighborhood borders it to the south.

The Harrison Neighborhood Association (HNA) represents Harrison in the MNEWS Steering Committee. Rebecca Polston, the HNA housing coordinator, serves as the liaison between HNA and MNEWS. Polston; Rochella Glover, an HNA community organizer; E.C. Mitsell, the chair of the HNA Crime & Safety Committee; and Kathy Wetzel, the former HNA housing coordinator, provided the information presented in this portion of the report.

Neighborhood housing issues

In 1999, the city assessor's office rated 30 to 82 percent of all housing units in Harrison as below average in condition. The city average was 21.5 percent. In 1999, only one percent of the properties in Harrison were listed as condos, townhouses and co-ops. Duplexes made up 23 to 53 percent of housing units. Between nine and 16 percent of the housing units were located in three and four unit buildings. The remaining 17 to 49 percent of housing units were located in five or more unit buildings.

Approximately four properties are currently boarded and vacant in Harrison neighborhood. Wetzel explained that from 1992 to 1997 about 70 units were demolished and that since that time, Harrison neighborhood gained only two units. About five demolitions have occurred in the last five years in Harrison.

The biggest issue facing Harrison neighborhood, according to HNA, is deferred maintenance of properties. This has occurred for several reasons: 1.) Low-income property owners; 2.) More absentee-owners; 3.) Decreased confidence in investment. Many of these owners - absentee or not - either are not invested in the neighborhood, cannot afford to maintain their properties, or are physically unable to maintain their properties.

Gathering housing information

Most housing trends and patterns in Harrison are identified through educated guesses based on bits of information (i.e., word of mouth, property value information, percentage change in property values, assessor information, housing inspections' condition ratings, census information, and county property information).

The information HNA staff gathered to track these trends fell largely in the realm of housing condition information, property values, and anecdotal information. Sources tapped for this information include the county assessor, building permit information (to monitor reported home improvements), visual inspection, and neighborhood residents. Information was poorly organized, according to Wetzel. Early in the NRP process, HNA attempted to chart the state of existing properties. Most properties were rated in poor condition, and most were absentee owned. At the time, HNA also believes property values had appreciated less in Harrison than in other Minneapolis neighborhoods. Wetzel indicated that there was no comprehensive database of all neighborhood properties, and that most information was organized in narrative form accompanied with available statistics. To check the credibility of information from residents or housing committee members, Wetzel said she would check the information with public data from the city and county.

Identifying trends, like the high number of absentee owners in the neighborhood, allowed HNA to initiate programs to encourage owner occupancy. If they observed property values decreasing because of poor upkeep and staff knew that specific property owners could not afford to borrow money for home improvements, HNA would create subsidy programs to assist. By knowing how many properties were boarded and abandoned, HNA was able to develop strategies for re-investment. For example, HNA created programs to assist potential homebuyers rehabilitate properties before they moved into the home. They also created a tool lending library to give access to materials for those who could not afford them when working on home improvements.

<u>Housing programs</u>

HNA provides the following housing programs:

- Homebuyer's Training - free workshops to teach prospective buyers about the purchasing process;

- Homebuyer's Entry Cost Assistance - a deferred loan up to $2,000 for down payments and closing costs. The loan is forgiven after six years of owner occupancy;

- Homebuyer's Purchase with Rehabilitation – a deferred loan up to $10,000 for rehabilitation at time of purchase. The loan is forgiven after six years of owner occupancy;

- Loans – residents can borrow up to $15,000 for improvements depending on income. The loan may be forgiven, partially forgiven, or repaid at below market interest rates;

- Tool Lending Library- can rent tools for home improvement projects.

Funding for these programs came mostly from the Minneapolis Neighborhood Revitalization Program (NRP) and private foundations. These programs were not evaluated because HNA was in its third year of NRP Phase 1. Therefore no analysis was done.

In one instance, HNA created a purchase rehabilitation program to encourage homeownership and to address deferred maintenance problems, but residents or potential residents failed to respond. HNA never learned why that program failed. For this reason, Wetzel described how HNA evaluated its use of information as a "shot in the dark." She acknowledged that there is a significant need to track information over time.

<u>Housing-related needs</u>

Wetzel pointed out the following needs, limitations, and gaps in resources:

- Access to accurate and timely information;

- Access to information over a period of time and analysis of this information;

- Case studies that illustrate how neighborhoods have identified an issue and created a program to address it, and a synopsis of the results. In other words, access to proven strategies. Though these strategies may not work for all neighborhoods, but models are helpful;

- MNEWS indicators tracked and reported over time;

- Current market value data;

- Ownership trends;

- Number of building permits pulled;

- The ability to track and measure successes and failures of existing programs
  (e.g., if a program was created to address issue A, did it really address issue A
  or was it just the economy);

- A study of two neighborhoods to compare if there was an correlation between
  increased property values and increased funding in home ownership
  programs;

- A central clearinghouse for housing resources (e.g., that would provide
  information on home mortgage products from all area banks and information
  on products, services or programs from other local organizations).

Problem properties

Problem property issues in Harrison neighborhood are broken down into occupant
issues and properties in danger of abandonment. As the housing coordinator, Wetzel
handled the latter, and Glover, the community organizer, the former. HNA staff estimate
that 10 properties comprise the list of structural problem properties in Harrison, and nine
are on Glover's list of behavioral or criminal problem properties. HNA has not tracked
the length of time properties have remained on the problem property lists. Staff estimate
that privately owned properties usually remain on the list for six months, HUD/FHA
properties two years, and tax forfeited properties between five and six years. Length of
time for behavioral or criminal problem properties is unavailable, according to Glover
and Mitsell.

Properties that fit into Wetzel's criteria for problem properties were those that
were posted for utility shot off or exhibited a sudden change in appearance of the
property's exterior (i.e., long grass or weeds, lack of paint and basic maintenance, roof
problems, and debris-covered lawns). According to Mitsell, these cases often involved

absentee landlords who were not interested in investing resources to maintain the appearance of their property.

Occupant problem properties were those connected to criminal activity (i.e., drug trafficking, robberies, burglaries, or domestic abuse) and nuisances like barking dogs, loud music and parties, loitering on property, graffiti, abandoned cars, and a lot of traffic after 11 p.m.

<u>Problem property information gathering and sources</u>

Problem properties are identified by discussions between HNA staff and neighbors, HNA staff observation while in neighborhoods, resident notification, HNA committee member complaints, housing inspection notification, or notification from police (CCP/SAFE). Specific information used to identify these problem properties included:

- Utility shot off postings;

- General appearance from visual inspections or anecdotal information in conversation with neighbors;

- Property tax delinquency information from the county;

- Condemnation notices;

- Learning that the property is in foreclosure;

- 911 calls;

- CCP/SAFE crime maps;

- Housing inspection orders;

- Calls for service by police.

It is important to note that most of the above information was collected after a property had become vacant or boarded. When a property had been posted for utility shut off or had become vacant for some reason, Wetzel said she would check to find out if the property was in foreclosure, and if it was a Federal Housing Administration mortgage or some other mortgage. At one time, she charted this information on a database, but it became too cumbersome and she began keeping track on a hard-copy list. She categorized the properties as those to watch, those to research, and she would update her list when she received new information. The more difficult properties would prompt her to bring together city council members, CCP/SAFE staff, or housing inspections.

Properties to watch would entail properties where utilities had been shut off, were in serious disrepair, or were on the cusp of being forfeited because of mortgage or tax debt. The second portion of her list included properties on which she needed to take action (e.g., properties in foreclosure, properties that were abandoned and no owner could be found). Usually this meant she would determine whether rehabilitation was a possibility or if demolition was necessary. Properties that had already been addressed or were resolved were those that had usually been demolished or rehabilitated. This information was usually kept in narrative form on a list sheet.

For occupant problem properties, Glover places properties on a list that are broken down into watch status or open status. Some houses would be noted as new to the list or as being rehabilitated. The information is compiled, recorded, and organized in the Crime & Safety Committee meeting minutes and pre-meeting announcements kept in a binder. These properties would be discussed in committee. Properties on watch status are supposed to be monitored by CCP/SAFE personnel or residents. According to Mitsell, this rarely occurs. Open status properties are on-going problems that remain unresolved.

Intervention strategies

Crime & Safety Committee meetings are the place where non-structural problems are identified and addressed by residents or committee members. The committee chair requests new information on old properties and adds new problem properties to the list. HNA considers three calls on a property within one month as a significant problem. The committee uses the information to organize action, which usually means monitoring the property and establishing a paper trail for the future. Complainants who attend meetings normally receive suggestions for action (e.g., organize a neighborhood phone tree or to call 911 if they witness suspicious activity).

CCP/SAFE staff might send the property owner a letter asking for a resolution to the problem. If that is unsuccessful, CCP/SAFE can conduct a knock and talk. Beyond that it would be a matter of building a case through documentation. Once a property is placed on the Crime and Safety Committee's problem property list, HNA staff mails the pre-meeting notes to the properties on the list.

For structural problems, Wetzel would conduct a visual inspection of the property. She would also search the Hennepin County Property Information web site to find out who owns the property and if the person was behind on his or her taxes. She would talk to the owner to determine if he or she needed assistance connecting with available resources. If it involved a rental property, she would talk with tenants to find out if repairs were needed. She would then write the rental property owner a letter asking if he or she needed help accessing resources. She sometimes referred tenants to legal aid if the owner was unresponsive. She would also check mortgage information and determine if owners were current on their loan payments. Her research sometimes involved finding out if a property was in foreclosure and if it was in the redemption

period. With this information, she would inform MCDA or local CDCs about the property and tell the organizations that the property may become available for purchase.

The following is a list of the existing strategies HNA staff uses when addressing problem properties:

- Connecting owners or tenants to resources that can help resolve problems;

- If occupied and the owner is unresponsive, staff may call housing inspections to generate motivation;

- If the property is going to be foreclosed on or is in tax forfeiture, staff may begin considering the long-term options (new construction, potential buyers, or major rehabilitation);

- Condemnation;

- Send a letter of concern to the property owner;

- CCP/SAFE could conduct a knock and talk;

- Initiate a resident letter writing campaigns to city council members;

- Organize a 911 phone tree;

- Organize a patrol of properties by residents (The Stroll Patrol program has been inactive for two years).

Problem property programming & funding

Funding for dealing with problem properties in Harrison comes from various sources. NRP funding provides dollars for lights in allies, smoke detectors, carbon monoxide monitors, speed bumps, and walkie-talkies for the Stroll Patrol. This funding is often difficult to access, according to Mitsell. State or federal funding sources included Community Development Block Grants. Harrison often used public funds to leverage

private dollars. The Prevention Intervention Programs enable HNA to offer workshops on safety, crime, self-defense, and domestic abuse, and to organize neighborhood cleanups.

Evaluation of how HNA responds to problem properties is limited. Housing structure issues were evaluated by how the property progressed from watch status to research status to resolution status. If it moved through that progression, it was deemed effective. The Crime & Safety Committee has no evaluation process in place.

<u>Problem property needs</u>

HNA staff said the following information would assist them as they confront problem properties:

- Housing inspections records;

- Building permits information;

- Recent property sale data would help determine what neighborhood trends are occurring and if flipping is occurring;

- A list of property owners who own more than one property in Minneapolis and if their other properties are in foreclosure or experiencing tax forfeiture;

- A listing of the most recent 911 calls;

- Water or gas bill information so they can attempt to refer property owners to resources that might help;

- Expanded emphasis on post-home buyer education - credit and budgeting counseling, and home maintenance counseling;

- Rental property education - particularly when the property owner has limited experience;

- Activating the Stroll Patrol;

- Having neighborhoods that have had success with specific programs share their experience with other neighborhoods;

- Civilian Housing Inspection program;

- Picketing specific properties or city council members if no progress is being made;

- Tracking the number of boarded and vacant buildings would allow them to see trends in foreclosures, tax forfeitures, and condemnations;

- Evaluating the effectiveness of how they deal with problem properties.

Currently, uncovering information on properties is time consuming. If property information could be accessed from the same place, it would help HNA immediately tap existing information. More current and accurate information would improve their processes also. Having the information in a format that can interface with the neighborhood organization's data would enhance their effectiveness. HNA sees MNEWS as a tool for planning and fundraising. Having access to fiscal information so staff can talk about trends will help them plan future programs and help track success.

The key piece, according to Wetzel, is identifying the gaps. She believes many organizations are duplicate programs and services other organizations provide. Knowing whom existing programs serve and whom they do not would be very useful. For example, what if existing programs are too cumbersome for immigrant residents? Without knowing who is served and not served by existing programs, gaps will not be filled.

HNA Crime & Safety Committee members see getting neighbors to know each other through block clubs as key. This has been challenging for this committee. They also insist that more strict follow through by housing inspections would help in dealing with problem properties. Housing inspectors need assistance whether through citizen patrols or more staff.

HAWTHORNE NEIGHBORHOOD: Where HACC Stands

A brief introduction to Hawthorne

Hawthorne neighborhood is one of two north Minneapolis neighborhoods participating in the MNEWS project. Bounded by nine other neighborhoods, Hawthorne's boundaries are West Broadway Avenue to the south, Emerson Avenue to the west, Lowry Avenue to the north, and Mill Street to the east. Hawthorne is one of six neighborhoods making up Minneapolis' Near North community.

Employees from the Hawthorne Area Community Council (HACC) sit on the MNEWS Steering Committee: Jim McDonough, the HACC housing coordinator; and Lindy Garnett, the HACC housing director. McDonough and Garnett served as the primary sources of this report.

Neighborhood housing issues

In 1999, the city assessor's office rated 30 to 82 percent of the housing units in Hawthorne as below average in condition. In 1999, only about one percent of the housing units in Hawthorne were condos, townhouses or co-ops; 23 to 53 percent were duplexes; five to eight percent were located in three and four unit buildings; and five to 16 percent were in buildings with five or more units. Single-family homes in Hawthorne made up 26 to 52 percent of the housing units in 1999.

More than any other MNEWS neighborhood, Hawthorne has 202 vacant lots. HACC also reports that this is more than any other neighborhood in Minneapolis. To clarify, these are not 202 vacant buildings but 202 plots of land with no structures. Boarded buildings account for 38 to 40 lots in the Hawthorne neighborhood, second

highest among MNEWS neighborhoods. Additionally, the Hawthorne neighborhood has had between five and seven demolitions in the last five years (1995-2000).

Like other Minneapolis neighborhood organization staff, HACC staff members believe many of the issues the Hawthorne neighborhood faces are related to property owners and residents who are unable to juggle property maintenance or rehabilitation for a variety of reasons. Simply stated, staff believes the cost of purchasing, maintaining, or rehabilitating property exceeds income. It is not uncommon for property owners to fall behind on mortgage payments. Some residents are older and live on fixed incomes. Others are single parents who have large families and possess limited financial resources or property ownership experience. One scenario described by HACC staff included a rental property owner who struggled to follow through on the reinstatement of his rental license. In another case, an immigrant property owner purchased a property he did not know was condemned. This owner, who needed a home for wife and six children, was unprepared to work toward removal from the condemnation list.

Recently Hawthorne property values have increased, as have the costs of maintaining and rehabilitating homes or properties. This dynamic coupled with unprepared residents presents a tremendous challenge for HACC. These circumstances translate into a need for funding, education, and human services, according to HACC staff. HACC staff insists these services are inaccessible, a significant blow to residents attempting to meet the needs of their homes or properties.

Gathering housing information

To understand neighborhood issues, HACC conducts an annual housing development survey to track trends or patterns. HACC uses the survey to identify problem properties, vacant lots, boarded buildings, and housing improvements. The

survey is mailed to neighborhood residents, and staff distributed it to residents who staff internal committees (e.g., housing, community building, crime and safety, and youth).

Other sources of housing or property information comes to light when:

- Residents apply for HACC programs;

- Staff access the Hennepin County Property Information web site;

- When residents come to the HACC office and submit complaints;

- When HACC staff exchange information with city inspections (e.g., boarded building list);

- When HACC staff interacts with block clubs.

<u>Housing programs</u>

In the summer of 2000, HACC made Neighborhood Revitalization Program dollars available to property owners. The funds are intended to assist owners in improving and purchasing properties. The following are the HACC housing programs:

- Matching deferred loan for owner occupied properties - The $500 to $15,000 loan is intended for owner-occupied, residential structures with one to four units. The no-interest, five-year loan will be completely forgiven if the owner lives in the property for five years and completes 24 hours of community service each year;

- Matching deferred loan for absentee-owned properties - The $500 to $15,000 loan is intended for residential structures with one to four units. Owners are required to match each loan dollar. This no-interest, five-year loan will be completely forgiven if the owner lives in the property for five years and completes 24 hours of community service annually;

- Revolving loan for owner-occupied properties - $500 to $15,000 loan is intended for residential structures with one to four units. Eligibility includes a gross annual household income of $78,890 or less. Repayment of the four percent interest loan is not to exceed 10 years and is based on loan amount, household income, and amount of current debt;

- Homebuyers assistance program - Assistance ranges from $1,000 to $10,000. The program allows for up to $2,500 for the down payment and up to $10,000 for home improvements. The loan is intend for owner-occupied residential structures with one to four units, and the structure must have been unoccupied by the owner the year prior. The owner must match each loan dollar of the no-interest loan;

- Interest write-down subsidies - Loans provided through the Minnesota Housing Finance Agency at six to eight percent are offered at four percent in Hawthorne.

The effectiveness of HACC housing programs remains to be evaluated. HACC staff reports the organization will soon begin an evaluation process.

Outside resources & referrals

HACC also makes referrals to other organizations or agencies:

- MHFA – for loans and/or its Home Fix It Program;

- Community Action Agency of Minneapolis – for weatherization or energy assistance;

- Northside Neighborhood Housing Services – for Community Development Block Grant loans, homeownership education, and mortgage foreclosure program;

- School Stability Program – a Minneapolis Urban League program where a housing inspection occurs after a child is identified as being chronically truant. The program awards 30 families as much as $2,000. Assistance includes rent subsidies, family budgeting, and referrals to appropriate social services. This is a pilot project seeking to show that if transient families can find a stable home their children will be more likely to attend school and to learn better;

- Center for Energy and the Environment – for home improvement loans and assistance;

- Home Ownership Center - for home buyer training and education, for information about other mortgage or loan programs;

- Northside Residence Redevelopment Center;

- Pilot City Regional Center Neighborhood Services – for home repairs, free labor, and home maintenance program;

- US Bank – for the home advantage loan program;

- BankAmerica Mortgage - for loan program;

- ACORN – for loan counselling and homebuyer program/education;

- Housing Resource Center – for home repair loan program information;

- Habitat for Humanity – for affordable housing;

- Urban Hope Ministries – for support and other needs;

- Project for Pride in Living.

Housing-related needs

HACC staffers identified the following needs, limitations, or gaps in available resources:

- Home ownership education that begins at before ownership and continues through ownership;

- Need for a systematic evaluative process for HACC programs.

To conduct a useful evaluation of their processes and programs, HACC understands that it will need to conduct interviews with residents. McDonough estimates that 90 percent of HACC activities related to housing have been largely strategizing and planning programs.

HACC staff believes MNEWS indicators would be very useful information for tracking housing patterns and trends. McDonough identified property tax delinquency as the most essential piece of information neighborhood organizations could have. This information would help HACC identify problems early enough to intervene before the situation becomes more problematic. A former MNEWS Steering Committee member contends that water bill payments would be an even earlier indicator.

Problem properties

HACC defines problem properties in four ways. First, properties with a high incidence of crime are considered problem properties. Second, properties owned by individuals who are unprepared to pay for rehabilitation of the building, unable to assume property owner responsibilities, and fail to follow through on necessary processes to rehabilitate their property are considered problem properties. Third, boarded, vacant,

burned, or condemned properties are problem properties. Fourth, properties with open housing code violations are problem properties.

Though HACC does not compile a formal problem property list, approximately 50 properties are currently considered problem properties. Normally problem properties take between one to two years to address.

Identifying problem issues

Problem property-related issues come to the attention of HACC staff through various means. Staff learns about problems through meetings with other community stakeholders (e.g., city inspectors, police, and block clubs), by surveying neighborhood residents, when residents or property owners notify staff, and form other community members (e.g., housing committee members, HACC staff or volunteers).

Collaboration with other community members aids HACC staff as they identify community issues like problem properties. Project Empowerment is a community partnership where various local agencies come together to collectively address issues. Participants include Community Crime Prevention/SAFE; Hennepin County Economic Assistance & Social Services; Employment Action Center; General Mills; Salvation Army; Minneapolis Public Schools; Jordan Area Community Council; Hennepin County Juvenile Probation; North Memorial Family Practice Clinic; Loaves and Fishes; Elim Transitional Housing; Urban Hope; Unity House; Phyllis Wheatly; Housing Inspections; Legal Aide; and New Salem Baptist Church.

Project Empowerment focuses its efforts on "people" concerns, according to HACC staff. Though not specifically focused on problem properties, Project Empowerment influences and improves situations related to problem properties.

HACC also participates in another community collaborative, the Hawthorne Huddle, where problem properties are identified and addressed. A General Mills Foundation creation, the huddle serves as a community forum where residents, educators, police, judges, social service agencies, and faith community representatives gather to meet community needs.

Problem property information gathering and sources

Aside from information collected through partnerships with other community stakeholders and resident complaints, HACC staff members identified three other specific sources of information they use to identify and deal with problem properties:

- The Hawthorne Housing Development Survey;

- Hennepin County Property Information web site, which provides the name of the owner and taxpayer, a property description, address, and phone number;

- The Minneapolis Inspections boarded property list.

HACC organizes information gathered by address initially, and then by the individual's name once personal contact begins with the people associated with the problem property. Information is collected informally in notes, report summaries, and meeting minutes.

When they receive information on a property from a source, HACC staff begins gathering information (i.e., county property information). The initial HACC staff contacted may discuss the issue with other staff members to collect more information, or the staff member may present the information at the Project Empowerment meeting to problem solve. Thereafter, a personal meeting with the property owner or resident is usually conducted. The staff member then, with the resident, devises an intervention or

action plan. They may work together to access HACC programs, or other community organizations and resources.

Specific interventions for problem property scenarios can be viewed in the HACC Problem Property Case Study included in this report.

<u>Problem property programming & funding</u>

HACC has no specified funds for problem properties, but it does use NRP and private funding for its housing programs, which do address problem property issues. The effectiveness of how HACC handles problem properties is determined if there has been a resolution to the issue. HACC problem property processes remain unevaluated, and staff members see this as a need.

<u>Problem property needs</u>

HACC staff outlined the following needs related to dealing with problem properties:

- A housing resource hotline;
- Delinquent property tax information;
- Immediately accessible property owner information;
- Maintaining current county property information;
- A more formal case management system for problem property owners;
- Postcards sent to property owners behind on mortgage, property taxes, or water bills. The card would provide contact and resource information;
- An accessible problem solver/advocate at a community center;
- MNEWS indicator data;

- Systemizing information gathering and intervention strategies so protocols can be developed and evaluated.

LONGFELLOW COMMUNITY: Where LCC Stands

A brief introduction to the Longfellow Community

Set along the Mississippi River's west bank, the Longfellow Community includes Longfellow, Cooper, Howe and Hiawatha neighborhoods. The Longfellow Community sits on the southeast corner of Minneapolis and is bordered by eight neighborhoods. The 27th Street railroad tracks forms the community's northern border. The Mississippi south of 27th Street railroad tracks forms the Longfellow Community's eastern border, and the Hiawatha railroad tracks south from the 27th Street railroad tracks forms the western border. The southern boundary of Minnehaha Park is forms the Longfellow Community's southern border.

The Longfellow Community Council (LCC) serves as the neighborhood organization the Longfellow Community. Kristen DeGrande, formerly the LCC housing coordinator, represented LCC on the MNEWS Steering Committee. Currently, Rachel Sheild, a community organizer, serves as LCC's representative on the MNEWS project. Interviews with DeGrande, Sheild, and Larry Hiscock, a former community organizer at LCC, provided the information for this portion of the report.

Neighborhood housing issues

In 1999, the city assessor's office rated 20 to 30 percent of the housing units in Longfellow and Howe neighborhoods as below average in condition. Between 15 and 20 percent of the housing units in Hiawatha neighborhood were rated below average, and 10 to 15 percent of Cooper housing units were rated below average. The city average was 21.5 percent of housing units.

In 1999, Longfellow, Cooper and Howe neighborhoods had no condos, townhouses and co-ops in their housing stock while they made up six to 69 percent of the housing units in Hiawatha. Duplexes made up 12 to 22 percent of housing units in Longfellow and Cooper neighborhoods and seven to 11 percent of the housing units in Howe and Hiawatha. Longfellow neighborhood had the highest percentage range of housing units located in three and four unit buildings (three to four percent), and the largest range of housing units in five or more unit buildings (17 to 49 percent).

In Cooper, Howe, and Hiawatha neighborhoods, single-family housing units made up 56 to 82 percent of the housing units in 1999. Single-family housing units accounted for 26 to 52 percent of the units in Longfellow.

Longfellow had always been an affordable, blue-collar neighborhood, but over the years it has become less so as affordable housing has decreased and housing values have increased. Property upkeep has also increased, which has been a particularly difficult issue for older residents, single-parent families, and low-income property buyers. Aging houses in the neighborhood have posed structural problems for property owners.

Gathering housing information

No systematic process exists for identifying housing trends and patterns in the LCC area. Most information is cultivated through face-to-face interaction with neighbors, property owners, police officers, and housing inspectors. And most is anecdotal.

The core of the information gathered comes from housing inspections and police records. Hiscock kept a running list of call-ins about properties. These tended to be problem-property issues. For housing trend information, residents represented the predominant source of information. Other sources of information included city council

members, LCC staff, Minneapolis Inspections 249 list, Hennepin County Property

Information, and mapping or demographic neighborhood information from the

Minneapolis Planning Department (i.e., maps of homesteaded properties, Census data).

Former LCC staff acknowledged that they had no system in place to examine

housing trends or patterns. Hiscock characterized the tracking of housing trend

information as ineffective because information was usually disseminated by "word of

mouth" – newspaper stories, neighbors, realtors or property sellers and buyers, LCC

committee members, and park board members. Realistically, staff members focused on

immediate needs and looked at individual cases rather than overall trends and patterns.

Nevertheless, DeGrande had been in the process of creating a database that would

allow her to keep all LCC information by address prior to her departure. The database

would have recorded Neighborhood Revitalization Program dollars allocated to the

property, what housing programs the property owners were participating in or had

participated in, criminal activity reported at the property, block club participation, and

property resident history. DeGrande kept databases for each LCC's housing programs.

She stored property-owner name, address, the program, and amount of funding provided.

She planned to merge this into a single database. She used the information to inform her

grant writing and when considering the kinds of programs best suited the Longfellow

Community.

Housing programs

LCC offers the following housing programs:

- Major Remodeling Program - a low-interest loan to homeowners and rental

  property owners who want to remodel, repair, and/or expand their homes.

  The program attempts to assist families that can repay a loan, but may not

have enough equity in their homes or have difficulty qualifying for conventional home improvement loans. The minimum loan is $3,000 and maximum is $15,000;

- Basic Home Improvement Program - assists low-income homeowners make needed structural and mechanical home improvements to their homes through deferred loans. The loan is forgiven after five years of residency. The maximum loan awarded is $10,000. Participants must be owner-occupants of a single-family home in the community. Mortgage payments and real estate taxes must be current;

- Fix and Paint Program - no longer in existence, this program matched a property owner's $2 with a $1 for exterior improvements;

- Early Access Funds - zero or low interest loans, deferred loans, or grants for down payment assistance;

- Exterior Improvement Program - awards 0% interest and deferred loans to owner- occupied or absentee-owned properties (not exceeding 4 units) that meet a specified level of disrepair. Participation depends on income. Must meet a certain housing-condition rating. The loan is forgiven after five years of residency. For each $1 property owner contributes, LCC contributes $3. Minimum loans are $300, and maximum are $4,500;

- Home Security Program - grants to address improving safety and security in and around properties. No repayment necessary. Maximum grants are $500.

Funding for these programs comes from NRP. In 1999, LCC was fortunate enough to have their programs funded out of income generated from Early Access

Program loan repayments. In 2000, the Basic Home Improvement Program was funded through grants from the Federal Home Loan Bank and the Minnesota Housing Finance Agency.

Housing programs were not evaluated. Yet, DeGrande said that the programs tended to meet the need of "1/4" of the property owners needing assistance. Essentially, programs were successful if they satisfied a need.

Outside resources & referrals

Former LCC staffers said they made referrals to MHFA and MCDA to property owners needing housing funding. Community Action of Minneapolis was regularly called on when low-income property owners need assistance during the winter with deferred loans for windows, furnaces, doors, and insulation. Extreme, immediate needs were referred to First Call For Help when relevant. The Center for Energy and the Environment provides four low-interest programs and the Housing Resource Center also served as external sources.

Housing-related needs

LCC staffers offered the following ideas about the gaps, needs, and limitations in existing resources:

- There is a need for a tool that measures if funds are being used appropriately or in meaningful ways (e.g., Are deferred loans with a maximum of $10,000 enough to make a difference in the quality of the house when a property owner is unable to invest his or her own money into the home?);

- There is a need to identify other funding sources;

- There is a need to identify ways other neighborhoods have successfully leveraged their NRP dollars to access other funds;

- There is a need to identify what resources are in the neighborhood so the neighborhood organization can build partnerships, which will make a larger impact;

- The ability to access housing inspections data and being capable of accessing data more quickly would also be beneficial.

Problem properties

LCC defines problem properties as either behavioral or structural in nature. Behavioral issues involve mostly criminal activities like aggression, drug dealing, theft, speeding, and domestic violence. However, non-criminal or nuisance behaviors are also considered problem property issues. Property structure problems involve code violations, or maintenance and rehabilitation resource limitations because of factors like income level, age, or family structure (i.e., single-parent families). Between 12 to15 properties are on the current LCC problem property list. This list focuses on criminal or nuisance problems not structural problems.

Identifying problem issues

Residents, LCC volunteers, and block club members inform LCC of the behavioral concerns in the neighborhood. If it is a concern for neighbors, that is, if more than one person notifies LCC about an issue with a property, LCC approaches it as a problem property and begins researching the issue.

Hiscock logged behavioral problem properties in a binder. He tracked the properties by address, and kept it as a running list. Information noted on the list included address, property owner name, whether it was homesteaded or not, and name of tenants if it is a rental property. Hiscock would also mark if it was a property to keep an eye on, a property that had been dealt with, and a property that needed to be monitored.

Resident complaints, 911 calls, and housing inspection citations made up the core of the information sources.

Incoming problem property information would be brought before a gathering of community stakeholders (e.g., police, block club leaders, and residents). Each stakeholder would respond to the property being discussed if they had information to offer. Meetings began as problem-solving efforts but evolved into update meetings as participation diminished.

<u>Intervention strategies</u>

LCC staffers address problem properties by using the following intervention strategies for crime or nuisance problems:

- Establishing phone trees, where neighbors would call each other when they witness criminal or problematic activity and, consequently, call the police department;

- Arrange meetings with property owners and block clubs;

- Find a respected neighbor to discuss the issue with the property owner;

- Request the county attorney submit a letter to the property owner;

- Develop rapport with youth who are engaged in criminal or nuisance behavior;

- Contact Child Protection Services if children were involved;

- Put pressure on property owners by requesting a property inspection by the city;

- Mail flyers to properties neighboring the property to solicit more information from other residents about the problem;

- Work with CCP/SAFE officer to stakeout the property when suspecting criminal activity;

- Contacting city council members so they put pressure on city agencies to take action or to have the council members mediate the problem;

- Educate block clubs about how they can build a case against an uncooperative property owner;

- Door knocking to learn more about the reported problem;

- Hold afternoon barbecues so the nuisance property owner becomes more involved in the neighborhood or to gather information about the problems in the neighborhood.

Property structure problems are addressed by:

- Connecting senior residents to Healthy Seniors for health related problems and to learn about services and educational workshops; or referring them to Handy Works, a fix-it program for the elderly and disabled;

- Create partnerships between youth and property owners in the neighborhood;

- Work with block club to determine what neighborhood resources will help single parents who are struggling to maintain or repair property;

- Conduct a community clean up;

- Refer to LCC housing programs for grants and loans;

- Contact city council and housing inspections regarding code violations and ask affected residents to call as well.

Problem property programming & funding

Funding for problem property programs or activities comes from NRP. LCC has also used a crime prevention grant from the Department of Children, Families & Learning to address problem properties. LCC awards home security grants for materials like window pins, and motion sensitive lights.

Much like other neighborhoods, the processes and programs established to address problem properties in LCC are not formally evaluated. Essentially, if the problem was raised again, LCC considered it a success.

Problem property needs

Additional information that might help LCC address problem properties includes knowing where block club leaders live and connecting all the leaders so they can work together, and accessing monthly crime statistics. LCC is attempting to develop strong relationships with block clubs so that they become "resource centers" for residents.

By having immediate access to current crime data, LCC would be better able to inform and organize neighbors when necessary. It is believed that holding regular monthly meetings about problem properties with stakeholders would significantly assist LCC. Since Sheild has taken over as community organizer, LCC has been conducting monthly meetings with police and housing inspections. Crime statistics are also becoming more accessible.

To better evaluate the way LCC handles problem properties, Hiscock suggested surveying residents after an issue has been addressed, tracking the number of times a property has come to the attention of a consistent "problem property caucus," and tracking how a property moves through LCC's problem property process.

POWDERHORNPARK NEIGHBORHOOD: Where PPNA Stands

A brief introduction to Powderhorn Park

Powderhorn Park neighborhood is set in south central Minneapolis and bordered by six neighborhoods: Phillips neighborhood to the north; Corcoran and Standish to the east; Bancroft and Bryant to the south; and Central to the west. Powderhorn Park neighborhood is bounded by Lake Street to the north, 38th Street East to the south, Cedar Avenue South to the east, and Chicago Avenue to the west.

Powderhorn Park Neighborhood Association (PPNA) serves as the neighborhood organization for Powderhorn Park neighborhood. Elena Gaarder, a community organizer and housing coordinator, serves as the PPNA representative on the MNEWS Steering Committee. Gaarder and PPNA Executive Director David Rubedor provided the information presented in this portion of the report.

Neighborhood housing issues

In 1999, the city assessor's office rated 30 to 82 percent of all the housing units in Powderhorn Park as below average in condition. The city average was 21.5 percent. Of all housing units in Powderhorn Park in 1999, about one percent were condos, townhouses, or co-ops; 23 to 53 percent were duplexes; nine to 16 percent were units in three and four unit buildings; and 17 to 49 percent were units located in five or more unit buildings.

As of August 2000, Powderhorn Park had six vacant and boarded properties in the neighborhood and two vacant properties. Powderhorn Park neighborhood averages one to two demolitions per year (since Jan. 2000, there has only been one demolition).

PPNA staff identified four major housing issues and challenges facing Powderhorn Park. The first is the decreased affordability of housing in the neighborhood

as a result of rising housing values and rents. With most of the homes in the neighborhood built between 1900 and 1920, the aging housing stock has exacerbated the issue. Additionally, traffic in commercial zones neighboring residential areas makes these areas less resident friendly. Finally, Powderhorn Park is experiencing a greater need for larger housing units (three to four bedroom).

<u>Gathering housing information</u>

PPNA identifies housing trends and patterns by receiving feedback from residents and individuals moving into the neighborhood. Feedback is mostly verbal. Discussions between PPNA staff and members of the PPNA Housing & Land Use Committee also help keep the PPNA staff abreast of trends and patterns. PPNA staff use information compiled by housing groups like the Powderhorn Residents Group or the HOMS Initiative to inform them of the goings on in Powderhorn Park. City and county information is used to gather specific public information on properties.

If a resident submits a complaint, the information is checked with public or in-house data. Housing value information is usually learned by word of mouth.

The information received is used to take action. For example, because of traffic issues related to commercial properties, PPNA helped establish permanent cul-de-sacs on the 3000 blocks of 10th and Elliot to buffer Lake Street traffic. PPNA tries to develop programs around the issues staff learns about. They use information when targeting repair grants and when designing programs. The information aids in informing or educating the PPNA board of directors and committees about neighborhood needs. Like other MNEWS neighborhoods, PPNA acknowledges that it does not evaluate the way it collects and uses its information.

Housing programs

PPNA provides the following housing programs:

- Down Payment Program – to help first-time homebuyers purchase a three or more bedroom home. Grants are valued at five percent of purchase price or up to $3,500;

- Proposals for 3-4-bedroom unit subsidies;

- Homeowner or renter repair grants (funds have been depleted);

- Rental Property Owners Group – a mentoring program, which is no longer active;

- Little/LOTS program - national design competition, which is no longer in effect;

- Problem Property Caucus – a collaborative effort conducted with other community stakeholders to address housing structure and social issues in the community;

- Artists on Chicago - a one-time subsidy into an affordable housing development project completed in conjunction with Central neighborhood;

- MURL Program - MHFA program where a developer receives funds to rehabilitate a property and sells it to low-income, high-risk, family. The property is sold on contract for deed. Family pays 30% of their income. Family cannot lose the property for financial reasons;

- Home Ownership Works program - MCDA develops boarded and vacant properties. PPNA locates the properties for MCDA.

Program funding comes mostly from NRP, Honeywell (down payment funds), and various foundations.

No formal program evaluation exists. The most significant analysis of programs is when staff or committee members tabulate the number of properties or people served by the programs and examine how much money was spent and how much was leveraged. Committees conduct such reviews annually. In fall 2000, PPNA was conducting an evaluation of its Housing Repair Grant, Rental Property Repair Grant, Down Payment Assistance Grant, and 3-4-bedroom development fund. All were NRP funded.

Outside resources & referrals

Aside from their own programs, PPNA staff members make referrals to the following organizations or community resources:

- Powderhorn Residents Group, Southside Neighborhood Housing Services, ACORN – for homebuyer counseling;

- Rehab Support Program, MCDA, or banks for repair funding;

- Minnesota Attorney General Office and handbooks, tenants union, Hennepin-Powderhorn Partners – for tenant issues;

- MCDA – for loan programs;

- Hennepin-Powderhorn Partners – for social services;

- CCP/SAFE officer – crime and safety concerns.

Housing-related needs

PPNA staff identified the following needs, limitations and gaps in resources and information:

- Up-to-date, easily accessible data;

- A way to process large amounts of information (i.e., mail, whether electronic or conventional);

- A GIS mapping system so the neighborhoods can access information about the neighborhood and properties immediately for planning purposes, to track market value, examine housing trends and patterns, and to visually study what areas of the neighborhood they are targeting their resources.

Problem properties

PPNA defines problem properties using four categories: vacant and boarded properties; properties chronically in violation of housing codes; properties known to have been site of criminal activity; and properties reported to have been site of suspicious behavior by two neighbors. A total of 16 problem properties make up PPNA's active case list. Most properties on the list spend three to six months on the list with the exception of criminal problem properties, which can spend a month to a year on the list. A sample of the PPNA problem property list can be found after the PPNA case study.

Identifying problem issues

Problem properties come to the attention of PPNA staff either through residents or during meetings with members of the PPNA Problem Property Caucus (i.e., city council members, CCP/SAFE, housing inspections, Hennepin-Powderhorn Partners, Minneapolis Community Development Agency, Hennepin County Probation, and the PPNA executive director and community organizer). Information used to confront problem properties comes from housing inspections, CCP/SAFE reports, resident complaints, visual inspection of property, referrals from social services, the Minneapolis Housing Inspection's 249 list, and the Hennepin County Property Information web site.

<u>Intervention strategies</u>

During the PPNA Problem Property Caucus, members can bring a problem property to the meeting for discussion. All information exchanged during the meeting is confidential. Meetings are closed so information can be more freely shared. Once the caucus has discussed a new property, members can then decide to investigate further, to gather information or have a member directly contact the property owner or resident. PPNA maintains a database of information on the problem properties. This problem property list is divided into four sections: new and unconfirmed properties; active properties (or actively being addressed); post monitor properties (or those that have been addressed but require monitoring), and finally, the closed properties (or those were no further action or monitoring is required). The properties are listed by address.

During their monthly meetings, caucus members add properties to the list and review properties already on the list. Each member is responsible for taking action on a property and for reporting back to the caucus. The final step when discussing a property is to establish what course of action will be taken. Whatever has been determined is the responsibility of one or more caucus members assigned to the property.

PPNA staff articulated the following strategies staff members use to address problem properties:

- Coordinating activities to address specific issues by working with tenants and/or property owners;

- Holding block club meetings to ensure neighbors that issues are being addressed. These can also be brainstorming meetings where the block identifies ways to resolve the problem;

- Work with landlords one-on-one;

- Work with landlords to find them mentors in the neighborhood;

- Housing inspections can enforce code violations;

- Police can increase presence on the block, including higher surveillance by crack team when drug issues are involved;

- Provide rehabilitation money when possible;

- Provide translation services if necessary;

- Make a referral to another organization or agency;

- Search for a developer to take over the boarded or vacant properties;

- Have probation officers increase presence on the block to discourage criminal activity;

- Identify new property buyers with the help of block clubs through word of mouth;

- Use NRP funds to acquire vacant or boarded properties;

- Demolish or rehabilitate properties;

- Organize rental property tenants in response to rental property owner problems;

- Form block clubs to address behavioral problems.

Problem property programming & funding

NRP makes up the bulk of funding for addressing problem. Other funding sources include MCDA, Hennepin-Powderhorn Partners, and CCP/SAFE. The process established to address problem properties has not been formally evaluated. The effectiveness of how properties are handled is determined by how much time a property has been on the list.

PPNA insists that the MNEWS database will be a significant tool for early identification of problem properties. Staff believes that enough information exists to address problems early. All that is needed now, according to PPNA, is a system that will alert the neighborhood associations about problems and new intervention strategies. Behavioral issue strategies will be critical for the success of the early warning system.

Problem property needs

From PPNA's perspective, the following needs, gaps, or limitations should be addressed:

- Mapping of existing problem properties;

- Funding for loans and grants;

- More staff time to address lower priority problem properties so prevention can occur;

- Producing annual reports on the problem property process;

- Reporting on how different properties have been addressed;

- Putting the problem property process in writing so it can be studied and analyzed.

SEWARD NEIGHBORHOOD: Where SNG Stands

A brief introduction to Seward

Seward neighborhood rests in east central Minneapolis and is bordered by six

neighborhoods: Phillips to the west, Longfellow and Cooper to the south, Prospect Park

to the east, and Cedar-Riverside and University to the north. The neighborhood

boundaries are 9th Street South to the north, the 27th Street railroad tracks in the south, the

Mississippi River to the east, and Hiawatha Avenue to the west.

The Seward Neighborhood Group (SNG), a neighborhood organization,

represents Seward residents on the MNEWS project. SNG staff members Bernie Waibel,

the housing coordinator, and Tom Ruffaner, the crime and safety organizer, sit on the

MNEWS Steering Committee and provided the information for this portion of the report.

Neighborhood housing issues

The city assessor's office reported that in 1999 between 15 to 20 percent of all the

housing units in Seward were rated as below average. The city average was 21.5 percent.

Housing units in Seward can be categorized as follows, according to 1999 city records:

two to five percent are condos, townhouses, and co-ops; 12 to 22 percent are duplexes;

five to eight percent are units in three to four unit buildings; and 17 to 49 percent are

units located in five or more unit buildings.

SNG staff indicated that uncooperative owners of non-homestead rental

properties, usually owners of small rental properties like duplexes and single-family

homes, continually pose a challenge to the neighborhood. They attribute this to housing

speculation, landlords who rent to ill-prepared and dependent tenants, and landlords who

fail to check tenant credit, criminal, or previous rental or housing history. Higher

property values in the Twin Cities make housing less affordable in Seward and make it more costly for seniors and lower income working people to afford, maintain and repair their property. This dynamic also can bring speculation, price gouging, and maintenance deferral.

Limited resources, including limited time, have squeezed property owners attempting to maintain or revamp their property or those needing assistance in maintenance and repair. Many of the challenges SNG faces are with properties that have a history of structural problems. Many of these homes were built before 1916 and were not targeted for improvement through SNG housing programs. The housing programs focused on properties between 20 and 30 years old.

Something that seems to "make or break neighborhoods," according to Waibel and Ruffaner, are the differences in how property owners value their properties. Some individuals identify with their homes and others simply see them as a place to live. The result is varied forms of investment – psychologically, financially, and physically.

Historically, Seward witnesses one to two foreclosures per year. The neighborhood has had one boarded property in five years and no vacant properties in the same time span. And Seward has had three demolitions in the last five years.

Gathering housing information

The most organized way that SNG identifies housing trends is through visual survey conducted for the Blighted Housing Program. However, this program focuses on at-risk properties, not all properties. Other, less formal and more prominent ways SNG tracks housing trends, is from personal contact or phone contact with residents, block club members, property owners, CCP/SAFE personnel, rental property tenants, business owners, city housing inspectors, and SNG staff or volunteers. Waibel and Ruffaner

described the information they use as unreliable, not useable, and largely anecdotal, with the exception of the annual property updates provided by the city. Realtors in the neighborhood are also sources for information on property pricing, affordability, and the amount of turnover in the neighborhood.

Other than the blighted housing survey, information sources tend to be verbal or written complaints by an array of neighborhood stakeholders (e.g., residents, property owners, business owners). SNG staff receives much of its Seward real estate information from realtors on the housing committee and from the Hennepin County Property database or city updates. Additionally, much informal or anecdotal housing trend information is generated when talking with residents who are applying for SNG housing programs.

SNG organizes its housing information on a blighted housing program grid sheet. This list includes the address, notes describing its location, the criteria they meet and score, a total score, and notes on what specific structural or behavioral problems exist (See blighted housing program description in the problem property portion of this narrative).

Housing programs

Below are the five housing programs available through SNG. All are funded through Neighborhood Revitalization Program (NRP):

- Deferred Loan Housing Program – to address energy efficiency and hazard abatement (4 loans/year), South Seward (12/year), and the neighborhood at-large (27/year). These are $4,000 matching awards for interior repairs after "code violation" exterior work is completed;

- Duplex Re-conversion Program – created to assist homeowners or investors change duplexes into single-family homes. This is a matching deferred loan is

forgivable after five years of owner occupancy. Awards range from $6,700 to $10,000. Four are awarded annually;

- Home Additions Program – five-annual deferred loan awards of $10,000 to owner-occupants of single-family and duplex homes. These awards must be matched and are forgivable after five years. Four are awarded annually;

- Rental Repair Grant Program – a $1,000 grant per unit for no more than nine units. The maximum grant is $6,000. Grants must be matched by owner and used for exterior improvements. Some 25 apartment units are awarded grants annually;

- Blighted Housing Program – enables SNG to purchase, rehabilitate, re-sell, or demolish the property. Over the last eight years, $300,000 has been allocated to this program.

Previously, SNG would request housing program participants to complete feedback forms, but such evaluations have not been conducted in two years. SNG is in the process of evaluation.

Outside resources & referrals

Like other neighborhood organizations, SNG also taps resources outside its offices. SNG makes referrals to the Center for Energy and the Environment, MCDA, Habitat for Humanity, Southside Housing Resource Center (GMMHC), and local lenders (i.e., banks, credit unions, management companies, and community non-profit developers).

Housing-related needs

Finally, Waibel and Ruffaner provided a list of needs, limitations and gaps in resources related to housing trends:

- Having the current property owner(s)' name and phone number available;

- Ensuring rental property owners know about resources available to them through the Minnesota Multi-Housing Association;

- Monthly meetings with housing inspector(s);

- Educated rental property owners;

- Very low-interest rate loans or grants;

- Strategies to address psychosocial issues (e.g., dementia, chemical abuse, and mental health);

- More stable relationship with police officers (SNG believes Seward is a training ground for new beat officers who are often reassigned);

- Housing inspectors need additional help with their caseload;

- Fear for safety often inhibits housing inspectors from intervening to fullest extent;

- More housing choices to accommodate residents with full range of housing to meet the changing needs (i.e., life-cycle housing);

- Knowing the ethnic background of the neighborhood would help SNG in situations where social services are needed.

Problem properties

SNG defines problem properties using three broad categories. First, problem properties are those properties that land on the blighted housing program list for structural or behavioral reasons. Second, problem properties may be properties that may not have been documented as problematic, but appear neglected. Third, problem properties are those that are reported by neighbors because of criminal or safety concerns.

Currently, 20 properties are on the Seward problem property list. Problem properties with appearance problems average two years on the blighted housing list. Seward reported that as of August 2000 two properties were under police observation for behavioral issues and on the blighted housing list.

Problem property information gathering and sources

As indicated in the discussion about housing trends, problem properties come to the attention of SNG staff via the blighted housing annual survey, and from complaints by neighbors, block clubs, CCP/SAFE officers, housing inspections, tenants, and property owners.

Properties identified through the annual blighted housing survey are considered for inclusion on the blighted housing program list. Properties land on the blighted housing program list if:

(1) They exhibit severe exterior deterioration;

(2) If they front a neighborhood main corridor;

(3) If they have a history of housing code violations;

(4) If they have become subject of documented complaints to SNG because of problems with physical condition, lack of maintenance, or failure to remove trash.

A property that meets any of the above criteria is given a score of 0 to 2 based on a visual inspection by Housing Committee members. Properties receiving equal scores are then evaluated on the following criteria:

(5) If they have been site of documented criminal activity;

(6) If they are in an area where other "problem properties" exist.

These criteria are also scored 0 to 2. The housing committee selects the properties with the top eight scores as the priority properties.

Other than the blighted housing program list, Ruffaner maintains criminal activity computer database by address. He collects the following information:

- Date of call;

- Date of incident;

- Time of incident;

- Type of crime;

- Building number and street;

- Home or garage (structure violated);

- Entry method;

- Caller, phone number, and address;

- Victim name and phone number;

- Police case number;

- If 911 was called;

- Status of the case;

- Sector where occurred.

Intervention strategies

For structural issues identified through the blighted housing program survey, the SNG Housing Committee and members of Seward Redesign, a community development corporation, collaborate on what action might be taken on the eight priority properties. Action involves demolition or rehabilitation by the new or existing owner. Once decided, Seward Redesign is responsible for action implementation. Waibel and a Seward

Redesign representative divide the workload in half. Aside from prioritizing, the information collected enables SNG staff and Seward Redesign to determine what strategies might aid them in revitalizing properties on the list.

For behavioral issues, SNG staff members speak with the complainant to find out his/her side of what happened. The problem is normally longstanding and has not been documented. Staff also asks the complainant if he/she has confronted the other party. Staff then brings the complaint to its weekly meeting with the CCP/SAFE officer.

When SNG staff receives a complaint, they can ask police to check if any 911 calls have been made to the property. SNG also checks to see if the property is already in the crime and safety database or files. SNG can also request that CCP/SAFE officer conduct a criminal history check. Another option is to have police place the property on the "watch" list, which means any time police are called to the property they must complete a report and provide CCP/SAFE personnel a copy.

Strategies available to Ruffaner include organizing block club letter-writing campaigns to property owners, tenants, city council members, and the local police precinct commander. Rental property owners who do not maintain control of their property after being notified by CCP/SAFE through a written letter can lose their rental license.

After receiving notice about a structural problem, SNG staff usually makes a referral. For example, a staff member may suggest the complainant call the city housing inspector. SNG staff also examines the usefulness of intervening via the Blighted Housing Program - purchasing the property. Among the strategies available to SNG are convincing property owners to sell their property, connecting the property owner with resources (e.g., loans, grants, or other services and programs), taking the uncooperative

property owner to housing court, purchasing the property and seeking new owners, having police conduct a knock and talk to mediate the problem, or recommending Seward Redesign purchase the property and seek a prospective property owner to rehabilitate it.

Problem property programming & funding

Programs and funders that assist SNG address problem properties include:

- Blighted Housing Program;

- SNG Rental Repair Program;

- Office of Drug Policy - state grant for community-oriented policing, restorative justice program, and block club organizing;

- Property-owner education through Southside Neighborhood Housing Services;

- Minnesota Multi-Housing Association;

- Block clubs.

SNG possesses no formal evaluation process for how it addresses problem properties. Evaluation is often overlooked because of limited time and resources. Nevertheless, Waibel and Ruffaner suggest they are 90% effective in handling structural problem properties and 70-80% effective in handling behavioral problem properties. Effectiveness is gauged by whether neighbors are satisfied with the resolution.

Problem property needs

This is what SNG suggests would assist staff members deal with problem properties:

- Up-to-date property data;

- Neighborhood guidelines that delineate the extent to which a behavior problem is no longer reconcilable and everything must be done to save the property and structure;

- Specific guidelines from SNG residents as to how to handle issues related to problem properties;

- Psychosocial intervention strategies where family has chemical or alcohol abuse problems or when children are delinquent;

- City inspection information - when an order was written, where it stands in the inspection process;

- A source list of reputable contractors;

- Accurate and documented complaints from neighbors earlier in the process;

- Someone making rental property owners aware of resources available to them through the Minnesota Multi-Housing Association;

- Earlier enforcement by housing inspectors of property owners who are flouting the rules;

- Helping tenants understand their legal rights so they can take action;

- Finding ways to have the community help families with many children;

- Find ways to keep landlords more accountable;

- Continuation of NRP programs (for housing and after-school youth programs);

- A permanent police officer and more cooperation between the local precinct and SNG;

- Fully staffed SNG office;

- A checklist or flow chart that informs SNG staff that if they see this kind of problem with a property, they have X strategies at their disposal to address it.

Summary of Findings

General implications of affordable housing crisis

Affordable housing presents a major issue for the six MNEWS neighborhoods as it does for the entire Twin Cities. According to the Family Housing Fund (FHF), "the dream of finding any type of decent, affordable housing, whether rented or owned, has become increasingly elusive for many people in the Twin Cities." The FHF attributes this to a shortage of lower-priced homes and the sluggish increase in livable, working wages. The result is devastating for families who must cut back somewhere – whether on groceries, on the babysitter, or on doctor visits. Sometimes homelessness results. Aside from the difficulty the lack of affordable housing can have on individuals and families, the affordable housing crunch generates difficulties for neighborhood organizations and their staff members. These organizations must negotiate the fallout from the affordable housing crisis.

When individuals and families struggle to find affordable housing, they struggle to muster the financial means to maintain their properties. This indirectly establishes an atmosphere of housing abandonment within neighborhoods. Housing abandonment occurs at three levels: psychological, fiscal, and physical (Costa & Hanten,1988). Psychological abandonment, for example, occurs when a property owner perceives a decline in the neighborhood. Abandonment is not always in investment but in interest, according to Costa and Hanten. Fiscal abandonment results when a property owner no longer financially invests in his or her property (e.g., paying taxes or utility bills). Physical abandonment describes a visible deterioration, including vacant or boarded

properties. Residents, community stakeholders, and organization volunteers or staff are the first to notify neighborhood organizations about abandonment.

Enter the neighborhood organization

By this time, as many MNEWS neighborhood organization staff related in interviews, the problem has escalated. Residents who witness the deterioration of a neighbor's home or rental property usually remain silent until the property becomes a severe eye sore. This is when residents contact the housing inspections department, the block club, or the neighborhood organization about their concerns.

This a general view of how property structural issues surface and enter the front door of the six MNEWS neighborhoods. Behavioral problems also pose hurdles before neighborhood organizations. As with the structural issues, behavioral problems fester until crisis, at which time residents notify police, block clubs, city council members, or neighborhood organizations. Behavioral problems can be as blatant as shots fired or quietly suspicious as a lot of late-night traffic. Then there are the more invisible behavioral problems: the mental or physical health of an adult prevents them from being able to maintain or improve their property's structure. Maybe its drug or alcohol abuse that prevents a property owner from remaining responsible for his property and to the community. Whatever the reason, and usually it involves a combination of behavioral and structural issues, neighborhood organizations find themselves responding and reacting to community concerns.

Repeatedly, neighborhood organizations staff indicated the reactive nature of their work. If neighborhoods had early access to the at-risk indicators articulated in an NPCR 1998 report (i.e., property tax delinquency, water bills, building condition reports, non-

owner occupancy, proximity to abandoned properties, and proximity to high crime areas), the six neighborhoods could begin taking a more proactive approach.

Wanted: The big picture

Currently, how the six MNEWS neighborhood organizations identify housing trends and problem property patterns has been described as "haphazard." This is likely a result of the existing strain to just keep up with immediate crisis.

Hawthorne and Seward neighborhoods conduct annual surveys, however, the extent to which overall housing and problem property trends are analyzed by these neighborhoods is unknown. Most trend information comes "word of mouth" from various neighborhood or agency sources. This anecdotal information rarely comes documented (documentation serves as a valuable tool when addressing problem properties). The most common forms of information neighborhoods receive about housing trends come from the Hennepin County Property Information website, the Minneapolis Housing Inspections 249 list (or boarded property list), the available police reports, and through conversations with property buyers, real estate agents, and other knowledgeable residents. Census data provides generic data on the neighborhoods' makeup, but it is unclear to what extent such information is used. It is clear that Census data is used when drafting grant proposals.

There seem to be little differences between the information the neighborhoods collect for general housing trends and the information they gather for at-risk properties. This could be a result of a given organization's limitations in data collection resources. Taking the time to reflect on the overall housing trends and patterns is overlooked because resources and staff must be focused on urgent needs and immediate problem situations. Best put, staff from the six neighborhood organizations interviewed talked

about housing trends informally in the office or in meetings with other community members but limited processing or strategizing of this anecdotal information occurs.

The spare difference between how these organizations view housing trends and problem property issues becomes apparent when examining the information sources. Most if not all six neighborhoods identified residents, MCDA, city planning, police, county property assessor, city housing inspectors, and neighborhood organization staff as the major sources of housing information available to them. City planning maps plotting homestead status, housing stock age, and estimated market value are available, but they need to be more immediately and consistently available to the neighborhoods. In-house map printing capabilities would enhance the ability of neighborhood organizations to track housing investment and disinvestment trends.

Much of the existing information is organized and logged, but it is unknown to what extent the information is reviewed and analyzed in a way that would enable the neighborhood organizations to become proactive. The neighborhood organization representatives said they use the housing information to inform neighborhood organization staff and committee members, to identify neighborhood needs, to target neighborhood resources, to design or create programs, to write grants, to prioritize their activities, and to solve problems or make referrals. Based on interviews, it appears that the information gathered is largely used to respond to immediate problems or needs on a case-by-case basis. Immediate problem solving is the major concern. Neighborhood organization staff members often stated the need for a more effective and efficient way to gather and use the housing information they possess.

<u>Housing programs, funding, referral sources & education</u>

All six of the neighborhood organizations offer housing programs to their residents. Most have created subsidy programs based on local needs, many have programs to acquire and purchase problem properties, and some have home improvement loans for homesteaded residences. All six neighborhoods have access or provide homebuyer education. Three neighborhoods offer rental property rehabilitation funds, and three provide down-payment assistance. Sharing outcomes of these programs may benefit all six neighborhoods and bring to the surface information that could be used in developing new programs or enhancing existing programs.

Neighborhood organization staff interviewed unanimously indicated a lack in housing program evaluation. Measures to evaluate if neighborhood funds are being used effectively are needed. This means, among other things, that an evaluation of the computer databases and hard-copy logs the neighborhoods use to track their housing programs and/or to address problem properties is needed. Some interviewees suggested that an early warning system could help them evaluate housing programs and other community development programs.

Because older residents, single parents, and low-income residents struggle with the cost of mortgages and maintaining their properties, the representatives from the six MNEWS neighborhood organizations identified rehabilitation funding as critical to coping with this issue. Also contributing to this need is the aging housing stock within the neighborhoods. Similarly, lenders, including mortgage companies, making high interest loans to low-income residents add to the issues neighborhood organizations face. This kind of lending fosters less housing investment and rehabilitation. Currently, neighborhood organizations use NRP money to finance housing programs. Some

collaborate with private organizations or access public grant monies to finance programs and services. Few neighborhoods catalogue the existing resources within their neighborhoods. All the neighborhood organizations keep resource or referral information for financial and/or social needs. How this information is organized and presented ranges from handing it out when meeting with individuals one-on-one to organized stands with brochures to book-like directories. Because these neighborhood organizations are a significant community resource center, a more systematic approach might help. This is another case where neighborhoods could share their practices. Collectively, they could develop a housing resource directory.

The six MNEWS neighborhood organizations suggest there is a need for home ownership or rental property owner education. Homeownership education exists through various community organizations (e.g., Southside Neighborhood Housing Services), but neighborhood organization members believe education needs to begin before ownership and continue after ownership. Discussing how the neighborhoods perceive the effectiveness of these educational programs would be useful, and an independent evaluation of such programs may be necessary.

At-risk properties: The two-headed challenge

Collectively, the six MNEWS neighborhoods conceive of problem or at-risk properties as either structural or behavioral. Sometimes behavioral issues lead to structural problems (e.g., unsupervised children throwing rocks at the side of a house). Sometimes the behavioral issue occurs at a property with no visible structural problems (e.g., party houses or high traffic at all hours of the day). Sometimes behavioral and structural problems are hidden (e.g., the homes exterior is kept up, the property owner keeps to him or herself but is struggling to pay the water bill, and allows the inside of the

home to become a garbage house). Visible structural problems can lead to increased behavioral problems (e.g., boarded properties become vandalized). Many problematic scenarios exist; these are only a few. However extensive or complex the scenario, it is the neighborhood organization that is often called on for an immediate response.

Not only do the neighborhood organizations discuss problem or at-risk properties in terms of structural or behavioral problems, but also they often designate two separate people, committees, or agencies to address the two issues. The organizations view structural and behavioral problems as related issues theoretically, but address them separately in practice. Others work with an assortment of community stakeholders (e.g., Powderhorn Park Problem Property Caucus and HACC Project Empowerment). Collaboration appears to be essential, but it needs to be more systematic and intentional.

Problem properties & information: A broad view

Generally, the neighborhoods define problem properties as those that are boarded, vacant, burned, or condemned; those with a history of housing code violations; those with a history of crime; those reported as problematic by neighbors; party houses; and garbage houses. Harrison and Central neighborhood organization representatives narrowed their definition of problem properties to those that are boarded and vacant. While most neighborhoods attempt to address these problems earlier, it is not always possible because they are unaware of the problems.

Problem property notification occurs through neighbor complaints, resident notification, neighborhood organization staff or committee member observations; and in meetings with local organizations and agencies (e.g., police, housing inspectors, social services, and other community organizations). The neighborhoods use the following information to identify problem properties: 249 list; police reports; county property

information; discussions with residents or stakeholders; survey responses; publicly posted notices on properties (e.g., utility shut offs); and housing inspection citations. If and when a computer database provides neighborhood organizations with immediate information like water bill and property tax delinquency, neighborhood organization staff may become more proactive. One interviewee suggested that if everything on the surface appears unproblematic, the water bill information could provide the earliest indication that there is a problem with a property. It would be the most visible sign of disinvestment.

Much of the problem property information is collected in conversations and meetings. As stated previously, two neighborhoods conduct annual surveys, one of which strictly targets "blighted" properties. Several neighborhoods organize the information they collect based on whether it's a new problem in need of action, an on-going problem being worked on, and a problem that has been resolved. The information collected is usually formatted by address or by the property owner's name. Not all organizations store their information on a computer database; some keep their information in hardcopy binders because it is more manageable.

Neighborhood organizations crosscheck information they receive about problem properties with public data and in discussions with other stakeholders. Generally, after a problem property has been brought to a neighborhood organization's attention, the staff member conducts more research, discusses the issue with the complainant, discusses the issue with the problem property owner (or has another party – police – discuss it); and brainstorms with the stakeholders and property owner to determine the appropriate action. Because of privacy concerns surrounding a comprehensive public information database, neighborhood organizations should hold community forums to discuss, with

residents, the most respectful way to intervene early. If residents are part of the discussion and decision making, they will be more willing to trust that the information will be used to empower.

Taking action

Among the common intervention strategies the six MNEWS neighborhoods possess include: finding ways to rehabilitate the property with the resident using NRP, or other funds; demolishing the property; acquiring the property; citing the property for housing inspection violation and taking it to housing court; working with other stakeholders to problem solve (e.g., PPNA Problem Property Caucus); referring to other housing or social service resources; organizing tenants or neighbors (e.g., organizing block clubs or phone trees); insisting on police action (e.g., "knock & talks," surveillance); notifying city council members; writing letters to the property owner; mediating the problem between neighbors and the property owner; and gathering more information about the problem (e.g., flyer the neighborhood, and door knock). Two of MNEWS neighborhoods presently have a problem property protocol, but none of the neighborhoods evaluate - formally or informally -their processes for handling problem properties.

Needs: A short but heavy list

In sum, the neighborhoods presently need:

- Funding for neighborhood-specific problem property scenarios;

- A system that alerts them about at-risk properties as described in a 1998 NPCR report;

- Immediate access to current property owner contact information (i.e., name, address, and phone number);

- A housing and social service resource database or source list;

- A "cookbook" of successful intervention strategies and evaluation processes.

Problem Property Case Studies:

- Hawthorne Area Community Council

- Powderhorn Park Neighborhood Organization

- Seward Neighborhood Group

MNEWS Problem Property Case Study
Neighborhood: <u>Hawthorne Area Community Council</u>

<u>Introduction</u>

This study is intended to aid participants of a problem property workshop being facilitated by representatives of Powderhorn Park, Hawthorne, Seward, and Hamline-Midway neighborhoods, and representatives from the University of Minnesota. Hopefully it also works as a tool for those aspiring to enhance the way Minneapolis neighborhood organizations face the everyday issues involved in building community and in creating or sustaining affordable housing.

This particular case study provides a general review of the ways in which the Hawthorne Area Community Council (HACC) deals with problem property issues. The following represents information gathered through interviews with HACC staff and a review HACC policy and program documents describing HACC's problem property approach.

The report begins with a review of how HACC conceives of problem properties, and flows into summaries of how the neighborhood organization identifies, investigates, and resolves problem property issues. Though it attempts to be comprehensive, this report also seeks to provide a succinct overview of how one of the six neighborhoods participating in the launching of the Minneapolis Neighborhood Early Warning System (MNEWS) handles the various problems in its neighborhood.

<u>Defining problem properties</u>

Interviews with HACC staff members revealed that this organization categorizes problem properties into four areas:
- Properties with high incidences of crime;
- Properties owned by individuals unprepared to pay for rehabilitation, unable to maintain the property, and/or unable to follow through on rehabilitation plans;
- Boarded, vacant, burned, or condemned properties;
- Properties with open housing code violations.

HACC has no formal problem property list.

<u>Identifying problem properties</u>

Problem property-related issues come to the attention of HACC staff through various means. Staff learns about problem properties through meetings with other community stakeholders (e.g., city inspectors, police, block clubs), by surveying the neighborhood, when residents or property owners notify staff, and from other community members (e.g., housing committee members, HACC staff or volunteers).

Collaboration with other community members aids HACC staff as they identify community issues like problem properties. Project Empowerment is a community partnership where various local agencies come together to collectively address issues. Participants include Community Crime Prevention SAFE; Hennepin County Economic

Assistance & Social Services; Employment Action Center; General Mills; Salvation Army; Minneapolis Public Schools ABE & GED; HACC; Jordan Area Community Council; Hennepin County Juvenile Probation; North Memorial Family Practice Clinic; Loaves and Fishes; Elim Transitional Housing; Urban Hope; Unity House; Phyllis Wheatly; Housing Inspections; Legal Aide; and New Salem Baptist Church.

Project Empowerment focuses its efforts on "people" or behavioral concerns, according to HACC staff. Though not specifically focused on problem properties, Project Empowerment influences and improves issues related to problem properties. Included in this case study is a copy of the Project Empowerment brochure (**Appendix A**) and a copy of an agenda and minutes from a Project Empowerment meeting (**Appendix B**).

HACC staff also participates in another community partnership, the Hawthorne Huddle, where problem properties are identified and addressed. A General Mills Foundation creation, the huddle serves as a community forum where residents, educators, police, judges, and faith community representatives gather to resolve solutions to community concerns. A brochure describing the Hawthorne Huddle is included (**Appendix C**).

HACC is one of the few MNEWS neighborhoods that conduct an annual community-wide survey. The Hawthorne Housing Development Survey provides residents an opportunity to inform HACC about problem properties in their neighborhoods and to inform HACC about housing development in the community. The survey is mailed out, taken to block club meetings, and taken to HACC committee meetings so volunteers can complete the forms. A blank sample of the survey is included in **Appendix D** and the results of the 1999 survey are included as **Appendix E**.

Problem property interventions

Once a problem-property related issue is reported to HACC, staff begins gathering information or check to see if the property has already been reported. The initial HACC staff contacted may ask other staff members about the reported property or he or she may present the information at the Project Empowerment or Hawthorne Huddle meetings. HACC staff then makes a personal contact with the property owner to discuss needs or issues. Collectively, the property owner and HACC staff can then develop some action plan to resolve concerns. Actions can include accessing HACC programs or services, or accessing programs and services from other community agencies.

Using HACC's criteria for defining problem properties, HACC staff was asked to articulate the various strategies available to them when addressing one of the four problem property categories. The following is a summary of HACC's response to how staff would address these issues:

> High incidences of crime
> - Consult CCP/SAFE personnel, who can:
>   1. Personally contact the property owner or resident through a "knock and talk";

2. Send a letter to the property owner or resident notifying them of neighborhood concerns;
3. Send a letter requiring property owner or resident to develop and implement a property management plan and requiring him/her to receive training to help them implement the plan;
4. Send a third letter requiring the property owner/resident to appear in court because of conduct on premise;
5. Pursue rental license revocation, which would result in the boarding of the property for at least one year.

Financially unprepared property owners needing assistance for rehabilitation, property owner unable to maintain property, or a property owner unable to follow through on rehabilitation:

- Refer to HACC Housing programs (i.e., deferred home loans, matching home repair grant, rental rehabilitation loan, homestead conversion down payment and rehab assistance loan);
- If children involved, can refer issue to the School Stability Program, an Urban League program intended to limit truancy (can help pay for repairs, provide case management, and can subsidize rent for section 8 units);
- Refer to other programs and services (e.g., ACORN, MCDA, Northside Neighborhood Housing Services, MFHA Home Fix It Program);
- Maintain contact with property owner so he/she can apply for future grants or loans.

Boarded, vacant, burned and condemned properties
- Research property to determine what action can be taken and develop an action plan;
- Make an offer to the property owner;
- Find a favorable buyer (e.g., non-profit or for-profit agency).

Properties with open housing code violations
- Contact property owner and attempt to resolve violation by:
  1. Connecting owner or resident to resources;
  2. Writing a letter on individual's behalf or speak with inspector requesting an extension on deadline for work to be done so the owner or resident can work to obtain funding or assistance;
  3. Asking a contractor to fix the code violation free of charge.
- If owner or resident is uncooperative, continue communicating with housing inspections until action is taken to resolve issue. This is done by:
  1. Contact inspections and find out what deadline for work is;
  2. If deadline has passed, ask why it has not been enforced;
  3. Request enforcement;
  4. Monitor property and attempt to build relationship with owner.

How HACC and two other MNEWS neighborhoods would address two potential problem property indicators and three other problem scenarios can be seen on **page 5 of the PPNA case study**.

Intervention outcomes

Documentation of outcomes is limited. Only general outcomes can be discussed here. According to the Hawthorne Huddle brochure, activities initiated through this collaborative has included:
- Helping residents and police to work together to reduce crime,
- Closing crack houses,
- Starting youth programs,
- Building block clubs,
- Creating community standards,
- Providing a SAFE house for kids,
- Influencing a new school site decision.

Outcome evaluation: The feedback loop

Staff indicated that about 90% of HACC housing activities has been focused on strategizing and planning its programs. HACC is in the process of developing an evaluation system to access the effectiveness of the programs and how it has addressed problem property-related issues. HACC staff acknowledges an evaluation of the problem property processes in place is lacking. This is not unlike the other MNEWS neighborhoods.

Sources

This work represents the outcome of discussions and the sharing of information between MNEWS research assistant David Sáez and HACC staff members Jim McDonough and Lindy Garnett. Both provide permission to use internal documents in this report.

Note of appreciation

David Sáez would like to thank Jim and Lindy for giving of their time and insight for the purposes of this project.

MNEWS Problem Property Case Study
Neighborhood: <u>Powderhorn Park Neighborhood Association</u>

<u>Introduction</u>

This study is intended to aid participants of a problem property workshop being facilitated by representatives of Powderhorn Park, Hawthorne, Seward, and Hamline-Midway neighborhoods, and representatives from the University of Minnesota. Hopefully it also works as a tool for those aspiring to enhance the way Minneapolis neighborhood organizations face the everyday issues involved in building community and in creating or sustaining affordable housing.

This particular case study provides a general review of the ways in which the Powderhorn Park Neighborhood Association (PPNA) deals with problem property issues. The following represents information gathered through interviews with PPNA staff and a review of a 2000 Neighborhood USA (NUSA) Conference handout describing PPNA's problem property approach.

The report begins with a review of how PPNA conceives of problem properties, and flows into summaries of how the neighborhood organization identifies, investigates, and resolves problem property issues. Though it attempts to be comprehensive, this report also seeks to provide a succinct overview of how one of the six neighborhoods participating in the launching of the Minneapolis Neighborhood Early Warning System handles the various problems in its neighborhood.

<u>Defining problem properties</u>

Based on the NUSA handout, PPNA defines problem properties as residential or commercial properties that meet one of the following four criteria:

1. Vacant and boarded,
2. Chronic housing code violations,
3. Known criminal activity (police calls, arrests, etc.), and/or
4. Reports by two or more individuals as having suspicious behavior (PPNA requires reports from two individuals to reduce the possibility of the Problem Property Caucus getting into personal conflicts).

<u>Identifying problem properties</u>

PPNA uses what it calls a comprehensive block approach by engaging problem property issues through its Problem Property Caucus. PPNA describes the caucus as a multi-jurisdictional committee responsible for resolving problem property issues.

Members on the caucus include the PPNA executive director and community organizer, the city council members from the 8th and 9th wards, the Minneapolis Community Development Agency representative, the Community Crime Prevention/SAFE (police) representative, the Hennepin County Probation representative, the Hennepin-Powderhorn Partners (social services) representatives, and a Minneapolis Housing Inspector.

Critical to the caucus' success is the stipulation calling for the confidential exchange of information at its monthly meetings. Also, all caucus meetings are closed to the public.

Each caucus member can submit problem property complaints to the monthly meeting. Generally, PPNA staff receives notification of problems from personal observations, or neighbor complaints. When a problem property is reported to PPNA, it is placed on the caucus problem property list. Properties fall into the following categories:

1. New and unconfirmed (problem has not yet been confirmed by caucus member),
2. Active (caucus is working to address problem),
3. Post monitor (active properties that have been effectively addressed but require monitoring), or
4. Closed (no further action or monitoring necessary).

Problem property interventions

Once problem properties are reported to PPNA staff can, if time permits, conduct further research on the property; staff will, when possible, refer complainants to the relevant governing agency; and staff will place the complaint on the caucus' new and unconfirmed problem property list.

New properties are discussed at the caucus meeting, at which time either new information is revealed or a caucus member is assigned to conduct further research on the problem and the property. Occasionally, caucus members are asked to meet directly with the property owner or resident. If a course of action is determined, the assigned caucus member follows through on it. Whether taking action or conducting research, the assigned caucus member reports back at the following meeting.

Using the aforementioned criteria for defining problem properties, PPNA staff was asked to articulate the various strategies available to them when addressing one of the four criteria. The following is a summary of PPNA's response to how they would address these issues:

Vacant and boarded properties
- Seek developer to purchase and develop property and/or assist developer or potential buyer with the rehabilitation,
- Identify new property buyers with help of block club,
- Use Neighborhood Revitalization Project funds to acquire and rehabilitate the property,
- Demolish the property.

Chronic housing code violator
- Continue working with housing inspector, who can take owner to court. Judge can require owner to complete community service or spend time in county jail,

- With senior citizens, refer to city senior ombudsman or to social services,
- Non-homesteaded properties can be improved by working with housing inspectors to pursue rental license violation,
- Housing inspections can complete the required work and assess the property owner,
- Organize rental property tenants and use available legislation to resolve the issue.

Criminal activity
- Refer to police (CCP/SAFE) who can then increase presence on the block or work with block clubs (or organize block clubs) to engage the issue (e.g., neighbors can begin documenting suspicious behaviors).

Suspicious behavior reported by two neighbors
- Refer to police,
- Refer to other caucus members,
- Conduct more research on property.

How PPNA and two other MNEWs neighborhoods would address two potential problem property indicators and three other problem scenarios can be viewed on **page 5** of this case study.

A general description of some overall strategies PPNA has used to address issues related to another block is included in the 2000 conference handout and can be found in Appendix A.

Intervention outcomes

Some of the action taken on problem properties involved using existing PPNA programs created through NRP funding. As of November 2000, PPNA is in the process of evaluating the effectiveness of its housing repair grant, rental property repair grant, down payment assistance grant, and 3-4 bedroom property development fund. Therefore, outcomes of these programs are currently unavailable.

PPNA has summarized solutions to problems addressed between 1996 and 1999 on a block totaling 13 properties. Here is an overview of the caucus responses to these issues:

- Included a long-term resident in block meetings to address issues;
- Found new owner of 4-plex where citizen owner-occupant went to nursing home;
- Worked with inspections, council members, police, and new landlord to vacate and find new tenants for an 11-unit building with problem tenants, crime problems, code violations, and an in experienced landlord. Owner rehabilitated the building before re-occupying the building and PPNA assisted with a $2,000 rehabilitation grant;

- Provided support to a discouraged block club leader by helping set up phone tree to respond to criminal activity;
- Paired up an inexperienced landlord who was overwhelmed by problem tenants with an experienced landlord so problems could be resolved;
- Met with family and block club of property owner who died and had left his home vacant. Found new owner-occupant and provided translation services.
- Helped organize a block club and establish a phone tree to respond to criminal activity at a rental property with problem tenants and an unresponsive landlord;
- Worked to involve owner in block club and used owner's relationship with a neighbor to involve that owner in the neighborhood;
- Had police and inspections focus on a property and threatened condemnation after working with a non-profit developer to purchase the property and attempting to mentor the owner. Issues like criminal activity, problem tenants, unresponsive landlord, and substandard building conditions were resolved when the sold the property to a new landlord who was willing to work with the neighborhood;
- Requested MCDA acquire and demolish a property deemed not rehabilitatible. Building was removed and land sold to neighboring property owners as side yards;
- Worked with non-profit developer of 5-plex cooperative and block club to identify and remove problem tenants suspected of criminal activity;
- Used NRP funds to have MCDA purchase a vacant/boarded duplex. Caucus found developer to rehabilitate and convert property to owner-occupied single-family building. Used HOMS Initiative funds to subsidize redevelopment;
- Worked with owner of vacant/boarded single-family home and block club to identify buyers. Previous owner invested to improve property, and neighborhood provided translation services to foster purchase of the building.

Outcome evaluation: The feedback loop

Regarding the problems related to the block discussed above, PPNA reported at the 2000 Neighborhood USA Conference that all problems had been resolved by 1999. According to the handout, "Residents appear to be happy and the smaller apartment buildings, which were problematic in the past, are fully utilized and functioning well."

As mentioned earlier, PPNA is in the process of evaluating its housing programs, but PPNA staff acknowledges that an evaluation of the problem property processes in place is lacking. This is not unlike the other MNEWS neighborhoods.

Sources

This work represents the outcome of discussions and the sharing of information between MNEWS research assistant David Sáez and PPNA staff member Elena Gaarder and

David Rubedor, the PPNA executive director. Rubedor provided permission to use portions of the NUSA 2000 handout as necessary.

<u>Note of appreciation</u>

David Sáez would like to thank Elena, David, and the other PPNA staff members and Problem Property Caucus members who gave of their time and insight for the purposes of this project.

Scenarios	Powderhorn	Hawthorne	Seward
What would you do if the MNEWS system indicated a property owner was behind on his/her property tax?	• Explain options about the county's payment plan; • Recommend senior residents pursue deadline extension • Refer Mortgage. Foreclosure Prevention. Program, which can help with taxes and provide financial counseling.	• Talk with tax office to determine tax relief availability; • Contact county emergency assistance; • Seek available resources with help of Foreclosure Prevention Program; • Help lendee re-finance mortgage to include tax and insurance.	• Urge owner to have property re-appraised to ensure tax rate is appropriate; • Refer senior resident to Healthy Seniors or Mpls Senior Ombudsperson; • Worst-case scenario, urge owner to sell.
What would you do if the MNEWS system indicated a property owner was behind on his/her water bill?	• Contact county emergency assistance.	• Contact county emergency assistance; • Contact Salvation Army about financial assistance and counseling; • Refer to Community in Action energy assistance; • Negotiate with utility for payments.	• Investigate why water bill is high; • Recommend negotiating payment plan with water department; • Recommend owner get part-time job; • Refer elderly to Healthy Seniors, Mpls Senior Ombudsperson, or contact active senior in neighborhood.
How would you respond if a homestead property owner indicated he/she was unable to afford upkeep?	• If code violation, refer to MCDA for deferred loan, • Refer to Housing Resource Center about MHFA loans for low-income residents.	• Refer to HACC housing programs; • If child truancy involved, refer to School Stability Program (helps with repairs, manage case, and pay rent for Section 8 units	• Research issue; • Help locate low-cost contractor; • Work to lower contractor fee or set payment plan; • Refer to housing agencies - e.g., GMMHC; SNHS.
How would you respond if a non-homestead property owner indicated he/she was unable to afford upkeep?	• Refer to MCDA, Center for Energy & Environment, or Housing Resource Center.	• See response to homestead property owner.	• Refer to MHFA, MCDA, Center for Energy & the Environment or local banks.
What would you do if you believed a property was in poor condition but was not violating codes?	• Check if violation exist, • Research; • Bring to caucus, • If think it is violation, call housing inspector.	• Refer complaint to inspections; • Conduct research on property - check history, owner occupancy, and if had previous violations.	• Refer to funding sources; • Work with neighbors to contact housing inspectors.

MNEWS Problem Property Case Study
Neighborhood: <u>Seward Neighborhood Group</u>

<u>Introduction</u>

This study is intended to aid participants of a problem property workshop being facilitated by representatives of Powderhorn Park, Hawthorne, Seward, and Hamline-Midway neighborhoods, and representatives from the University of Minnesota. Hopefully it also works as a tool for those aspiring to enhance the way Minneapolis neighborhood organizations face the everyday issues involved in building community and in creating or sustaining affordable housing.

This particular case study provides a general review of the ways in which the Seward Neighborhood Group (SNG) deals with problem property issues. The following information represents information gathered through interviews with SNG staff and a review SNG policy and program documents describing its problem property approach.

The report begins with a review of how SNG conceives of problem properties, and flows into summaries of how the neighborhood organization identifies, investigates, and resolves problem property issues. Though it attempts to be comprehensive, this report also seeks to provide a succinct overview of how one of the six neighborhoods participating in the launching of the Minneapolis Neighborhood Early Warning System (MNEWS) handles the various problems in its neighborhood.

<u>Defining problem properties</u>

Broadly, SNG views problem properties in three categories: First, properties classified as blighted and placed on the blighted housing program for structural reasons; second, properties not documented as at-risk but appears neglected; and third, properties where the owner or resident has been reported to the SNG crime and safety organizer.

Properties that find themselves on the SNG blighted housing program must meet one of the following criteria:
- Exhibits exterior deterioration,
- Fronts a main corridor,
- Chronic housing code violator,
- Documented complaints due to physical condition, lack of maintenance, or failure to remove trash,
- Crime reported or criminal behavior.

Properties are given a score in each category. If there is a tie, the following criteria are also scored:
- Located near other problem properties,
- Nuisance behaviors (non-criminal).

The blighted housing list serves as the structural problem property list for SNG. After the properties have been identified through feedback from residents, housing committee

members conduct an external survey of the properties and give a score for each of the above criteria. The eight properties with the highest score are the top priorities. The blighted housing program list and criteria and process are included in **Appendix A**.

Identifying problem properties

Initial meetings with SNG staff revealed that SNG divided the work around problem properties between the Housing Program coordinator and the Crime and Safety organizer. The SNG Housing Committee addresses the structural issues related to properties and conducts an annual survey of properties to develop its blighted property list. Crime and safety issues are discussed in weekly meetings with block clubs, and police (CCP/SAFE).

Other information sources for problem property issues include neighbors, block clubs, police, housing inspectors, rental property tenants, and property owners. Calls about crime and safety problem properties are recorded in a database **(Appendix B)**.

Problem property interventions

In March 1999, SNG adopted a procedures and policy document **(Appendix C)** that describes the organization's role in situations related to problem properties and crime. The document also outlines the role block clubs play in addressing problem properties and crime.

Once a structural problem is reported to SNG, staff refers the caller to the housing inspector and considers if the property would qualify for the blighted housing program. The SNG problem property and crime policy document indicates that SNG provides the caller with information on the property and can also refer the caller to the CCP/SAFE team, block club leader, and other relevant sources.

SNG staff, according to the policy document, can discuss possible group actions with the caller (e.g., block club meeting, mediation, restorative justice procedures). Staff can also give the callers information to the appropriate organization or agency representative: beat officer, CCP/SAFE, block club leaders, youth program coordinator, community resource coordinator, SNG housing coordinator, and rental housing association coordinator. SNG policy then calls on staff to take the issue to the Community Building Committee if the above agencies are unsuccessful in resolving the matter.

The SNG Crime & Safety Organizer can request a list of 911 calls to the property from the police. The organizer can also request the CCP/SAFE officer conduct a criminal history check and have the police place the property on a surveillance list. If necessary, staff can assist the caller in initiating a letter-writing campaign to the property owner, tenants, city council members, and the local police precinct commander.

Using its criteria for the its blighted housing program, SNG staff was asked to articulate the various strategies available to them when addressing one of the seven criteria. The following is a summary of SNG's response to how staff would address these issues:

Exterior deterioration
- Refer to funding sources (e.g., rental properties to SNG deferred loan or to Center for Energy and the Environment),
- Work with owner to find a contractor,
- If owner is uncooperative, contact housing inspections. Inspector can cite for violation and establish a deadline for work to be completed, cite again and establish another deadline while also threatening housing court action, can take to housing court, and can do the necessary work and assess the property owner.

Fronts main corridor
Contact owner and make him/her aware of rental repair funding,
- When on blighted list, work with owner to sell to private party (if done through SNG program, new owner can be awarded $5-10,000 for specified rehabilitation work),
- Contact housing inspections if owner is uncooperative.

Chronic code violator
- Encourage owner to sell property and work with local realtor.
- Contact housing inspections if owner is uncooperative.

Documented complaints due to physical condition, lack of maintenance, or failing to remove trash
- Work with neighbors to notify housing inspections,
- Work with neighbors to notify city council members.

Criminal behavior
- Refer to CCP/SAFE, who can conduct a knock and talk or begin surveillance,
- Encourage block club to keep written documentation about problems or suspicious behavior,
- Assist neighbors with letter writing campaign to city officials for prompt action.

Again, the following two areas are only examined if properties are awarded equal scores on the blighted property list:

Proximity to problem properties
- Inform them of their rights,
- Inform them they have more power to persuade city and other public agencies to take action than SNG does.

Nuisance behavior (non-criminal)
- Mediate between complainant and property owner,
- Urge complainant to document problem behavior,
- Urge complainant to notify animal control if pet problem, CCP/SAFE if noise or parking problem.

How SNG and two other MNEWS neighborhoods would address two potential problem property indicators and three other problem scenarios can be seen on **page 5 of the PPNA case study.**

Intervention outcomes

Documentation of outcomes is limited. However, the Office of Drug Policy does require the Crime & Safety organizer to submit update reports. This researcher did not request a copy of such a report. The Housing Coordinator is in the process of evaluating the effectiveness of SNG housing programs.

General anecdotal outcomes include:
- Resolution of conflicts with rental property owners in court, resulting in the revocation of his/her rental license or the selling of his/her property,
- Helping a property owner find a larger home in another neighborhood and finding a new property owner to rehabilitate the vacated structure,
- Purchase of a property with NRP funds or by another non-profit organization for the sale and rehabilitation of a blighted property.

Outcome evaluation: The feedback loop

SNG staff estimated that they were 90% effective in handling structural problem property issues and 70 to 80% effective in handling behavioral problem properties. This was gauged by whether neighbors are satisfied with the resolution. Staff understands that no documentation currently supports these estimates but is interested in finding an evaluation of its problem property processes.

As stated earlier, the Housing Program Coordinator is currently evaluating its NRP housing programs. The following are summary of initial results:
- The deferred loan program has served 181 homeowners from 1996 to 2000, awarding between $3,000 and $4,000 for each property owner. Work performed included replacement of roofs, sidewalks, windows, exhaust fans, doors, furnaces, and plumbing systems and water services to the street. Homes have been repainted, insulated, smoke alarms installed, remodeled kitchens and bathrooms, and electrical systems made safe;
- The duplex reconversion program served 22 homeowners, who have received $176,173 to convert duplexes into single-family homes;
- The rental repair program has awarded $103,580 to absentee owners of 121 apartment units to make exterior repairs (i.e., new paint, roofs, sidewalks, windows, and doors);
- The home additions program has served 23 homeowners with awards of $10,000 each. Additions have ranged from 10' x 15' rooms to a new third story;
- The blighted housing program has been very effective in reducing blight in the neighborhood. Seven of the properties identified as blighted have been demolished or renovated. The majority were renovated.

Sources

This work represents the outcome of discussions and the sharing of information between MNEWS research assistant David Sáez and SNG staff members Bernie Waibel and Tom Ruffaner. Both provide permission to use internal documents in this report.

Note of appreciation

David Sáez would like to thank Bernie and Tom for giving of their time and insight for the purposes of this project.

Synopsis of Toolkit Task Force

A toolkit, as it relates to the MNEWS project, represents a general plan or framework created to guide neighborhood organization employees as they work with property owners or residents who may be in danger of treading on the path toward property abandonment and boarding. It is a manual that assists neighborhood organizations and residents/property owners problem solve by describing the various resources available to them. It outlines the various steps a neighborhood organization employee can take or the options available to residents seeking to keep their homes from becoming vacant and/or boarded. Before going further into the topic of a toolkit, it is important to understand that a discussion about a toolkit assumes that neighborhood organizations can create their own GIS database in-house. It also assumes that the system can flag at-risk properties to neighborhood organizations based on a set of indicators (e.g., delinquent water bill or taxes, outstanding housing code violations, high number of calls for service to the police, etc.). No such system is in place in Minneapolis. However, as the MNEWS develops this system, the Steering Committee concluded that it must begin considering how it will help residents/properties owners once an existing system does identify an at-risk property.

Motivation to develop an MNEWS toolkit grew out of a presentation to the MNEWS Steering Committee by Beth Hyser, the executive director of the Hamline-Midway Area Rehabilitation Corporation (H-MARC). For her discussion, Hyser provided a copy her the H-MARC Problem Property Toolkit, which documented the various steps she and members of the neighborhood group take when handling a problem

property. Subsequently, the MNEWS Steering Committee charged a volunteer task force of steering committee members to develop a toolkit.

The task force has begun by researching the existing governmental processes, and available resources related to the following at-risk property indicators: delinquent water bill, delinquent property taxes, housing code violations, dirty collection points (an excessive garbage collection property), and criminal or nuisance activity reports. Information has been gathered and presented to the task force on the processes and resources involved in delinquent property taxes and criminal or nuisance activities. Task force members are currently considering compiling the processes and resources into a hard-copy file or manual. The task force is also consider enlisting the services of a group of University of Minnesota students to create a resource directory that would also help neighborhood organizations and residents problem solve.

By forming the Toolkit Task Force, the MNEWS Steering Committee has identified a gap, the need to understand the processes and resources tied to the potential at-risk property indicators. This also indicates the steering committee's commitment to the use of public information to inform their revitalization efforts. Task force activities represent a move forward to "what ought to be" as supported by what has been learned through the collection of data for this report.

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