

CENTRAL CORRIDOR AFFORDABLE HOUSING PARTNERSHIP

MEETING MINUTES

January 22, 2009

I. Updates

Russ Stark's office announced a pilot on Sherburne Ave. - energy efficiency / sustainability, for vacant homes along the corridor.

MICAH: Is connecting with CDC's to align on low cost rentals – housing for homeless

Historic Saint Paul

Frogtown neighborhood- concerned about the number of vacant homes demolished– the conditions of the property, their effect on the fabric and character of the neighborhood. Looking for a greener Frogtown. Conducting a survey to create mapping – where significant architectural content exists, move forward to implement conservation.

HPP – announced Center for Transit Oriented Development (CTOD) is heading up an advisory committee on a Land acquisition fund – an on-going effort, Tim will keep partnership updated. HPP staff adding web page to the Central Corridor AH Partnership on its website for public access. HPP staff currently working on design and content...HPP will announce when website is available and guidelines for AH Partners to contribute content relevant to AH along the corridor impact area.

II. Presentations

1. How Foreclosure Related Strategies can help with Central Corridor:

Dave Snyder – Jewish Community Action (JCA) w/ Northside Community Reinvestment Coalition (NCRC)

Purpose: Residential leaders convene and define tools to hold financial institutions accountable for building community wealth.

Dave pointed out that even with current advertisements and available information, large numbers of homeowners do not use foreclosure prevention – for whatever reason.

They review mortgage records and target people with ARM loans in 2007 or are currently behind but not yet in foreclosure.

Their tasks are: Data gathering; engaging volunteers (30-40 records knocking on 20-30 doors per day); community contacts; counseling, tracking results -- which Mortgage companies worked with owners and which didn't.

Jim Erchul (Dayton's Bluff Neighborhood)

Part of the First Look process for identifying, and purchasing foreclosed homes in heavily impacted areas in St. Paul and Mpls.

Servicers control the process, Fannie Mae, Bank of America, JP Morgan Chase, CitiGroup, Freddie Mac, etc.

They are involved in a first look process – after redemption period prior to sale.

They obtain lists weekly. Approximately ½ of their lists are from the East Side, 20% are in Frogtown.

They created a system to buy these homes at a discount.

They'll get a look at 80% of foreclosed homes in Mpls & St. Paul -

They are attempting to find more resources to buy more homes, and take a pass on properties with large renovation needs.

Anticipate 500 purchases a year, and looking at purchasing a larger number next year.

Stephanie Hawkinson – City of Saint Paul

Strategic acquisition of foreclosed properties w/ NSP dollars. – St. Paul approached the banks to negotiate purchasing in bulk. Eliminating homes w/ high asking price and those with high renovation needs with 4.3 million NSP, City may be able to affect 89 homes (2% of the market).

Federal government has an affordability period minimum limit between 5 and 15 years. . City will own and hold properties not ready for re-sale, while determining what to do with them.

MCASA is looking to put folks on to a waiting list for rent to own homes

Habitat has a long waiting list

Will there be a need to rent some of these homes? City slow so far on addressing that issue.

Jack Cann (HPP) asked about strategic public ownership of parcels of land. St. Paul says it's holding on to most of its property. Suggested that CDC's and District Council make list of strategically desirable properties and overlay that will list of foreclosed properties from banks that can be used by NSP funds.

If it's a house within ¼ mile of a station, we look at it twice – preference is for contiguous homes in order to assemble larger parcels.

Requires a lot of red tape to convert home ownership home to a rental home. Permit requirements for rentals conversions are stiffening.

St. Paul purchasing discounts average about 15%, but Dayton's Bluff is getting 25% discount.

St. Paul plans to work with tenants, City Council Ordinance to preserve renters' rights.

2. Legislative Proposals relating to Central Corridor

Nancy Homans, Policy Director, Office of Mayor Chris Coleman

They have identified a few resource streams where we can capture dollars to use along central corridor. Goal is to create greater flexibility with revenue streams.

TIF – with affordable housing as eligible use – can we expand or change the current TIF legislation to allow us to pool resources on all TIF districts along the Corridor impact area? The partners at the table thought this was very feasible idea.

Tax Abatement – Value Capture being studied by U of M
Goal - Reinvesting the tax collected by new developments along the corridor back into the corridor instead of going to the State tax coffers. Special legislation needed to do this. Results of the study are about 1 year off.

III. Follow up Discussion

Jack Cann, HPP

Suggested ways to use modest dollars to keep people in their homes by buying down their mortgage – in exchange for covenants that the homes cannot be sold without permanent affordability.

Greg Finzell

They are trying to negotiate with lenders, but very little results.

City is willing to do this, but must lean on the lenders.

Poor regulation of mortgage lenders/servicers, etc. needs to be addressed

Tim Thompson

Given unique challenge East University Ave. neighborhoods face with future gentrification, why not make them a priority for acquisition of foreclosed homes?

Nancy Homans

Don't think that's a good idea. Ease side is a huge challenge because of vacant homes. Plus we think there's more opportunity for partnerships with private capital along University Ave that's not available in other parts of the City.

Metric Giles

To avoid history repeating itself (Old Rondo neighborhood)

Jack Cann

Don't necessarily need to buy a lot of homes to have an impact – if City buys one home in middle of an area a private developer will eventually want to redevelop, that gives the City huge leverage once there is a proposal.

Jim Erkel

½ mile is actual impact area – research shows.

Capturing value to pay for roads and construction and City is looking at “strategic acquisition”

TIF districts proposal - Perhaps make it less St. Paul specific – make it effective for the all transit areas.

Nancy Homans

Clarified that they are not supporting it's use for just construction.

Time Frames - Post Property Acquisition

Erchul's group: We don't have enough dollars to hold onto these properties, but the City can.

City has 90 properties

30 will be acquired demo- hold

29 Acquired land bank – until there's a development plan

30 Acquired pass through for development right away

Nancy – St. Paul will provide the group with information on where the homes they've acquired are and how those acquisitions are strategic.

REO has a liquidation model quarterly – wait until the end of the quarter prices will drop
Buyers must be cash ready – lots of capital needed upfront.

Need to think about how to capture these properties to preserve for regular folks, not investors.

Next Steps

1. Nancy will share the station area acquisitions they have
2. Nancy will update us on the status of foreclosure prevention
3. Greg Finzell could meet with HPP – and may have a topic for future partner meetings.
4. Nancy will send draft of City's legislative proposals

Meeting adjourned at 3:05pm. Next meeting: Thursday, February 26 at 1:30 p.m. at Rondo Community Land Trust conference room 2nd floor Mississippi Market Building.

CENTRAL CORRIDOR AFFORDABLE HOUSING PARTNERSHIP

AGENDA JANUARY 22, 2009

- I. Introductions and Updates - (10 minutes)
 - A. Updates on partner work relevant to corridor impact area
 - B. New housing policy or other issues related to the corridor
 - C. HPP will create a web-page to post relevant documents

- II. Panel Presentations and Discussion - (45 Minutes)
 - A. Dave Snyder (JCA)
Topic: JCA's foreclosure prevention work

 - B. Stephanie Hawkinson (City of St. Paul) and Jim Erchul (DBNHS)
Topic: Acquisition of foreclosed properties in Central Corridor neighborhoods

 - C. Nancy Homans (City of St. Paul)
St. Paul Legislative Agenda

- III. Follow up Discussion/Action
 - A. Follow up discussion
 - Was the information relevant and helpful?
 - What was the most helpful and relevant?
 - Are these tools/strategies we can utilize along the corridor impact area?
 - Has this prompted need for more information?
 - What information is needed?

 - B. Strategy Discussion
 - Next steps?
 - ID and assign tasks to implement next steps

- IV. Identifying and Prioritizing Future Discussion Topics

- V. Next Meeting/Adjourn (5 Minutes)

**Central Corridor Affordable Housing Partnership
Meeting Materials
January 22, 2009**

Following you will find a DRAFT list of topics we may want to discuss in the future. We are looking for your input finalizing and prioritizing a future discussion topics list. Please review this list, and add any topics that you'd like to see discussed so we can start looking at the list on Thursday.

The list below is NOT comprehensive, it's a starting point for discussion:

Possible Discussion Topics

- City Land acquisition strategy
- Reviewing existing City policy, comp plan & central corridor development strategy
- Details on City's policy for inclusion of affordable housing when seeking City money
- What do we mean by affordable?
- Met Council's bus barn site/Midway shopping center for sale/Joint development possibilities
- Lessons learned from Hiawatha line
- Role of community land trusts – including mixed use affordable commercial/residential
- Inclusionary Zoning in the context of TOD – Combine with City zoning study
- Housing/TOD strategies from other Cities – Denver, Phoenix, Portland, etc.
- Tax Increment Financing as a tool
- Other financing tools