



COUNTY OF ANOKA

Community and Governmental Relations Department

Kate Thunstrom

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September 7, 2012

MEMO TO: To whom it may concern

FROM: Kate Thunstrom, Community Development Manager

SUBJECT: Amendment to the Anoka County NSP3 Action Plan in the identified Target Areas

General Information:

In February 2011, Anoka County completed an Action Plan to address the funding priorities and target areas for the Neighborhood Stabilization Program third round of funding (NSP3). The purpose of the Action Plan and following Amendment notices is to inform the general public of the intended use of Federal Funds as authorized by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The U.S. Department of Housing and Urban Development and the Anoka County Citizen Participation Agreement requires amendments to the 2010 Anoka County One Year Action Plan and identified funding as a special allocation of CDBG funds.

Reason for Amendment:

To continue a successful program for neighborhood stabilization it has become evident that Target Area needs to be revised to current areas facing distressed housing conditions due to foreclosure and vacancy. Anoka County is amending its existing NSP3 Action Plan target areas to areas located within the City of Coon Rapids and the City of Blaine. These areas were identified using the required data from HUD; they meet a minimum score of 17 for the Neighborhood NSP3 Score, and are supported with current local data from Sheriff Sales and Multiple Listings. A map and NSP3 Planning Data of the new Target Area is attached.

The only change to the County's NSP3 Action Plan is the location of Target Areas from the Cities of Anoka and Columbia Heights to the Cities of Coon Rapids and Blaine. There will be no changes to the implementation of and no changes in subrecipients and/or administrative responsibilities of the Anoka County NSP3 program. Anoka County will continue to work directly on housing units and with local non-profit partnerships to acquire, rehabilitate and sell homes to income qualified households. Additionally there are no changes to the types of activities, and/or sources of other funding. This does not affect the stability of NSP1 Target areas or NSP1 funding properties, activities or administration, however will compliment NSP1 areas as they have also had a shift in need. However with larger target areas identified in the NSP1 Action Plan we have been able to continue successful work and, we are able



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to address areas outside of the NSP1, but contiguous with the NSP1 Target Areas with the newly identified NSP3 targets.

Reason for Target Area Change:

At the time of the original NSP3 Action Plan, Anoka County was required to identify targeted neighborhoods in which program funds would be utilized. Target areas were developed from a market analysis provided by HUD including data that addressed community need as it was affected by the number of foreclosures, the number of high risk loans, delinquencies and existing vacancies. Data provided to grantees at that time was dated and neighborhoods have continued to evolve through foreclosures, investment opportunities, and home buyer initiatives, balancing out again. Areas chosen at the original time of the NSP3 Action Plan met all Federal program requirements. Two target areas were identified, one within the City of Anoka and another within the City of Columbia Heights.

Since the original application markets and neighborhood conditions have continued to change and concerns identified in the data sources were corrected leaving low levels of available properties for federal assistance. Anoka County was able to purchase two properties in the City of Anoka target area in December 2011; no properties have been acquired since. The NSP3 program has not purchased properties within the City of Columbia Heights original target area. Properties are not meeting the federal program requirements and Anoka County policies to receive funding. Anoka County does not participate in competitive purchases of properties and must follow appraised values therefore unable to compete with investors who have more flexible opportunities. Investors have not come forward in interest of participating with the NSP3 program as many are able and prefer to fulfill their goals without the added requirements of federal regulations. Some properties were found to have been minimally remodeled by sellers/lenders addressing issues and increasing prices significantly. Properties within the existing target areas are meeting either market standards or are necessary for demolition. Anoka County is not utilizing NSP3 funding for direct home buyer assistance or demolition. It is not a sound practice of federal grant funding to remodel a property that meets demolition qualifications as the overall cost of the property requires more subsidies than reasonable.

If qualified housing units become available and meet all federal and local program guidelines, there is the potential for properties to be addressed with alternative funding including but not limited to, CDBG and/or HOME funding.



Neighborhood ID: 3413696

NSP3 Planning Data

Grantee ID: 2700300C

Grantee State: MN

Grantee Name: ANOKA COUNTY

Grantee Address: 2100 Third Ave, Suite 700 Anoka MN 55303

Grantee Email: kate.thunstrom@co.anoka.mn.us

Neighborhood Name: CR and BL

Date:2012-08-30 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 17.26

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 9500

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 75.99

Percent Persons Less than 80% AMI: 40.73

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 9811

Residential Addresses Vacant 90 or more days (USPS, March 2010): 153

Residential Addresses NoStat (USPS, March 2010): 263

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 3771

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 25.43

Percent of Housing Units 90 or more days delinquent or in foreclosure: 10.35

Number of Foreclosure Starts in past year: 281

Number of Housing Units Real Estate Owned July 2009 to June 2010: 160

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 58

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -17.4

Place (if place over 20,000) or county unemployment rate June 2005¹: 3.64

Place (if place over 20,000) or county unemployment rate June 2010¹: 6.5

¹Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-93.294268 45.185243 -93.293839 45.155169 -93.292294 45.149237 -93.266459 45.149419 -93.266716
45.133739 -93.263540 45.131983 -93.235474 45.131801 -93.235559 45.146332 -93.245773 45.146392
-93.245687 45.150024 -93.266459 45.150024 -93.266459 45.158438 -93.263197 45.157530 -93.258905
45.157590 -93.255901 45.161040 -93.252983 45.160919 -93.251438 45.168302 -93.248005 45.168363
-93.246803 45.171691 -93.250494 45.172538 -93.252125 45.175382 -93.254786 45.175200 -93.256330
45.177499 -93.256159 45.182581 -93.266373 45.182339 -93.275385 45.182460 -93.276072 45.186030
-93.280792 45.186876 -93.283796 45.188207 -93.285942 45.188812

Blocks Comprising Target Neighborhood

270030507044003, 270030507044005, 270030507044004, 270030507045000, 270030507045006,
270030507045010, 270030507045009, 270030507045008, 270030507045007, 270030507045005,
270030507045001, 270030507045002, 270030507045003, 270030507045004, 270030507061000,
270030507061001, 270030507061003, 270030507061005, 270030507061007, 270030507061009,
270030507061011, 270030507061020, 270030507061019, 270030507061018, 270030507061017,
270030507061016, 270030507061015, 270030507061014, 270030507061013, 270030507061012,
270030507061010, 270030507061008, 270030507061006, 270030507061004, 270030507061002,
270030507062000, 270030507062005, 270030507062007, 270030507062006, 270030507062004,
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270030507102004, 270030507102006, 270030507102008, 270030507102010, 270030507102012,
270030507102021, 270030507102020, 270030507102019, 270030507102018, 270030507102017,
270030507102016, 270030507102015, 270030507102014, 270030507102013, 270030507102025,
270030507102024, 270030507102023, 270030507102022, 270030507102011, 270030507102009,
270030507102007, 270030507102005, 270030507102003, 270030507103000, 270030507103003,
270030507103004, 270030507104013,

CR + BL

100%



Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with housing that have been foreclosed upon and are creating economic problems for their communities.

55434

Map Options: Clear | Reset | Legend (3) | Track Outline | LOG OUT

Click here for an Overview

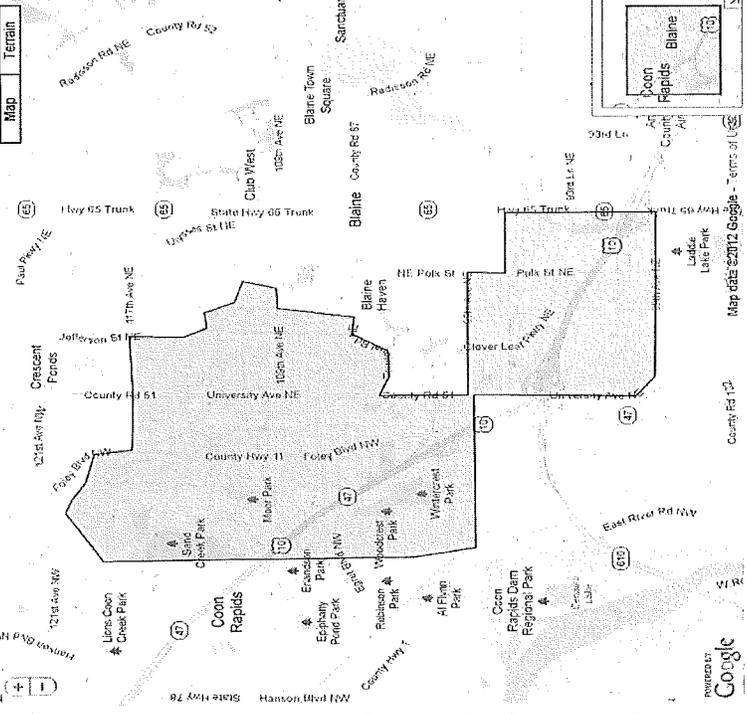
NSP3 Options

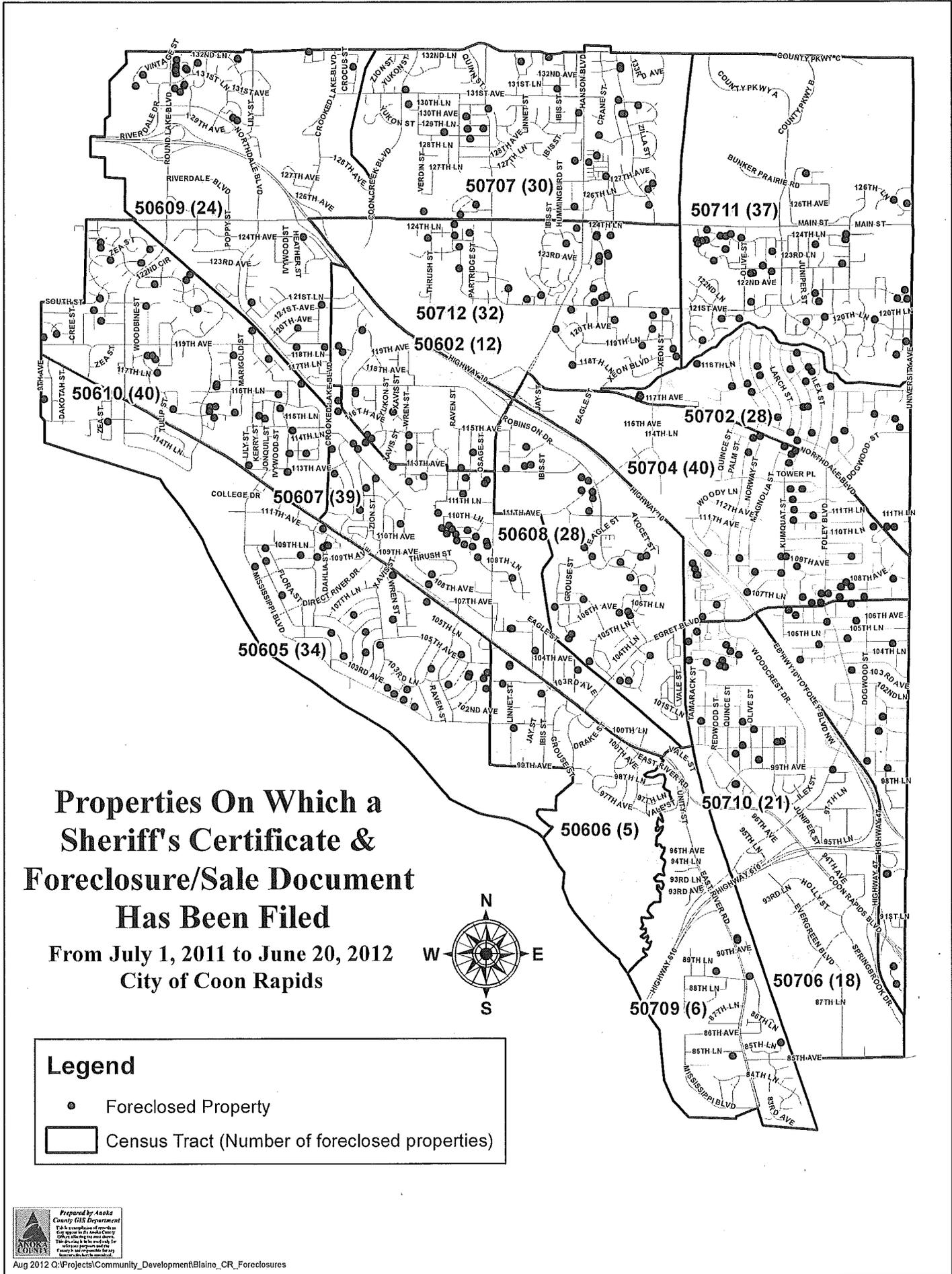
13 Current Zoom Level

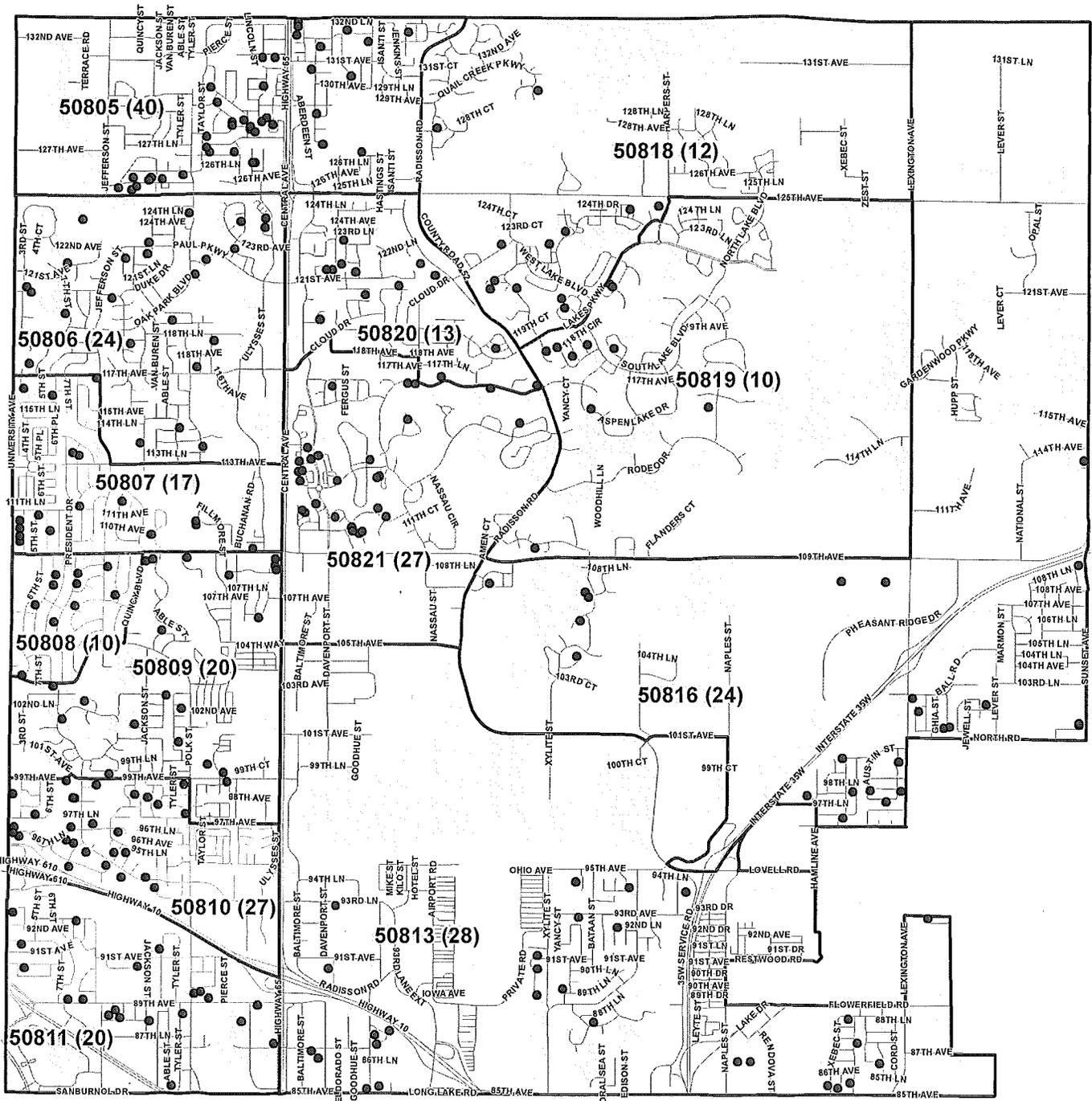
Show Tracts Outline (Zoom 11+)

[METHODOLOGY](#) [INSTRUCTIONS](#)

The NSP3 mapping tool now provides a summary NSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the lists is a sum of all housing units in all target areas and the NSP3 score for all target areas drawn. Grantees are advised to know their state minimum and if the summary score is less than the state minimum the grantees should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in total. If these target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantees reduce the number and/or size of their target areas.



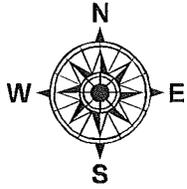




Properties On Which a Sheriff's Certificate & Foreclosure/Sale Document Has Been Filed
From July 1, 2011 to June 20, 2012
City of Blaine

Legend

- Foreclosed Property
- Census Tract (Number of foreclosed properties)



Prepared by Anoka County GIS Department
 This is a public document. It is not intended to be used for any other purpose. It is the responsibility of the user to verify the accuracy of the information. It is not intended to be used for any other purpose.

NOTICE OF PUBLIC COMMENT PERIOD

Notice is hereby given that the Anoka County Housing and Redevelopment Authority (ACHRA) is offering citizens the opportunity to make comments for 15 days on the proposed amendment to the Community Development Block Grant Neighborhood Stabilization Program (NSP3) 2010 Program Year Action Plan.

Anoka County Community Development is requesting comments on a change in activity location also known as "Target Area" within the NSP3 program. The original Action Plan outlined two areas, one within the City of Anoka and another within the City of Columbia Heights. Due to the change in markets, demand and housing status as it relates to foreclosed properties the program is unable to make the necessary improvements in those areas that meet program qualification. Anoka County will identify two new areas, one in the City of Coon Rapids and in the City of Blaine as the new NSP3 "Target Area". Additional information regarding this Amendment is located on the Community Development Department web page at www.anokacounty.us/nsp

If there are any questions regarding this amendment, please call Kate Thunstrom, Community Development Manager, at the Anoka County Community Development Department (763) 323-5714. Comments must be submitted in writing to the Anoka County Community Development Department, Anoka County Government Center, 2100 3rd Avenue, Anoka, MN. 55303-2265. Comments will be accepted until September 21, 2012.

If you need an accommodation, such as an interpreter or printed material in an alternate format (i.e., Braille or large print) because of a disability, please contact the Anoka County Administration office (763) 323-5709. TDD/TTY (763) 323-5289

Assistant County Attorney

ACHRA Executive Director

PUBLISH IN:
Anoka County Union

Friday, September 7, 2012