

Inspiring Communities Program Training



November 17, 2014

Saint Paul Housing Redevelopment Authority (HRA)

Meeting Agenda

- Inspiring Communities Team
 - Provide those who have not previously responded to the RFP an overview of the program and process
 - Review key changes in the RFP from last year
- Human Rights and Equal Economic Opportunity (HREEO)
 - Compliance overview
- Neighborhood Energy Connection (NEC)
 - Energy-related certification and requirements
- Capitol Region Watershed District
 - Partnership opportunities
- Answer Questions

Inspiring Communities Team

Leadership

- Jonathan Sage-Martinson
- Patty Lilledahl

Project Managers

- Joe Musolf
- Sarah Zorn
- Tchu Yajh
- Jules Atangana
- Jennifer Jordan

Homebuyer Assistance Program

- Michelle Vojacek

Admin/Property Management

- Vicki Lee
- Debra Brandis
- Cindy Carlson
- Nicole McCarthy
- Kurt Schultz
- Ashley Foell

Consulting

- Andy Barnett, Frogtown Rondo Home Fund

Parcel Disposition Strategy

Disposition Category	Total Properties	Properties Remaining
Inspiring Communities RFP	130	64
Vacant Lot Sales Program	51	36
Splinter Parcel Program	45	32
To Be Determined	14	14
Total	240	146

Inspiring Communities Program Goals

- Use HRA property as a catalyst for neighborhood transformation
- Construct or rehabilitate 130 housing units to create a variety of housing opportunities in focused cluster areas
- Create job opportunity for local residents, as well as Section 3, minority-owned, women-owned and small businesses.
- Inspire innovative, sustainable design and construction methods
- Promote workforce, contracting and housing equity



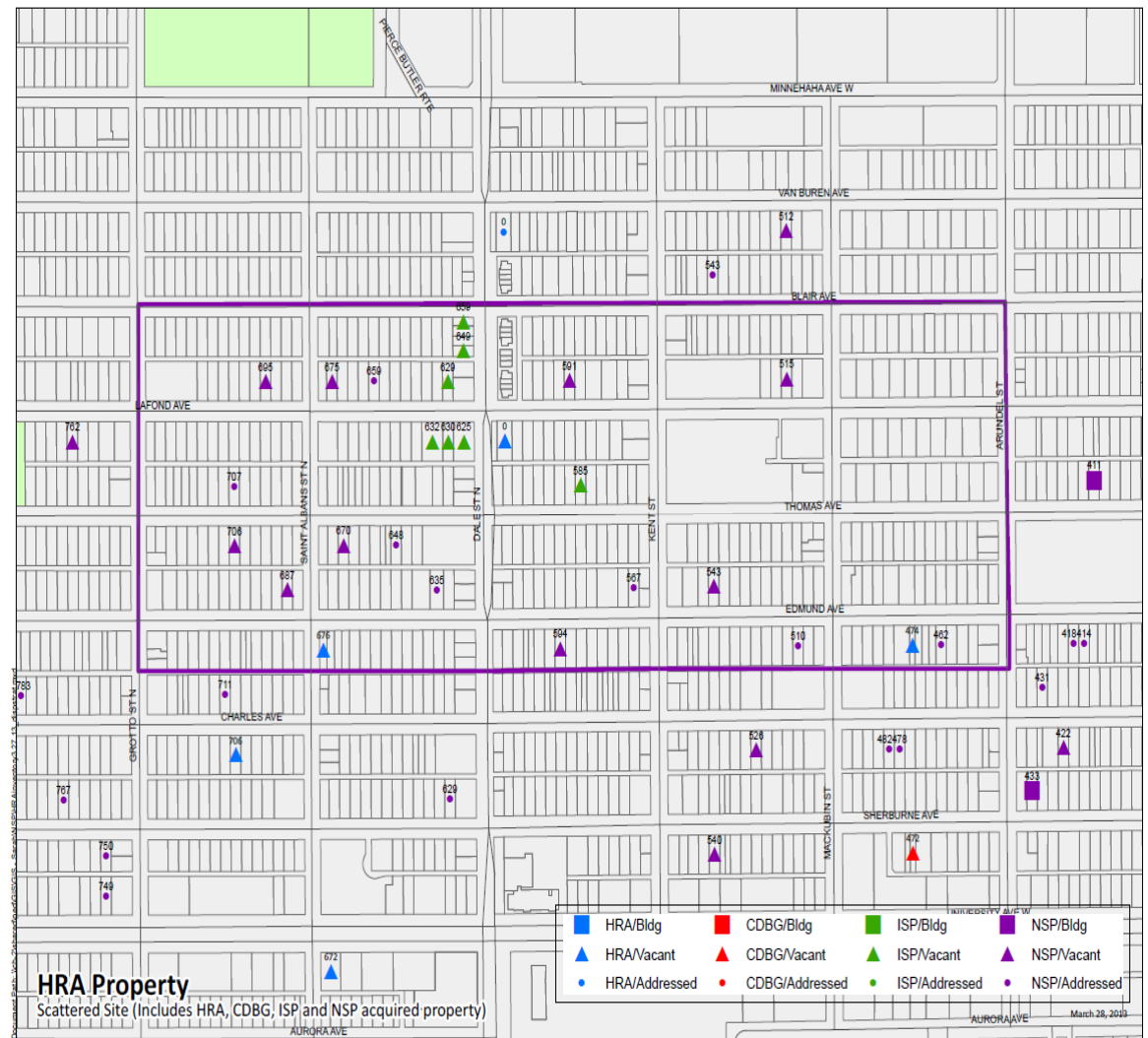
Clustering Properties Concentrating Investment

- Focus development subsidies to achieve neighborhood transformation
- Best practice for community development nationally
- Criteria for leveraging federal, state and other investment
- Provide equal access to opportunity through predictable and clear process for working with city subsidy and property



Frogtown Cluster Area

- Maximizes number of properties addressed
- Overlaps a portion of Frogtown Home Loan Fund target area (local initiative)
- Potential to leverage funds from LISC, Twin Cities Community Land Bank, Minnesota Housing and Family Housing Fund



2014 Request for Proposals

- 61 properties
- Approximately \$2.6 million of subsidy
- Compliance requirements:
 - Section 3
 - Affirmative Action
 - Vendor Outreach
 - Sustainability/Design Guidelines
 - Program Guidelines
- RFP will be offered annually in an effort to address HRA owned property



Funding Sources

- Housing and Redevelopment Authority (HRA) or Invest Saint Paul funds (ISP): Flexible and locally controlled dollars. Timeline and types of activities can be adjusted with approval by the Saint Paul HRA.
- Minnesota Housing Finance Agency Community Homeownership Impact Fund (MHFA or CHIF): State funding with timeline expectations and income limits for end occupants.
- Neighborhood Stabilization Program (NSP) or Community Development Block Grant (CDBG) funds: Federal dollars from the Department of Housing and Urban Development (HUD) that have specific requirements, including:
 - timeline for completing activities
 - restrictions about who can benefit from a project and
 - types of activities can be paid for with the funds

Inspiring Communities Sustainability Requirements



- Apply to both rental and owner programs
- Require certification through Enterprise Green Communities (EGC) – third party verification
- The HRA successfully EGC certified 40 homes as a pilot in 2013
- Higher efficiency = lower long term energy costs

Abate Environmental Hazards

Federal funding sources on most Inspiring Communities properties require abatement of:

- **Lead and Asbestos:** Often present in homes built before 1978
- **Radon:** Can be present in both existing and new construction houses
- **Mold:** If it's present, abate and ensure the moisture issue is addressed

It is the Developer's responsibility to ensure these health hazards are treated appropriately.



State mandated safety measures must be taken during abatement activities

Homeownership Manual Basics

- Net Proceeds of Sale Calculation
 - If you spend less gap and/or sell for a higher than anticipated price, the HRA will split the proceeds up to a maximum of \$10,000
 - Homeownership spreadsheet calculation
- Disbursement Schedule
 - Closing with the HRA, interim draw, closing with end buyer
- End Buyer Assistance Program
 - NSP-funded property only
- Gap Security
 - 0% loan, forgivable at the time of sale to an eligible buyer

Key Changes to the RFP

- Property priorities
 1. Located within the Railroad Island Cluster Area or CDBG high priority
 2. Structures
 3. Lots acquired with NSP or CDBG
 4. All remaining property
- Income limits
- How to apply
- Selection Criteria

Property Priorities

www.stpaul.gov/inspiringcommunities

2014 RFP Property List and Reports

Addendum 1 lists funding sources

2014 Property Information and Reports

The following are properties eligible for consideration under the 2014 Inspiring Communities RFP. In some cases the HRA has already ordered and paid for items that may be of assistance when developing cost estimates and budgets. These items are provided for informational purposes only and may include: lead, asbestos and radon tests; energy efficiency scopes of work from NEC; code compliance reports; surveys; and project drawings/scopes of work. Click the address link for any available reports.

All questions related to the RFP must be submitted through the Supplier Portal at www.stpaulbids.com

First Priority Property

Address	Neighborhood	Lot or Building	Acquisition Price	Approx. Lot Size	Zoning	Demo by HRA	Eligible Use
275 Bates Ave	Dayton's Bluff	Duplex	\$80,000	40 x 54	RT1	N/A	Ownership
279 Bates Ave	Dayton's Bluff	Single family	\$85,000	36 x 40	RT1	N/A	Ownership
753 Bradley Street	Railroad Island	Single family	\$68,000	40 x 122	RT1	N/A	Ownership
704 Desoto Street	Railroad Island	Lot	\$13,650	40 x 165	RT1	Y	Ownership or rental
736 Desoto Street	Railroad Island	Lot	\$15,450	60 x 122	RT1	Y	Ownership or rental
426 and 430 Minnehaha Ave	Railroad Island	Lot	\$18,500	99 x 90	RT1	N	Ownership
427 Mount Ida Street	Railroad Island	Lot	\$6,375	32 x 100	RT1	N	Ownership
433 Mount Ida Street	Railroad Island	Lot	\$5,450	25 x 100	RT1	N	Ownership or rental
437 Mount Ida Street	Railroad Island	Lot	\$16,350	75 x 102	RT1	N	Ownership or rental
699 Preble Street	Railroad Island	Lot	\$8,181	40 x 101	RT1	N	Ownership or rental
587 Reaney Ave	Railroad Island	Lot	\$12,726	45 x 135	R4	Y	Ownership or rental

Second Priority Property

Address	Neighborhood	Lot or Building	Acquisition Price	Approx. Lot Size	Zoning	HRA Demo	Eligible Use
700 4th Street	Dayton's Bluff	Duplex	\$22,900	40 x 120	RT1	N/A	Ownership
724 4th Street	Dayton's Bluff	Duplex	\$25,525	40 x 108	RT1	N/A	Ownership
767 4th Street	Dayton's Bluff	Duplex	\$15,300	40 x 120	RT1	N/A	Ownership
790 Case Ave	Payne Phalen	Single family	\$116,820	40 x 125	RT1	N/A	Ownership or rental
845 Conway Street	Dayton's Bluff	Duplex	\$29,525	40 x 124	RT1	N/A	Ownership
47 Douglas	Little Bohemia	Single	\$1	46 x 49	R4	N/A	Ownership or rental

Income Limits

- Income information is an exhibit in the program manuals
- Limits will change based on the type of subsidy available for each project

2014 Inspiring Communities Income Restrictions

All sources consider gross annual household income. Some sources make adjustments for household size, while others do not. If multiple sources are used on the same property, the most restrictive requirement will apply.

1. HUD's Neighborhood Stabilization Program (NSP)

Income limits are set at 120% of Area Median Income as adjusted for household size. HUD updates these limits on an annual basis, typically in December.

MSA Median Income = \$82,900					Effective December 1, 2013		
1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$69,650	\$79,600	\$89,550	\$99,500	\$107,450	\$115,400	\$123,350	\$131,300

2. Minnesota Housing Finance Agency's Community Housing Impact Fund (CHIF)

Maximum income is determined annually by Minnesota Housing. The 2014 limit is \$95,300.

3. Combined MHFA CHIF and NSP funds

MSA Median Income = \$82,900			
1 person	2 person	3 person	4 or more persons
\$69,650	\$79,600	\$89,550	\$95,300

4. Community Development Block Grant (CDBG)

Income limits are set at 80% of Area Median Income as adjusted for household size. HUD updates these limits on an annual basis.

MSA Median Income = \$82,900					Effective December 18, 2013		
1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350

5. Metropolitan Council's Local Housing Incentive Account (LHIA)

Income limits are set at 60% of Area Median Income as adjusted for household size. HUD updates these limits on an annual basis.

MSA Median Income = \$82,900					Effective December 18, 2013		
1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
\$34,860	\$39,840	\$44,820	\$49,740	\$53,760	\$57,720	\$61,680	\$65,700

6. Housing and Redevelopment Authority funds (HRA)

No maximum income limit.

Income limits are updated on an annual basis.

Application Process

- All responses must be submitted through the Supplier Portal (www.stpaulbids.com)

PART 1 BUSINESS APPLICATION

Complete and submit this application

1. Business/Developer Name: _____
Address: _____
Telephone: _____
Contact: _____
E-Mail Address: _____
Federal Tax ID number: _____

2. List individuals having an interest of ten percent (10%) or

Name	Title	Description Interest

3. The business was established on _____, _____
the laws of the state of _____, as:
____ A corporation
____ A limited liability company
____ A non-profit or charitable institution or
____ A partnership known as _____
____ A business association or a joint venture

4. Number of years in business: _____

5. List the members of the development team and consultants necessary (attach resumes or qualifications of all members)

Name	Title	Firm

DISCLOSURE AFFIDAVIT

1. PRINCIPAL INFORMATION

This affidavit must be completed by an authorized person or person or non-profit entity ("Business") submitting the proposal.

If the Business is a for-profit, investors, officers, and principal or ten (10%) or more of the corporation must submit individual or Business is a non-profit, the executive director must provide a

Business Name	
Business Address	
Individual Name	
Phone Number	
Email Address	
Home Address	

2. PRINCIPAL DISCLOSURES

Check the boxes below regarding each individual and/or business listed below answered in the affirmative, please provide a full appropriate, (1) date, (2) charge or claim, (3) place, (4) court or status of case, and (6) outcome of case. Attach documentation

- Business/Individual is a party in a pending lawsuit.
_ YES _ NO
- Business/Individual is the subject of a judgment or for criminal or civil fraud or bribery.
_ YES _ NO
- Business/Individual has a conviction or pending case
_ YES _ NO
- Business/Individual has been indicted for or convicted 10 years.
_ YES _ NO
- Business/Individual has been a debtor in a bankruptcy or involuntary, within the past 10 years.
_ YES _ NO

PART 2 PROJECT APPLICATION

Complete this form for each address

Property Address: _____

Developer: _____

1. Proposed project description: Building square footage, size buildings-materials, etc. Attach conceptual drawings including floor plans.

2. Describe any proposed innovative use of building material

3. State specific reasons why the use of HRA assistance is necessary

4. Provide the justification for expected sales prices to end building supporting material.

ASSUMPTION OF RISK, WAIVER, COVENANT NOT TO SUE, INDEMNITY AND RELEASE OF LIABILITY

Street address of _____ Saint Paul, Mn ("Real Property")

In consideration of being allowed to enter onto the Real Property for viewing and/or soil testing that is owned by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") or the City of Saint Paul, the undersigned:

1. Acknowledges and fully understands that entry onto the Real Property involves a risk of injury to person and property, and that there may be other risks not known or not reasonably foreseeable at this time.

2. Acknowledges that it is the undersigned's sole responsibility to be properly insured and/or pay all medical costs, expenses and damages of any kind in the event of an injury or damage to person or property and to ensure its customers, contractors, subcontractors, agents, invitees and/or employees are also insured and/or will pay all medical costs, expenses and damages of any kind in the event of an injury or damage to person or property, and that evidence of such insurance will be given to the HRA upon the execution of this document with such limits and coverages as the HRA agrees to.

3. Assumes all the foregoing risks and accepts full and sole responsibility for the damages following such injury, whether caused by the undersigned, its customers, contractors, subcontractors, agents, invitees and/or employees.

4. Releases, waives, discharges and covenants not to sue the City of Saint Paul, Minnesota, and the HRA, and their respective representatives, officials, attorneys and employees (collectively the "Releasees") from all liability, claims, demands, losses and damages on account of injury, including death or damage to property, caused or alleged to be caused in whole or in part by the Releasees arising from or related to the entry upon and use of the Real Property by the undersigned and its customers, contractors, subcontractors, agents, invitees and employees.

5. Agrees to indemnify, defend and hold harmless the Releasees from any loss, liability and damages including attorney's fees that they may incur due to third person claims arising from or related to the entry upon and use of the Real Property by the undersigned and its customers, contractors, subcontractors, agents, invitees and employees and to provide liability and property insurance to cover this obligation with such limits and coverages as the HRA agrees to.

6. Agrees to repair at the undersigned's sole expense any damage caused to the Real Property by the undersigned and its customers, contractors, subcontractors, agents, invitees and employees.

7. Agrees that the HRA may revoke this entry and use in its sole discretion at any time.

8. A facsimile or electronic signature on this document is as effective as an original signature.

The undersigned has read the above document, and understands that substantial legal rights are given up by signing it and does sign it voluntarily.

(Print name and address) _____ Date: _____, 201____
Signature _____

Approval to enter upon Real Property given by _____ Date: _____, 201____
(HRA project services)

Application Process

Homeowner Sources and Uses			
Address:	xxx Street	Sq. ft.	Beds: Baths:
ACQUISITION COSTS			
Purchase Price	\$ -	Use price from HRA property listing	
Closing Costs - Acquisition	\$ -		
Total Acquisition Costs	\$ -		
CONSTRUCTION COSTS (HARD COSTS)			
Hard Construction Costs	\$ -	Estimated Contract Amount	
Contingency	\$ -	10% rehab; 5% new construction	
Total Construction Costs	\$ -	\$/Sq. ft. #DIV/0!	
SOFT COSTS			
Design and Construction Management	\$ -	Cap 6% of estimated hard costs	
Legal Work	\$ -		
Radon/Abestos/Lead Tests	\$ -	Note: if HRA has provided tests, it is expected this estimate will be minimal	
Real Estate Commission Fee	\$ -	Cap 6% of estimated sales price	
Soil Tests	\$ -		
Survey	\$ -		
Marketing/Staging	\$ -	Cap \$500 marketing expense	
Seller's Closing Costs	\$ -		
After Rehab Appraisal Fee	\$ -		
Holding Costs (maintenance, utilities)	\$ -	Homes with NSP financing cannot include these in TDC calculation for sale price	
Property Insurance	\$ -		
Other	\$ -		
Total Soft Costs	\$ -	#DIV/0! Percentage of soft costs relative to TDC	
Developer's Fee	\$ -	Cap 10% of Total Construction + Soft Costs, (Acquisition Costs not included)	
TOTAL DEVELOPMENT COSTS			
NSP eligible TDC	\$ -	Total of Acquisition, Construction Costs, Soft Costs, and Developer Fee	
Sale Price	\$ -	TDC less holding costs (only on homes with NSP financing)	
Projected Value Gap	\$ -	Appraised value of home (homes with NSP financing must be below NSP eligible TDC)	
Permanent Financing			
First Mortgage	\$ -	Buyer's first mortgage	
HRA Buyer Financing for NSP homes*	\$ -	\$2,500 if above 80% AMI; \$5,000 if less than 80% AMI (only on homes with NSP financing)	
HRA Value Gap Assistance	\$ -		
Other Source	\$ -		
Other Source	\$ -		
Other Source	\$ -		
Total	\$ -	Permanent Financing Total must equal TDC	
Interim Financing			
Equity	\$ -	Developer contribution	
Construction Loan	\$ -	Name terms	
HRA Value Gap Assistance	\$ -		
Other Source	\$ -		
Other Source	\$ -		
Other Source	\$ -		
Total	\$ -		

Homeowner Sources and Uses			
Address:	xxx Street		
ACQUISITION COSTS			
Purchase Price	\$ -	Use price from HRA property listing	
Closing Costs - Acquisition	\$ -		
Total Acquisition Costs	\$ -		
CONSTRUCTION COSTS (HARD COSTS)			
Hard Construction Costs	\$ -	Sworn Construction Statement	
Contingency	\$ -	10% rehab; 5% new construction	
Total Construction Costs	\$ -		
SOFT COSTS			
Design and Construction Management	\$ -	Cap 6% of estimated hard costs	
Legal Work	\$ -		
Radon/Abestos/Lead Tests	\$ -	Note: if HRA has provided tests, it is expected this estimate will be minimal	
Real Estate Commission Fee	\$ -	Cap 6% of estimated sales price	
Soil Tests	\$ -		
Survey	\$ -		
Marketing/Staging	\$ -	Cap \$500 marketing expense	
Seller's Closing Costs	\$ -		
After Rehab Appraisal Fee	\$ -		
Holding Costs (maintenance, utilities)	\$ -	Homes with NSP financing cannot include these in TDC calculation for sale price	
Property Insurance	\$ -		
Other	\$ -		
Total Soft Costs	\$ -		
Developer's Fee	\$ -	Cap 10% of Total Construction + Soft Costs, (Acquisition Costs not included)	
TOTAL DEVELOPMENT COSTS			
NSP eligible TDC	\$ -	Total of Acquisition, Construction Costs, Soft Costs, and Developer Fee	
Contract Sales Price	\$ -	TDC less holding costs (only on homes with NSP financing)	
Value Gap and Net Proceeds			
Actual Value Gap	\$ -	Total Development Costs less Sale Price (use NSP TDC if applicable)	
Original Estimated Value Gap	\$ -		
Net Proceeds to Developer	\$0.00	Net Proceeds to Developer if original value gap > actual value gap; Max. \$10,000	
Net Proceeds to HRA	\$0.00		

Selection Criteria

2013

SELECTION CRITERIA	Points
Conceptual plans/designs (including site plan, elevations and floor plans)	10
Innovative use of building materials or design	10
Ratio of soft costs to total development cost	
< 10%	10
10 - 15%	5
15% +	0
Evidence of market viability and justification of sales price to end buyer or rents proposed	10
Level of financial assistance requested per unit	
\$0 - \$50,000	20
\$51,000 - \$100,000	10
\$101,000 +	0
Project timeline/proposed schedule	
< 6 months	10
6 - 12 months	5
12 + months	0
Local hiring plan	5
Marketing plan	5
Section 3 certified developer	10
CERT Certification (S/M/W BE)	5
Maximum points	95

2014

SELECTION CRITERIA	POINTS
Efficiency	
Level of financial assistance requested per unit	
\$0 - \$50,000	50
\$51,000 - \$100,000	25
\$101,000 +	0
Project timeline/proposed schedule	
< 6 months	10
6 - 12 months	5
12 + months	0
Innovation and Design	
Innovative use of building materials or design	10
Equity (see Explanation of Selection Criteria for scoring information)	
Workforce equity (minimum 7 points required)	14
Contracting equity (minimum 5 points required)	12
Housing equity	4
Maximum Points	100

Selection Criteria

Equity criteria awards points to developers who demonstrate the ability or plan to advance economic opportunity amongst low-income, minority and female residents, and persons with disabilities in and around Saint Paul

- Workforce Equity (minimum of 7 points required)
- Contracting Equity (minimum of 5 points required)
- Housing Equity (no minimum points required)

Timeline

RFP Posted	November 3, 2014
Program Compliance Training	November 17 th 8 am – 11 am
Open Houses (by appointment)	November 19, 20 and 21 9 am – 3 pm
Responses Due	December 5 th by 3 pm
Anticipated HRA Board Action	January 14, 2015
Anticipated Closing/Sale to Developer	By February 28, 2015
Developer completion of project	According to RFP response and HRA agreement

Contact Nicole McCarthy at 651-266-6707 or
Nicole.mccarthy@ci.stpaul.mn.us to schedule an appointment to see
buildings.



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Contract Compliance

Mission: To be a leader in Contract Compliance in order to build and sustain superior opportunities in the areas of Workforce and Business Inclusion



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Objectives

To obtain an understanding of the different areas of Contract Compliance handled by HREEO:

- a. Vendor Outreach Program (VOP)
- b. Affirmative Action & Equal Employment Opportunity (AA/EEO)
- c. HUD Section 3

Questions can be asked throughout the presentation, there will also be a Q & A at the end.



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Vendor Outreach Program

Business Inclusion of Small Businesses (SBE),
Minority-owned (MBE) and Women-owned (WBE)

Tisidra Jones



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Applicability, Purpose & Certifications Needed

1. Applicability: VOP applies to all contracts with the City of Saint Paul.
2. Purpose: The purpose of VOP is to maximize contracting opportunities for small, minority-owned and women-owned businesses
3. CERTification: To count towards business inclusion goals a small, minority-owned and/or women-owned business must be CERT certified



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VOP Small Business Inclusion Goals

Overall goal of 25%, made up of:

MBE – 5%

WBE – 10%

SBE – 10%

✦ Based on total business opportunities.
(Includes subcontractors and suppliers.)



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Small Business Inclusion Goals

For companies with multiple certification types, they are applied in this order:

1. MBE
2. WBE
3. SBE

Example:

If a company is certified as M/W/SBE, they count toward the MBE goal first if that goal is not yet satisfied.

If the MBE goal is satisfied, the company counts toward the WBE goal.



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CERT Database

1. To access the searchable CERT database, log in at <https://cert.smwbe.com>
2. To apply for CERT certification go to the website above and click on “Apply for Certification”



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Good Faith Efforts

1. Solicit at least 5 bids from certified companies for *each* subcontracting opportunity
2. Request assistance from minority and women community organizations and/or minority and women contractor groups
3. Where applicable, advise and make efforts to assist interested MBEs, WBEs, and SBEs to obtain bonds, lines of credit, or insurance required to perform the contract



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Documenting Good Faith Efforts

1. Keep copies of
 - a) Bid lists
 - b) Responses = bid received
2. Be prepared to justify rejected bids
3. Document outreach efforts to business associations



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VOP Compliance – For Draw Requests

1. Updated Identification of Prime and Subcontractors – on form and in B2Gnow
2. Payment verification:
 - a) After second draw, subcontractors expected to be listed in B2Gnow with payment activity.
 - b) Draw requests will be held if....
 - i. Subcontractor is not listed in B2Gnow,
 - ii. There is no payment activity to the subcontractors recorded in B2Gnow.
 - » VOP Coordinator will inform project manager who will then contact the prime contractor regarding non-compliance.



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Affirmative Action & Equal Employment Opportunity

Workforce Utilization

Yia Thao



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Workforce Utilization – AA/EEO process

Chapter 183.04 of the St. Paul Human Rights Ordinance states:

1. The City requires **persons**, firms, corporations, partnerships, joint ventures, companies, organizations, agencies, clubs, groups or any other association of natural persons, legal entities, or both, that enters into a contract with the City of Saint Paul **regardless of the nature and size of its business**.
2. Total accumulated contract awards by the City of Saint Paul **meet or exceed \$50,000** within the preceding twelve month period.
3. Must have an Affirmative Action Plan certified with the City of Saint Paul
4. Each entity is assessed a **fee of \$75** for certifying their compliance with the affirmative action ordinance.
5. Affirmative Action is the last signature on the **GREEN SHEET** for all contracts, PSAs, agreements, amendments for compliance with AA/EEO.



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Workforce Utilization AA/EEO Goals

On City-assisted construction projects of \$50,000 or more, utilization goals for minority and female construction workers are:

- 32% minority total project hours
- 6% female total project hours



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AA/EEO Required Documentation

1. Contract Compliance Form
2. Identification of Prime and Subcontractors form
 - see form in booklet
3. MEU (Monthly Employment Utilization) –
on LCP Tracker
4. Projected Project Employment Utilization (PEU)



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HUD Section 3

Economic Opportunities for Low-
Income Residents

Dave Gorski



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Goals

Generally: Community economic development

1. Economic opportunities on the project go to low income residents in the neighborhood

How to do that:

1. JOBS: hiring requirement of 30%
2. CONTRACTING: work with businesses that benefit and/or employ low-income residents
 - a) Construction: 10%
 - b) Non-construction (professional services): 3%

Standard: “Greatest extent feasible”

1. More than good faith efforts: proactive outreach to get Section 3 on the project.
 - a) The earlier you start planning, the better.



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JOBS: Section 3 residents

Basically, low-income resident of the neighborhood

Low-income:

1. Examples:
 - a) Single person, less than \$44,750.
 - b) Family of four: \$63,900.
 - c) Measured by personal household income (count your spouse/partner/etc.)
2. Recipient of MFIP, SNAP, WIC, Reduced Lunch, Medicaid, etc.

“Neighborhood”

1. Ideally, what Saint Paul defines as a neighborhood
2. More generally: the City of Saint Paul
3. Most generally: Metropolitan Statistical Area (Saint Paul, Minneapolis, Anoka County, Dakota County, Hennepin County...even two counties in Wisconsin)



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Contracting: Section 3 Businesses

Business in the neighborhood that provide economic opportunity to Section 3 Residents

“Neighborhood”: Same definition as for residents

1. Bid preference: Business is generating opportunities for Saint Paul Section 3 Residents
= Most preferable

Notification

1. Utilize the City’s Section 3 business list, newspapers, trade associations, etc., to get the word out. Section 3 companies are entitled to notification of Section 3 opportunities.
2. Send notification of bidding opportunities to the City of Saint Paul Section 3 coordinator.



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Section 3: Summary

Community Economic Development

Income-Based

Hiring Goals (30%)

Contracting Goals (10% and 3%)



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How to put it into practice

Saint Paul Section 3 list

www.stpaul.gov/Section3/BusinessList

Working with community partners

www.stpaul.gov/ContractCompliance/CommunityPartners

Registering Section 3-eligible businesses and residents with the City

www.stpaul.gov/Section3/Registration

Collaborate with the City



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Compliance

Bid Specifications: Section 3 contract must be in EVERY CONTRACT on a Section 3 project

1. EVERY CONTRACT
2. Developer agreement, prime contractor, 1st tier subs, 2nd tier subs, etc.

Before construction start

1. Action plan, detailing planned efforts to achieve Section 3 participation





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Compliance

During Project

1. Contracting updates
2. Hiring updates
3. Reports done quarterly
4. Payment updates (mostly monitored through Vendor Outreach)





Human Rights & Equal Economic Opportunity

More Accountability • Better Communication
• Smarter Use of Resources •



Questions?

Affirmative Action:

Yia Thao, yia.thao@ci.stpaul.mn.us or 651-266-8928

Vendor Outreach:

Tisidra Jones, tisidra.jones@ci.stpaul.mn.us or 651-266-8904

Section 3:

Dave Gorski, dave.gorski@ci.stpaul.mn.us or 651-266-8918

INSPIRING COMMUNITIES ENERGY REQUIREMENTS

Rebecca Olson and Rick Cobbs
Neighborhood Energy Connection



Neighborhood Energy Connection
tools for energy-efficient living

REHAB PROJECTS

Rebecca Olson

Neighborhood Energy Connection



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Goals

- Ensure energy efficiency, durability, comfort and good indoor air quality
- Meet the Energy portion of the Green Communities Criteria
- Help lower energy costs for future occupants
- Tap into Utility rebate programs to receive cash back



Process

1. Energy Audit is ordered through NEC—this may be done before you acquire the property
 - NEC is the only authorized auditor to make you eligible for the Home Performance w/ Energy Star program
 - In some cases, if the home is in major disrepair, we will send common specs without an audit
2. At Energy Audit, HERS rating is completed and specifications are written and sent
 - HERS rating includes projected rating after incorporating specs
 - Goal of HERS is to get below 85
 - These should be incorporated into your overall spec sheet
 - Make sure to share this with all subs involved

Process

3. Rehab work gets started

- If during the work you would like us to come and do a “mid-work” inspection, we can verify air sealing and insulation quality.
- This helps catch problems early
- City has paid for this in the past
- Must use a certified Insulation contractor approved for the Home Performance with Energy Star program—List will be distributed
- Must use an approved HVAC contractor from the Home Performance with Energy Star program—List will be distributed
- If there are any questions about contractors, NEC can help

Process

4. Once job is complete, contact NEC to do a final inspection with HERS rating
 - NEC ensures that work was done to specifications
 - NEC will collect invoices for energy work from sub-contractors on HPwES list
 - NEC completes final HERS rating for marketing purposes
 - City of St. Paul will not pay for project until inspection is complete and satisfactory
 - If inspection finds a discrepancy, contractor will be required to come fix it before passing
 - Insulation and HVAC contractors from HPwES list have already agreed to follow certain protocols and have agreed to fix issues found at inspection

Typical Specification Measures

- **Will vary from house-to-house**
- **Required upgrades may include:**
 - Attic insulation and/or air sealing
 - Wall insulation
 - Tuck under garage insulation
 - Crawl space and rim joist insulation
 - High Efficiency furnace/boiler replacement
 - High Efficiency air conditioning unit
 - Power vent/direct vent water heater
 - Continuous ventilating bath or kitchen fan (*may be required for indoor air quality*)
 - Efficiency lighting



Rebates

- Attic Insulation and Attic Air Sealing:
 - 20% up to \$300
- Other air sealing (rim joist, crawl spaces, scuttle door)
 - 20% up to \$40
- Wall Insulation (walls must be empty to start)
 - 20% up to \$300
- High Efficiency Furnace with ECM fan
 - \$170-\$425
- High Efficiency A/C with quality installation
 - \$175-\$475
- Power vented or Sealed combustion water heater
 - \$50-\$125
- High efficiency appliances
 - Up to \$80
- Efficient Lighting
 - Up to \$160

- Many Inspiring Communities Participants receive \$800-\$1,200.00
- Opportunity to receive up to \$1,915.00

Questions?

Rebecca Olson

Residential Energy Program Director

Neighborhood Energy Connection

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ENERGY STAR VER. 3

Rick Cobbs

Neighborhood Energy Connection



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3 Parties w/ ENERGY STAR

1. Builder
 - Complete ENERGY STAR online orientation prior to start
2. ENERGY STAR Qualified Green Rater
3. HVAC Credentialed Contractor

HVAC Contractor

- Certified by an HVAC Quality Installation Training and Oversight Organization
- 2 Organizations
 1. ACCA
 2. Advanced Energy
- ENERGY STAR paperwork a condition of contract
- NEC can provide a list of certified HVAC contractors

Energy Rater

- HERS Rater
- ENERGY STAR Qualified
- Minimum of 3 Inspections
 1. Framing
 2. Insulation
 3. Final
- Submit Paperwork to ENERGY STAR
- Able to submit utility rebates
- Some costs for Rater subsidized by utilities

2 Paths of ENERGY STAR

1. Prescriptive Path

- Single set of specifications
- Home must be assessed by Conditioned Floor Area (CFA) and number of bedrooms to see if qualifies under prescriptive path

# of bedrooms	1	2	3	4	5	6	7	9
CFA	1000	1600	2200	2800	3400	4000	4600	5200

- ≥ 90 AFUE Gas Furnace
- Meet or exceed 2009 IECC levels and achieve grade 1
- Window U-value $\leq .30$

2 Paths of ENERGY STAR

2. Performance Path

- Custom path
- Energy modeling software used by Rater (REM/Rate)
- Performance path mostly used in this area because of rebates
- Trade offs allowed
- As CFA of home increases the performance must also increase
- Window U-value $\leq .35$

ENERGY STAR Checklists

1. Thermal Enclosure Rater Checklist
2. Water Management System Builder Checklist
3. HVAC Quality Installation Contractor Checklist
4. HVAC Quality Installation Rater Checklist

Thermal Enclosure Rater Checklist

- Grade I or Grade II with a layer of continuous, air impermeable $\geq R-5$
 - Very hard to achieve Grade I with batts in walls
- Complete Air Barrier
- Reduced Thermal Bridging
 - ≥ 30 Attic insulation above exterior walls (energy heel)
 - $\geq R-5$ continuous rigid insulation or insulated siding, Or;
 - SIPS, Or;
 - ICF, Or;
 - Double-wall framing, Or;
 - Advance framing

Thermal Enclosure Rater Checklist

- Advance framing
 - All corners insulated to R-6
 - Headers insulated
 - Essential framing only
 - Ladder blocking at interior / exterior wall intersections
 - Minimum spacing 24" O.C. for 2 x 6 and 16" O.C. for 2 x 4
 - 16" O.C. for 2 x 6 is acceptable if the cavity insulation is $\geq R-20$
- Air Sealing
 - Penetrations and cracks sealed
 - Sill plates sealed
 - Drywall sealed to top plate
 - Door and window rough openings sealed
 - Attic access $\geq R-10$ and gasketed not caulked

HVAC Quality Installation Checklists

- 2 checklists – Rater and HVAC contractor
- Manual J, D and S all required from HVAC contractor
- Duct system balanced
- All equipment mechanically drafted
- Duct work needs to be sealed w/ mastic to meet leakage requirements
 - NEC smokes ducts at rough in to verify no missed areas

Water Management Checklist

- Patios, sidewalks and driveways sloped to $\geq .25''$ per foot
- Backfill tamped and graded to $.5''$ per foot away from home for 10' (exceptions if not possible)
- Capillary break beneath slab
- Foundation damp-proofed
- Vapor barrier not installed on interior side of air permeable insulation below grade
- Sump basket covers mechanically fastened with gasketed seal
- Drain tile at exterior footings

Water Management Checklist

- Flashing at bottom of exterior walls w/ weep holes for masonry or weep screed for stucco
- Fully sealed drainage plane
- Windows and doors fully flashed
- Gutters and downspouts – drain water $\geq 5'$ from foundation
- Step and kickout flashing
- Membrane at roof valleys, edge and penetrations

Water Management Checklist

- Carpet not installed within 2.5' of toilets, tubs and showers
- Cement board installed behind tub and shower. Paper-faced board shall not be used
- No visible signs of mold on building materials
- Framing and insulation w/ high moisture content not enclosed

NEC Process

- Proposal to Builder
- Review plans and input into software
- Framing Inspection
 - Check ducts with smoke
- Insulation Inspection
- Final Inspection
 - Verify items on checklists
 - Verify and test ventilation
 - Blower door and duct leakage
- Collect paperwork submit paperwork



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Questions?

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Capitol Region Watershed District



Saint Paul and CRWD Partnership

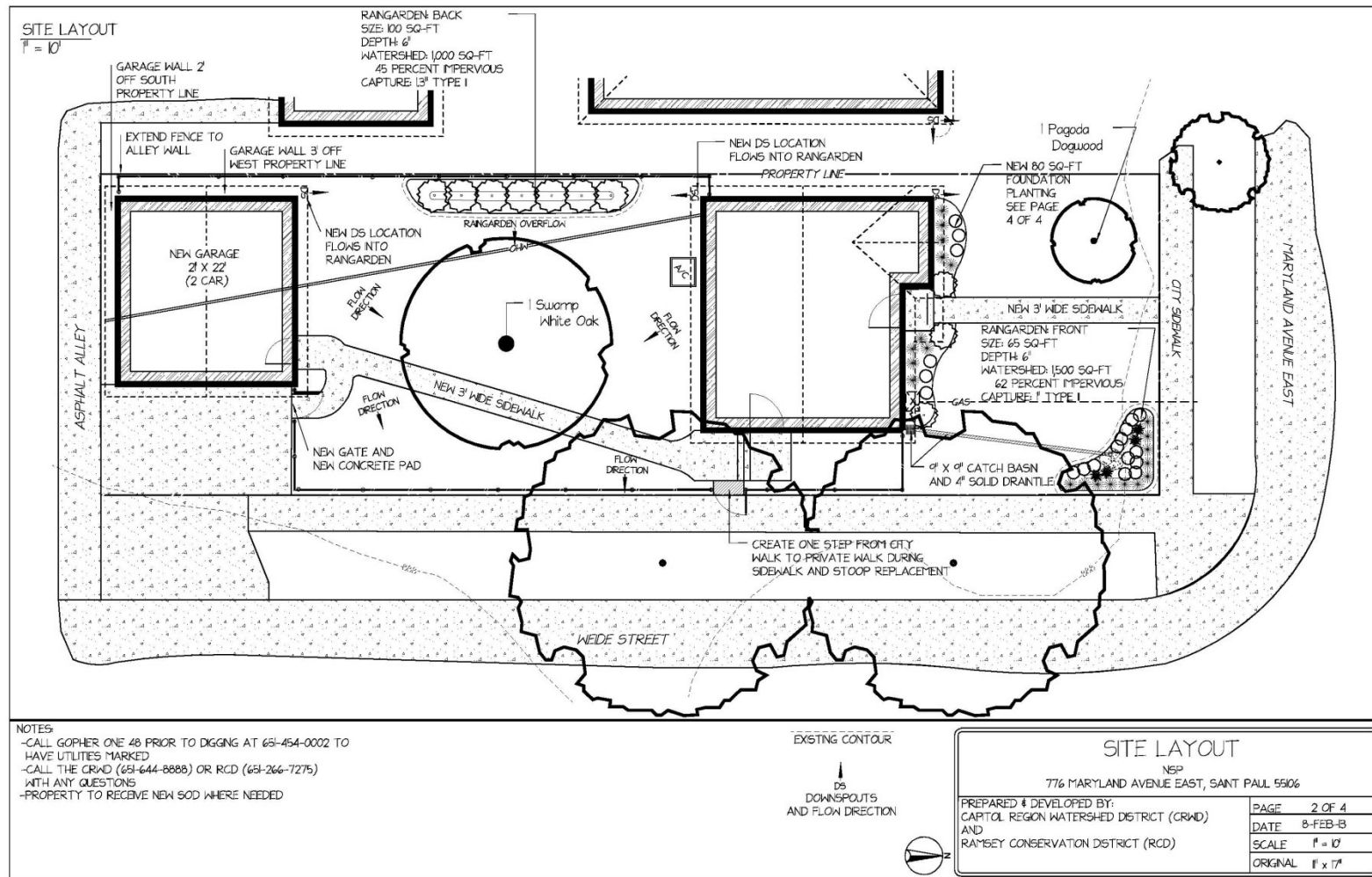
- Started in 2011
- Purpose – Enhance residential landscapes and achieve water quality benefits
- Typical BMPs - rain gardens and rain barrels
- Tree assessment – new and replacement tree planting in partnership with the Saint Paul Forestry Department



CRWD Provides

- Free landscape design
 - Site Visit
 - Plan set includes existing conditions, grading plan and landscape plan
- Construction oversight of landscaping
- Rebate of \$1,000 or more for construction of rain gardens or other BMPs

Landscape Design Assistance



Before and After



Interested in working with CRWD?

REQUIREMENTS/EXPECTATIONS

1. Contact CRWD after being awarded project(s)
2. Sign an Agreement with CRWD
3. Conduct a Pre-design site visit with CRWD
4. Review draft plan and estimate prepared by CRWD
5. Conduct a Pre-construction meeting with CRWD and the rain garden installer (subcontractor or general contractor)
6. Construct project according to plans
7. Submit a rebate request to CRWD
8. CRWD will conduct a final inspection of landscaping and then process the rebate

Thank you for joining us!

