

# THE CHALLENGE OF NEIGHBORHOOD STABILIZATION

- **Foreclosure-Response.org report**
- **Need to target funds efficiently, but easy to make mistakes**
- **Good decisions require data**

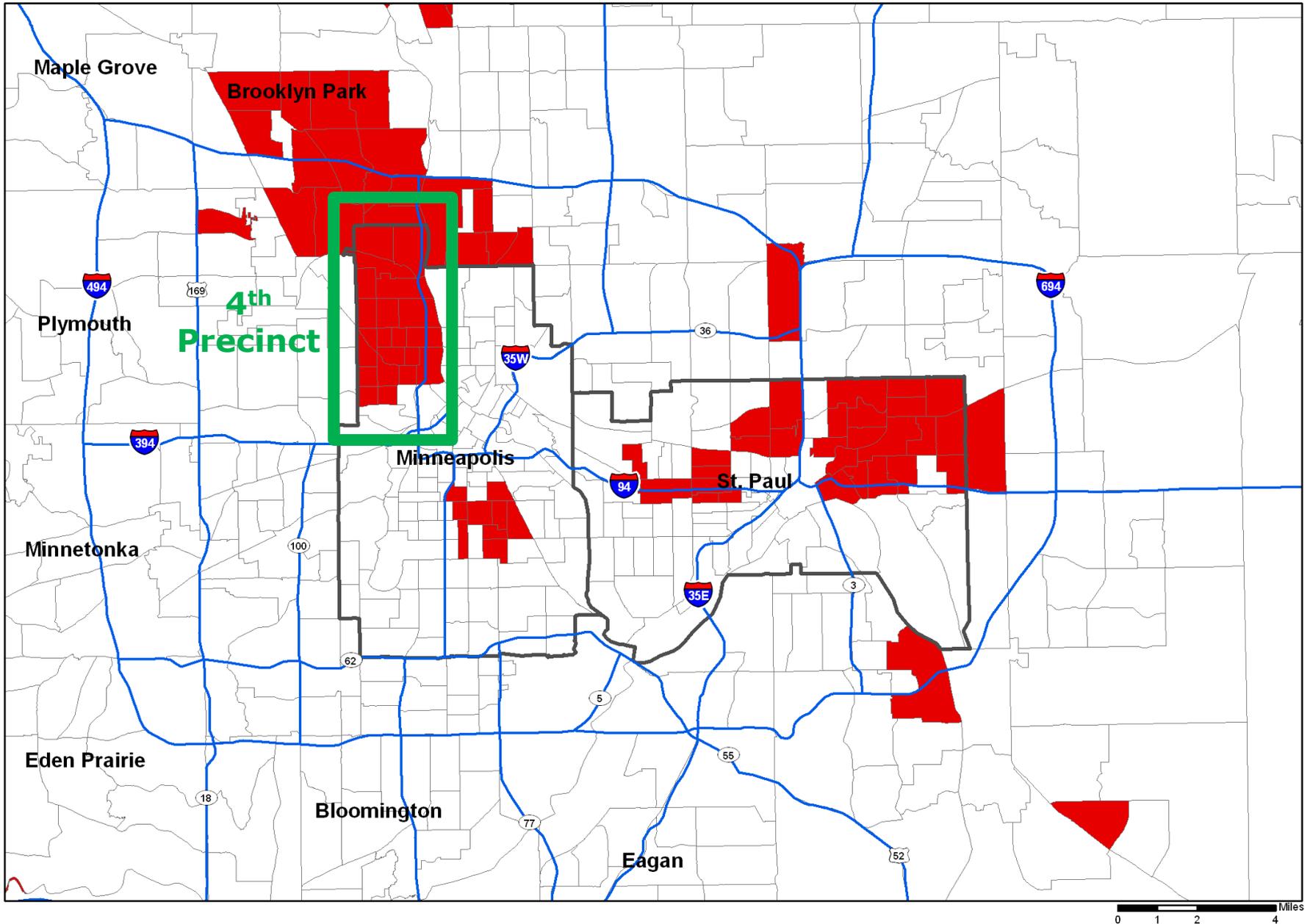


# ALIGNING POLICIES WITH NEIGHBORHOOD CONDITIONS

MARKET STRENGTH	FORECLOSURE IMPACT RISK		
	C. Actual high foreclosure density	B. High risk of high foreclosure density	A. Low risk of high foreclosure density
1. Strong	Facilitate rapid sales to sustainable owners, low/no subsidy	Lower cost effort to prevent foreclosures and vacancies, low/no subsidy	Lower priority
2. Intermediate	High payoff/priority, rehab and rapid sale to sustainable owners, target subsidies, neighborhood maintenance	High payoff/priority, prevent foreclosures and vacancies, emphasize neighborhood maintenance	Lower priority but watch carefully, head-off emerging problems early
3. Weak	More emphasis on securing/demolishing, land banking to hold until market rebound	Lower cost effort to prevent foreclosures and vacancies	Lower priority but watch carefully, head-off emerging problems early



# Highest Risk and Weakest Market Tracts in Minneapolis-St Paul



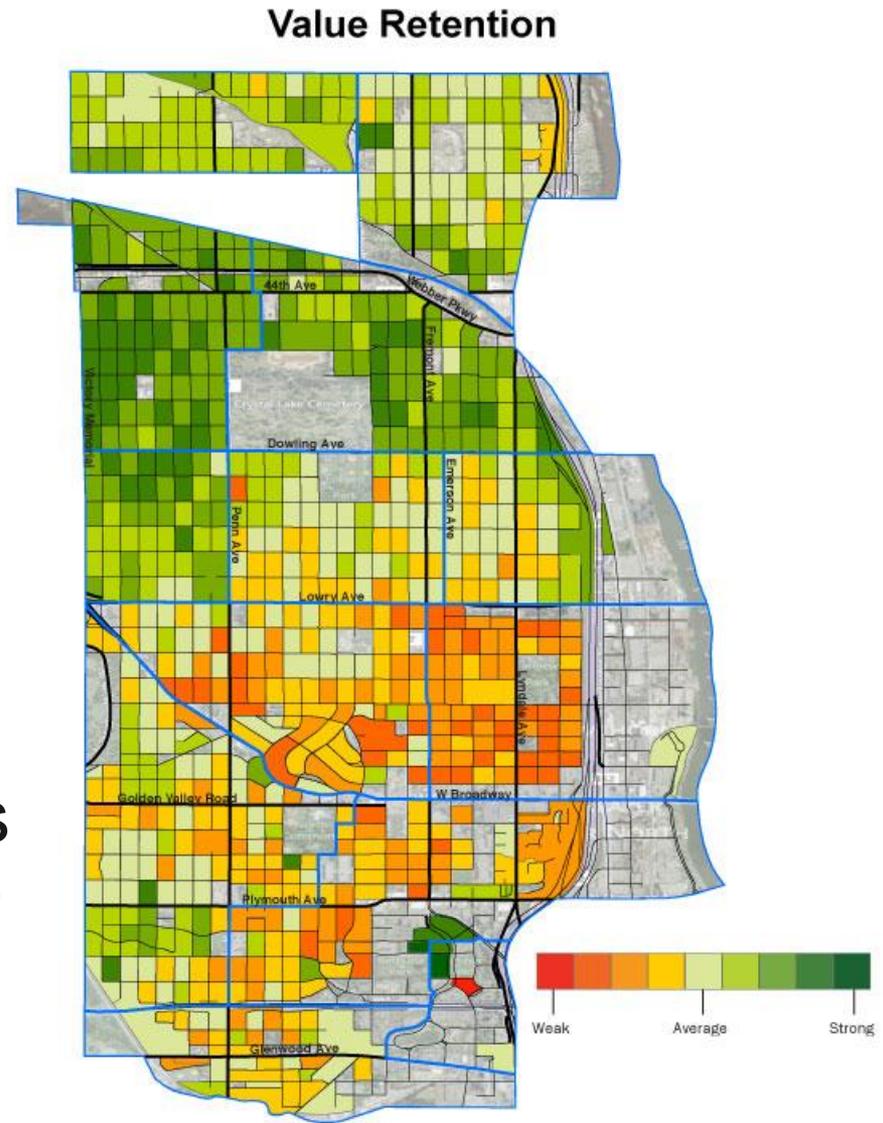
# Housing Market Index Variables

- Value Retention
- Owner-Occupants
- Housing Quality Rating
- Vacancies



# Value Retention

- Estimated Market Value (2008 to present)
- Captures intangible / undefined drivers of housing market strength
- Blocks containing houses that lost the least amount of value are strongest



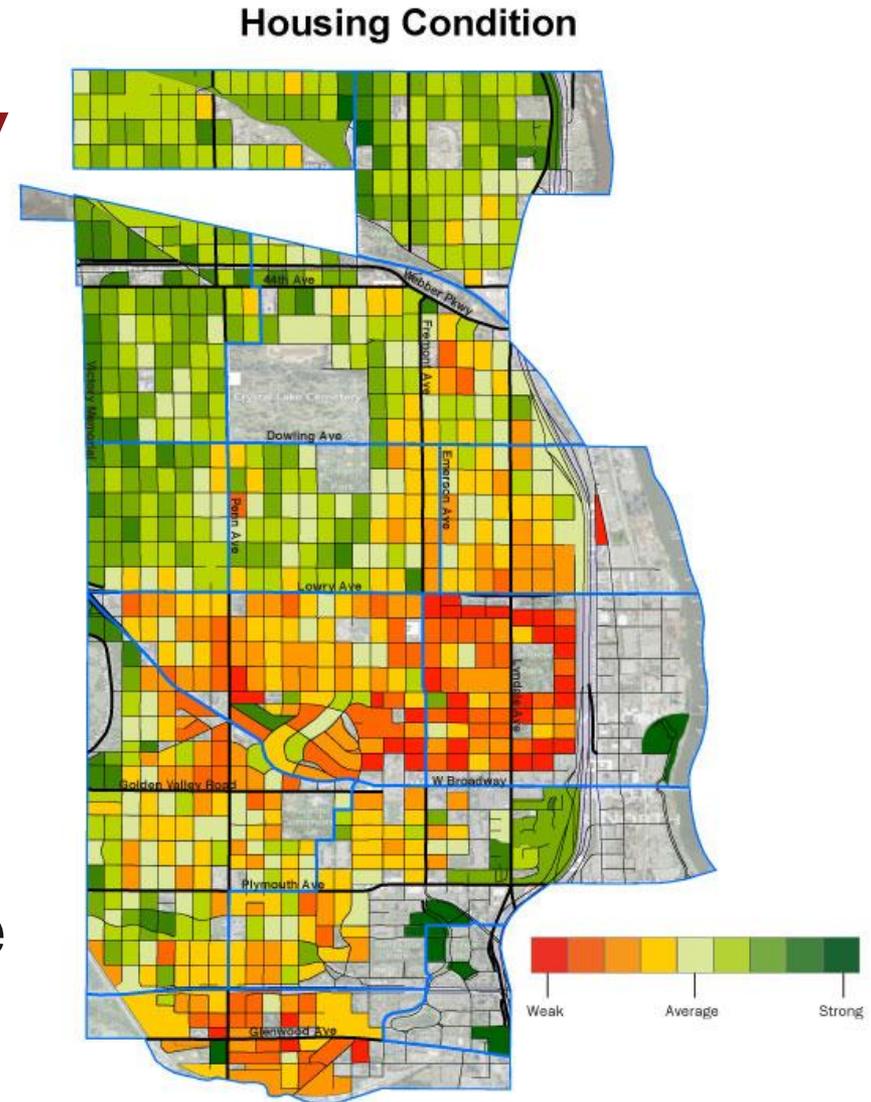
# Owner-Occupants

- Percentage of Owner-Occupants
- Incentive to invest / improve properties and stability of neighborhood
- House is often the largest investment



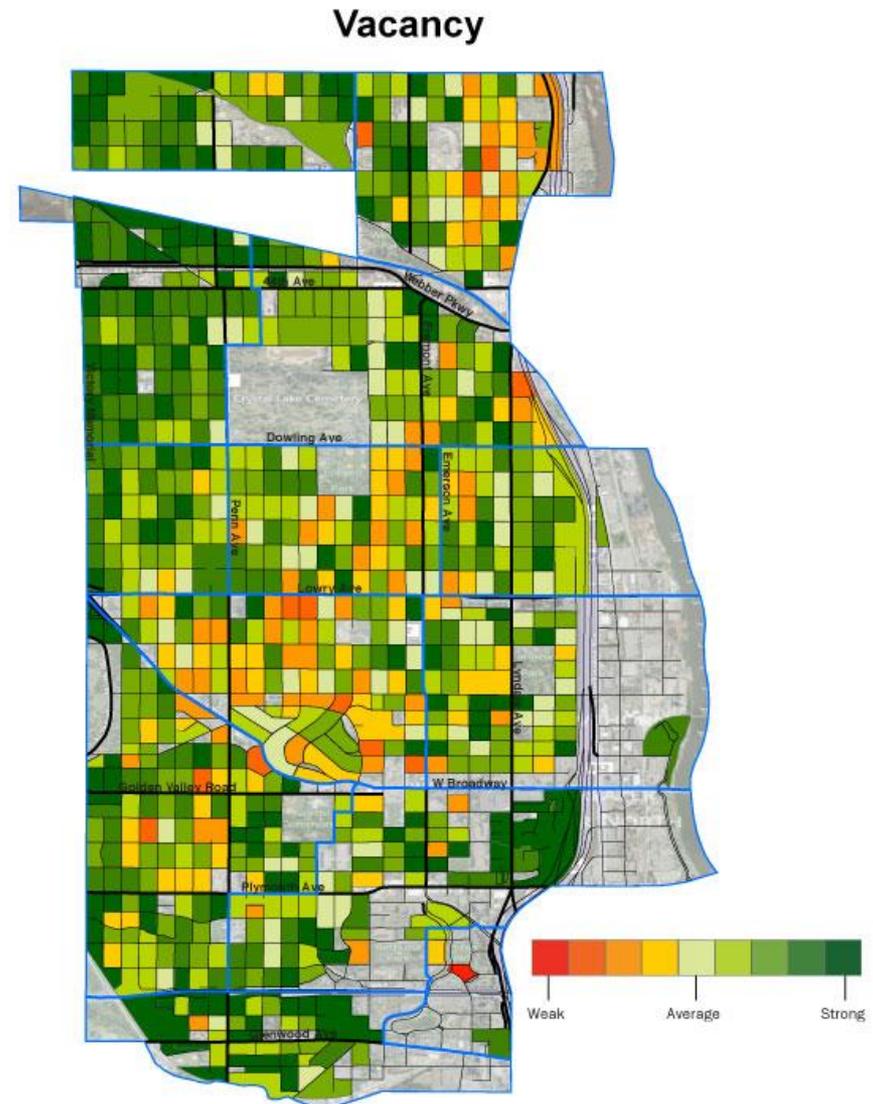
# Housing Quality

- Average Minneapolis Assessor's Rating
- Blocks with well-maintained houses are more attractive to potential buyers
- The higher the rating, the stronger the block



# Vacancies

- Percentage of residence that are vacant
- Too many vacancies can lead to increase in crime structural and landscaping neglect
- The greater the number of vacancies, the less attractive the block



# Composite Housing Market Index

