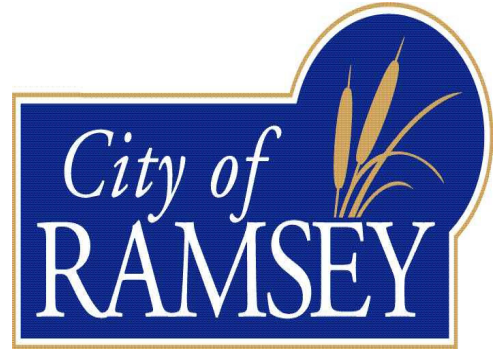


PLANNING COMMISSION



Topic Report: Foreclosures

By: Amber G. Miller, Planning Manager

Background:

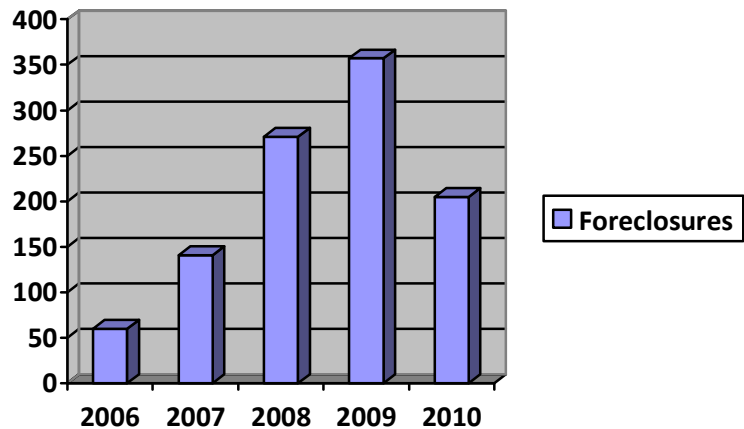
As Staff did last year around this time, Staff is bringing information forward regarding the number of foreclosures in the City for the calendar year 2010, now that we have the end of the year final tally from Anoka County.

Observations:

Along with the rest of the metropolitan area, over the past five years we have seen some significant increases in the number of foreclosed properties within the City. However, in 2010 there was a decrease which seems to be an exception to the rest of the area. While some areas of the City are more impacted than others, no area has proven immune to the problem.

Records reflect the following for Ramsey:

<u>Year</u>	<u># of Foreclosures</u>
2006	60
2007	141
2008	271
2009	357
2010	205



As you may be aware, in November 2008 the City Council adopted an ordinance allowing the disconnection of water service in vacant and foreclosed properties. Staff also receive lists of properties from Connexus and CenterPoint Energy on service disconnections. Staff then take the list of foreclosed properties and other utility disconnections and develop a list of properties that are on City water. In 2009 there were 121 properties that were on City water that were also on the foreclosure list. In 2010 that number was 134. These properties are tagged and a letter is also sent to the owner of record. If no response is received within five days the property is scheduled for water service disconnection by the Utility division. Of those 134 properties on City water, only 46 were confirmed vacant and able to have the water shut-off. In some residential properties, they have joint services so the unit must be heated because shutting the water off would shut water off to the entire building.

In 2009, one thing to keep in mind, there were a couple of developers holding a significant number of lots that went through the foreclosure process. One in the Village of Sunfish Lake and the other in Brookfield. Since both of those developments were platted lots, that increased the number of foreclosures significantly, Village had 60 vacant lots and Brookfield 94 vacant lots. Once you factor out those 154 vacant lots, our foreclose rate remains fairly constant to what it was last year.

The Planning Division works very closely with the Utilities Division and Police and Fire to keep track and address vacant units to try to minimize property damage and reduce the impact to the surrounding neighborhood (primarily through code enforcement).

There are numerous options that the City can consider to address management of vacant properties and rehabilitation and neighborhood recovery. Examples include:

1. Vacant Property Registration
2. Provide access to affordable financing to homeowners in distress.
3. Provide incentive to purchase vacant homes. (the County is already doing this through the Neighborhood Stabilization Program)
4. Implement ordinances to offset impacts of foreclosure and vacant buildings (such as the water utility disconnection program)
5. Code Enforcement to handle blight of vacant properties, especially long grass and debris
6. Homebuyer loan programs
7. Homeowner educational outreach
8. Stepped up marketing campaigns

Planning continues to track this information and as additional information becomes available, Staff will forward it to you.