



Big Banks Make Bad Neighbors: What Foreclosures Are Costing Coon Rapids and What We Can Do About It

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Minnesota's working families, communities and government are all reeling from the prolonged recession. The recession that began when the housing bubble burst was a direct result of Wall Street's toxic lending practices and recklessness. The recession brought high unemployment, increasing rates of home foreclosure and struggling cities and neighborhoods.

In Minnesota, increased foreclosures and declining property values have put a strain on property owners, neighborhoods and families. More than 100,000 Minnesotans have already lost their homes.¹ Many of these foreclosed homes sit vacant for months and years, driving down the value of other houses in the neighborhood, and becoming magnets for crime. The majority of these foreclosed properties are owned by the very banks that caused the foreclosure crisis.²

The economic crisis has also had a devastating impact on public finances. The Minnesota Legislature compounded the impact of this fiscal crisis with drastic cuts in aid to local governments. Local governments, in turn, have had to make up the difference with property taxes from residents who are themselves struggling through the economic crisis. Squeezed from all sides, cash-strapped local governments and taxpayers are ill-prepared to deal with the cost of foreclosure in their communities.

The City of Coon Rapids is not alone. Cities across Minnesota are struggling with a dramatic rise of homes sitting vacant as a result of foreclosure. Many of these blighted homes are owned by the nation's largest banks. Coon Rapids has started the work of reducing neighborhood blight, but the cost of enforcement is draining the city treasury. As a result, the city and taxpayers are paying out of their own pocket to make the big banks clean up their mess.

Coon Rapid's needs a policy that forces banks to pay the full cost of cleaning up the foreclosure blight that they have created. It's time that banks stop passing off the costs of their vacant homes to Coon Rapids property tax payers and the city. Local governments across the county have already passed policies that hold big banks accountable for the cost of the mess they've made. It's time for Coon Rapids to do the same.

Coon Rapids: Squeezed from Both Sides

- **3,900 foreclosures between 2008-2012**
- **946 blight clean ups between 2008-2011**
- **\$4.0 million in increased public safety costs from 2008-2011**
- **\$8.9 million less in federal, state and county aid from 2008-2012**

As Wall Street Banks Continue to Foreclose on Our Neighborhoods, the Costs to Taxpayers Add Up

The Picture in Minnesota:

- There have been 132,000 foreclosures in Minnesota since 2008, with the number expected to reach more than 150,000 by the end of 2012.³
- One of every seven mortgages taken out in Minnesota between 2004 and 2008 is currently in the process of or has completed foreclosure.⁴
- One of every six Minnesota mortgage holders is underwater, owing more on his/her mortgage than the home is worth.⁵
- There are nearly 130,000 vacant homes in Minnesota, more than double the number a decade ago.⁶

Top Banks Foreclosing in Minnesota	
• Wells Fargo Bank	• Citigroup
• Bank of America	• U.S. Bancorp

Coon Rapids by the Numbers:

- **Foreclosures harm all homeowners:** Coon Rapids homeowners are estimated to lose nearly \$540 million in home value as a direct result of the 3,900 foreclosures for 2008-2012.⁷
- **Foreclosures erode property values, while property tax rates go up:** While property values have declined, Coon Rapids' property tax rate has increased 28% over the past four years.⁸
- **Foreclosures cost local governments:** The typical foreclosure can cost local governments more than \$19,000 for increased costs of safety inspections, police and fire calls, trash removal, and maintenance.⁹ In Coon Rapids these costs are estimated to be more than \$35 million for the estimated 1,800 bank-owned properties foreclosed upon between 2008 and 2012.
- **Foreclosures put schools and our children's education at risk:** When families lose their home, they are forced to move and don't always stay in the same school district. State aid is based on enrollment numbers, so the loss of students means less aid to districts. The Anoka-Hennepin School District lost nearly 2,000 students over the past four years,¹⁰ costing the district \$15.6 million in state funding.¹¹
- **Foreclosures undermine an economic recovery:** More than 5,300 Coon Rapids homeowners owe on average \$38,000 more on their mortgages than what their homes are worth.¹² Together that adds up to \$204 million in underwater debt that is strangling the Coon Rapids economy. If banks wrote down those mortgages, it could pump \$23.6 million into the local economy in Coon Rapids and create 347 new jobs each year.

Foreclosures Impact the Families Losing their Homes, but the Costs Hit All of Us

Foreclosures hurt home values within a neighborhood

Overall, Coon Rapids homeowners have lost an estimated \$600 million in home value because of the foreclosure crisis. When a home falls into foreclosure, it loses, on average, 22% of its value.¹³ For the average Coon Rapids home that means a loss of \$45,300.¹⁴ That adds up to nearly \$177 million in lost home value for the 3,900 foreclosures estimated for the period 2008 through 2012.¹⁵

A foreclosed home loses about 22% of its value. In Coon Rapids, that's an average loss of \$45,300.

But the value lost in foreclosed properties themselves is just the tip of the iceberg. **Foreclosures reduce the value of neighboring properties as well.** As a result, neighboring homeowners in Coon Rapids have lost

\$362 million in home value since the beginning of 2008.¹⁶ This is in addition to the \$177 million lost in the foreclosed properties, adding up to a total of \$540 million of lost home values in Coon Rapids. With lower home values, families have less home equity to use to fund retirement, pay tuition, grow their small businesses, or pay medical bills. For the average pre-retiree, at least two-thirds of their total assets are tied up in their home.¹⁷

Foreclosures erode property values and increase tax rates

The bank-induced foreclosure crisis has devastated property values in neighborhoods across the state. At the same time, counties, cities, school districts and other special taxing districts all depend on property taxes to provide critical services that residents rely on like education and public safety. And state cuts to cities and counties and other decline revenue sources have left property taxes to fill an increasing portion of the budget. As a result, Minnesotans are seeing their property tax rates continue to rise even as they lose equity in their homes and their neighborhoods suffer.

Coon Rapids homeowners' property tax bills have increased as both the city and their school district depend more and more on property tax revenues to provide critical services like public safety and education. By 2010, 52.2% of Coon Rapids' revenues came from property taxes compared to 43.8% in 2007. Similarly, between 2007 and 2008, the Anoka-Hennepin School District's dependence on property tax revenues increased from 15.7% to 20.5% of total revenues.¹⁸

In just four years, the residents of Coon Rapids have seen their property tax rates increase by 28%.

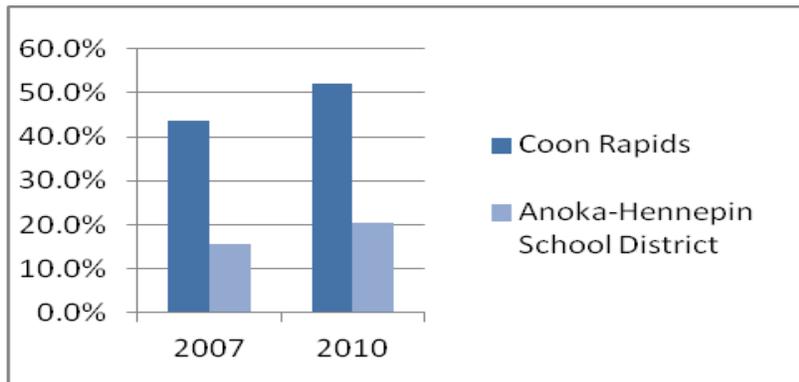


Chart: City and School District Budgets' Increasing Dependent on Property Taxes

Declining property values together with an increasing dependence on property tax revenues have led to skyrocketing property tax rates. In just four years, the residents of Coon Rapids have seen their property tax rates for the city increase by 28%,¹⁹ and their property tax rates for the school district increase by 24%.²⁰

Were it not for bank caused mortgage crisis, Coon Rapids homeowners' tax rate may not have had to rise to such an extent or even at all.

Foreclosures require increased police and other services, further draining public budgets

Foreclosure-related costs for Coon Rapids are estimated to be \$35.3 million.²¹ When houses sit empty, it's the city that has to spend money and staff time to monitor and maintain blighted foreclosed properties. City resources are spent indentifying vacant homes, providing maintenance, doing inspections, removing trash, responding to increased public safety calls, and conducting other code enforcement services. Foreclosure costs also include sheriff evictions, providing transitional assistance and shelters, and other safety net support to families. In addition, it is estimated that violent crime increases 2.33% for every 1% increase in foreclosures, making neighborhoods more dangerous and requiring greater police presence.²²

- Between 2005 and 2009, the number of complaints for unkempt properties in Coon Rapids skyrocketed from 172 to a high of 1,244, an increase of more than 600%.²³
- During that same period, the number of times the city had to send out a crew to clean up unkempt properties went from 11 to 374, forcing the city to expend scarce human and fiscal resources.²⁴
- **Between 2008 and 2011, the number of unsecured homes in Coon Rapids increased nearly 350%.²⁵**
- Between 2005 and 2011, Coon Rapid's annual expenditures in public safety increased by \$3.2 million, or 32%.²⁶

Between 2008 and 2011, the number of unsecured homes in Coon Rapids increased nearly 350%.

Coon Rapid's Blight Problem

With the increase in vacant homes and blight come costs to monitoring vacant homes and responding to blight complaints. The estimated costs to taxpayers of responding to and monitoring vacant homes can add up very quickly to more than \$19,000 per foreclosure and potentially much higher.²⁷

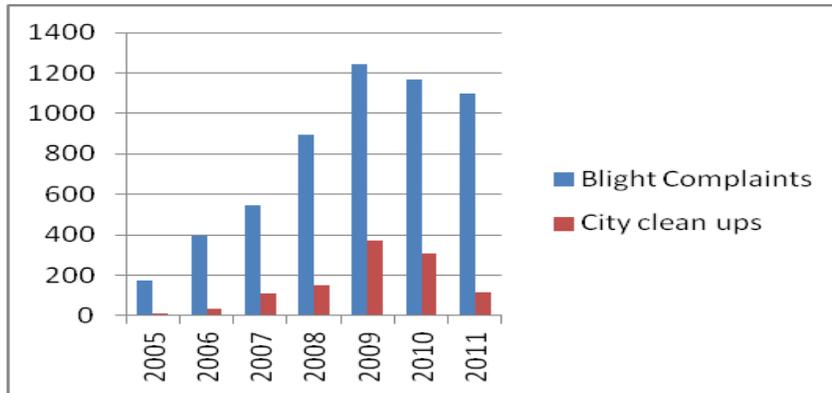


Chart: Blight Complaints received by the City of Coon Rapids 2005-2011

The City of Coon Rapids has begun to address the issue of blight. Recently, the city has had a policy in place that fines property owners, whose homes have fallen into disrepair, including foreclosed homes owned by banks. In 2011, the city increased the fines and beefed up implementation and this was a good first step in decreasing visible blight and neighbors complaints. But the number of complaints and city response still remain way above levels that existed before the housing bubble burst.²⁸ More than two thirds of the city's clean ups are on vacant properties. Many of these are in foreclosure.²⁹

Moreover, the fees generated by compliant driven citations do not even cover the cost of administering the program. **At a time when cities are contemplating slashing services, they are stuck picking up the tab for cleaning up the banks' foreclosure mess.** As a result, cities like Coon Rapids are hard-pressed to pay for services like libraries, parks, police and fire.

Foreclosures put schools and our children's education at risk

Families who have lost their homes to foreclosure need to find shelter elsewhere. This forced move disrupts families and communities and affects children's ability to focus in school. If families move out of the district, student enrollment drops and schools lose state aid.³⁰ The Anoka-Hennepin School District has lost nearly 2,000 students over the past four years,³¹ costing the district \$15.6 million in state aid.³² Coon Rapids middle schools and high schools have been particularly hard hit. Their attrition rate is more than double that of the district overall, losing nearly 700 students in the past four years³³ resulting in \$5.5 million in lost funding.

It is estimated that a vacant home costs a city an average of \$19,000.

Approximately 23% of children in households experiencing foreclosure in Minneapolis left the Minneapolis Public Schools, according to a study by the University of Minnesota.³⁴ Minneapolis Public Schools has lost 4,000 students due to foreclosure since 2006, costing the district \$150 million.³⁵ During the last four years, Anoka-Hennepin School District as a whole has had a higher foreclosure rate than the Minneapolis School District, and Coon Rapids' foreclosure rate is even higher, suggesting that the impact of foreclosure on student enrollment might be even greater in our communities.³⁶

Foreclosures undermine our economic recovery and cost Minnesota jobs

An alarming impact of the housing crisis is the immense drag that underwater mortgage debt has on economic recovery. Negative equity, often referred to as an “underwater mortgage” or “being upside down on your mortgage,” means that borrowers owe more on their mortgages than their homes are worth. **One in six Minnesota homeowners is under water on his/her mortgage.**

On average, Minnesota homeowners are underwater by \$38,000³⁷ which amounts to a total of \$3.5 billion. That means as Minnesota homeowners overpay on their mortgages, Wall Street devours over \$400 million annually in inflated payments. If banks wrote down underwater mortgages to the actual market value of homes, that money that would go directly into Minnesota's economy in the form of consumer spending. To do this, banks would have to reset mortgage principals to market value and refinance homeowners into 30-year fixed-rate loans at current market interest rates.

Coon Rapids has 5,369 homeowners who are \$204 million underwater. If banks wrote down those mortgages, it could pump \$23.6 million into the local economy and spur 347 jobs.³⁸ That would reduce the city's unemployment rate by 20%,³⁹ or provide jobs for more than half of Coon Rapids High School's graduating class.⁴⁰

It's Time for Solutions: Big Banks should Pay Their Fair Share

- **Foreclosure Registry:** It is the responsibility of the banks to identify their foreclosed properties in the city. The City of Coon Rapids should create a mandatory local registry of all properties in foreclosure and require banks to provide contact information for the individual responsible for maintaining the property. The registration would include a fee to fund the city's cost of running the program, and include fines for non-registration.
- **Fines for unmaintained properties:** It is the responsibility of the banks to identify problems with their foreclosed property and make repairs. The City of Coon Rapids should institute a policy that immediately fines the banks for complaints, inspections and clean up.
- **Homeowner Association Fees:** It is the responsibility of the banks to cover the necessary homeowner association fees for their foreclosed properties. The City of Coon

Rapids should institute a policy that requires banks to notify homeowner associations of a foreclosure and requires banks to pay association fees with a fine for non-compliance.

Big banks contributed to the economic crisis and the housing crisis with their recklessness and predatory lending practices. Currently, taxpayers are being forced to absorb the losses to home values and the costs to local governments.

Coon Rapids' current policy that fines property owners who have received complaints for failing to maintain their property has reduced neighborhood blight but it does not go far enough. Currently, the city of Coon Rapids is footing the bill for administering and enforcing its vacancy law. **These costs are draining the city treasury and the pockets of property tax payers.**

The city and Coon Rapids taxpayers continue to foot the bill for the mess that banks have created. Coon Rapids must require that banks pay for the full cost of dealing with their foreclosed homes. Across the country, hundreds of local governments have already passed such policies that generate much needed revenues to help fill municipal budget gaps and hold big banks accountable for the costs of their foreclosures. It's time for Coon Rapids to do the same.

A Solution for Coon Rapids

- ***Mandatory foreclosure registry and fee***
- ***Mandatory fines for unmaintained properties***
- ***Homeowner Association notification and fees***

<p>Who is Responsible for this Mess?</p>	<p>Wall Street’s reckless and predatory lending practices have devastated Minnesota and Minnesota neighborhoods. Bankers often profited from pushing homeowners into high-cost loans they couldn’t afford and then promptly cashed out by selling the loans to investment banks that turned them into mortgage-backed securities (MBS).</p> <p>This widespread practice, which started among subprime lenders but was quickly adopted by the big banks, created and inflated the housing bubble. Bankers and brokers raked in mega-bonus checks making homeowners vulnerable. When Wall Street’s bets went sour, the bankers were bailed out by taxpayers and got to keep their bonuses but Minnesotans lost hundreds of millions in savings in their homes.</p> <p>Wall Street’s recklessness is well-documented and continues to have devastating consequences. Banks use flawed-and, in some cases, fraudulent--procedures to flood the housing market with foreclosures resulting in a hundred thousand Minnesota families losing their homes. The disregard for mortgage laws and standards is the latest example of a predatory industry that continues to devastate families already hit hard by the economic crisis.</p> <p>Recently, the five largest mortgage companies in the U.S. agreed to a \$26 billion settlement with 49 state attorneys general and federal officials for their role in these practices.¹ However, this amount is not nearly enough to compensate communities for the harm that has been done, as this report documents.</p>				
<p>Who Benefited?</p>	<p>Wall Street’s reckless lending practices have devastated Minnesota. Lenders pushed homeowners into high-cost loans and investment banks turned mortgages into a casino. When Wall Street’s bets went sour, the bankers were bailed out by taxpayers and got to keep their bonuses but Minnesotans lost billions in savings in their homes.</p> <p>BANK OF AMERICA CEO Brian Moynihan</p> <table data-bbox="522 1686 1393 1759"> <tr> <td>Federal taxpayer bailout funds received:⁴¹</td> <td>\$230.1 billion⁴²</td> </tr> <tr> <td>Profits since bailout (2009-2011):</td> <td>\$3.3 billion</td> </tr> </table>	Federal taxpayer bailout funds received: ⁴¹	\$230.1 billion ⁴²	Profits since bailout (2009-2011):	\$3.3 billion
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Profits since bailout (2009-2011):	\$3.3 billion				

¹ Schwartz, Nelson and Shaila Dewan, “States Negotiate \$26 Billion Agreement for Homeowners” New York Times, February 2012, <http://www.nytimes.com/2012/02/09/business/states-negotiate-25-billion-deal-for-homeowners.html?pagewanted=all>.

	WELLS FARGO	
	CEO John Stumpf	
	Federal taxpayer bailout funds received: ⁴³	\$43.7 billion ⁴⁴
	Profits since bailout (2009-2011):	\$40.3 billion
	U.S. BANCORP	
	CEO Richard Davis	
	Federal taxpayer bailout funds received: ⁴⁵	\$6.6 billion ⁴⁶
	Profits since bailout (2009-2011):	\$10.2 billion
	JP MORGAN CHASE	
	CEO Jamie Dimon	
	Federal taxpayer bailout funds received: ⁴⁷	\$100.7 billion ⁴⁸
	Profits since bailout (2009-2011):	\$49.4 billion
CITIGROUP		
CEO Vikram Pandit		
Federal taxpayer bailout funds received: ⁴⁹	\$414.9 billion ⁵⁰	
Profits since bailout (2009-2011):	\$22.5 billion	

¹ Data purchased from www.corelogic.com.

² Data purchased from www.corelogic.com.

³ Data from www.RealtyTrac.com.

⁴ *State Rates of Completed Foreclosure and Serious Delinquency, by Neighborhood Income (2004-2008 Originations)*, Center for Responsible Lending, 2011, <http://www.responsiblelending.org/mortgage-lending/research-analysis/lost-ground-State-data-by-neighborhood-income.pdf>.

⁵ Data purchased from www.corelogic.com.

⁶ *Vacant Properties Growing Number Increases Communities' Costs and Challenges*. U.S. Government Accountability Office, GAO-12-34, November 2011, p.14, <http://www.gao.gov/new.items/d1234.pdf>,

⁷ The direct impact to foreclosed homes was calculated using a methodology from the U.S. Joint Economic Committee using median city home value from zillow.com, decline estimate of 22%, and number of foreclosures from RealtyTrac.com. The 22% decline estimate is based on the most conservative decline ranging from 22% to 28% based on Pennington-Cross, Anthony, *The Value of Foreclosed Property*, Marquette University, April 1, 2006, http://epublications.marquette.edu/cgi/viewcontent.cgi?article=1031&context=fin_fac and RealtyTrac 2010 sales report. It is conservatively estimated that a foreclosed property will cause the value of neighboring homes within an eighth of a mile to drop 0.9%. Immergluck, Dan and Geoff Smith, *The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values*. Housing Policy Debate (2006) 17(1):57-79, http://findaforeclosurecounselor.net/network/neighborworksProgs/foreclosuresolutions/pdf_docs/hpd_4closehsgprice.pdf.

⁸ Hennepin County, Minnesota Property Information Search, <http://hennepin.us/portal/site/HennepinUS/menuitem.b1ab75471750e40fa01dfb47ccf06498/?vgnnextoid=81f06f275d813210VgnVCM10000049114689RCRD>

⁹ Methodology based on Apgar, William C. , Mark Duda and Rochelle Nawrocki Gorey, *The Municipal Cost of Foreclosures: A Chicago Case Study*, A Report prepared for the Homeownership Preservation Foundation, February 27, 2005., http://www.995hope.org/wp-content/uploads/2011/07/Apgar_Duda_Study_Full_Version.pdf.

¹⁰ Anoka-Hennepin School District 011, Enrollment reports for October 1, 2007, <http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=RW5yb2xsbWVudF95ZXBvcnRfMTA6MTowNy5wZGY6Ojovd3d3Ni9zY2hvb2xzL21uL2Fub2thL2ltYWdlcy9kb2NtZ3IvMTE2OTlmaWxlMzQzNTgucGRm> and October 1, 2011,

<http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=MTAwMTEwX0Vucm9sbG1lbnRfcmVwb3J0LnBkZjo6Oi93d3c2L3NjaG9vbHMvbW4vYW5va2EvaW1hZ2VzL2RvY21nci8xMTY5OWZpbGUxMDkxODkucGRm>.

¹¹ The funding loss is calculated by multiplying the number of fewer students by the state contribution per student. The per-student formula for the Anoka-Hennepin School District is from the Coalition of Minnesota Businesses' *Do the Math 1 + 1 = ? State & Local funding for Your School District*, <http://www.mnbusiness.com/mng/front.html>.

¹² Data purchased from www.corelogic.com.

¹³ Pennington-Cross, Anthony, *The Value of Foreclosed Property*, Marquette University, April 1, 2006, http://epublications.marquette.edu/cgi/viewcontent.cgi?article=1031&context=fin_fac.

¹⁴ For the median home value we used zillow.com's Home Value Index for Coon Rapids for June 2007. The date was selection because it was just before the housing prices began to decline. At that time the median home value was \$206,000, http://www.zillow.com/local-info/MN-Coon-Rapids-home-value/r_10940/#metric=mt%3D34%26dt%3D1%26tp%3D6%26rt%3D8%26r%3D10940%26el%3D0.

¹⁵ The direct impact to foreclosed homes was calculated based on the methodology from the U.S. Joint Economic Committee using a) the median city home value from zillow.com of \$206,000, decline estimate of 22% of the median value (\$45,320), and the number of foreclosures (3,900) from RealtyTrac.com. The 22% decline estimate uses the most conservative decline ranging from 22% to 28% based on Anthony Pennington-Cross's, *The Value of Foreclosed Property*, Marquette University, http://epublications.marquette.edu/cgi/viewcontent.cgi?article=1031&context=fin_fac and RealtyTrac 2010 sales report.

¹⁶ Neighboring home value decline was calculated using methodology from the U.S. Joint Economic Committee using median county home value from U.S. Census, decline in value of 0.9%, and number of foreclosures from RealtyTrac.com. The decline estimate is based on a conservative decline estimate of 0.9% to one eighth mile radius (approximately 50 homes) based on Dan Immergluck and Geoff Smith, *The External Costs of Foreclosure: The Impact of Single-Family Mortgage Foreclosures on Property Values*. Housing Policy Debate (2006) 17(1):57-79, http://findaforeclosurecounselor.net/network/neighborworksProgs/foreclosuresolutions/pdf_docs/hpd_4closehgprice.pdf. Higher estimates are a 1.4% decline in low to moderate income communities and others double the impact radius to a quarter of mile.

¹⁷ Hoak, Amy, *Consumer Finance: Tapping Home Equity in Retirement*, The Wall Street Journal, March 17, 2011. <http://www.marketwatch.com/story/tapping-homeequity-in-retirement-2011-03-17>

¹⁸ *The City of Coon Rapids Comprehensive Annual Financial Report* for the year ending December 31, 2010, <http://www.ci.coon-rapids.mn.us/Pdf/FinanceCAF10.pdf>; Anoka County local tax rate history, http://www.co.anoka.mn.us/v1_departments/div-property-rec-tax/tax-admin/pdf/2011/Historical%20Tax%20Rates%20by%20Taxing%20District.pdf.

¹⁹ *The City of Coon Rapids Comprehensive Annual Financial Report* for the year ending December 31, 2010, <http://www.ci.coon-rapids.mn.us/Pdf/FinanceCAF10.pdf>; Anoka County local tax rate history, http://www.co.anoka.mn.us/v1_departments/div-property-rec-tax/tax-admin/pdf/2011/Historical%20Tax%20Rates%20by%20Taxing%20District.pdf.

²⁰ *The City of Coon Rapids Comprehensive Annual Financial Report* for the year ending December 31, 2010, <http://www.ci.coon-rapids.mn.us/Pdf/FinanceCAF10.pdf>; Anoka County local tax rate history, http://www.co.anoka.mn.us/v1_departments/div-property-rec-tax/tax-admin/pdf/2011/Historical%20Tax%20Rates%20by%20Taxing%20District.pdf.

²¹ Methodology based on Apgar, William C. , Mark Duda and Rochelle Nawrocki Gorey, *The Municipal Cost of Foreclosures: A Chicago Case Study*, A Report prepared for the Homeownership Preservation Foundation, February 27, 2005., http://www.995hope.org/wp-content/uploads/2011/07/Apgar_Duda_Study_Full_Version.pdf. Many

experts, including the U.S. Joint Economic Committee, use the \$19,229 cost from the Chicago study as an approximate cost of foreclosure. Also, the Chicago study from 2005 likely does not capture the full post-crisis level of impacts and level of costs in Minnesota and Coon Rapids. We used a conservative method of only calculating those costs for REO's (bank-owned properties)--however, when any home goes into foreclosure we have to be prepared for worst case scenario, which is that it will end up an REO. In Coon Rapids, of the 3,900 completed and estimated foreclosures between 2008 and 2012, 1,819 were bank-owned properties.

²²Vidmar, Christine, *Seven Ways Foreclosures Impact Communities*, Neighborhood Works America, August 2008, <http://www.nw.org/network/neighborworksprogs/foreclosuresolutions/reports/documents/7ForeclosureImpacts.pdf>

²³Weed Abatement Comparison, Final 2011 Season, City of Coon Rapids. Information provided by Coon Rapids Government.

²⁴Weed Abatement Comparison, Final 2011 Season, City of Coon Rapids. Information provided by Coon Rapids Government.

²⁵Information provided by Coon Rapids Government.

²⁶Coon Rapids Comprehensive Annual Financial Report for the year ended December 31, 2010, <http://www.ci.coon-rapids.mn.us/Pdf/FinanceCAFR10.pdf>.

²⁷Apgar, William C. , Mark Duda and Rochelle Nawrocki Gorey, *The Municipal Cost of Foreclosures: A Chicago Case Study*, A Report prepared for the Homeownership Preservation Foundation, February 27, 2005., http://www.995hope.org/wp-content/uploads/2011/07/Apgar_Duda_Study_Full_Version.pdf.

²⁸Weed Abatement Comparison, Final 2011 Season. City of Coon Rapids.

²⁹Number of 2010 Long Grass Abatements by Type of Property, provided by City of Coon Rapids.

³⁰State aid is based on student enrollment numbers.

³¹Anoka-Hennepin School District 011, Enrollment reports for October 1, 2007, <http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=RW5yb2xsbWVudF9SZXBvcnRfMTA6MTowNy5wZGY6Ojovd3d3Ni9zY2hvb2xzL21uL2Fub2thL2ltYWdlcy9kb2NtZ3lvMTE2OTlmaWxIMzQzNTgucGRm> and October 1, 2011,

<http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=MTAwMTEwX0Vucm9sbG1lbnRfcmVwb3J0LnBkZjo6Oi93d3c2L3NjaG9vbHMvbW4vYW5va2EvaW1hZ2VzL2RvY21nci8xMTY5OWZpbGUxMDkxODkucGRm>.

³²The funding loss is calculated by multiplying the number of fewer students by the state contribution per student. The per-student formula for the Anoka-Hennepin School district is from the Coalition of Minnesota Businesses' *Do the Math 1 + 1 = ? State & Local funding for Your School District*, <http://www.mnbusiness.com/mng/front.html>.

³³Anoka-Hennepin School District 011, Enrollment reports for October 1, 2007, <http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=RW5yb2xsbWVudF9SZXBvcnRfMTA6MTowNy5wZGY6Ojovd3d3Ni9zY2hvb2xzL21uL2Fub2thL2ltYWdlcy9kb2NtZ3lvMTE2OTlmaWxIMzQzNTgucGRm> and October 1, 2011,

<http://www.anoka.k12.mn.us/education/page/download.php?fileinfo=MTAwMTEwX0Vucm9sbG1lbnRfcmVwb3J0LnBkZjo6Oi93d3c2L3NjaG9vbHMvbW4vYW5va2EvaW1hZ2VzL2RvY21nci8xMTY5OWZpbGUxMDkxODkucGRm>.

³⁴Allen, Ryan, *The Unraveling of the American Dream: Foreclosures in the Immigrant Community of Minneapolis*, March 2009, http://www.hhh.umn.edu/people/rallen/pdf/unraveling_american_dream.pdf.

³⁵*The Impact of Foreclosures on Minneapolis Public Schools*, Neighborhoods Organizing for Change, <http://www.mnnoc.org/nocforeclosureschoolsstudy.pdf>

³⁶Data purchased from www.corelogic.com.

³⁷*The Win-Win Solution: How Fixing the Housing Crisis Will Create One Million Jobs*, The New Bottom Line, August 2011, http://www.newbottomline.com/download_report_the_win_win_solution.

³⁸CoreLogic underwater data and methodology from *The Win-Win Solution: How Fixing the Housing Crisis Will Create One Million Jobs*, The New Bottom Line, August 2011, http://www.newbottomline.com/download_report_the_win_win_solution. That report relies on Robert Pollin and Heidi Garret-Peltier's, *The U.S. Employment Effects of Military and Domestic Spending Priorities: An Updated Analysis*. Political Economy Research Institute, University of Massachusetts, Amherst. Oct 2009, p.5. http://www.peri.umass.edu/fileadmin/pdf/published_study/spending_priorities_PERI.pdf. Pollin and Garret-Peltier's study shows that giving Americans a \$1 billion tax break for personal consumption would create 14,800

jobs, which translates to \$67,658 per job. Reducing homeowners' monthly mortgage payments would have a similar impact to a tax cut for personal consumption by freeing up dollars for households to use on other things like buying groceries and school supplies. We therefore divided the \$23.6 million in annual savings by \$67,658 per job to determine that loan modifications with principal and interest rate write-downs to market value would create 347 jobs in Coon Rapids.

³⁹ Minnesota Department of Employment and Economic Development,
<http://www.positivelyminnesota.com/apps/lmi/laus/CurrentStats.aspx>.

⁴⁰ Coon Rapids High School, <http://high-schools.com/schools/519/coon-rapids-high-school.html>

⁴¹ Includes bailouts that Bank of America has paid back and federal guarantee programs it has exited.

⁴² Prins, Nomi, and Krisztina Ugrin, *The Bailout Tally Report*, October 1, 2010,
<http://nomiprins.squarespace.com/storage/bailouttallyoct2010.pdf>

⁴³ Includes bailouts that Wells Fargo has paid back and federal guarantee programs it has exited.

⁴⁴ Prins, Nomi, and Krisztina Ugrin, *The Bailout Tally Report*, October 1, 2010,
<http://nomiprins.squarespace.com/storage/bailouttallyoct2010.pdf>

⁴⁵ Includes bailouts that U.S. Bancorp has paid back and federal guarantee programs it has exited.

⁴⁶ Prins, Nomi, and Krisztina Ugrin, *The Bailout Tally Report*, October 1, 2010,
<http://nomiprins.squarespace.com/storage/bailouttallyoct2010.pdf>

⁴⁷ Includes bailouts that JPMorgan has paid back and federal guarantee programs it has exited.

⁴⁸ Prins, Nomi, and Krisztina Ugrin, *The Bailout Tally Report*, October 1, 2010,
<http://nomiprins.squarespace.com/storage/bailouttallyoct2010.pdf>

⁴⁹ Includes bailouts that Citigroup has paid back and federal guarantee programs it has exited.

⁵⁰ Prins, Nomi, and Krisztina Ugrin, *The Bailout Tally Report*, October 1, 2010,
<http://nomiprins.squarespace.com/storage/bailouttallyoct2010.pdf>