

Office of Mayor Chris Coleman

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Millions from Neighborhood Stabilization Program to Advance Invest Saint Paul Strategies

Minnesota Housing distributes money to help combat home foreclosures

SAINT PAUL – Minnesota Housing Commissioner Dan Bartholomay joined Mayor Chris Coleman Friday morning at a vacant home on Sherburne Avenue to announce millions of dollars in awards that will provide emergency assistance to help cities and counties rehabilitate and redevelop abandoned and foreclosed homes and stabilize neighborhoods hardest hit by foreclosure.

Saint Paul will receive \$6.3 million of the nearly \$39 million Minnesota Housing is distributing through the Neighborhood Stabilization Program. Mayor Coleman said the money will give the city additional resources to rehabilitate and redevelop houses in the City's Invest Saint Paul neighborhoods.

“Through our Invest Saint Paul initiative, we are using all the tools at our disposal and leveraging our partnerships to bring investment into our historic neighborhoods and support the families that make these neighborhoods strong,” Mayor Coleman said. “The Neighborhood Stabilization Program will go a long way toward achieving the goals of our Invest Saint Paul work plan.”

Mayor Coleman and Bartholomay were joined by Saint Paul City Councilmember Melvin Carter, Minneapolis Mayor R.T. Rybak and other community development leaders at the vacant house in the Frogtown neighborhood that had been vandalized and stripped of copper piping. The house is now undergoing significant rehabilitation to prepare it for the Minneapolis/Saint Paul Home Tour in April.

Designed to combat the debilitating effects of the foreclosure crisis, the federal Neighborhood Stabilization Program allocated \$4.3 million to Saint Paul last fall to acquire and redevelop foreclosed properties.

In addition to stabilizing neighborhoods, research completed by Minnesota Housing indicates the remediation projects will generate tangible economic impact for the state.

“Of the \$38.8 million that Minnesota Housing is distributing under the Neighborhood Stabilization Program, we expect that at least half of the funding will be used for rehabilitation and redevelopment of foreclosed homes with the remaining funds being used for demolition, land-banking, and financing mechanisms,” Commissioner Bartholomay said. “This investment in rehabilitation and redevelopment has the potential to produce over 250 jobs in the state.”

“This mortgage foreclosure crisis is affecting cities nationwide and is too big for any one entity or strategy to solve,” Mayor Coleman added. “The allocation of Neighborhood Stabilization

Program funds from Minnesota Housing will help us combat the crisis and further our Invest Saint Paul strategies to keep neighborhoods safe, encourage investment, and support healthy families.”

Invest Saint Paul is an initiative to bring City services and members of the community together to address specific challenges facing neighborhoods through a “full court press.” Local government teams up with a variety of partners to direct existing resources and energy toward a set of neighborhood goals in a focused and strategic way.

In addition to the Saint Paul award, Minneapolis received a total of \$8.4 million to continue their foreclosure efforts. The \$38.8 million will be awarded in two categories, a high-need ZIP code pool and a high-need county pool based on foreclosure and demographic data analyzed by Minnesota Housing.