

The Phillips Partnership Housing Stabilization Initiative

November 2011

Final Report



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Final Report

Overview: Beginning in the fall of 2007, members of the Phillips neighborhood and representatives of the organizations involved in the Phillips Partnership met to consider the most important work that could be done to shore up the housing market, consistent with the Partnership's multi-prong approach to neighborhood improvements. This final report will outline the program this group designed and implemented, and the impact it has had on the Midtown Phillips community.

Throughout 2008, the target area needs were analyzed and effective programs were designed. Funding required to address the needs was assembled. The activities sponsored included: definition of target area; thorough analysis of small area characteristics and needs; foreclosure prevention activities; housing information dissemination; program design for down-payment assistance and home improvement grants; implementation of those programs.

The program itself initiated activities in 2008 with the creation and dissemination of a Housing Resource Guide, through the services of an intern at PPL, and with acute attention to foreclosure related issues. Direct assistance to home-buyers and home-owners began in 2009, with down-payment assistance planned for 2009 and 2010 and home-improvement grants planned for three years.

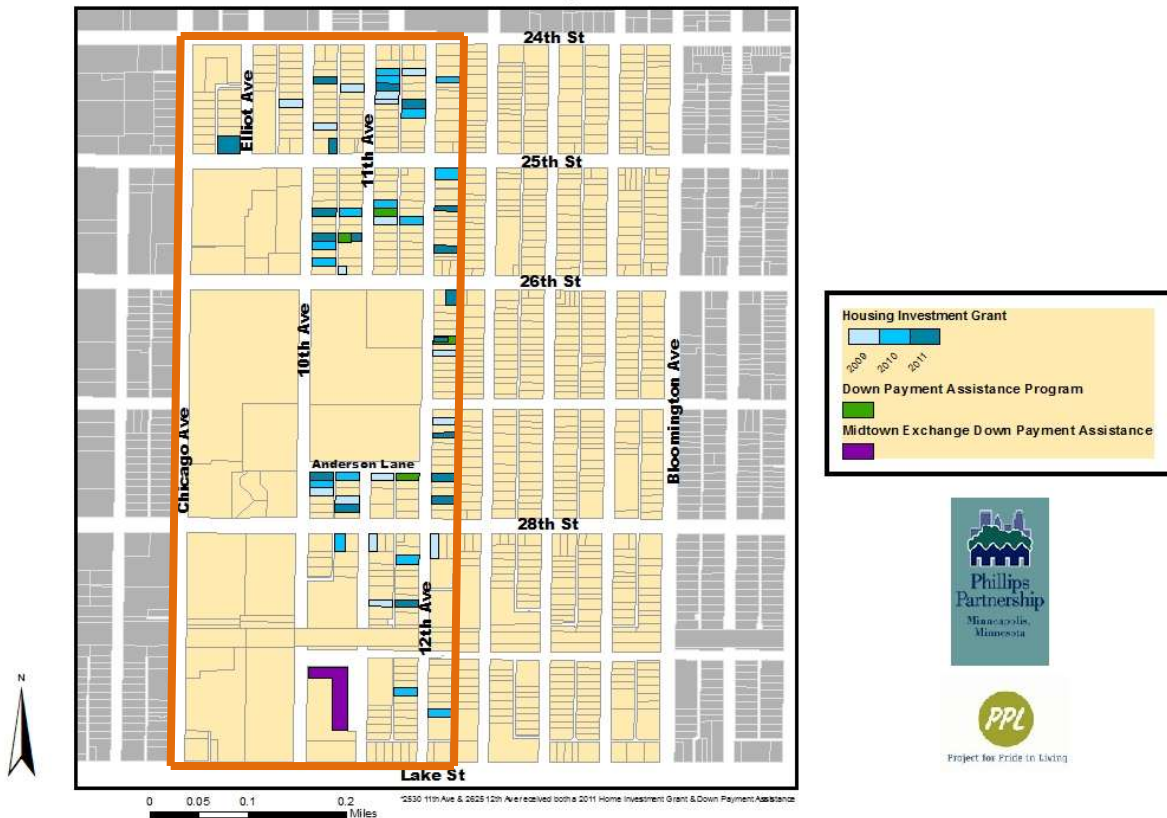
This final report will describe the impact of all these activities.

Selection of Target Area and Setting of Program Priorities: Having assembled members of the community and housing professionals and representatives of the Partnership, Smith Partners convened a series of meetings, beginning in September, 2007, to consider remaining housing needs in the Phillips neighborhood, and determine resources that could address those needs. Notes from the first of those meetings set the stage for all further discussions:

Previous Phillips Partnership housing efforts took place in a much different climate, without the current housing market crisis, and in the presence of significantly greater funding resources. The most common issues mentioned that a housing program should address included boarded and abandoned houses in Midtown/East Phillips; foreclosures, especially in the Latino community; deferred maintenance issues, especially for older residents on fixed incomes whose property values have risen substantially, the urgent need to address the deterioration of that housing stock; slow sales at the Midtown Condos which are a bigger worry than new developments; and stabilizing problem rental properties.

Additional meetings of this Housing Committee, as well as four documented meetings with the Resident Advisory Group, brought additional clarity and focus to these problems, and the areas where they were deemed most acute. Eventually, boundaries were established for the focus of housing activities. The area was intentionally smaller than previous target areas, for two reasons: resources were expected to be less abundant than in previous programs; the needs were perceived to be immense and that the Committee feared a diluted impact if the target area was too large. After considering a couple different options, the Committee recommended the boundaries indicated below.

Midtown Phillips Target Area Housing Program of the Phillips Partnership



Once the Target Area was approved, an intensive canvass of the area was undertaken. The number of structures, photographic documentation of their conditions, how many were foreclosed, and how many appeared (from tax records) to be owner-occupied were all factors in scoping out the range and expected cost of the activities recommended to the Partnership.

Several conclusions were reached as result of these planning meetings:

- In order for foreclosure-related activities to do any good, they needed to begin immediately. Understanding how sensitive loan defaults would be as a matter of discussion, it was determined that disseminating more general, but helpful information (including foreclosure prevention tactics and referrals to counseling agencies) throughout the area would be more successful than trying to identify and directly address owners in distress.
- All such information had to be available in Spanish as well as English.
- Similarly, down-payment assistance was needed early on, as the market was crashing. It was decided that this was a critical element to support the rate of home ownership in the area. It was also critical to front-load the program (get more assistance out the door earlier, within the first two years of the planned three-year program).
- Home improvement grants were critical to shore up the flagging spirits of the existing owner-occupants, the long-term neighborhood supporters. These could, however, be spread out more evenly over the three-year time frame.
- Neighborhood Marketing was an ongoing concern, but difficult to address in isolation from the larger Phillips community. Did the rest of the region perceive Phillips Midtown as distinct from Phillips? Was there any value in trying to distinguish Midtown from the rest of Phillips?

Specific information about the essential elements of each portion of the program and activities follows.

Foreclosure Prevention and Response: During 2008, while detailed information was being assembled about the Target Area, activities began to address concerns about foreclosures. To assist persons who might be facing foreclosure, PPL worked with a housing intern who created a Resource Guide for Housing, listing organizations and programs that could assist a lower-income home-owner with home improvement programs, financing programs, and even home upkeep resources. This intern visited door to door in the target area, distributing the Resource Guide, which was also translated and made available on line.

Although foreclosure help resources were listed, not one of the personal contacts indicated any concerns about foreclosure, though there continued to be a low level of foreclosures in the target area (though not at the rate of Phillips' hardest hit areas). We conclude that the denial and shame that accompany defaulting on a home mortgage make it virtually impossible for a casual contact to secure the trust required to discuss a prospective foreclosure.

Working on the premise that the person confronting foreclosure will be best-helped by going directly to their lender (who already knows there is a problem), PPL supported and participated in major events held by Wells Fargo on June 5 and 6, 2010 at the Minneapolis Convention Center. In promoting applications for the Home Improvement Grant Program, a flyer for the foreclosure resource event was included in the materials and distributed to each household in the target area. Although the Wells Fargo outreach was not specifically targeted to Midtown Phillips, we hoped that alongside assistance with a work-out of a troubled loan, we might provide tools to improve the economic standing of such a homeowner (through PPL's Employment Training programs). In truth, however, one cannot avert an immediate financial crisis with a long-term approach to improving economic standing. The pairing of these types of assistance needs to reflect sensitivity to timing. Each type of assistance has been successful in its own right, but the linkage of employment and foreclosure prevention, however tightly linked conceptually, was not timed effectively.

During 2007 and 2008, foreclosures in Minneapolis were rampant, and the anticipated impact on any inner city neighborhood was expected to be grievous. Both Project for Pride in Living and Greater Metropolitan Housing Corporation participated in the Midtown Phillips Target Area Housing Committee, both willing and able to intervene in the lengthy vacancy typically experienced with foreclosed property, each with capacity to purchase, rehab and offer for sale single family and smaller rental properties. Through the life of this committee, foreclosed properties in the area were researched and tracked. In fact, within the targeted area, the marketplace seemed to work relatively well without intervention to turn the limited number of foreclosed units over to new owner-occupants, or in some cases, investors who made substantial repairs to foreclosed buildings. In one notable case, the Down Payment Assistance Program did facilitate the rehab and re-occupancy (by an owner-occupant) of a foreclosed duplex.

Marketing: Overcoming negative public perceptions about the Phillips neighborhood was an ongoing theme in the Housing Committee meetings. Unfortunately, a major marketing campaign seemed beyond the scope and expertise of the Committee, but there was constant attention to opportunities to participate in any activity that presented an improved image of the area.

The City of Minneapolis committed to a LiveMSP Home Tour in 2011 on May 14 and 15 that focused on selling NSP rehabbed homes and other homes for sale in NSP targeted neighborhoods. At a meeting on January 27th convened by City Foreclosure Project Coordinator Cherie Shoquist identified next steps for this effort, including outreach to neighborhoods and stakeholders. Ms. Shoquist identified the Phillips Partnership as a potential stakeholder in the Phillips neighborhood who would have interest in the

supporting the tour. As part of this Housing Initiative, the Phillips Partnership partnered with the City's LiveMSP Home Tour.

Landlord Tenant Website: As a further effort to support existing, responsible owners in the Target Area, the Housing Committee looked for ways to support the smaller landlords in the community. Support for the development of a website could help strengthen the smaller landlords.

The Landlord Tenant Website, as planned by one of the members of the Housing Committee, will connect responsible landlords and tenants through an interactive website with housing listings. This website can also be considered a crime prevention tool. It will be a one-stop shop for rental property owners with free advice and documents, information to help landlords maintain their property and attract good tenants. This website is being created by support from all four Phillips neighborhoods in addition to the Phillips Partnership Housing Initiative.

This website addresses problems related to the high percentage of rental properties in the Phillips neighborhoods. Crime statistics show that the majority of livability problems stem from problem tenants in poorly managed rental properties. Crime Prevention Specialist Don Greeley noted there were 93 serious problem properties in need of Police action at the beginning of 2008; that's at least one property per block in the Phillips neighborhood.

The Landlord Tenant Website will provide the housing listing information through a direct interface with Housing Link, who has put effort into developing a web interface. The Landlord Tenant Website framework is completed and the Housing Link interface is complete. Technical issues are being addressed and the website is expected to go live on November 22, 2011.

One of the challenges with the website is that the Housing Link interface has taken much longer to develop than originally anticipated. Additionally, the Landlord Tenant Website project development is being managed by a community member and block club leader on a volunteer basis. Although this individual developed the original proposal for the website, as a volunteer, his time to work on the project is limited.

Home Improvement Grant and Down-Payment Loan Activities, 2009: The Partnership planned to provide a total of 60 home improvement grants of \$7,500 maximum within the target area (Elliot to 12th Avenue, between Lake and 24th Streets), providing 20 each year for three years. Because fund-raising generated fewer funds than planned, in each of the first two years of the program, 16 grants were made to income-qualified owners. (In the final year of the program, 2011, there were sufficient funds to make 18 grants.)

By March, 2009, Home Improvement Grant Application packets were distributed in the Target Area, with instructions for applying, advice about the lottery, and all the material needed to understand eligibility, eligible expenses and process. Thirty-seven applications were received; thirty-two were qualified and entered into the lottery. Based on the committed funds, it was determined that 16 grants could be made in 2009. By the close of the program's year, all sixteen grants had been made and \$114,89 disbursed, for an average of \$7,181 per grant. More detailed information about the kinds of improvements made, some of the recipients, and Before and After pictures are contained in Attachment (2).

The initial group of grantees were selected via lottery. In each of the following two years, eligible applicants not selected the previous year were given priority for grants in the following year, and open slots were filled by lottery from new applicants.

The grant program has been very popular not only (predictably) with grantees, but with block clubs and neighborhood organizations because of the immediate, positive impact it has had on the appearance and upkeep of properties within the neighborhood. PPL, as administrator, found the requested uses of the funds to be appropriately consistent with program guidelines and priorities, and to address much-needed improvements or deferred maintenance. The improvement in appearance for some properties has been striking (please see attachments for a sample of before and after photos, as well as a map of the location of the projects completed).

While many homeowners spent the entire grant on one much needed item such as a new roof, others broke it up into several small projects. One homeowner got a new front fence, a new concrete walkway, a new chimney and had several weedy trees pulled and replaced them with plants of her own. Another homeowner was finally able to paint his house after buying it several years ago already in dire need of paint. Other homeowners have freshened up their trim paint in addition to other small projects. Several homeowners have gotten their concrete porches and front steps repaired (the old Victorian homes in the neighborhood have concrete porches that are not connected to the house's foundation, and over time, fall away from the house and deteriorate). One young family of very modest means bought their home at a very low price because the former owner, who had lived 40 years in the house, wanted to sell it to someone they knew was invested in the neighborhood. The Home Improvement Grant helped this family patch their stucco and install safety lighting in an alley that had had some recent theft problems. Several of the homeowners have hired the same general contractor. One of the owners of this firm lives in the neighborhood and takes great pride in making his historic neighborhood beautiful, giving his neighbors some very good prices. Walking around the neighborhood, properties that have been recipients of a Home Improvement Grant really shine and make the neighborhood look more attractive.

Of the nine down-payment assistance loans made in the first year of the program, six were set aside for Midtown Exchange buyers. Every attempt was made to market units to employees of Phillips Partnership members (Wells Fargo Mortgage, Allina, Children's Hospital and Abbott Northwestern Hospital). Contacts were made in personnel departments of partners and the availability of both units and assistance was described in printed material and emailed information.

In the first year, nine down-payment assistance loans were made in total. These loans facilitated the sale of six Midtown Exchange units. The City of Minneapolis agreed to originate these patient loans, and the Service Agreement was put in place.

Home Improvement Grant and Down-Payment Loan Activities, 2010: Sixteen Home Improvement Grants were made in 2010, disbursing a total of \$116,617, for an average grant amount of \$7,289.

The total number of down-payment assistance loans made in 2010 was nine, with \$50,000 disbursed. One grant for down payment assistance was made (though not disbursed until 2011), due to the specific circumstances of this purchase, for \$10,000.

Home Improvement Grant and Down-Payment Loan Activities, 2011: Because this was the last year of the program, and this program had been so successful, all remaining funds were directed to Home Improvement Grants. Therefore, eighteen Home Improvement Grants were made in 2011, disbursing a total of \$130,849, for an average grant amount of \$7,270.

No down-payment assistance was offered in year 3.

The total number of grants or loans through this housing initiative is sixty-nine; fifty home improvement grants, and eighteen down-payment assistance loans and one grant.

Outcomes: The outcomes from the Home Improvement Grant program are even better than anticipated. The overall ownership rate in the target area has remained constant, and many assisted long-term residents expressed that their ability to stay in their homes (and be proud of their home) was enhanced by the use of the grant funds. The appearance of the Target Area has been greatly enhanced.

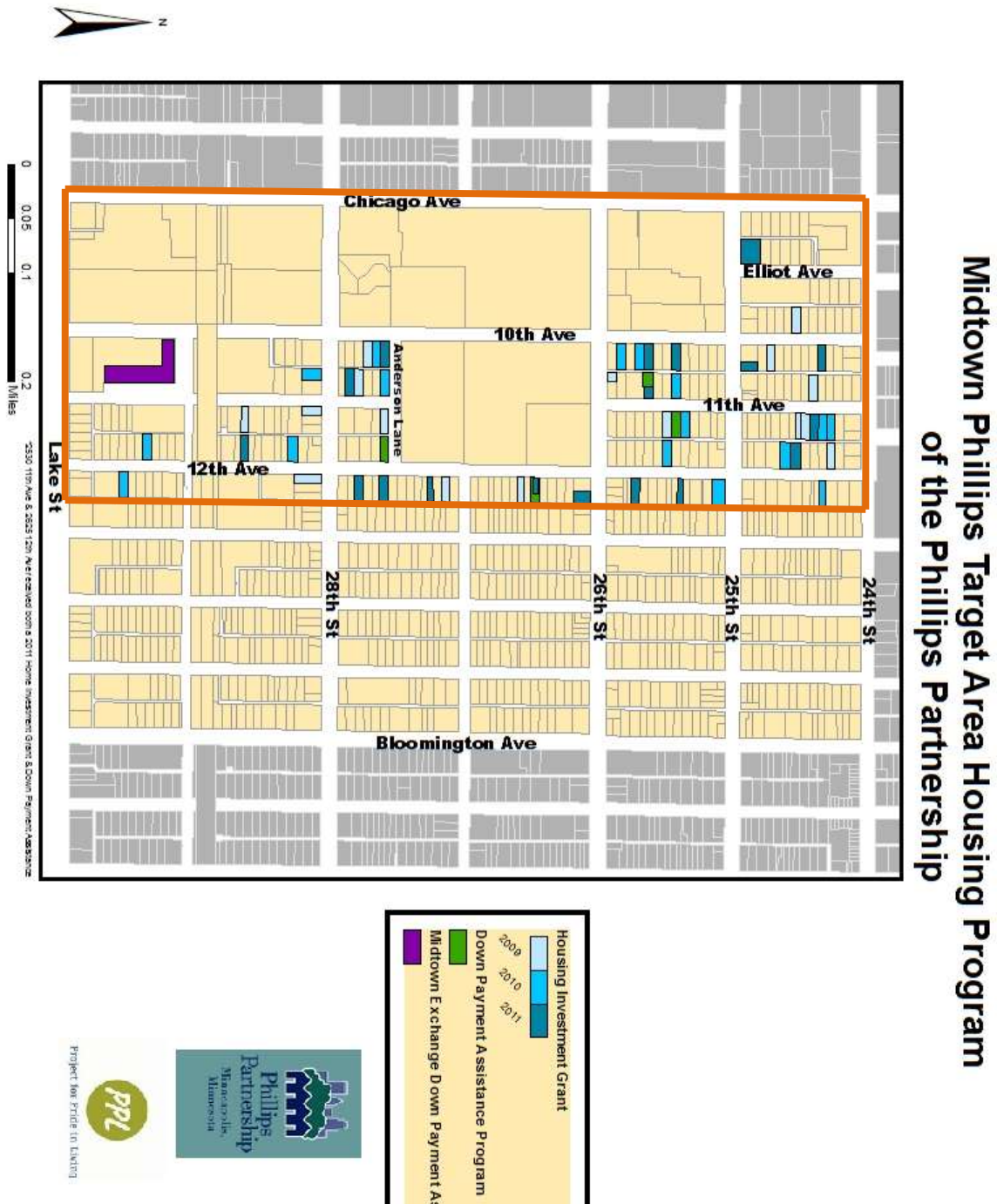
The Down Payment Assistance Program found more difficulty in achieving the desired results. Upon reflection, there were not a significant number of properties available for sale in the Target Area (other than at Midtown Exchange). People interested in making use of the assistance may not have found suitable properties for their families within the boundaries of the program. And, in the end, choosing a property to purchase is not finally determined by an assistance program, but determined by many more complicated and powerful emotional and financial issues.

Attachments:

- (1) Map of Properties Assisted
- (2) Before and After Pictures
- (3) Financial Summary
- (4) Participation and Timeline

Attachment (1)

Map of Properties Assisted



Attachment (2)

Before and After Pictures

2733 11th Avenue South

New Retaining Wall

A retaining wall for this house does wonders for the yard and the house.

Before



2009 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2429 11th Avenue South

Back Deck, Porch Floor, Fence and Tuck Pointing

These homeowners really stretched their grant. Despite all the dog footprints in the picture below, this is a new back porch, the old porch was rotting and the upper part needed to be removed. They also installed some nice flooring in their front porch and installed some sections of wooden fence between the front of their house and their side property line. Most importantly, several sections of the foundations that were starting to crumble were replaced.

Before



2009 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2741 10th Avenue South

Replaced Concrete and New Deck

This family got a much needed repair by replacing much of the masonry work all around their house, including the front steps, front walkway and sidewalk. In the back, rather than repaving the concrete, they built a nice wood deck.

Before



After



2009 Project



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2837 11th Avenue South

Roofing, Windows, and Stucco

This homeowner has a lot of water related problems in the house and really stretched the grant to get them all addressed. Part of their house has a flat roof, which was replaced. The gabled part of their roof and the garage roof were also redone. Windows were refinished to improve their waterproofing and stucco was patched in some areas as well.

Before



2009 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2412 12th Avenue South

Replaced Walkways and Chimney Water Issues

This homeowner had old concrete ripped out and replaced with beautiful and stormwater friendly brick pavers. In addition to the rear patio and path to the garage, the brick pavers are used for the side walkways as well. New flashing and caulk was applied around the chimney in an attempt to fix a water leak in that problem area.

Before



After



2009 Project



1015 East 28th Street

Reside Back of House and Rehab Garage

The owner of this home used her grant to refurbish her back and side yard. Paint was chipping and peeling severely off of the back, of her home and her garage. With the grant, part of her home and her garage got a fresh new look with trim and paint. The work clearly improved the house's appearance from the alley and backyard, and helped protect it against the elements for years to come.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2411 11th Avenue South Porch Rehab, Safety Lighting and Gutter Repair and Improvement

The owner of this house also works in the neighborhood. He rents out half of his large Victorian duplex and gardens extensively in the back yard. The front concrete porch and staircase was severely cracking and falling away from the house, as is happening with many old Victorian style houses in the neighborhood. Additionally, the house had a couple of problems with the gutter on the north side of the house. The gutter was redirected so all water flowed to the back of the house and a hole was cut in the sidewalk and drain the inserted under the sidewalk in order to eliminate flooding on the sidewalk which threatened to leak into the basement. Along with the gutter repair, some patches were added to missing parts of the soffits. Finally, motion sensing lights were added to the west, north and east side of the house as a safety feature.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2517 11th Avenue South

Paint Entire House

This is one of the real highlights of the grant this year. The home owner was really excited to get the grant after missing out on it last year, and was anxious to get started as soon as possible. He had purchased his home a couple years earlier knowing it badly needed paint and struggling to find a way to get the work done. He worried if it didn't happen soon he would lose his original wood siding. His neighbor down the block is a general contractor with a very artistic eye for historic renovation and did a beautiful job on the house. The house really underwent a stunning transformation and has turned into a great asset on the block.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2524 12th Avenue South **Tuck-point and Raise Chimney, Replace Walkway, Replace Fence, Remove Weedy Trees and Trim Trees Over Roof**

This is a great story of an energetic homeowner who worked hard to really stretch this grant to get a lot of work done. Their highest priority was to fix the chimney which was badly in need of repair and had been letting water in. The fencing around the house was installed with leftover materials by the previous owner. The new wrought iron fence really improved the property's appearance from the street and increased safety in the back alley. A new walkway replaced a badly deteriorating one and complemented the fence very well. Finally, removing problematic and unsightly volunteer trees really opened up and brightened the yard, and will enable the homeowners to do more landscaping on their own.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2543 10th Avenue South

Re-Roof House and Garage

The owner of this home has been living in her home for over 50 years and seen Phillips change and change again. Her roof was in disrepair and threatening her ability to continue to live on the second floor of her house. The wood gabled cornice on her porch was visibly deteriorating and affected the house's appearance. With the Phillips Partnership grant the roof of her house, porch cornice and garage were completely replaced. Best of all, the home owner was able to hire the same man who replaced her roof 20 years ago to do the job again.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2732 11th Avenue South

Carriage House Rehab

The carriage house behind 2732 11th Avenue South is from the 1880s and one of the oldest structures in the neighborhood. The nephew of the home owner lives there and helps his uncle (who is in a wheel chair) with projects around the house. The Carriage house got new siding, roofing and windows. The home owner also plans to insulate the roof with his own money. It all should add up to a much more comfortable place for his nephew this winter. Carriage houses are a great way to increase density in the neighborhood.

Before



2010 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2741 12th Avenue South

New Roof and Siding

The Latin American family in this house worked hard to organize this project and showed faith in PPL despite a language barrier. The siding on this house was a very strange material that was old, dirty and not water resistant. The roof was also leaking in areas due to a faulty reroof a couple years ago in which the old shingles were not removed before the new ones were added. The house looks much sharper now and is nice and dry inside.

Before



After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2011 Project

2733 10th Avenue South

Garage Rehab, Electrical and New Back Door

This is a young couple's first house and they are doing an amazing job remodeling it, having gutted and remodeled most of the inside themselves. Phillips Partnership helped make their garage shine again. The garage's electrical service had been an extension cord stretching across the backyard. Permanent electrical service was buried in the back yard in addition to the new siding and doors on the garage.

Before



2011 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2515 12th Avenue South

Fence, Walkway and Garage Rehab

This longtime neighborhood resident and hospital employee got a face lift for her entire yard. She installed a new walkway with improved drainage away from the house, a brighter, straighter fence with better hardware, and refinished her garage with a new roof and a new garage door with a power opener.

Before



2011 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2533 12th Avenue South

Replace Retaining Wall with Native Insallation

This creative homeowner had her rotting wood retaining wall torn down and replaced with an installation of terraced boulders. Native prairie plants were installed along the terraced slope. The result is absolutely beautiful. The homeowner also had a large tree stump ground out of her backyard.

Before



2011 Project



After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2731 12th Avenue South

New Retaining Wall to Replace Fence

These homeowners took down an old chainlink fence and put up a beautiful retaining wall. Their neighbors, who happen to be cousins, also decided to have the same retaining wall extend to cover their property. They also had to take down a old catalpa tree from their front yard and had it replaced as part of the retaining wall project.

Before



2011 Project



After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

2531 10th Avenue South

New Roof

Possibly the worst roof in the neighborhood finally got replaced and none too soon. The kids of the elderly folks in this house were making contingency plans for what they would do if the leaks in their parent's old house got worse.

Before



2011 Project

After



PHILLIPS PARTNERSHIP EXTERIOR HOME IMPROVEMENT GRANT

Attachment (3)

Financial Summary

**PROJECT FOR PRIDE IN LIVING
PHILLIPS PARTNERSHIP CUSTODIAL FUNDS
For the Three Years Ending 12/31/11**

	2009	2010	2011	Total
Cash Receipts:				
Allina Health Systems	\$50,000	\$50,000	\$50,000	\$150,000
Children's Hospital	50,000	50,000	50,000	150,000
McKnight Foundation		100,000		100,000
Project for Pride in Living	10,000	10,000		20,000
Wells Fargo	125,000		10,000	135,000
Total Cash Receipts	235,000	210,000	110,000	\$555,000
Cash Disbursements:				
Down Payment Assistance	\$80,000	50,000	10,000	\$140,000
Home Improvement Grants	\$114,895	116,332	116,020	347,247
Landlord Engagement		4,000		4,000
Admin Fees	\$13,460	17,774	10,400	41,634
Total Cash Disbursements	208,355	188,106	136,420	532,881
Funds Remaining	\$26,645	\$21,894	(\$26,420)	\$22,119

Attachment (4)

Participants and Timeline of Early Activities

Phillips Partnership Members

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Former Housing Committee Members

Joyce Krook, Allina

Stephanie Gruver, Greater Metropolitan Housing Corp.

Other Participants Invited to Housing Committee Meetings

Clementine Brown, Project for Pride in Living

Don Greeley, CPS, Minneapolis Police Department

Katie Hatt, Commissioner McLaughlin's office

Cara Letofsky, Mayor Rybak's office

Carolyn Olson, Greater Metropolitan Housing Corp.

Elfric Porte, City of Minneapolis CPED

Noah Schuchman, Gary Schiff's office

David Wiese, Wells Fargo

Chris Wilson, Project for Pride in Living

Housing Committee Meeting Timeline and Highlights

September 2007 – December 2007

Housing Committee

The Housing Committee met to discuss community needs and potential program options. The meetings began with a roundtable, with each person noting the most common issues. Subsequent meetings included presentations from Wells Fargo on the current foreclosures issues and from GMHC on its resources and programs, including the strategic acquisition fund.

September 27, 2007 Housing Committee Initial Meeting Highlights: The group noted that the Partnership's previous work has focused on home ownership strategies in West Phillips. Previous Phillips Partnership housing efforts took place in a much different climate, without the current housing market crisis, and in the presence of significantly greater funding resources. The most common issues mentioned that a housing program should address included boarded and abandoned houses in Midtown/East Phillips; foreclosures, especially in the Latino community; deferred maintenance issues, especially for older residents on fixed incomes whose property values have risen substantially, the urgent need to address the deterioration of that housing stock; slow sales at the Midtown Condos which are a bigger worry than new developments; and stabilizing problem rental properties.

January 2008 – June 2008

Housing Committee

The Housing Committee continued its discussion of potential program options. Over the course of this timeframe, the group went from estimating a minimum home improvement grant amount to achieve the desired goals and total funds that needed to be raised to meet a draft budget. Suggested program parameters were developed, drafted first for the Housing Committee, and then refined for comment by the Residents Advisory Group meeting in April. Issues addressed included the total grant amount, the use of a lottery system for awarding grants and how to specify PPL's role as the grant administrator. In the summer of 2008, a PPL intern, Clementine Brown, began work on a draft of inventory of Community Housing Resources available to residents in Phillips.

Residents Group

From March 2008 through July 2008, the Housing Committee met four times with a Residents Group of block club and neighborhood leaders in the focus area. This group was created to provide feedback on the Phillips Partnership initiative to assure it would meet local needs. The following were invited to the Residents Advisory Group meetings: Bill and Betty Bryant, Rand Retterath, Pete and Jane Eichten, Chuck and Carol Steddom, Ms. Del Holmes, Paul Weir and Susan Hunter, Jan Lovick, Marj and Larry Magnuson, Charles Vickers and Sharon Kennedy, Allison Boisvert, Jennifer Naglack. The board chair of the Midtown Phillips Neighborhood Association, Todd Rasmuson, was also invited. Most invitees attended one or more meetings.

March 10, 2008 Initial Residents Group Meeting Highlights: A variety of housing problems were discussed. Two blocks of 12th may not have crime problems, but there is concern about many neighbors there who are struggling financially, and whose homes reflect it. The neighborhood suffers from an undeserved reputation for crime and a goal should be to change the image of the neighborhood. The group noted what residents want are often small-scale and inexpensive, such as trash barrels and simple cosmetic improvements. The group identified foreclosure, problem properties, homeowner improvement, and marketing as the four cornerstones of this effort.

July 2008 – December 2008

Housing Committee

The Housing Committee discussed next steps as PPL plans to further organize and distribute the Community Housing Resources Guide, such as utilizing; publication in the Alley Newspaper; meetings with block clubs and more. A discussion on neighborhood marketing weighed whether to market the area as “Midtown” or “Phillips;” the target audiences for these marketing efforts would be area employees; bicycle and fitness enthusiast; young professionals and empty nesters. Amenities to be promoted included the large number of neighborhood assets (historic buildings types, sound and attractive architecture, convenience of location) and what aspects of Midtown Exchange marketing were successful. The Housing Committee also contributed to a list of recommendations to the Phillips Partnership, as follows.

Highlights of Housing Committee Recommendations: During this time the Housing Committee prepared a detailed inventory of properties in the focus area to guide this program. Residents expressed support for a home improvement grant program that focuses on exterior work, or interior work necessary for code compliance; that is limited to owner-occupied homes, including those with attached rental; that imposes income limitations; that offers a grant of approximately \$7,500, and distributes those limited resources on a lottery basis. There are approximately 160 residential structures listed as having homestead status in the target corridor; an assumption has been made that approximately 2/3 are actually owner-occupied. A budget of \$500,000 assumes that half of these owners would also meet income limitations, so that the program should expect a total of 60 eligible recipients of a grant of \$7500, plus administration costs of approximately 8-10%. For landlords, the committee discussed the possibility of an improvement loan program that would be available to landlords who meet certain criteria, such as agreeing to attend a Citywide Rental Property Owner’s Workshop and participate in the Midtown Phillips Landlord Association, but this element will not be a priority in Phase One.

The Committee and Residents Group spent considerable time discussing problem property strategies and ways to move properties into more responsible hands but need more time to develop an approach. A significant challenge to formulating an acquisition strategy is the sheer number of vacant, boarded, or otherwise problematic properties in the corridor. Rising property values over the last few years have also made acquisition a very costly proposition. The high costs of acquisition, rehab, and holding property for resale have led the Committee to conclude that acquisition is not a desirable strategy at this time. Instead, the Committee recommended a downpayment assistance grant program to assist qualified buyers to acquire homes in the focus area.

The Committee did not recommend that the Partnership undertake a comprehensive foreclosure prevention program, as that would be duplicative of the wide array of resources already targeted at the issue. Instead, the recommendation was to actively monitor, promote and support existing efforts, and to continue to distribute and utilize the Housing Resources Guide as an outreach tool to engage area residents and support foreclosure prevention efforts of other organizations.

January 2009 – December 2009

Residents Group

A Residents Group meeting was held on January 14, 2009 to provide information about the details of the final Phillips Partnership Housing Stabilization Initiative before it was publicly unveiled at a press conference on March 26, 2009.

Housing Committee

The 2009 Housing Committee meetings, held less frequently than during the 2008 program development phase, focused primarily on program status reviews and program administration questions. One highlight from a September 17th meeting was the Landlord Tenant Website proposal from Bill Bryant, who provided statistics that show there is a high rental percentage and the majority of livability problems stem from problem tenants in poorly managed rental properties. Crime Prevention Specialist Don Greeley noted there were 93 serious problem properties in need of Police action at the beginning of 2008; that's at least one property per block. About 100 landlords have gone through the workshops and there seems to be a positive impact. There is an evaluation questionnaire that about 20 landlords have returned. The upfront cost of the website is the biggest part at \$8,000; after that site maintenance is \$300 per year. Another related program is a tenant training program at a local church that could be linked to landlords that need tenants. Lutheran Social Services also provides tenant training, particularly for immigrant tenants.