

**Residential and Economic Development
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2015 Residential and Economic Development Task Force
 Thursdays, 4:30 - 6:30 p.m.
 City Hall-Courthouse Building, Room 41 (lower level)

<u>DATE</u>	<u>PROJECT NAME</u>	<u>PROPOSING AGENCY</u>	<u>PRESENTER</u>
March 5			
4:30	Announcements; review process and TF schedule; questions.		
4:40	Housing Longevity Project	Neighborhood Development Alliance	Karen Reid
4:50	West Side Plaza	Neighborhood Development Alliance	Karen Reid
5:00	The Arts and Culture Club	Neighborhood Development Alliance	Gail Merriam
5:10	Homeownership Expansion in St. Paul	Greater Frogtown CDC	Jill Hendricksen
5:20	Facelift Program	NeighborWorks Home Partners	Jason Peterson
5:30	St. Paul Green Line Home Improvement Loan Fund	NeighborWorks Home Partners	Jason Peterson
5:40	St. Paul Home Improvement Loan Fund	NeighborWorks Home Partners	Jason Peterson
March 12			
4:30	Announcements; questions.		
4:35	Vacant and Hazardous Building Demolition	Department of Safety and Inspection	Vicki Plaistow
4:45	Acquisition fund for Stabilizing Neighborhoods	Planning and Economic Development	Patty Lilledahl
4:55	Citywide Homeowner Improvement Loan Program	Planning and Economic Development	Patty Lilledahl
5:05	Commerical Node Citywide Economic Development Program	Planning and Economic Development	Martin Schieckel
5:15	Housing Real Estate Multi-Unit Development Fund	Planning and Economic Development	Patty Lilledahl
5:25	Inspiring Communities	Planning and Economic Development	Joe Musolf
5:35	NENDC Economic Development Loan Leverage Fund	NENDC	Chuck Repke
5:45	NENDC Home Improvement Plus	NENDC	Chuck Repke
5:55	North End Economic Development Fund	North End Economic Development Fund	Chuck Repke
March 19			
4:30	Announcements; questions.		
4:35	East Side Home Improvement Revolving Loan Fund	Dayton's Bluff Neighborhood Housing Services	Jim Erchul
4:45	Business Investment Fund	East Side Neighborhood Development Company	Anne Dejoy
4:55	Victoria Arts Center	Frogtown Neighborhood Association	Sam Buffington
5:05	Restore Saint Paul Commercial Façade Improvement Program	Historic Saint Paul	Aaron Rubenstein
5:15	Central Exchange	Model Cities of St. Paul, Inc	Craig Johnson
5:25			
5:35			
March 26			
	Bus Tour, 4:30 p.m.-6:30 p.m.		
	Board bus at RiverCentre		
March 30 (Monday)			
	ALL PROJECT SCORES DUE TO OFS		
April 2			
4:30	Announcements; questions.		
4:35	Discuss and rate projects		
April 9			
4:30	Announcements; questions.		
4:35	Review project ratings and make final recommendations		

1. Please provide the following information about your organization and proposed project:

Project Title: - Housing Longevity Project (HLP)

Proposing Agency or Group: - Neighborhood Development Alliance (NeDA)

Proposer's Address: - 481 Wabasha Street South, Saint Paul, MN 55107

Contact Person: - Gail Merriam

Phone Number: - 651/292-8641 ex 254

Email Address: - gmerriam@nedahome.org

Address or Cross Streets of Proposed Project: - West Side Neighborhood

2. Citizen Participation District(s):

District Council 3 – West Side

3. City Council Ward(s):

Ward 2

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

To provide loans to safely and comfortably keep our aging population in their homes through barrier free universal design and energy efficient improvements.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

According to a recent briefing paper called “The Longevity Economy” prepared by Oxford Economics for AARP, *The growing population over 50 represents both a transformative force by itself and a net asset—a fast-growing contingent of active, productive people who are working longer and taking the economy in new directions.* It also stated, *Nearly 90% of seniors say they want to stay in their own home as they grow older; even after they need day-to-day assistance or ongoing health care, 82% would still prefer to stay at home,*

Our priority for this project will be homeowners age 65 and over who have the desire to remain comfortably in their existing home by eliminating physical barriers. Keeping people in their homes enhances neighborhood stability and creates sustainability. People are working longer, control more money, and are more active and fulfilled. We want to keep them in our community.

NeDA's goals for housing on the West Side have always been about sustainability and stabilizing our neighborhood. We have been awarded Energy Star status on all of our

newly constructed homes, and our most recent new construction project achieved LEED Gold. Our homeowner rehab projects have improved affordability for the owners by improving the energy efficiency of those homes, keeping them more affordable to live in, thereby keeping owners in their homes who have a stake in the neighborhood.

Through our program, our aging housing stock will be enhanced by any number of improvements to meet the demands of our senior homeowners, such as wider doorways for wheel chair access, roll in showers, ramps, “right height” toilets, laundry facilities on the first floor, or even creating “one level living” space as space permits.

We will also offer these funds to qualifying homeowners of any age with physical disabilities.

NeDA is a leader in providing energy efficient and sustainably sourced rehab dollars. Via our 2006 Green Rehab program, a successful CIB program called Green and Sustainable Home Improvements, NeDA made it possible for approximately 40 households across Saint Paul to significantly lower their energy usage. We will continue to educate homeowners on energy efficiency, and link them to programs for additional assistance.

NeDA will accomplish implementation of this pilot project through advertising in the community newspaper, social networking through our Facebook page and NeDA’s website, and working with the district council the West Side Community Organization (WSCO). NeDA is a bilingual agency and will provide outreach in both English and Spanish.

Applicants at or below 80% of median household income (currently \$51,150 for a family of two) will be qualified via our application process, a home inspection will be performed and an Energy Audit required. After a scope of work is written and bids received, work will commence.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

Nearly 10% of homeowners on the West Side are age 65 and over, and 8% of that number live alone. We believe this is a huge need for our Housing Longevity Project as our population ages.

The majority of The West Side Neighborhood’s housing stock was built before 1940 and we will definitely be improving assets already in high use, stabilizing the structural and mechanical integrity of these homes, and will meet new demands for those assets by increasing the energy efficiency (energy audits and insulation, etc.) and functionality (providing universal accessible design as needed) of these homes.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

NeDA will continue to improve the stability of the West Side neighborhood and its residents by keeping homeowners in their homes longer. This will also result in more “eyes on the street” with retirees continuing to reside in their homes.

This project will create more job and business opportunities for the building trades. NeDA has experience with and will follow Section 3 contracting and employment goals.

There are any number of safety issues that pose a danger to homeowners as they age that we hope to remedy with this project such as but not limited to: remodeling for a roll in shower, moving a washer and dryer out of a basement and remodeling for one level living, helping to finance a lift chair to the second floor, providing non-slip flooring at entryways, leveling thresholds between rooms.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

NeDA’s proposal helps fulfill a mandate from the 2013 West Side Community Plan, page 31: the implementation plan calls for NeDA, PED and WSCO to “Develop additional options for seniors so they continue to inhabit, maintain and improve their homes”.

This Project will tie in with the City of Saint Paul’s recognition as a “Community for a Lifetime” and their outreach to district councils regarding housing and planning in this regard.

We have WSCO’s (our Community Council) support on this project.

If this pilot project proves popular, NeDA will need continued funding to supply demand.

We anticipated we will need to cap the loan amount, NeDA will work with homeowners to leverage matching funds via banks, MN Housing, homeowner resources, and other non-profit organizations as needed.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The West Side neighborhood (District 3) needs an influx of funds to maintain and improve our existing housing stock; especially because people 65 and over do wish to remain in their homes longer. Such a Pilot Project as we are proposing would be of great benefit to our vibrant and active senior citizens by improving quality of life, increasing property values, providing significant unmet needs and improving safety and accessibility.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

By encouraging homeowners to take advantage of energy saving programs and education, this project will help lower utility bills and make staying in their homes more affordable. And it may reduce homeowners living costs so they can remain independent longer.

NeDA always strives to build sustainably and will do everything it can to exceed environmental sustainability standards. Not all accessibility related projects will attain this goal, however.

Funds will be provided to homeowners via deferred loans that will be due on sale. The improvements should increase resale values.

The West Side Community Plan Addendum to the Saint Paul Comprehensive Plan dated 2013 states "Develop additional options for seniors so they continue to inhabit, maintain and improve their homes" (Housing; Housing Objectives and Strategies; H2 Preserve and Improve the Existing Housing Stock; H2.5)

According to a Compass American Community survey completed in 2012, 55% of District 3's housing stock is 76 years or older so we just may be maintaining assets with historical significance.

NeDA has been in the housing rehab business for over 20 years and have a proven track record in providing attractive and high quality new construction (Energy Star and LEED Gold), energy

efficient and sustainable vacant house rehab, and energy efficient and sustainable homeowner rehab.

NeDA has helped over 200 West Side homeowners with a variety of rehab projects from energy efficiency to new plumbing and electrical. To make these projects work, we've matched families with the Saint Paul-Ramsey County Department of Public Health Lead Window Program, Community Action Partnership of Ramsey and Washington Counties, Energy Cents, the Neighborhood Energy Connection, Habitat for Humanity's A Brush with Kindness program, Metro Paint-a-Thon, and Neighborworks Home Partners (formerly Community Neighborhood Housing Service).

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

In early 2010, at the request of the City to save the structure at 639 Humboldt, NeDA began exploring the acquisition and rehab of this 125 year old, 2,100 square foot vacant home scheduled for demolition. We enlisted students from the after school program at Humboldt High School across the street to learn about and help perform an energy audit, measure and design, and brainstorm about landscaping. With the help of the Neighborhood Energy Connection, BCB Construction, and Franzman Design, a scope of work was developed to restore this property from a badly abused rental property to an energy efficient soon to be owner occupied asset to the neighborhood.

To rehab this property we have:

Received CDBG funding from City in last two years: \$300,000

Spent CDBG funding: \$300,000

Completed one CDBG funded home rehab

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0303430 Housing Longevity Project (HLP)

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	115	115	0	0	0	230
Total:				0	115	115	0	0	0	230

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	115	115	0	0	0	230	100.0%
Total:	0	115	115	0	0	0	230	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	115	115	0	0	0	230	
		0	115	115	0	0	0	230	100.0%
Total:		0	115	115	0	0	0	230	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - West Side Plaza

Proposing Agency or Group: - Neighborhood Development Alliance

Proposer's Address: - 481 Wabasha Street S, St. Paul, MN 55107

Contact Person: - Karen Reid

Phone Number: - 651-292-9652

Email Address: - kreid@nedahome.org

Address or Cross Streets of Proposed Project: - 430 S. Robert Street

2. Citizen Participation District(s):

District Council 3

3. City Council Ward(s):

Ward 3

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The development and construction of a 12,000 square foot, environmentally friendly, mixed-use building at 430 S. Robert Street in the West Side neighborhood of Saint Paul. The building will offer services that meet the needs of the residents and stimulate further economic investment along the planned Robert Street transit-way corridor.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

Importance: The West Side of Saint Paul is a vibrant and diverse neighborhood of which 33% of residents are Hispanic. In the commercial District del Sol, over 50% of the business owners are Hispanic. Economic growth in this area has been a challenge for years in part due to the limited number of primarily small, turn-of-the-century commercial buildings. In the 1960s and 70s, this physical composition provided opportunities for entrepreneurs to establish themselves and grow (rehabbing old buildings and sometimes building new). But this investment has been situated primarily at either end of the district. The middle, at the Robert Street/Cesar Chavez intersection, has lately experienced disinvestment. Through cooperative planning by the City, Neighborhood Development Alliance (NeDA), the District Council (West Side Community Organization/WSC0), Riverside Economic Development Association (REDA), and surrounding residential and business owners, the City now has the opportunity to make meaningful and long-term investments in this node. Construction of this building is timely in context with the following: • The City of Saint Paul adoption of

the District del Sol Small Area Plan, which was presented and led by NeDA, WSCO, and REDA in 2013.

- Designation of Robert Street as a rapid transit corridor by the City, Metropolitan Council and the Ramsey and Dakota Counties.

- Completion of the West Side Flats, which has 178 mixed income housing units

- Pending approval of the West Side Flats Master Plan Update Historical context: Owned by the City of Saint Paul, 430 S. Robert Street lot is a former brownfield site that has been vacant for 18 years despite its central location on the West Side. REDA and the City of St. Paul secured a \$200,000 grant to clean-up the site and make it ready for development. It was formerly the site of a gas station site. What does this project accomplish? The “West Side Plaza” building will be a two-story, mixed-used commercial building constructed of sustainable materials with the following layout.

- First floor commercial/retail space, community meeting room, an open air plaza, and an art installation by a local artist • Second floor offices for the Neighborhood Development Alliance (NeDA) and the West Side Community Organization (WSCO)

- A green roof with solar panel heating structure, a rooftop garden, and the capacity for a third floor to be built at a later date. The goal of the project is to encourage increased private investment within the commercial district as well as create an attractive public space for residents and visitors. This is a pivotal point in the neighborhood’s history. There are five vacant lots within 2 blocks of the Robert Street/Cesar Chavez intersection. The 430 S. Robert Street lot is one of two mixed-use projects that NeDA is working on in response to the District del Sol Small Area Plan. The second development is 72 Cesar Chavez a mixed housing/commercial project that NEDA plans to build in the next two years. It is an opportunity to offer both services to the community while simultaneously increasing commercial density. Achievements: •A proactive step forward as outlined in the District Del Sol Small Area Plan.

- A retail establishment that meets the needs/wants of the residents and be appealing to visitors.

- A working example of an environmentally friendly structure created with sustainable materials.

- A public plaza area with seating, which also features an art installation.

- Addition of a retail storefront that caters to residents, rapid transit users, and pedestrian traffic.

- An attractive building that helps reduce blight by filling a centrally located vacant lot.

•Contribute to commercial density and spur further economic growth in the area.
 Phases: This West Side Plaza project will be implemented over the course of four years during which the following will take place:

- Finalize architectural plans (preliminary drawings are available now)
- Create an Advisory Board of community leaders to represent residents and small business owners with quarterly meetings. (2015)
- Design and implement capital campaign (2015- 2017)
- Identify and approach potential commercial tenants such as Cycles for Change and/or a satellite restaurant (recruitment in progress, 2015)
- Construction (Begin late 2016-2017)
- Art installation (2017-2018)

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The West Side Plaza project will create an asset in the form of a commercial mixed-use, sustainable building that serves the community in a variety of ways. Located on the Robert Street transit corridor—with a bus stop in front of the building—the West Side Plaza will be an attractive and noticeable improvement to the neighborhood. It will also be a new source of tax revenue for the City of St. Paul as well as create jobs during construction and longer-term positions related to the retail component. The two nonprofit organizations (WSCO and NeDA) will offer services and programs that are easily accessible by public transportation. The environmentally friendly designed structure maximizes resources with storm water management and reuse, solar panels, and will be built with low Volatile Organic Compounds (VOC) finishes and materials. The West Side Plaza will be 2030 Compliant-70% CO2 Reduction. The need for the project is to combat the blight that is a result of almost a block long vacant site littered with trash. It is a reminder of the disinvestment that this commercial area has experienced in the last 20 years and there is little incentive for surrounding business owners to invest and/or expand their own buildings.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Parts of District del Sol have benefitted from the success of its primarily Latino business and building owners. The central part of the district, however, has struggled to not only grow but to maintain its building infrastructure. In the last two decades, five structures have been torn down all within a two block area of Robert and Cesar Chavez. Thus the Robert/Cesar Chavez commercial node has suffered from a perceived lack of investment. What investments that have been made include the demolition and clean-up of 430 S. Robert, demolition and clean-up of 72 Cesar Chavez, and the demolition of three other commercial buildings. The City has spent over a .5 million dollars to eliminate blight and prepare sites for redevelopment. But the West Side can't take much more demolition as investment. It's time to turn investments into new structures. The development of 430 S. Robert Street will:

- Leverage upwards of \$3 million in new investment
- Generate economic activity for the businesses housed at the site
- Attract additional visitors to the area, especially once the Robert Street transit line is completed and new residents begin to call the West Side home
- The first floor retail business will create 5-7 new employment opportunities
- Be a hub of activity in the day and evenings, which will discourage loitering and crime in the area
- Feature an art installation

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

Community Support: West Side residents and stakeholders have given their time and talents to create a vision for community and economic development in the area through the District del Sol Small Area Plan. Implementing a development that is a direct result of planning efforts will help to build trust in the process and ensure the continued involvement of community members in the revitalization program. All initiatives in this plan are focused on leveraging economic development on the West Side and fortifying its relationship within the City of Saint Paul. NeDA and WSCO have had a long-term partnership that collectively leveraged countless hours of volunteerism and millions of dollars of housing, community infrastructure and economic development investment. Co-locating programs in one space will allow NeDA and WSCO will expand their outreach and connections in the community (both business and residents) as well as

deepen their community and economic development work on the West Side for generations to come.

Funding/leverage: To date, NeDA has been able to secure a \$40,000 design grant from the Metropolitan Council to move forward with revitalization efforts in the Robert/Cesar Chavez business node. The organization has also received support from LISC (specific to 72 Cesar Chavez) and F. R. Bigelow (specific to 430 S. Robert) to continue the pre-development phase of the project. Sources have been identified for capital funding include private foundations, corporations, government, and individual funding. These funds will leverage other private (bank) funds to complete the project budget.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The new building at 430 S. Robert Street (West Side Plaza) benefits not only West Side residents, but communities across the metro area who will begin to see this neighborhood as a destination rather than an appendage. Benefits include: • The ground floor commercial space in the new building will be a welcome addition to the Robert Street commercial corridor, complementing existing businesses like Michael’s Pizza, West Side Hair Care, St. Paul Flatbread Co., and Trujillo Tax Services as well as other service organizations.

•A vacant lot in the heart of a business district inevitably has a negative impact on the community the business district serves, and this new structure will help alleviate the stigma associated with empty lots.

•NeDA is recruiting business leaders to form a committee to see to the short and long term growth of the neighborhood and how this project and others can inspire further construction, improvement, and beautification initiatives.

•A public plaza for transit passengers and residents

•An attractive building centrally located will be highly visible example of growth and improvement in the area

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project’s impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-

approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

•Through the planned capital campaign, NeDA will secure the \$3.2 million needed to complete this facility from a diversity of funding sources including public and philanthropic organizations over a period of three years. • Once the building is constructed and the tenants are in place, the rent received will be used for general operating costs. • This project is a part of the District Del Sol Small Area Plan, which was adopted by the City of Saint Paul in 2013.

•The building will be made of sustainable materials and designed to exceed environmental standards. It will also be built to last for many years as part of the growing community. • NeDA has a long history of both housing and economic development on the West Side. It has constructed over 200 units of both affordable rental and ownership housing; developed a 10,000 sq. ft. commercial building that houses NeDA’s offices, an office rented to a local professional on first floor and a for-profit daycare center on second floor.

•NeDA is also putting together financing for 72 Cesar Chavez site project (the Commercial Club site), and is contemplating future plans to redevelop NeDA’s current headquarters at 481 Wabasha Avenue. The 72 Cesar Chavez site will be comprised of 40 units of affordable rental housing and 3,500 sq. ft. designed as a community arts center. Ideally, the Wabasha Avenue redevelopment will create additional housing, which is better suited for its location and more in keeping with the surrounding residential homes.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

NeDA was awarded \$300,000 in past two years. We have spent down \$300,000. We completed 1 whole-house rehab, at the request of the City of St. Paul. We have received no program income from CDBG projects in the last two years. In the last 25 years, NeDA has constructed over 200 units of both affordable rental and ownership housing and a 10,000 sq. ft. commercial building, which houses NeDA’s offices and small retail office on first floor and a for-profit daycare center on second floor. NeDA will continue to develop both housing and commercial properties on the West Side. We will be working with local businesses to develop a building improvement program, initially in conjunction with commercial development along Robert Street.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0203437 West Side Plaza

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	0	200	0	0	0	200
Total:				0	0	200	0	0	0	200

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	0	200	0	0	0	200	100.0%
Total:	0	0	200	0	0	0	200	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	0	200	0	0	0	200	
		0	0	200	0	0	0	200	100.0%
Total:		0	0	200	0	0	0	200	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - The Arts and Culture Club

Proposing Agency or Group: - Neighborhood Development Alliance

Proposer's Address: - 481 Wabasha Street S, St. Paul, MN 55107

Contact Person: - Karen Reid

Phone Number: - 651-292-9652

Email Address: - kreid@nedahome.org

Address or Cross Streets of Proposed Project: - 72 Cesar Chavez, St. Paul, MN 55107 (S.w. corner of Robert Street S and Cesar Chavez Avenue)

2. Citizen Participation District(s):

District 3 – West Side

3. City Council Ward(s):

Ward 2

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The Arts and Culture Club community project is part of a proposed mixed-use building at 72 Cesar Chavez. The project's goals are to attract visitors and residents to the District del Sol commercial corridor thus increasing business patronage while providing the West Side with a long-sought for community arts space.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

This project is important because 72 Cesar Chavez has either held a vacant building (19 years) or has been a vacant lot (6 years). This has caused a blighted appearance in the West Side's major commercial corridor, District del Sol, and within the district's major intersection of Robert Street and Cesar Chavez. The historical context of this site is that it has long been the home of a neighborhood asset, last known as the Commercial Club (hence the project title The Arts & Culture Club). It was a social hall and held a bowling alley. Constructed in 1920, it became vacant in 1990. Riverview Economic Development Association purchased the building in the early 2000s and sought to save it but it had been allowed to deteriorate beyond repair. The building was razed in 2009. REDA then went through three redevelopment scenarios from market rate condos to a potential 2-story commercial building. Unfortunately these development plans stalled because of the housing crisis and subsequent economic downturn. The lot is now owned by the City of Saint Paul. NeDA secured pre-development status to build

a mixed use rental housing/community cultural/arts space. The problem: This is a pivotal point in the neighborhood’s history, there are five vacant lots within 2 blocks of the Robert Street/Cesar Chavez intersection. The 72 Cesar Chavez site has its own unique challenges, as it is irregular in shape and requires instituting water management procedures. By creating a mixed-use building, NeDA seeks to be a catalyst for increased private investment within the commercial district as well as creating an attractive public space that will attract residents and visitors alike. What the Arts and Culture Club will accomplish:

- It will be a step forward to rebuilding the District del Sol commercial corridor as outlined in the District Del Sol Small Area Plan.
- It will offer a flexible space that will attract local and area artists to show case talent and the community to stage cultural events.
- It will draw visitors and residents to the commercial district who will patronize other businesses establishments.
- Contribute to commercial density and spur further economic growth in the area. The phases are both programmatic and building. In the next year, NeDA will work with local artists and other community members to develop a framework/policies for use of the space. This will also include working with arts organizations like Springboard for the Arts and Artspace to explore best practices in management and leveraging support for artists. The building phase may have two phases: The plans call for the space to be as flexible as possible for proposed initial uses and potential future tenants. There may be subsequent build-out phases, after the basic structure is completed.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The project’s importance is that it creates a new asset on the West Side. Development of mixed-use buildings within District del Sol are identified in the West Side 10-year plan, (adopted by the City of St Paul in 2013). Also within the plan is a request to “Explore the development of a mixed use art space that creates retail and programmatic arts focused opportunities.” The idea of including an arts/cultural incubator at the 72 Cesar Chavez site came about during the community planning stages of the District del Sol Small Area Plan (also adopted by the City in 2013). Concerns were raised that if NeDA built a mixed-use building with a traditional retail/commercial component, the retail space would sit vacant like other new mixed use buildings recently completed. This site already housed a vacant building for almost 20 years. The community is working to avoid this outcome.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves

business opportunity • Remedies safety issues that pose danger to person or community

The project improves neighborhood stability by putting a vacant acre of land in the midst of the District del Sol commercial corridor back into use. It will promote business opportunities by bringing investment (rather than disinvestment) to this node. It will attract visitors who may frequent the restaurants and businesses within the corridor. In the last two decades, five structures have been torn down all within a two block area of Robert and Cesar Chavez. Thus the Robert/Cesar Chavez commercial node has suffered from a perceived lack of investment. What investments that have been made include the demolition and clean-up of 430 S. Robert, demolition and clean-up of 72 Cesar Chavez, and the demolition of three other commercial buildings. The City has spent over a .5 million dollars to eliminate blight and prepare sites for redevelopment. But the West Side can't take much more demolition as investment. It's time to turn investments into new structures. The Arts/Cultural space at 72 Cesar Chavez will:

- Leverage upwards of \$10 million in new investment for the housing component of the building,
- Generate economic activity for the businesses within District del Sol by bringing visitors and residents to the avenue to participate in arts programing and shopping and dining opportunities.
- The Arts/Cultural space may only create 1 permanent job to manage the space but may provide arts with entrepreneurial activities or opportunities.
- Be a hub of activity in the day and evenings, which will discourage loitering and crime in the area

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

Community Support: West Side residents and stakeholders have given their time and talents to create a vision for community and economic development in the area through the District del Sol Small Area Plan and the West Side's Community Plan. Implementing a development that is a direct result of these planning efforts will help to build trust in the process and ensure the continued involvement of community members in the revitalization program. Within the implementation portion of the West Side Community Plan, NeDA is called upon to: "Promote the West Side as a City-Recognized art and cultural destination"; "Develop mixed use projects along Cesar Chavez and Robert Streets to catalyze redevelopment of the District del Sol commercial node." In both these implementation sections of the Community Plan, NeDA is identified as working with WSCO to accomplish these goals.

Funding/leverage: To date the City and NeDA secured a \$550,000 grant from the Metropolitan Council to support a storm water management system, soil grading

requirements and other public amenities for this project. Two years ago, the Metropolitan Council provided a \$40,000 design grant to move forward with revitalization efforts in the Robert/Cesar Chavez business node. NeDA also received \$25,000 from the Local Initiative Support Corporation (LISC) to continue the pre-development phase of the project. In addition, NeDA has secured a tentative commitment from U.S. Bank for a 1.69 million dollar first mortgage. These sources will leverage additional support through a successful application for Low-Income Housing Tax Credits. NeDA has site plans and draft building plans and elevations. NeDA and WSCO are in the process of recruiting a citizen arts committee to help create a program model for the site and identify resources for artists.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The new building at 72 Cesar Chavez benefits not only West Side residents, but artists across the metro area who will want to participate in programming. Other Benefits include:

- An outdoor plaza and public art with an opportunity for both indoor and outdoor events.
- The surrounding businesses may benefit as visitors and patrons of the art center patronize local restaurants (Boca Chica, El Burrito Mercado Café, even Burger King or take a pizza home from Michael’s pizza).
- Building a mixed-use building will help alleviate the blight associated with the District’s collection of empty lots.
- An attractive building centrally located will be a highly visible example of growth and improvement in the area
- It will increase property values and add to the tax base.
- The Small Area plan called for increase walkability along Cesar Chavez, place making, and visual connections (including green space) along the avenue. The plaza and walking path incorporated into the project are part of this larger strategy to promote and increase pedestrian activity on Cesar Chavez. In addition, the site has been designed to include public art within the property. It will have decorative features that will echo the decorative benches and trash cans that have been strategically placed along Cesar Chavez to encourage a visual and pedestrian connection from the east (at Ave and Cesar Chavez) to the west (at Wabasha and Cesar Chavez).

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability

• Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The short-term goal is to have the commercial portion mortgage free. (This commercial component will be financially distinct from the housing component.) This way NeDA can reduce operating costs and allow artists and the community access for free or limited charges. The Arts and Culture Club will be built-out with flexibility in mind so the space can be used for a variety of retail and commercial operations, if and when the community outgrows the building. This project is a part of the District Del Sol Small Area Plan and the West Side Community Plan, both of which were adopted by the City of Saint Paul in 2013. The building will be made of sustainable materials and designed to exceed environmental standards. As an acknowledgment of the previous use of the site – as a community gathering space -- NeDA proposes a community use for the commercial portion focused on arts and cultural activities. NeDA has a long history of both housing and economic development on the West Side. It has constructed over 200 units of both affordable rental and ownership housing; developed a 10,000 sq. ft. commercial building that houses NeDA’s offices, an office rented to a local professional on first floor and a for-profit daycare center on second floor.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

NeDA was awarded \$300,000 in past two years. We have spent down \$300,000. We completed 1 rehab home. We have received no program income from CDBG projects. NeDA has constructed over 200 units of both affordable rental and ownership housing. We have also developed a 10,000 sq. ft. commercial building that houses NeDA’s offices and small retail office on first floor and a for-profit daycare center on second floor. NeDA will continue to develop both rental and ownership housing and has plans to develop a 2-story commercial property two blocks from 72 Cesar Chavez at 430 S. Robert Street. In addition, NeDA has and continues to work with low-income homeowners on health, safety, and energy efficient home construction projects. NeDA is exploring with local businesses on developing a program to address the physical needs of the West Side commercial buildings.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0303435 The Arts and Culture Club

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demo/Reloc/Const/R ehab	CDBG			0	0	250	0	0	0	250
Total:				0	0	250	0	0	0	250

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demo/Reloc/Const/Rehab	0	0	250	0	0	0	250	100.0%
Total:	0	0	250	0	0	0	250	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Acq/Demo/Reloc/Const/Rehab	0	0	250	0	0	0	250	
		0	0	250	0	0	0	250	100.0%
Total:		0	0	250	0	0	0	250	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Homeownership Expansion in St. Paul

Proposing Agency or Group: - Greater Frogtown Community Development Corp

Proposer's Address: - 533 North Dale Street

Contact Person: - Jill Henricksen

Phone Number: - 651-348-5084

Email Address: - jhenricksen@nwhomepartners.org

Address or Cross Streets of Proposed Project: - multiple

2. Citizen Participation District(s):

District 6 Planning Council, District 7 – Frogtown, District 8 – Summit-University, and District 11 – Hamline Midway Coalition

3. City Council Ward(s):

Ward 1, Ward 4, and Ward 5

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Homeownership Expansion stimulates local economies and stabilizes neighborhoods and families by restoring our aged housing stock and providing healthy, sustainable homes for purchase by low to moderate income households. Resources will be targeted toward vacant properties located near main corridors and areas of other investment. Grant funds: \$250,000 per year.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

NWHP, primarily through Greater Frogtown CDC's 19 year history, has redeveloped and sold 122 housing units in Frogtown, Summit University, the East Side, Dayton's Bluff, Como, the West Side and West 7th. We are an experienced and successful affordable housing developer with expertise in historic renovation, green and sustainable building, and healthy homes initiatives.

Even though the economic recession and foreclosure crisis is now behind us, some of our communities in St. Paul have not fully recovered as well as others. There is still insecurity felt by some residents which affects in our schools, our neighborhoods and our City as a whole. For St. Paul to prosper all families and neighborhoods need to be stable. By turning a vacant building or lot into a healthy and safe home, we replace lost revenue to the City which in turn strengthens our public services such as the police and

fire departments, schools, parks & recreation centers, and libraries. The strain on City departments such as the department of safety & inspections, police and fire departments is reduced.

NWHP's Homeownership Expansion Program is critical in alleviating this instability in our neighborhoods and providing healthy, safe housing for families and neighbors.

This funding will give NWHP the flexibility needed to improve the condition of our housing stock through a variety of methods, including acquisition of vacant property, demolition of dilapidated properties where rehab is financially unfeasible, gap financing for new construction or rehabilitation of existing properties, and whenever feasible, we'd use the funds for our community land trust which offers long term affordability for future buyers. NWHP targets resources toward vacant properties located on main corridors and areas of other investment as well as preserving the historic qualities of neighborhoods' housing stock. NWHP's redeveloped properties will be sold at market values to low and moderate income families.

NWHP will respond to opportunities to redevelop vacant homes and lots within Frogtown, Summit University, the North End and Hamline-Midway; providing quality, energy efficient homeownership. Homeownership Expansion funding enables NWHP to help shore up and stabilize neighborhoods that are experiencing some recovery but still need public investment to help increase property values and restore confidence in residents.

NWHP is asking for grant funds of \$250,000 for each year in 2016 and 2017 (for a total of \$500,000).

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The foreclosure crisis, while behind us has impacted some of our communities harder than others. Many homes in lower income communities are in deteriorated condition and contribute to crime and low property values. Shoring up and stabilizing vacant homes in these areas is essential to the health and prosperity of St. Paul as a whole.

Due to the weak real estate market NWHP takes some risks to encourage other private investment, by redeveloping properties that might otherwise stay vacant. Homeowners, who are reluctant to invest in their homes, feel encouraged when vacant neighboring properties are redeveloped into homeownership opportunities and become occupied. This spurs confidence as well as additional investment.

NWHP is mindful of structural, mechanical, energy efficiency and floor plan layout of a home. With renovated properties we address these challenges and build on the

existing assets. With new construction we insure that the new home is of quality construction and design, by also being mindful of efficient use of resources.

Neighborhood redevelopment goals depend upon flexible funds that give NWHP the ability to respond to weak real estate markets and buy existing houses for restoration and preservation. Providing healthy, high quality new and renovated homes will strengthen families along the light rail along the Central Corridor, which runs along the borders of Frogtown, Hamline-Midway and the Summit- University neighborhoods.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

By funding the Homeownership Expansion Program, neighborhood blight and the City’s operating budget will be reduced. Currently vacant lots, houses, and dilapidated problem properties cost the city staff time with code enforcement, summary abatement costs, maintenance, boarding, ongoing monitoring, and police resources as well as put strain on the communities by encouraging squatting and illegal behavior in and around vacant properties.

NWHP’s housing redevelopment activities will increase the City’s tax revenue generated from housing redevelopment and from tax revenue gained from improved market values in surrounding homes.

The Central Corridor runs along the border of three of our communities and is within close proximity to the North End neighborhood. The light rail was a huge investment and can be a stabilizing force in the communities it serves. For the Central Corridor to be successful, it is imperative that the surrounding communities are places where people want to continue to live and thrive. The Homeownership Expansion Program will help to stabilize families and communities, as well as encourage other investment.

NHWP insures that all health and safety issues are taken care of; lead, mold, asbestos, and radon are remediated, as well as address energy efficiency and sustainability in the properties it renovates or builds.

NWHP’s homeownership program creates and promotes jobs. During the process of development we give our business to local banks that provide private capital for construction. We work with general contractors and sub- contractors to perform construction. Building materials and other purchases generally come from St. Paul vendors. We also work with a local insurance company as well as local real estate agents.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

NWHP has relationships with neighborhood banks, which provide private capital for project construction financing.

NWHP partners with organizations such as:

- District Councils and Neighborhood Associations
- Neighborhood Energy Connection to perform energy audits to receive Xcel rebates
- Goodwill Easter Seals' Construction Training Program
- US Green Building Council (USGBC)
- Sentence To Serve and Community Institutional Works Program-Ramsey County Public Health to perform lead hazard and lead clearance tests
- Greater Metropolitan Housing Corporation (GMHC) on new construction, as GMHC has access to building materials at reduced priced due to the volume of houses they build within the Twin City area as well as construction financing.
- Edina Realty, Grand Avenue office, our real estate agents offer us a reduced rate for marketing our properties
- NWHP has been successful in securing Minnesota Housing Finance Agencies, Community Impact funds for single family development and intends to continue to submit homeownership proposals in 2015, 2016, and 2017.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The deterioration of our City's housing stock is a potential risk to the City as a whole. By using public funds to improve the housing conditions in low to moderate communities within our City, those communities are shored up and stabilized, reducing the economic risk of the downward trend of further vacancies, neglect, criminal activity and depressed property value.

Our homeownership Expansion Program invests in our City's aging housing both internally and externally. In addition to energy and sustainable improvements, we focus our efforts on curb appeal so that the whole block benefits from the investment in each property.

In addition to curb appeal, we always use Crime Prevention Through Environmental Design (CPTED) techniques – In all properties GFCDRC redevelops, we address such things as poor lighting, overgrown landscaping, and window and door placement.

The renovation of homes reuses old growth material, reducing the need for new resources and land fill waste. All properties developed are energy star compliant including energy star appliances, high efficiency water heaters and furnaces and are designed to keep site waste to a minimum. With each of the homes GFCDRC builds or renovates, smoke detectors and carbon monoxide detectors are installed, radon is mitigated, lead and asbestos hazards are addressed as are other health and safety issues as well as all code violations, such as exposed wiring, handrails, broken windows, etc. Energy audits are performed and all energy suggestions are implemented.

Where housing was once vacant and neglected the Homeownership Expansion program helps to preserve and extend the life of our older housing stock as well as add infill, new-construction homes which are designed to meet the historic characteristics of the neighboring houses.

The Homeownership Expansion program will improve the quality of life for the residents of the housing units developed, as well as neighbors surrounding the redeveloped homes. Also, other development will be sparked by the investment of our Homeownership Expansion Dollars.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

All surrounding property owners will benefit in their own increased market values and, by experiencing a reduction in vacant buildings on their block, they will see a reduction in crime and the accumulation of garbage and other debris. The new buyers will benefit from the provision of quality, affordable, stable, healthy housing. The City, County, and School District will benefit from increased tax revenue and the reduced need for city and county services. By investing in neighborhoods along and within proximity of the Central Corridor, the investment in the light rail transit line is enhanced.

Environmental sustainability is a priority on all of its projects. The most sustainable means of providing housing is through renovation of the existing housing stock. NWHP advocates toward renovation whenever feasible. With both renovation and new construction, energy efficiency is addressed to aid in reducing energy consumption. Reduction of waste materials from construction is also monitored and kept to a minimum.

A tangible return on investment is evidenced by the increasing property values and the confidence of neighboring property owners who are willing and able to maintain and improve their homes. Successful homeownership usually means families stay in the home longer, becoming engaged and committed to their community. City services for police, code enforcement and vacant buildings are reduced.

City & Neighborhood plans objective that are met:

The City of St. Paul Comprehensive Housing plan acknowledges; Aging housing stock that will demand sustained reinvestment to maintain its vitality, Neighborhoods disproportionately impacted by foreclosures (areas where the housing market is less vibrant & household incomes are lower, investment in the rehabilitation of houses will demand higher levels of public support than in recent years and the recent surge in the number of vacant and foreclosed properties has disproportionately impacted some neighborhoods), and Preservation and promotion of established neighborhoods.

Mayor Coleman's "Invest St. Paul Initiative with focused improvements in jobs and neighborhood economic development as well as improved housing and quality of life."

City of St. Paul- Neighborhood Stabilization Program and Rebuilding Plan which was designed to redevelop foreclosed properties.

District 6 Planning Council's Large Area Plan (North End) - recommended by the St. Paul Planning Commission on February 24, 2012. Adopted by the City Council on April 18, 2012. "Rehabilitate or redevelop aging housing stock throughout the community" & "Stabilize existing residential neighborhoods beset with high numbers of vacant and foreclosed housing units".

District 7 Planning Council's Large Area Plan (Frogtown Neighborhood Association)- adopted by the City Council on August 1, 2007 and is part of the City of St. Paul's Comprehensive Plan. (Page 4 "Housing") Preserve existing housing stock. Encourage development of: affordable housing units, houses with three or more bedrooms. Increase the level of home ownership and rental property for people with a variety of income levels.

District 8 Planning Council's (Summit- University) Large Area Plan- recommended by the St. Paul Planning Commission pm April 24, 2009. Adopted by the City Council on June 3, 2009. "Preserve the existing housing stock with special commitment to the preservation of affordable housing" "Adopt policies and create programs that enable residents to improve or maintain owner-occupied homes." "The Summit-U Planning Council encourages the City Council to increase funding available for programs focused on the rehabilitation of the existing housing stock."

District 11 Planning Council's (Hamline- Midway) Large Area Plan- recommended by the Planning Commission - November 17, 2000 Adopted by the City Council - December 20, 2000. "The plan emphasizes the need for more life-cycle and affordable

housing, maintenance and preservation of the neighborhood's existing housing stock through proactive attention to and action on distressed properties, better access to housing maintenance assistance programs...” “Collaborate with others to provide information and resources for maintaining the existing housing stock, especially low-income housing.”

NWHP prides itself in honoring the historic integrity of homes and neighborhoods when it builds new or renovates an existing building.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

In the past two years, our housing development program received just \$100,000 each year for 2013 and 2014 through our Flexible Fund for Redevelopment. In an effort to make the funds go farther, we sought out other opportunities, through the City’s Neighborhood Stabilization Program (NSP) funding and the Twin Cities Community Land Bank. For our CIB funds, currently, we have spent \$100,000 from our 2012 allocation on the renovation of two vacant homes at 795 Edmund in Frogtown and 487 Mendota in Dayton’s Bluff and one new construction home at 670 Thomas in Frogtown. The remaining unexpended funds of \$209,600 are already committed for the payment of remaining construction costs at 795 Edmund, 411 Thomas, and 487 Mendota. Funds for these three projects will be fully drawn down in the next few months. In addition, another new construction home will be built this spring at 585 Thomas Avenue. The development gap between construction costs and the appraised value will use up the remaining funds. We anticipate that funding for these projects will be completely expended by summer 2015. At that time, we will have spent all of our remaining CIB funds and have no program income at all to use on additional projects.

The timing of our housing development projects has been delayed due to timing of the closings of matching funds from NSP and the Land Bank, as well as significant delays, up to 10 weeks, for building permits from the date of application. Green Communities certification also requires that work stop in the middle of the project for HERS testing, which can slow progress overall.

In the past, our rehab of vacant homes was focused on minimum housing quality standards and deferred maintenance. Today, and continuing in the future, we’ve become aware of the environmental impacts of our work on both the individuals living in the homes but also our larger community. We’re making educated decisions on product selection, including energy audits before and after construction which dictate the amount and location of insulation added to our homes. We’re also putting more importance on conserving energy such as strategic placement of windows and doors to make the most of natural light. And, paying attention to the health of the individuals such as using low VOC paints and preventing mold by installing exhaust fans in baths

and kitchens. We also test for radon and install fan systems whenever radon is at unsafe levels.

Because the energy and sustainable improvements add cost to our project budgets, we are always looking for ways to cut costs in other areas. NWHP currently has our own general contractor's license and we are studying the best way to use this on our own projects in order to meet multiple goals of reducing costs, increasing employment opportunities for low income, minority, and women owned businesses.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5503429 Homeownership Expansion in St. Paul

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demolition/Reloc	CDBG			0	250	250	0	0	0	500
Total:				0	250	250	0	0	0	500

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demolition/Reloc	0	250	250	0	0	0	500	100.0%
Total:	0	250	250	0	0	0	500	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Acq/Demolition/Reloc	0	250	250	0	0	0	500	
		0	250	250	0	0	0	500	100.0%
Total:		0	250	250	0	0	0	500	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Facelift Program

Proposing Agency or Group: - NeighborWorks Home Partners (Formerly Greater Frogtown CDC and Community Neighborhood Housing Services)

Proposer's Address: - 35 West Water Street Saint Paul, MN 55107

Contact Person: - Jason Peterson

Phone Number: - 651-292-8710

Email Address: - jpeterson@nwhomepartners.org

Address or Cross Streets of Proposed Project: - Scattered Site Owner Occupied Single Family Homes in District 6, 7, 8 and 11

2. Citizen Participation District(s):

District 6 Planning Council, District 7 – Frogtown, District 8 – Summit-University, and District 11 - Hamline

3. City Council Ward(s):

Ward 1, Ward 4, Ward 5

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

NeighborWorks Home Partners' Facelift Program provides home improvement loans and grants and construction management services for home improvement projects for eligible low-to-moderate income single family owner occupied homes in the core neighborhoods of St. Paul hit hardest by the housing crisis – Districts 6, 7, 8 and 11.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

NeighborWorks Home Partners (NWHP) was founded in 1981 to provide affordable home improvement loans to residents living on the Westside of St. Paul. Originally called Westside NHS, we changed our name in the mid-90's to Community NHS (CNHS) as we expanded our services, both programmatically and geographically. Since that time, CNHS grown into a diverse organization that provides comprehensive homeownership services with the goal of revitalizing neighborhoods through successful homeownership. Despite our growth, CNHS' core service and the backbone of our organization is home improvement lending utilizing City of St. Paul CDBG funds to homeowners living in the core neighborhoods of St. Paul. In 2012, CNHS, in addition to two neighborhood based CDC's (Sparc and GF CDC) completed comprehensive strategic plans utilizing outside consultants. Through these strategic planning

processes, our consultants spoke with a number of stakeholders and funders including the City of St. Paul who stated and reiterated the importance of reducing the overlapping services in St. Paul and creating efficiencies within organizations by consolidating and combining similar programs, when feasible. CNHS, GF CDC and Sparc took this advice to heart and began exploring ways in which we could formally collaborate starting in 2012. At the center of these discussions was the desire of all of the organizations to further our respective missions of community stabilization to help as many people as possible with the resources available. All three organizations ran a number of similar programs and it became apparent rather quickly that we could easily create efficiencies and leverage staff expertise by combining forces in these areas. In addition, all of the organizations also had unique programs to offer which complemented each other well and would provide a more holistic approach to community stabilization. During these discussions, Sparc (whose mission was to create and maintain healthy, affordable and sustainable neighborhoods by improving residential and commercial vitality in the Hamline Midway, South Como and North End neighborhoods of Saint Paul) was not able to continue to operate their programming. CNHS was fortunate to have the CDBG funded residential lending programs formally operated by Sparc transferred to us and we have successfully been administering this program since 2014. Both CNHS and GF CDC have been relatively strong and stable organizations over the last several years and were able to weather the economic downturn and the “Great Recession” fairly well but, to ensure long term stability, both organizations continued to explore a potential collaboration which resulted in a merger of the two organizations in 2014. With the combining of the programming of the organizations, we are able to eliminate the need for duplication of overhead (such as multiple accounting systems and staff, multiple insurance providers and multiple payroll processors) as well as better harness the skills and expertise of employees by allowing them to focus on their job while not needing to cover for others. In addition, we changed our name to NeighborWorks Home Partners (NWHP - assumed name not a legal name change) to better identify our new organization. The mission of NWHP is “Revitalizing neighborhoods by creating and supporting successful home-ownership”. The Greater Frogtown CDC (GF CDC) was created in 1995 in response to the community disinvestment dating back to the 1970s and early 1980s when nearly 20 percent of the neighborhood’s white, middle class residents moved out of the Frogtown neighborhood. The population of the neighborhood shifted to a much more diverse make-up. In addition to the typical problems of poverty and high crime rates experienced by similar inner-city neighborhoods, the Frogtown community is among the lowest income and most ethnically diverse in the East Metro area, according to 2010 Census data and subsequent American Community Surveys. Over the last several years, GF CDC had become known for its resources and expertise outside of Frogtown as well. In response to receiving calls for service and resources from residents in the North End and Summit University, the Board of Directors made the decision to expand the service area to include those communities outside of Frogtown, including the North End, Summit University, and Thomas-Dale neighborhoods (City of Saint Paul Planning Districts 6, 7, and 8). Since 1995, GF CDC’s home improvement loan and grant programs have preserved affordable housing by helping more than 500 low income families (many of whom have little equity or credit challenges) solve health and safety problems and

tackle costly deferred maintenance issues. While now one organization, which lowers overhead costs and improves efficiency, it is critical for NWHP to continue to receive this specific requested funding to ensure this particular program will still be available in these neighborhoods of increased need within St. Paul. NWHP operates a city-wide home improvement program but it differs vastly from this program. NWHP intends to continue to operate the Facelift program to meet this specific need in these neighborhoods of St. Paul – no payment financial loans and grants to low to moderate income homeowners living in the harder hit neighborhoods of St. Paul for health and safety related home repairs. Not only has NWHP maintained all of the GFCDC staff to assist in administration of this program but we are also operating the office formerly owned by GFCDC at 533 North Dale Street and will provide this program at this office, which is conveniently and centrally located for all for District Councils served by this program. These neighborhoods rely upon the Facelift program to provide this vital service and NWHP hopes to continue to be able to provide this important program in a more efficient and effective manner with support from the City of St. Paul with through request. At this time, NWHP is applying for \$400,000 in CDBG funds for FY16 and \$400,000 in CDBG funds for FY17 to fund the Facelift Program – for a total of \$800,000. This funding amount is flat with the funding received for this program in FY14 and FY15 and, while the need has increased, we understand the level of funding the City received has not. These funds would be used in the form of below market rate amortizing loans, deferred due on sale and forgiven loans to home owners living in Frogtown, North End, Summit University and Hamline Midway neighborhoods of St. Paul (District 6,7,8 and 11) for health and safety related improvements to their owner occupied homes. The focus communities for this program have some of the oldest housing stock in the City of St. Paul. They also have lower median incomes, which mean many families cannot afford to make repairs that are needed. These homes suffer greatly from deferred maintenance issues which often lead to developing home problems. For example: a leaking roof may have been leaking for a year, therefore we not only have the roof that is damaged, but often we have water damage to areas, ruined insulation, and mold build up. The Facelift program will focus on these issues in order to strengthen that house's life span. We will focus on deferred repairs, energy improvements, and the removal of health hazard's such as lead paint, asbestos, and mold to make these homes safe and healthy for families. NWHP currently operates a substantial revolving loan fund for home improvement loans with multiple funding sources with the majority of funds being invested in St. Paul and these CDBG funds have been the foundation of this loan fund for 33 years. NWHP has a strong track record in successfully managing this loan fund including not only getting this money to those residents in St. Paul in need of this service but also in tracking and accounting for these funds entrusted to us by the City. With our varied funding sources, both locally and nationally, NWHP is able to leverage these CDBG funds significantly. Over the past several years, NWHP has closed approximately 45 loans a year averaging more than a \$1,000,000 a year in loans closed. NWHP provides all of our lending services in English, Spanish and Hmong in a culturally competent manner. NWHP is compliant and registered with the Nationwide Mortgage Licensing System (NMLS) and all HUD Safe Act and RESPA regulations. NWHP is also a certified Community Development Financial Institution (CDFI) as designated by the United States Department of Treasury and is a HUD Approved

Counseling Agency. NWHP is also a NeighborWorks America affiliate and has been given the prestigious designation of NeighborWorks Homeownership Center. NWHP provides all of our services in house from our two office locations conveniently located in two core neighborhoods in St. Paul. NWHP handles inquiries via telephone, email and walk-in and works with applicants regarding the application process. NWHP processes and closes all of the loans on-site with NWHP employees. NWHP also services all of the loans after closing which provides a local connection for borrowers.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

NWHP' Facelift program plays a critical role and is of great importance in maintaining and preserving one of the most important assets of the City of St. Paul – the housing stock. The loans and grants provided by this program fund home improvement projects that directly improve the structural and mechanical integrity of single family homes. These projects also improve the functionality of these homes through the various improvements made as a result of these projects. All homes will have a health and safety inspection, lead testing, energy audits, and other testing as needed. This testing and inspections will identify structural deficiencies, mechanical property needs, and other issues that may harm the health of the family. These items are considered priorities for the loan funds. Home improvement projects funded through this program dramatically improve these assets, not only providing a major benefit to the homeowner but also the City, in the form of increased property values and tax base. When a home is improved through this program, it helps to improve the entire block and sometimes even the entire neighborhood. This is not only a benefit for the current residents, but also improves the re-sale value of the home and will likely draw individuals into these neighborhoods to purchase these renovated houses. NWHP' target market is the City of St. Paul, which, like many cities across the United States, has been hit hard by the recent economic and housing downturn causing a significant amount of economic distress. Unfortunately, the target market of this Facelift program (Frogtown, North End, Summit University, and Hamline Midway Planning Districts 6, 7, 8 and 11) has borne the brunt of many of these issues disproportionality as compared to the rest of the City. Lower household income and high unemployment coupled with plummeting home values have created a situation where it is challenging, if not impossible, for many very low, low and moderate income households to obtain home improvement loans to make necessary health and safety repairs to their house. Couple the declining income and higher numbers of families living below the poverty level with the foreclosure crisis and falling home prices and the result is a large percentage of homeowners underwater in their mortgage. The Facelift program has and will continue to provide home improvement loans and grants to families that would likely be turned down for the same loan from most traditional lending institutions all while being able to keep delinquency rates low and capital revolving to help more and more families in need. In addition, NWHP works closely with emerging and underserved markets, providing access to capital that they normally might not be able to access. NWHP also utilizes this loan fund

to provide loans to bring Category 2 and Category 3 vacant homes up to code. NWHP has worked with several families who have purchased a Category 2 vacant home but have been unable to secure financing for the repairs from another source. Through this program, NWHP is able to offer the project management services as well as the capital to bring the house up to code. In the last year alone, NWHP has assisted in rehabbing and bringing two Category 2 homes up to code and occupied by the owner. As is evidenced throughout this application, the need for lending capital in these core neighborhoods of St. Paul has not been an issue – the issue has been a lack of available lending capital. NWHP is in a strong position to be able to utilize the capital received from this application to invest directly into these harder hit neighborhoods to make a real difference in stabilizing and revitalizing these neighborhoods and communities with a large demonstrated need. As mentioned above, the focus area for the Facelift program has lower home values and lower household income for families while also having a higher number of vacant buildings, resulting in the need for this program to concentrate resources as many of the homeowners living in these neighborhoods would not have other options outside of this program for this service. The combined population of these four neighborhoods is approximately 69,000 people – almost 25% of the total city population, evidencing the importance of these core neighborhoods in St. Paul. Despite this large proportion of families living in these neighborhoods, there is also a concentration of lower income families. While the average median household income for the City of St. Paul is \$46,305 a year, the average median household income for these four neighborhoods combined is less than 80% of this number - \$36,814. That is a huge annual income disparity. Once that fact is coupled with the average age of the housing stock of these neighborhoods, it is clear why this program is needed. Despite the majority of the houses in the Facelift program’s neighborhoods being over 85 years old with many in need of significant health and safety related repairs, families make significantly less in these neighborhoods, often making them ineligible to receive loans to make such repairs. The Facelift program provides loans and grants with relaxed credit requirements which often include no monthly payment allowing these families access to fund to make these necessary repairs. Another barrier faced by homeowners is equity (or lack thereof) when seeking a home improvement loan. Unfortunately, between January of 2006 and January 2013, home prices fell by 56% in the North End and 61% in Frogtown (both Summit University and Hamline Midway also saw 25%-35% drops). The median sales price for a home in January of 2013 for these four neighborhoods was \$108,000 which is just over 60% of the average sales price for all of St. Paul at that time (\$170,000). This is a huge home valuation disparity in these neighborhoods that results in many homeowners being underwater and unable to obtain a loan to make necessary repairs. In addition, over 34% of the registered vacant buildings in St. Paul are located in these four neighborhoods, a huge amount considering they are just 4 of the 17 neighborhoods across the City. All of this evidence points to the glaring need for CDBG funded home improvement programs that can provide this vital service to families in these neighborhoods that they are not able to obtain from other sources.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

NWHP is a local leader in the affordable housing industry and has well-established relationships with many partners that share our mission. NWHP works closely with the City of St. Paul to administer CDBG funds to eligible homeowners for home repairs. NWHP is one of the largest and most consistent affordable housing lenders and CDCs in St. Paul and has administered a successful CDBG funded home improvement lending program for over 33 years. The Facelift program has been funded by CIB since 1997 and continues to have a large need due to the no payment grant and loan products and the focus on the hardest hit neighborhoods of St. Paul. This program was previously administered (with money provided to) GFCDC and Sparc, which are now programs of NWHP. This program has provided additional home improvement resources to homeowners living in the core neighborhoods of St. Paul including Hamline Midway, Frogtown, North End and Summit University due to the increased need, both from a borrower and from a property standpoint. The program improves the city housing stock by extending the life span of older homes by working to repair and improve deferred maintenance items. The program seeks to improve the homes safety and works to ensure the home is a healthy place to live. NWHP' mission is revitalizing neighborhoods by creating and supporting successful home-ownership. We use an array of innovative financial products and services with flexible terms and features to meet our goals. Our products and services are responsive to our target market, and match the needs of our target market in the current difficult economic condition. To further these goals, NWHP' home improvement loan program is limited to health and safety related improvements. In addition to lending money to very low, low and moderate income homeowners who likely would not qualify for a loan from a traditional lending institution at a below market rate or with no monthly payments, NWHP provides guidance throughout the entire process. NWHP' lending staff walks a client through the application and loan closing process and provides counseling around budgeting and financial fitness issues as necessary. NWHP' Construction Specialist works with our clients from the planning stages of the project to the contractor selection process all the way through project finalization. NWHP holds all funds in an escrow account and contractors do not receive progress payments until our Construction Specialist approves the request. Our Construction Specialist is available to answer questions, provide advice and, if necessary, mediate issues that arise in all of our home improvement projects. NWHP' home improvement projects provide work for many contractors and business people involved in the construction field which creates and improves job opportunities within St. Paul. NWHP utilizes numerous contractors from the CERT and Section 3 lists. Homes are made safe with an improved streetscape. Businesses benefit through the purchase of supplies to fix the homes. The open bidding process works to ensure local small and minority owned businesses have opportunities to the contracts so they can build their work portfolios and increase staff. Overall, NWHP' activities transform the lives of the people we serve by providing loans and counseling services that lead to safe and affordable residences and the stabilization of neighborhoods in

need of these improvements. NWHP' Facelift Program specifically improves not only the homes of the families receiving the loans but also the core neighborhoods of need and the City of St. Paul as a whole.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The Facelift program has been funded by CIB since 1997 and continues to have a large need. The program regularly runs out of funding and requires a yearly waiting list. While this proposal is very similar to last year's combined Sparc/GFCDC proposal, it differs from proposals submitted prior in that it is a joint proposal with a larger service area. NWHP' home improvement products demonstrate strong evidence of community collaborations and partnerships as well as strong community and organizational support. When Sparc was unable to continue to operate their residential lending program, with their support, NWHP requested to have the contracts transferred to us as we knew that we were well positioned to continue to provide this integral service within these core neighborhoods. Once these funds were formally allocated to us in early 2014, we meet extensively with both District 6 and District 11 staff and created a program we felt best met the needs of residents of these neighborhoods. We officially launched the program on 4/1/14 with help from District 6 and District 11 staff and had a great initial response. Overall, we have utilized virtually all of the funds allotted for this program for both FY13 and FY14 and it worked out great in the sense that each neighborhood utilized these funds almost equally. This has actually been the most sought after program we currently offer with the fastest usage rate and I would attribute this to the sound program as well as the connections with the District Councils on getting the word out. We will have an additional \$160,000 in lending capital available for this program for FY15 and do not anticipate any issues with fully deploying these funds in a timely manner. While the demand has outweighed the available funds for this program, we are fortunate to have other sources of funds available and were able to offer many of the Hamline Midway and North End residents who applied for these funds a loan product, even if it wasn't designated from these funds. Even before the FY16 and FY17 CIB application opened, we began meeting with the staff members from District 6, 7, 8 and 11 about what they see as needs in their neighborhoods around home improvement programs. The overwhelming response is that we need to ensure neighborhood specific dedicated funding remains for these core areas with heightened needs and we have received formal support from all four District Councils to continue this vital program. NWHP is also an active member of the Frogtown Rondo Home Fund and one of the key providers of home improvement loans for this collaboration. NWHP has also begun to administer the Ramsey County Lead Window replacement program, which allows us to easily integrate this program with our existing home improvement projects making this easy for both the homeowner and the funder. Also, as NWHP

currently operates two full service offices in St. Paul, one of which is located in Frogtown just 1.5 blocks from the Dales Street light rail stop, this program will be easily accessible for clients in our target service area. As mentioned above, NWHP operates number of revolving loan funds and had been for over 33 years and we partner and receive capital from a number of entities and organizations. As such, a major benefit that NWHP brings is the amount of capital we are able to leverage utilizing City of St. Paul CDBG funds as a base for our home improvement lending. NWHP has received \$900,000 of lending capital from NeighborWorks America over the last four years which we have used as a part of our revolving loan fund for home improvement loans. NWHP also recently received a grant of \$270,000 from the Federal Home Loan Bank for their Affordable Housing Program funding for home improvement lending capital over that time period for the same purpose. NWHP is also a certified CDFI (as of 2001) and has received four EQ2 investments from lending institutions over the years. NWHP currently has \$550,000 of EQ2 investments committed to our revolving loan fund. We have a commitment of \$100,000 from US Bancorp, \$100,000 from American Bank and \$350,000 from Wells Fargo in two (2) separate loans (one for \$200,000 and one for \$150,000). NWHP also recently received a grant of \$1,460,000 from the CDFI Fund for home improvement lending capital for our revolving loan fund which has been almost fully deployed, primarily into the core neighborhoods of St. Paul. NWHP is currently in the process of finalizing a \$1,000,000 investment into our revolving loan fund from Midwest Minnesota CDC which would be used for home improvement loans primarily to homeowners living in St. Paul.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

This program will focus exclusively on single family owner occupied homes in Districts 6, 7, 8, and 11. The properties improved will improve the overall quality of housing stock, help stabilize blocks and encourage other investment, which should help to increase the property values in areas of the city that have seen significant reduction in value. NWHP’s Facelift program is, at its core, a program that benefits the community. The grants and loans provided by the program significantly benefit not only the neighborhoods of Frogtown, Hamline Midway, North End and Summit University but also the surrounding neighborhoods and City as a whole. The program enhances livability by improving safety and increasing property values. Houses that receive loans will also see an improvement in aesthetic appearance and, possibly, other design features. Completing house repairs in these core neighborhoods will improve the housing stock in these areas and encourage families to move into these neighborhoods, increasing homeownership. The creation or preservation of a family’s ability to own a home has a profound impact on that particular family through increased wealth building and family stabilization as owning a home can play a key role in breaking the cycle of

poverty by stabilizing housing expenses, accruing tax savings and building equity. In addition, studies have shown that homeownership is also an important component to neighborhood stabilization and revitalization as homeowners are more likely to vote and participate in civic organizations, and the children of homeowners are likely to do better in school, have fewer behavioral problems, and are less likely to drop out of school. Home repairs funded through this program are limited to health and safety related needs. Interior or exterior repairs are allowed and the repairs must be consistent with needed maintenance and upkeep of the property. Requests for improvements considered extravagant (Jacuzzi, hot tub, out of line with moderate cost hardware) will be considered if they are required for a verifiable medical condition or may create a hazardous condition on another part of the property.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The Facelift program has been funded by CIB and successfully operational for almost 20 years. This program is vital to serving the underserved neighborhoods of St. Paul. Without this dedicated funding for these target neighborhoods, property values would continue to decline and vacant and foreclosure numbers would increase with the overall result being a decrease in the City's most important asset – the housing stock. The need for maintaining the housing stock is identified in the overall city housing plans, as well as the local District plans. The properties improved will ensure less needs for code enforcement services. This program is designed to meet the specific needs of these neighborhoods with no monthly payment programs, less restrictive credit criteria, increased financial education and ongoing financial education support. In addition, the Facelift program provides support throughout the loan and construction process in the form of education on the lending side and a Construction Specialist who assists the home owner by inspecting the home, writing a project scope, sending the scope out for construction bids, going over the bids with the home owner, assisting in the selection of the appropriate contractor and monitoring and approving payments for work completed and ensuring that all permits are obtained from the city, city codes are complied with and city inspectors are on site to monitor and sign off on projects. NWHP strongly encourages the use of Energy Star products and “green” building materials for all of our home improvement loans. The Facelift program provides a tangible return on investment in the form of improved housing stock, increased home values and increased tax base. The preservation of the single family housing stock is very important to a vibrant St. Paul and at the heart of our work in order to not only maintain but also to attract homeowners to the city. In addition, as NWHP is able to leverage these funds, we are able to multiply this return on investment substantially. Also, many of the homes which NWHP has provided funding to repair are homes of historical significance. As older homes tend to have more deferred maintenance needs, NWHP

finds that we are often working more frequently in these areas. NWHP' home improvement loan program has been thriving for over 33 years, with major foundational support coming from the City of St. Paul through CDBG funding. NWHP has a strong track record of achieving our stated outcomes in our home improvement lending program year after year. The Facelift Program has consistently achieved the number of units completed in each of its previous funding rounds. NWHP is proud to count the City of St. Paul as a partner in the great work that we do in stabilizing and revitalizing the core neighborhoods of need in St. Paul and we are hopeful, through this application, which we can continue to count on this vital support in the future.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

Greater Frogtown CDC and Sparc were awarded \$400,000 in FY14 and \$400,000 in FY15 for this program (consistent with awards received for this program prior to the past 2 years) for a total of \$800,000. As mentioned earlier in this application for funds, both of these organizations have become a part of NeighborWorks Home Partners this past year. This merger of organizations was premised on increasing efficiencies and lowering overhead costs but is also premised on maintaining neighborhood identity and neighborhood specific programs for communities of need. As such, we have maintained all of the staff of GFCDC to administer this program for NWHP as well as the office location of GFCDC (533 Dale Street North) to be able to provide this program right in the heart of the service area of this program. So, while the specific neighborhood CDC's are not technically applying for this funding this round, this program is still designed to provide the same core services by the same employees at the same location as has been successfully administered in the past, just with more leverage and less overhead costs, which is beneficial to all. Over the last two years, approximately \$440,000 of CDBG funds have been used to finance 25 home improvement projects in the Facelift program. All of these projects were located in the harder hit neighborhoods of St. Paul – Districts 6, 7, 8 and 11. As most of these projects were in the form of a grant or non-amortizing loan, NWHP only received \$41,655.47 in program income during this time period, which was used to re-lend for this purpose. NWHP did not use any funds to construct homes with this program nor did we provide any funding for business projects. NWHP plans to increase our lending activity this year as we have been able to increase other investments into our revolving loan fund using this CDBG award as a base for this leverage. NWHP plans to increase our home improvement lending activity by 33% this year as our goal is to close 60 loans, compared with 45 loans from last year. This goal and our planned continued increase in production is contingent our receiving these funds, as this is the base for our lending program and its success.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5502583 Facelift Program

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			800	400	400	0	0	0	800
Total:				800	400	400	0	0	0	800

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	800	400	400	0	0	0	800	100.0%
Total:	800	400	400	0	0	0	800	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	800	400	400	0	0	0	800	
		800	400	400	0	0	0	800	100.0%
Total:		800	400	400	0	0	0	800	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - St. Paul Green Line Home Improvement Program

Proposing Agency or Group: - NeighborWorks Home Partners (formerly Community Neighborhood Housing Services and Greater Frogtown CDC)

Proposer's Address: - 35 West Water Street Saint Paul, MN 55107

Contact Person: - Jason Peterson

Phone Number: - 651-292-8710

Email Address: - jpeterson@nwhomepartners.org

Address or Cross Streets of Proposed Project: - Scattered Site Single Family Owner Occupied Homes Along the Green Line Transit Corridor in St. Paul

2. Citizen Participation District(s):

District 6 Planning Council, District 7 – Frogtown, District 8 – Summit-University, District 10 – Como, District 11 – Hamline, and District 13 – Union Park

3. City Council Ward(s):

Ward 1, Ward 4, Ward 5

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

NeighborWorks Home Partners St. Paul Green Line Home Improvement Program will provide home improvement loans and grants and construction management services for home improvement projects for eligible low-to-moderate income single family owner occupied homes along the Green Line transit corridor in the heart of St. Paul.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

NeighborWorks Home Partners (NWHP) was founded in 1981 to provide affordable home improvement loans to residents living on the Westside of St. Paul. Originally called Westside NHS, we changed our name in the mid-90's to Community NHS (CNHS) as we expanded our services, both programmatically and geographically, across all of St. Paul. Since that time, CNHS grown into a diverse organization that provides comprehensive homeownership services with the goal of revitalizing neighborhoods through successful homeownership. Despite our relative growth, CNHS' core service and the backbone of our organization is home improvement lending utilizing City of St. Paul CDBG funds to homeowners living in the core neighborhoods of St. Paul. In 2012, CNHS, in addition to two neighborhood based CDC's (Sparc and GF CDC) completed comprehensive strategic plans utilizing outside consultants.

Through these strategic planning processes, our consultants spoke with a number of stakeholders and funders including the City of St. Paul who stated and reiterated the importance of reducing the overlapping services in St. Paul and creating efficiencies within organizations by consolidating and combining similar programs, when feasible. CNHS, GF CDC and Sparc took this advice to heart and began exploring ways in which we could formally collaborate. During these discussions, Sparc (whose mission was to create and maintain healthy, affordable and sustainable neighborhoods by improving residential and commercial vitality in the Hamline Midway, South Como and North End neighborhoods of Saint Paul) was not able to continue to operate their programming. CNHS was fortunate to have the CDBG funded residential lending programs formally operated by Sparc transferred to us and we have successfully been administering this program since 2014 with help and support of District Council 6 and 11. Both CNHS and GF CDC have been relatively strong and stable organizations over the last several years and were able to weather the economic downturn and the “Great Recession” fairly well but, to ensure long term stability, both organizations continued to explore a potential collaboration which resulted in a merger of the two organizations in 2014. With the combining of the programming of the organizations, we are able to eliminate the need for duplication of overhead (such as multiple accounting systems and staff, multiple insurance providers and multiple payroll processors) as well as better harness the skills and expertise of employees by allowing them to focus on their job while not needing to cover for others. In addition, we changed our name to NeighborWorks Home Partners (NWHP - assumed name not a legal name change) to better identify our new organization. The mission of NWHP’s is “Revitalizing neighborhoods by creating and supporting successful home-ownership”. The Greater Frogtown CDC (GF CDC) was created in 1995 in response to the community disinvestment dating back to the 1970s and early 1980s when nearly 20 percent of the neighborhood’s white, middle class residents moved out of the Frogtown neighborhood. The population of the neighborhood shifted to a much more diverse make-up. In addition to the typical problems of poverty and high crime rates experienced by similar inner-city neighborhoods, the Frogtown community is among the lowest income and most ethnically diverse in the East Metro area, according to 2010 Census data and subsequent American Community Surveys. Over the last several years, GF CDC had become known for its resources and expertise outside of Frogtown as well. In response to receiving calls for service and resources from residents in the North End and Summit University, the Board of Directors made the decision to expand the service area to include those communities outside of Frogtown, including the North End, Summit University, and Thomas-Dale neighborhoods (City of Saint Paul Planning Districts 6, 7, and 8). Since 1995, GF CDC’s home improvement loan and grant programs have preserved affordable housing by helping more than 500 low income families (many of whom have little equity or credit challenges) solve health and safety problems and tackle costly deferred maintenance issues. While now one organization, which lowers overhead costs and improves efficiency, NWHP is able to provide high quality lending programs in core neighborhoods of St. Paul with increased need very effectively. Our on the ground presence combined with our full suite of homeownership services allows us reach homeowners in need of home improvement services who have no other options to repair their homes. NWHP operates a full service office at 533 Dale Street North, which is just 1.5 blocks from a Green Line light rail stop.

This convenient location will allow families living along the Green Line easy access to this program as well as the other important support services we provide. At this time, NWHP is applying for \$250,000 in CDBG funds for FY16 and \$250,000 in CDBG funds for FY17 to fund the St. Paul Green Line Home Improvement Program – for a total of \$500,000. The critical community need that this program addresses is that it will provide low interest or no payment home improvement loans to families who would be unlikely to be able to obtain such a loan from traditional lending institutions. While there are a number of factors that would make a family ineligible for a home improvement loan, there are two predominant factors that come into play specifically in these neighborhoods this program serves – those who have recently purchased their homes or those with less stable or less verifiable income. The neighborhoods on the Green Line tend to be “transition” neighborhoods which have attracted a number of recent homebuyers. While this is wonderful news, families that have purchased a home within the last 5 years likely owe more on their home than their home is worth, which makes them “underwater” and generally ineligible for a home improvement loan. This program will work specifically with “underwater” homeowners through relaxed underwriting guidelines which do not require equity in the home as a pre-requisite for home repair funds. In addition, a number of these homeowners make their living from less than traditional, yet still very constructive, professions – such as an artist or construction or independent contractor. It is much more difficult for self-employed or part time employees to be approved for a home improvement loan from a traditional lending institution as their income may be sporadic or harder to document. These factors cause a number of low-to-moderate income families to be ineligible to receive a home improvement loan despite the glaring need for a home repair that will only get worse with time, further damage the City’s housing stock and negatively affect the neighborhood, as a whole, if not repaired. This program will work specifically with this underserved population is our relaxed underwriting guidelines and non-payment options will not prevent a homeowners from eligibility for these funds. Families living along the Green LRT Line on University Avenue in St. Paul from 35E on the east and Cretin Avenue on the west, from Larpenteur Avenue on the north to Summit Avenue on the South will be eligible for this program. This area includes St. Paul Planning Districts 6, 7, 8, 10, 11, and 13. This project will provide 20 low to moderate income families with the resources necessary to make essential health and safety repairs to their owner occupied homes – repairs that would not have occurred otherwise as they would not have been eligible to receive a loan from a traditional lending institution. The focus communities for this program have some of the oldest housing stock in the City of St. Paul. These homes suffer greatly from deferred maintenance issues which often lead to developing home problems. NWHP also operates two additional home improvement programs but they are very different from this specific program, both in need and in scope. NWHP operates a city-wide home improvement program but it differs vastly from this program in that it is intended to provide this service for families living in neighborhoods across the entire City that do not have resources dedicated to them as well as to supplement the resources that are dedicated to specific neighborhoods if they are insufficient. NWHP also operates the Facelift program which is also different in that it only serves 4 core neighborhoods (District 6, 7, 8, 11) with no payment financial loans and grants as these are four of the hardest hit neighborhoods in St. Paul. NWHP

currently operates a substantial revolving loan fund for home improvement loans with multiple funding sources with the majority of funds being invested in St. Paul and these CDBG funds have been the foundation of this loan fund for 33 years. NWHP has a strong track record in successfully managing this loan fund including not only getting this money to those residents in St. Paul in need of this service but also in tracking and accounting for these funds entrusted to us by the City. With our varied funding sources, both locally and nationally, NWHP is able to leverage these CDBG funds significantly. Over the past several years, NWHP has closed approximately 45 loans a year averaging more than a \$1,000,000 a year in loans closed. NWHP provides all of our lending services in English, Spanish and Hmong in a culturally competent manner. NWHP is compliant and registered with the Nationwide Mortgage Licensing System (NMLS) and all HUD Safe Act and RESPA regulations. NWHP is also a certified Community Development Financial Institution (CDFI) as designated by the United States Department of Treasury and is a HUD Approved Counseling Agency. NWHP is also a NeighborWorks America affiliate and has been given the prestigious designation of NeighborWorks Homeownership Center. NWHP provides all of our services in house from our two office locations conveniently located in two core neighborhoods in St. Paul. NWHP handles inquiries via telephone, email and walk-in and works with applicants regarding the application process. NWHP processes and closes all of the loans on-site with NWHP employees. NWHP also services all of the loans after closing which provides a local connection and support for borrowers.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

NWHP' St. Paul Green Line Home Improvement Program plays a critical role and is of great importance in maintaining and preserving one of the most important assets of the City of St. Paul – the housing stock. The loans and grants provided by this program fund home improvement projects that directly improve the structural and mechanical integrity of single family homes. These projects also improve the functionality of these homes through the various improvements made as a result of these projects. All homes will have a health and safety inspection, lead testing, energy audits, and other testing as needed. This testing and inspection process will identify structural deficiencies, mechanical property needs, and other issues that may harm the health of the family. Home improvement projects funded through this program dramatically improve these assets, not only providing a major benefit to the homeowner but also the City, in the form of increased property values and tax base. When a home is improved through this program, it helps to improve the entire block and sometimes even the entire neighborhood. This is not only a benefit for the current residents, but also improves the re-sale value of the home and will likely draw individuals into these neighborhoods to purchase these renovated houses. This program will provide not only home improvement loans to low to moderate income families to make necessary health and safety related repairs to their owner occupied home but we will also provide the construction management services to ensure successful completion of these projects in

a professional and timely manner. Families living in St. Paul Planning Districts 6, 7, 8, 10, 11, and 13 will be eligible for this program. While the LRT has spurred the new development of a significant number of multi-family affordable rental apartment buildings, there remains a critical need for resources available to preserve the single family housing stock in these neighborhoods. According to data compiled by Minnesota Housing, all of the neighborhoods we will serve in this program have experienced a moderate loss of housing sales prices during the last three years. However, now that the multi-million dollar public investment in the LRT line, neighborhood leaders and community members fear that market values and property taxes will push out and displace the families that currently live here, of which many have been here for generations, especially if they are unable to make these repairs. In more stable neighborhoods along University Avenue, such as Hamline Midway and Como, the northern part of the North End neighborhood and the west end of Summit University and Union Park neighborhoods, market values are increasing rapidly due to the proximity to the new LRT. While equity might not pose as much of an issue in these neighborhoods, a lack of income can still prevent low to moderate income families from qualifying for a home improvement loan and, if the family is forced to move, an investor may step in and purchase the property. According to data compiled by Minnesota Housing, the highest concentrations of people of color are at the east end of the Green Line, on University Avenue, with Frogtown and the North End having 66.24% people of color. The Summit University community has 54% people of color while Hamline Midway and Como neighborhoods have 23.5%. Union Park at the west end of the Green Line has only 12% residents of color. Incomes tend to follow race in that the lowest median household incomes are at the east end of the Green Line in the Frogtown, North End, and Summit University neighborhoods with median household incomes at \$36,523. While the median household incomes in Hamline Midway and Como are \$47,776 and Union Park's median household income is \$58,892. Finally, poverty rates are highest in Frogtown and the North End neighborhoods at 34.6% at the east end and only 4.7% at the west end in Union Park. According to data compiled by Minnesota Housing, among the six neighborhoods along the Green Line, all of them have more than 63% of homeowners who are cost burdened. As such, the need for these resources and services is critical in all of the communities along the Green Line from Frogtown on the east to Union Park at the west. Homeownership rates are the highest in Hamline Midway and Como and are the lowest in Summit University (34.8%) and Frogtown and the North End (39.9%). The average age of the housing stock is 73 years old according data compiled by Minnesota Housing, which is consistent with inner city neighborhoods. At the east end of the Green Line, there are many homes built in the late 1800's. These homes tend to be in the most distressed conditions but many homes in all of these neighborhoods are in need of health and safety related repairs. As is evidenced throughout this application, the need for lending capital in these core neighborhoods of St. Paul has not been an issue – the issue has been a lack of available lending capital. NWHP is in a strong position to be able to utilize the capital received from this application to invest directly into these harder hit neighborhoods in addition to the other capital we are able to leverage through this application to make a real difference in stabilizing and revitalizing these neighborhoods and communities with a large demonstrated need.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

NWHP is a local leader in the affordable housing field in St. Paul and has well-established relationships with many partners that share our mission. NWHP works closely with the City of St. Paul to administer CDBG funds to eligible homeowners for home repairs. NWHP is one of the most consistent and reliable affordable housing lenders and CDCs in St. Paul and has administered a successful CDBG funded home improvement lending program for over 33 years. Our current deployment ratio is over 95% and we project this ratio to remain high due to the high demand for home improvement loans, evidencing then need for this funding in these core neighborhoods. NWHP' mission is revitalizing neighborhoods by creating and supporting successful home-ownership. We use an array of innovative financial products and services with flexible terms and features to meet our goals. Our products and services are responsive to our target market, and match the needs of our target market in the current difficult economic condition. To further these goals, NWHP' home improvement loan program is limited to health and safety related improvements. In addition to lending money to very low, low and moderate income homeowners who likely would not qualify for a loan from a traditional lending institution at a below market rate or with no monthly payments, NWHP provides guidance throughout the entire process. NWHP' lending staff walks a client through the application and loan closing process and provides counseling around budgeting and financial fitness issues as necessary. NWHP' Construction Specialist works with our clients from the planning stages of the project to the contractor selection process all the way through project finalization. NWHP holds all funds in an escrow account and contractors do not receive progress payments until our Construction Specialist approves the request. Our Construction Specialist is available to answer questions, provide advice and, if necessary, mediate issues that arise in all of our home improvement projects. The St. Paul Green Line Home Improvement Program improves the city housing stock by extending the life span of older homes by working to repair and improve deferred maintenance items. The program seeks to improve the homes safety and works to ensure the home is a healthy place to live. NWHP' home improvement projects provide work for many contractors and business people involved in the construction field which creates and improves job opportunities within St. Paul. NWHP utilizes numerous contractors from the CERT and Section 3 lists. Businesses benefit through the purchase of supplies to fix the homes. The open bidding process works to ensure local small and minority owned businesses have opportunities to the contracts so they can build their work portfolios and increase staff. Overall, NWHP' activities transform the lives of the people we serve by providing loans and counseling services that lead to safe and affordable residences and the stabilization of neighborhoods in need of these improvements. NWHP' St. Paul Green Line Home

2016-2017 RED - St. Paul Green Line Home Improvement Program

Improvement Program specifically improves not only the homes of the families receiving the loans but also the core neighborhoods of need and the City of St. Paul as a whole.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The St. Paul Green Line Home Improvement Program demonstrates strong evidence of community collaborations and partnerships as well as strong community and organizational support. When Sparc was unable to continue to operate their residential lending program, with their support, NWHP requested to have the contracts transferred to us as we knew that we were well positioned to continue to provide this integral service within these core neighborhoods. Once these funds were formally allocated to us in early 2014, we meet extensively with both District 6 and District 11 staff and created a program we felt best met the needs of residents of these neighborhoods. We officially launched the program on 4/1/14 with help from District 6 and District 11 staff and had a great initial response. Overall, we have utilized virtually all of the funds allotted for this program for both FY13 and FY14 and it worked out great in the sense that each neighborhood utilized these funds almost equally. NWHP is an active partner in the Big Picture Project, a LISC initiative which is a coordinated plan to create and preserve affordable housing opportunities along the 11 mile Green Line light rail corridor. This past year, LISC released their progress report and, while significant progress has been accomplished on meeting many of the stated goals, the goal in which the least progress has been made, relative to the stated goal, was home improvement lending. While many of the goals had upward of 50% of the work completed, the home improvement lending goal was only 8% complete (51/589). In addition, out of the 51 loans closed in the Big Picture service area, 17 of them were closed by NWHP, evidencing our strong on the ground presence and ability to get these resources into the hands of the borrowers in need of them in these neighborhoods. NWHP has also been working closely with the Frogtown Rondo Home Fund (FRHF) on coordinating this service in their service area and both FRHF and LISC fully support this funding request. As mentioned above, NWHP operates number of revolving loan funds and had been for over 33 years and we partner and receive capital from a number of entities and organizations. As such, a major benefit that NWHP brings is the amount of capital we are able to leverage utilizing City of St. Paul CDBG funds as a base for our home improvement lending. NWHP has received \$900,000 of lending capital from NeighborWorks America over the last four years which we have used as a part of our revolving loan fund for home improvement loans. NWHP also recently received several grants totaling \$270,000 from the Federal Home Loan Bank for their Affordable Housing Program funding for home improvement lending capital over that time period for the same purpose. NWHP is also a certified CDFI (as of 2001) and has received four EQ2 investments from lending institutions over the years. NWHP currently has \$550,000 of

EQ2 investments committed to our revolving loan fund. We have a commitment of \$100,000 from US Bancorp, \$100,000 from American Bank and \$350,000 from Wells Fargo in two (2) separate loans (one for \$200,000 and one for \$150,000). NWHP also recently received a grant of \$1,460,000 from the CDFI Fund for home improvement lending capital for our revolving loan fund which has been almost fully deployed, primarily into the core neighborhoods of St. Paul. NWHP is currently in the process of finalizing a \$1,000,000 investment into our revolving loan fund from Midwest Minnesota CDC which would be used for home improvement loans primarily to homeowners living in St. Paul. NWHP has also begun to administer the Ramsey County Lead Window replacement program, which allows us to easily integrate this program with our existing home improvement projects making this easy for both the homeowner and the funder.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The program will focus exclusively on the core neighborhoods of St. Paul that border the Green Line (St. Paul Planning Districts 6, 7, 8, 10, 11, and 13). The properties repaired will improve the overall quality of housing stock, help stabilize entire blocks and encourage other investment, which should help to increase the property values in these core neighborhoods of St. Paul which are areas of the city that have seen significant reduction in value. Home repairs funded through this program are limited to health and safety related needs. Interior or exterior repairs are allowed and the repairs must be consistent with needed maintenance and upkeep of the property. NWHP's St. Paul Green Line Home Improvement Program is, at its core, a program that benefits the community. The grants and loans provided by this program significantly benefit not only the neighborhoods of Districts 6, 7, 8, 10, 11, and 13 but also the surrounding neighborhoods and City as a whole. The program enhances livability by improving safety and increasing property values. Completing home repairs in these core neighborhoods will improve the housing stock in these areas and encourage families to move into these neighborhoods, increasing homeownership which benefits the community, as a whole. The creation or preservation of a family's ability to own a home has a profound impact on that particular family through increased wealth building and family stabilization as owning a home can play a key role in breaking the cycle of poverty by stabilizing housing expenses, accruing tax savings and building equity. In addition, studies have shown that homeownership is also an important component to neighborhood stabilization and revitalization as homeowners are more likely to vote and participate in civic organizations, and the children of homeowners are likely to do better in school, have fewer behavioral problems, and are less likely to drop out of school.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

NWHP been funded by CIB and successfully operating a successful home improvement loan program in St. Paul for over 33 years. This program is vital to serving the underserved neighborhoods of St. Paul as few resources exist to meet this essential need. Without this dedicated funding for these target neighborhoods, property values would continue to decline and vacant and foreclosure numbers would increase with the overall result being a decrease in the City's most important asset – the housing stock. NWHP has a strong track record of achieving our stated outcomes in our home improvement lending program year after year by getting these resources deployed to owner occupied families in need of these services. The need for maintaining the housing stock is identified in the overall city housing plans, as well as the local District plans in the specific districts in which this program will operate. The properties improved will ensure less needs for code enforcement services. This program is designed to meet the specific needs of these neighborhoods with no monthly payment programs, less restrictive credit criteria, increased financial education and ongoing financial education support. In addition, the St. Paul Green Line Home Improvement Program provides support throughout the loan and construction process in the form of education on the lending side and a Construction Specialist who assists the home owner by inspecting the home, writing a project scope, sending the scope out for construction bids, going over the bids with the home owner, assisting in the selection of the appropriate contractor and monitoring and approving payments for work completed and ensuring that all permits are obtained from the city, city codes are complied with and city inspectors are on site to monitor and sign off on projects. NWHP strongly encourages the use of Energy Star products and “green” building materials for all of our home improvement loans. The St. Paul Green Line Home Improvement Program provides a tangible return on investment in the form of improved housing stock, increased home values and increased tax base. The preservation of the single family housing stock is very important to a vibrant St. Paul and at the heart of our work in order to not only maintain but also to attract homeowners to the city. Over the past several years, development along the Green Line has been substantial but, on the residential side, much of this has been focused on the larger multi-family projects with very little dedicated to preserving the single family housing stock. While both these is certainly a need for both, it is important to not neglect one need while focusing on the other, making the timeliness of this program all the more important. In addition, as NWHP is able to leverage these funds, we are able to multiply this return on investment substantially. Also, many of the homes which NWHP has provided funding to repair are homes of historical significance. As older homes tend to have more deferred

maintenance needs, NWHP finds that we are often working more frequently in these areas.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

While NWHP has administered our City-Wide home improvement loan program for over 33 years and the Facelift home improvement loan program for almost 20 years, this program would be a new initiative for our organization and has not previously received dedicated funding. As mentioned earlier, the impetus and current need of this program at this time is the recently launched light rail and the need to provide additional single family resources in these neighborhoods as well as the lack of success in this area as evidenced by the recent Big Picture project update. NWHP will be providing this program from our office location located less than 2 blocks from the Dale and University light rail stop. NWHP plans to increase our lending activity this year as we have been able to increase other investments into our revolving loan fund using this CDBG award as a base for this leverage. NWHP plans to increase our home improvement lending activity by 33% this year as our goal is to close 60 loans, compared with 45 loans from last year. This goal and our planned continued increase in production is contingent our receiving these funds, as this is the base for our lending program and its success.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6601753 St. Paul Green Line Home Improvement Program

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	250	250	0	0	0	500
Total:				0	250	250	0	0	0	500

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	250	250	0	0	0	500	100.0%
Total:	0	250	250	0	0	0	500	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	250	250	0	0	0	500	
		0	250	250	0	0	0	500	100.0%
Total:		0	250	250	0	0	0	500	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - St. Paul Home Improvement Loan Fund

Proposing Agency or Group: - NeighborWorks Home Partners (formerly Community Neighborhood Housing Services)

Proposer's Address: - 35 West Water Street Saint Paul, MN 55107

Contact Person: - Jason Peterson

Phone Number: - 651-292-8710

Email Address: - jpeterson@nwhomepartners.org

Address or Cross Streets of Proposed Project: - Scattered Site Single Family Owner Occupied Homes in St. Paul

2. Citizen Participation District(s):

City-Wide

3. City Council Ward(s):

City Wide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

NeighborWorks Home Partners' St. Paul Home Improvement Loan Fund provides home improvement loans and construction/project management services for home improvement projects for eligible low-to-moderate income single family owner occupied homes in the City of St. Paul with a focus on underrepresented neighborhoods and overall city-wide coverage and support.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

NeighborWorks Home Partners (NWHP) was founded in 1981 to provide affordable home improvement loans to residents living on the Westside of St. Paul. Originally called Westside NHS, we changed our name in the mid-90's to Community NHS (CNHS) as we expanded our services, both programmatically and geographically, across the entire city of St. Paul. Since that time, CNHS has grown into a diverse organization that provides comprehensive homeownership services with the goal of revitalizing neighborhoods through successful homeownership. Despite our growth, CNHS' core service and the backbone of our organization is home improvement lending utilizing City of St. Paul CDBG funds to homeowners living in the core neighborhoods of St. Paul. In 2012, CNHS, in addition to two neighborhood based CDC's (Sparc and GFCD) completed comprehensive strategic plans utilizing outside consultants.

Through these strategic planning processes, both consultants spoke with a number of stakeholders and funders including the City of St. Paul who stated and reiterated the importance reducing the overlapping services in St. Paul and creating efficiencies within organizations by consolidating and combining programs, when feasible. CNHS, GFCDC and Sparc took this advice to heart and began exploring ways in which we could formally collaborate starting in 2012. At the center of these discussions was the desire of all of the organizations to further their mission of community stabilization to help as many people as possible with the resources available. All three organizations ran a number of similar programs and it became apparent rather quickly that we could easily create efficiencies and leverage staff expertise by combining forces in these areas. In addition, all of the organizations also had unique programs to offer which complemented each other well and would provide a more holistic opportunity for community stabilization. During these discussions, Sparc (whose mission is to create and maintain healthy, affordable and sustainable neighborhoods by improving residential and commercial vitality in the Hamline Midway, South Como and North End neighborhoods of Saint Paul) was not able to continue to operate their programming. CNHS was fortunate to have the CDBG funded residential lending programs formally operated by Sparc transferred to us and we have successfully been administering this program since 2014. Both CNHS and GFCDC have been relatively strong and stable organizations over the last several years and were able to weather the economic downturn and the “Great Recession” fairly well but, to ensure long term stability, both organizations continued to explore a potential collaboration which resulted in a merger of the two organizations. With the combining of the programming of the organizations, we are able to eliminate the need for duplication of overhead (such as multiple accounting systems and staff, multiple insurance providers and multiple payroll processors) as well as better harness the skills and expertise of employees by allowing them to focus on their job while not needing to cover for others. In addition, we changed our name to NeighborWorks Home Partners (NWHP - assumed name not a legal name change) to define our new organization. The mission of NWHP’ is “Revitalizing neighborhoods by creating and supporting successful home-ownership”. As mentioned above, despite these changes, NWHP’ core service and the backbone of our organization is home improvement lending utilizing City of St. Paul CDBG funds to homeowners living in the core neighborhoods of St. Paul. NWHP’ operates two full service office locations at the current sites of two of the organizations with our full suite of services offered at each. Our main office is located just outside of downtown St. Paul conveniently located on a bus route. Our second office is located on the recently launched light rail connecting downtown St. Paul to downtown Minneapolis in the Frogtown neighborhood of St. Paul. In the past 5 years alone, NWHP has leveraged funds to allow for \$138,000,000 of direct investments into the local community. NWHP has provided and managed a home improvement loan program for 33 consecutive years for the City of St. Paul and would be honored to be able to continue to administer this program well into the future. At this time, NWHP is applying for \$300,000 in CDBG funds for FY16 and \$300,000 in CDBG funds for FY17 to fund our St. Paul Home Improvement Loan Program – for a total of \$600,000. These funds would be used in the form of below market rate amortizing loans, deferred due on sale and forgiven loans to home owners in St. Paul for health and safety related improvements to their owner

occupied homes. These funds would be available to eligible low to moderate income owner occupied homeowners residing in the City of St Paul and would not be restricted to a specific neighborhood. While other programs provide similar services in a specific neighborhood, NWHP is able to provide home improvement loans across the entire City of St. Paul. This distinction is important as NWHP can not only serve City of St. Paul residents who do not live in these designated neighborhoods, but we can also assist and fill in for other organizations and programs serving these neighborhoods when they run out of funds or their program loan limits are not sufficient to cover the entire costs of the project. While there are a number of great neighborhood specific programs, there are many neighborhoods they do not have such a program, leaving low to moderate income homeowners in these neighborhoods unable to obtain these important services and resources. NWHP has forged partnerships with several neighborhoods which do not currently have these specific programs. NWHP has been working closely with both the Little Bohemia Neighborhood Association and the Fort Road Federation to provide services within the West 7th neighborhoods and we have worked closely with residents of the West-Side to provide these services as well. We also provide these services to such neighborhoods as Como, Highland Park, Macalester Groveland and Union Park which, despite not needing a neighborhood specific program, still have eligible homeowners in need of these services with nowhere to obtain them from. In addition, over the last decade, NWHP has worked with a number of other programs to help fill this gap once their funding has been depleted or their loan program limits do allow for the homeowner to receive sufficient funds to complete the entire project. This supplemental funding has proven integral for the success of several neighborhood based programs and we also have partnered with other city-wide programs with lower loan limits as well. Also, through our other lines of work including homeownership counseling and education, NWHP has the “on the ground” presence in place to successfully provide this program across the city from our two office locations. Through these and other relationships, NWHP is well positioned to provide city wide coverage for single family home preservation without losing individual neighborhood connections. NWHP currently operates a large revolving loan fund for home improvement loans with multiple funding sources with the majority of funds being invested in St. Paul and City of St. Paul CDBG funds have been the foundation of this loan fund for 33 years. NWHP has a strong track record in successfully managing this loan fund including not only getting this money to those residents in St. Paul in need of this service but also in tracking and accounting for these funds entrusted to us by the City. With our varied funding sources, both locally and nationally, NWHP is able to leverage these CDBG funds significantly – often as much as 5-1. NWHP receives lending capital from such sources as Minnesota Housing, the Federal Home Loan Bank, NeighborWorks America and the CDFI Fund (United States Department of Treasury). In addition, NWHP currently has capital investments from Wells Fargo, US Bank, American Bank and Midwest Minnesota CDC which we utilize in our revolving loan fund. Also, as the majority of NWHP’ home improvement loans are amortizing payback loans, this loan fund is somewhat self-funding. Over the last year alone, NWHP received over \$100,000 in payments which we then re-lent to the community. As the majority of our lending programs serve the City of St. Paul, NWHP is currently leveraging the City’s CDBG investment into our organization very well as we are able to turn this into

generally 5 times the amount invested with us and, these other investments our often contingent on this continued funding as leverage as well. Over the past several years, NWHP has closed approximately 45 home improvement loans a year averaging more than a \$1,000,000 a year in loans. NWHP has continually demonstrated the ability to process, close and service home improvement loans to the residents of St. Paul in a professional manner for decades. If approved for this funding, NWHP would use this capital to lend to eligible households who qualify under HUD's definition of low to moderate income, which is less than 80% of the local area median income. This capital would be used to fund loans for households that would likely not be able to receive a home improvement loan from a traditional financial institution and, in order to keep these funds affordable, NWHP would not charge the homeowner any costs, including no closing costs or project management costs for this service. This is critical to preserve the aging housing stock in St. Paul as many houses in need of repairs would not likely be fixed without this program. As this project is a scattered site project serving a number of households, it will not occur in phases per se, but will be on-going throughout the service period. NWHP provides all of our lending services in English, Spanish and Hmong in a culturally competent manner. NWHP is compliant with the Nationwide Mortgage Licensing System (NMLS) and all HUD Safe Act and RESPA regulations. NWHP is also a certified Community Development Financial Institution (CDFI) as designated by the United States Department of Treasury and is a HUD Approved Counseling Agency. NWHP is also a NeighborWorks America affiliate and has been given the prestigious designation of NeighborWorks Homeownership Center. NWHP provides all of our services in house from our two office locations conveniently in two core neighborhoods in St. Paul. NWHP handles inquiries via telephone, email and walk-in and works with applicants regarding the application process. NWHP processes and closes all of the loans on-site with NWHP employees. NWHP also services all of the loans after closing which provides a local connection for borrowers. In addition, one service that NWHP provides that I would like to highlight would be the services that our Construction Specialist (CS) provides to homeowners that obtain home improvement loans from us. Once an applicant for a home improvement loan has been pre-qualified by our lending staff, they meet at their residence with our CS. At this time, our CS discusses the projected project with the homeowner as well as completes a visual inspection of the entire home for any other health and safety issues. The CS then writes up a scope of work for the project and sends to the homeowner and 3-4 contractors. Once bids have been received, the CS reviews for financial feasibility of the project. The CS then speaks with the homeowner and, if the homeowner decides to move forward with the project, the loan is then closed. After the loan is closed, our CS meets with the contractor and the homeowner at the property and holds a proceed meeting in which the entire project is discussed. Once the contractor starts work, the CS is available to both parties to answer questions, provide support or mediate if necessary. Contractors can request progress payments during the project but the CS must inspect the work completed and authorize any payment before a check is released to the contractor. Once the project is complete, our CS completes a final inspection and wraps up the project. Our CS is available at all times during and after the project if the homeowner has questions or concerns regarding the project. This guidance and peace of mind is invaluable to many homeowners completing rehab work on their homes.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

NWHP' St. Paul Home Improvement Loan Fund plays a critical role and is of great importance in maintaining and preserving one of the most important assets of the City of St. Paul – the single family housing stock. NWHP' home improvement loans directly improve the structural and mechanical integrity of single family homes. These projects also improve the functionality of these homes through the various improvements made as a result of these projects. Home improvement projects funded through this program dramatically improve these assets, not only providing a major benefit to the homeowner but also the city, in the form of increased property values and tax base. When a home is improved through this program, it helps to improve the entire block and sometimes even the entire neighborhood. This is not only a benefit for the current residents, but also improves the re-sale value of the home and will likely draw individuals into the city to purchase these renovated houses. NWHP' target market is the City of St. Paul, which, like many cities across the United States, has been hit hard by the recent economic and housing downturn causing a significant amount of economic distress. As will be evidenced by the numbers below, high unemployment and plummeting home values have created a situation in St. Paul where it is challenging, if not impossible, for many very low, low and moderate income households to obtain financial products such as financing for home improvement loans. Couple the declining income and higher numbers of families living below the poverty level with the recent foreclosure crisis and stagnant home prices and the result is a large percentage of homeowners underwater in their mortgage. In addition, the average age of the housing stock in St. Paul is almost 70 years old and is in need of years of deferred maintenance. When you have a city with a high percentage of aging housing stock and a population of homeowners already struggling with a lack of sufficient income who now find themselves with little to no equity in their home, you have a large demonstrated need for home improvement capital. Unfortunately, this is precisely the position that St. Paul is in at this time. This is the glaring need that NWHP currently is able to fill for these households. Our current lending program includes home improvement loans to households that would likely be turned down for the same loan from most traditional lending institutions all while being able to keep delinquency rates low and capital revolving to help more and more families in need. In addition, NWHP works closely with emerging and underserved markets in St. Paul, providing access to capital that they normally might not be able to access. NWHP also utilizes this loan fund to provide loans to bring Category 2 and Category 3 vacant homes up to code. NWHP has worked with several families who have purchased a Category 2 vacant home but have been unable to secure financing for the repairs from another source. Through this program, NWHP is able to offer the project management services as well as the capital to bring the house up to code. In the last year alone, NWHP has assisted in rehabbing and bringing two Category 2 homes up to code and occupied by the owner. As is evidenced throughout this application, the need for home improvement lending capital in the City of St. Paul has not been an issue – the issue has been a lack

of available lending capital. NWHP is in a strong position to be able to utilize the capital received from this application to invest directly into St. Paul to make a real difference in stabilizing and revitalizing the neighborhoods and communities with a large demonstrated need. The City of St. Paul, has a population of 295,000 according to City records. According to the Metropolitan Council, the area of the City of St. Paul is approximately 56 square miles (35,826 acres) with 111,620 households. Over one third of all of the acreage (13,085) is currently being used for residential single family detached homes. According to the City of St. Paul, the homeownership rate is 51.2%, which is 20.2% lower than the rate of homeownership in the State of Minnesota (71.4%) and 12.7% lower than the rate of homeownership across the Country (63.9%). According to the Metropolitan Council, the City of St. Paul has a vacancy rate of 8.1% across both rental and owner occupied housing units. While the foreclosure rates across the Country and St. Paul have declined over the last year, they are still at historic highs. This is especially evident in some of the hardest hit neighborhoods in St. Paul as MHFA has designated almost half of St. Paul has high need foreclosure zip codes. According to the American Community Survey, there are 8,764 vacant houses or 7.3% of the homes in St. Paul. According to the St. Paul Area Association of Realtors, the median sales price for a home in St. Paul in 2012 was \$107,000 and, in the first half of 2013, this number jumps to \$140,000, a 30% increase, and then jumps to \$158,000 in 2014 and additional 13% increase. From January of 2008 to January of 2009, the median sales price of a home in St. Paul fell almost 30% but from January 2009 to January of 2010, the median sales price increased almost 50% - a stunning turnaround. Housing prices in St. Paul then topped out in April of 2010 and dropped substantially before beginning to again stabilize in April of 2011. Home values in St. Paul are still recovering from the recent housing market crash after reaching a high point of \$209,000 in May of 2006 but the market is significantly improving. When looking at recent trends and talking with industry experts, it seems likely that home prices in Saint Paul have stabilized and will likely increase year over year at a modest pace for the foreseeable future. While the number of vacant and foreclosed homes is relatively high in St. Paul, the housing market has seen some improvements over the last several years. An additional factor that is likely to improve the housing market is the launch of the light rail in June of 2014 which connects Downtown Minneapolis and Downtown St. Paul with many stops in core neighborhoods along the way including a stop within two blocks of our just opened second office location. In anticipation of the light rail, many neighborhoods are seeing investors coming in and buying as many properties as possible. According to a market analysis completed by University of Minnesota researchers, between 2011 and 2013 the area between 1/8 and 3/8 mile from the Green Line Stations in the neighborhood outpaced home sale increases citywide by more than two to one. This study predicted that the rate of growth would slow between 2013 and 2015 but still exceed the citywide rate. Rising house values will benefit some residents of these neighborhoods in terms of the investment value of their home and their access to home improvement lending, refinancing, etc... but for those whose main housing costs are property taxes, rising values mean decreased affordability. In addition, for the majority of LMMI families, rising values will increase the initial barrier to homeownership as many in these communities are already cost burdened and extremely sensitive to even small increases in housing costs. Property values in these neighborhoods are

expected to increase at a faster rate than the rest of the State or City according to studies of transit corridors, further increasing the barriers to homeownership for many unless programs such as this help to fill this need. While the housing market in the Twin Cities has improved and seems likely to continue to improve, the economic and workforce numbers have significantly lagged behind this improvement. While housing prices continue to rise, household income has not kept pace as unemployment and under-employment are still significant issues in our area. This has also led to many LMMI families being priced out of the housing market and unable to qualify and compete with investors for houses. In addition, many families in our service area are quite mobile with over 22% of families having moved at least once in the last year (59% moved to a new residence within Ramsey County). According to data compiled by the Met Council and collected by the MN Department of Employment and Economic Development, the unemployment rate of St. Paul residents in 2014 is 5.1%. While this is lower than recent peak of 8.2% in 2009, it is a higher rate than St. Paul residents have experienced in over 20 years. According to MHFA, the City of St. Paul has seen a percentage change decrease in jobs (median) of over 10% since the start of the great recession. As the above evidence suggests, while St. Paul residents have seen an improvement in their employment situation collectively, this gain is only recent and, in general, employees are still in a worse position than they have been for several decades. According to data compiled by the City of St. Paul, the median household income in 2000 was \$38,610 and the median household income in 2013 was \$46,309. This is a very modest increase for a 13 year period which barely keeps pace with inflation. More troubling is the number of cost burdened and, specifically housing cost burdened families in our service area. According to the City of St. Paul, the share of all households paying 30% or more of income for monthly housing costs was 29.2% in 2000 and rose dramatically to 40.8% in 2013 – a substantial and unfortunate increase. While unfortunate, digging deeper into the numbers evidences the importance of homeownership in stabilizing housing costs as “only” 28.9% of homeowners in St. Paul are considered housing cost burdened as compared to 53.8% of renters in St. Paul. According to data compiled by the Metropolitan Council, 15.6% of the population of St. Paul was below the poverty level in 2000 and this number rose all the way to 23.7% in 2013. NWHP has experience serving LMMI clients and our service ratios compare similarly to St. Paul’s population distribution based on income. The HUD designated AMI for the Twin Cities for 2014 is \$82,900. According to the City of St. Paul, over 75% of households in St. Paul are under this AMI. Over the past year, 39% of NWHP’ clients have a household income that falls in the very low and low income range (50% or less of AMI). Of the remaining clients, 35% had household income in the 51% - 80% AMI range and only 26% had household income at over 80% AMI. Minnesota has a strong tradition of homeownership and the highest overall rate in the nation in 2013 at 71.4%, but we also have the glaring accompanying distinction of having the largest homeownership gap. In St. Paul, the disparity between the number of white and non-white homeowners is at 37.4% and for the entire metropolitan area it is 41.7%. This has worsened as the foreclosure crisis has had a greater impact on minority communities, with minority homeowners twice as likely as whites to be at risk of foreclosure. While foreclosure rates in the Twin Cities are down from the peak in 2010, Minnesota has faced a substantial number of foreclosures over the last several years. Families are still

losing homes at rates far exceeding historic levels, between .5 and .75% in the metropolitan region. As expected, housing costs are rising as buyers recognize the value of certain core neighborhood locations. Rising costs push housing out of reach for more families forcing some to relocate to less costly neighborhoods. The displacement of residents, due to increased housing costs, diminishes the economic equity impact of public investments in transit, education, and parks in these neighborhoods. For low-income families, owning a home can play a key role in breaking the cycle of poverty by stabilizing housing expenses, accruing tax savings and building equity. Besides the financial benefits, homeownership can also result in positive social consequences from stable schooling to increased neighborhood participation. St. Paul also has a very diverse population from a cultural and ethnic standpoint. NWHP is proud of the fact that our traditional service patterns have shown service to minority communities in proportion to their representation in the population. In FY13, of the 876 clients served, 56% were white, 20% were Asian, 16% were African-American and 7% were Hispanic. In Saint Paul, those population percentages are, respectively, 56%, 15%, 15% and 10%. NWHP has steadily increased the number of Asian clients that we serve which is important as the Twin Cities Metro Area has the second largest Hmong population for a metro area in the U.S. behind Fresno, California. According to the City of St. Paul, over 13% of households speak an Asian language at home. NWHP has a full-time Hmong Housing Counselor and Program Coordinator to serve clients in the Hmong population who choose to receive services in their native language and we are the only organization in the Twin Cities to offer a complete array of homeownership services in Hmong. In addition, NWHP served a substantial number of African American clients in 2013. NWHP' staff is dedicated to reaching underserved communities and has increased visibility and outreach efforts at African American and Hmong community events. In addition, St. Paul, as a whole is expected to grow with an estimated population of 331,000 in 2030, making the need for our services all the more critical. The City of St. Paul has a fairly old housing stock which leads to additional repair and maintenance requirements. According to the City of St. Paul, 69% of houses in St. Paul were built before 1960. This supports the continuing need for home improvement capital to stabilize and revitalize these neighborhoods.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

NWHP is a local leader in the affordable housing industry and has well-established relationships with many partners that share our mission. NWHP works closely with the City of St. Paul to administer CDBG funds to eligible homeowners for home repairs. NWHP is one of the largest and most consistent affordable housing lenders and CDCs in the St. Paul area. As stated above, NWHP currently has a successful Home Improvement Lending Program up and running that, in some form or another, has been successful for 33 years. Thus, NWHP would not need any time to “ramp up” or train or

hire staff to utilize this funding and we would have the ability and capacity to begin to lend this money once we are in receipt of it. NWHP' mission is revitalizing neighborhoods by creating and supporting successful home-ownership. We use an array of innovative financial products and services with flexible terms and features to meet our goals. Our products and services are responsive to our target market, and match the needs of our target market in the current difficult economic condition. To further these goals, NWHP' home improvement loan program is limited to health and safety related improvements which directly remedies specific safety issues that pose dangers to St. Paul residents and the community. In addition to lending money to very low, low and moderate income homeowners who likely would not qualify for a loan from a traditional lending institution at a below market rate, NWHP provides guidance throughout the entire process. NWHP' lending staff walks a client through the application and loan closing process and provides counseling around budgeting and financial fitness issues as necessary. NWHP' Construction Specialist works with our clients from the planning stages of the project to the contractor selection process all the way through project finalization. NWHP holds all funds in an escrow account and contractors do not receive progress payments until our Construction Specialist approves the request. Our Construction Specialist is available to answer questions, provide advice and, if necessary, mediate issues that arise in all of our home improvement projects. The application process for our Home Improvement Lending program is as follows. Interested homeowners contact NWHP and request an application. NWHP mails an application that needs to be completed and documents that need to be collected and brought to the face to face meeting. When the homeowner calls NWHP, staff sets an appointment to meet face-to-face with the potential borrower. During the face-to-face meeting staff collects documents to substantiate borrower's collateral, credit worthiness, ability and willingness to repay, amount the borrower wishes to borrow and for what type of repairs. NWHP provides services on a first-come-first serve basis and does not maintain a waiting list. NWHP' current deployment ratio is 95%. We project this ratio to remain high due to the high demand for home improvement, health and safety, and second mortgage loans. It is our belief, which is supported by substantial evidence, that we currently have the capacity to lend more capital than we have available, especially in the core neighborhoods of St. Paul, which this funding would provide. NWHP' home improvement projects provide work for many contractors and business people involved in the construction field which create and improves job opportunities within St. Paul. NWHP utilizes numerous contractors from the CERT and Section 3 lists. Homes are made safe with an improved streetscape. Businesses benefit through the purchase of supplies to fix the homes. Overall, NWHP' activities transform the lives of the people we serve by providing loans and counseling services that lead to safe and affordable residences and the stabilization of neighborhoods in need of these improvements. NWHP' St. Paul Home Improvement Loan Program specifically improves not only the homes of the recipients of the loans but also the neighborhoods and the City of St. Paul as a whole.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

NWHP' St. Paul Home Improvement Loan Fund demonstrates strong evidence of community collaborations and partnerships as well as strong community and organizational support. NWHP meets regularly with District Council and City Council staff in an effort to ensure our program is responsive to the needs of the constituents within these neighborhoods. NWHP works closely with other loan funds in the City to augment their programming to ensure projects can be complete when additional funds are needed. Over the last several years, we have partnered on home improvement projects with Dayton's Bluff NHS, GMHC, NeDA, Greater Frogtown CDC, Sparc, the City of St. Paul and MHFA, among others. NWHP also works with numerous other housing services providers to fill the role of home improvement financier and project manager. While we do receive funding from a number of other sources for this work, the success of our revolving loan fund is premised on the investment of CDBG funds from the City of St. Paul as the foundation. This is just as true now as it was 33 years ago, when we began receiving these funds. All of our other funders require a core "base" funder and the City of St. Paul has played this role for over three decades, allowing us to fundraise and leverage this investment for a significantly larger investment into the City. As mentioned above, NWHP has operated a revolving loan fund for over 33 years and we partner and receive capital from a number of entities and organizations. As such, a major benefit that NWHP brings is the amount of capital we are able to leverage utilizing City of St. Paul CDBG funds as a base for our home improvement lending. As NWHP' goal is to lend \$1,000,000 a year in home improvement lending and we have received approximately \$200,000 a year in CDBG funds from the City of St. Paul, we are generally able to leverage these funds on a 4:1 ratio which is an outstanding return on investment for the City of St. Paul. Through this work, NWHP has made significant progress in this program and pending continued funding, anticipates continued success going forward. NWHP has administered CDBG funds for the City of St. Paul for 33 straight years using amortizing loans as a core component to this program. As NWHP revolves these funds, we are constantly taking in payments and payoffs as the program is somewhat self-funded, giving the City of St. Paul a good return on investment. NWHP generally revolves over \$100,000 a year in CDBG funds for this program. NWHP has received \$900,000 of lending capital from NeighborWorks America over the last four years which we have used as a part of our revolving loan fund for home improvement loans in the City of St. Paul. NWHP also recently received grants totaling \$270,000 from the Federal Home Loan Bank for their Affordable Housing Program for home improvement lending capital over that time period for the same purpose. NWHP is also a certified CDFI (as of 2001) and has received four EQ2 investments from lending institutions over the years. NWHP currently has \$550,000 of EQ2 investments committed to our revolving loan fund. We have a commitment of \$100,000 from US Bancorp, \$100,000 from American Bank and \$350,000 from Wells Fargo in two (2) separate loans (one for \$200,000 and one for \$150,000). NWHP also recently received a grant of \$1,460,000 from the CDFI Fund for

home improvement lending capital for our revolving loan fund which has been almost fully deployed, primarily into the core neighborhoods of St. Paul. NWHP is currently in the process of finalizing a \$1,000,000 investment into our revolving loan fund from Midwest Minnesota CDC which would be used for home improvement loans primarily to homeowners living in St. Paul. NWHP has also begun to administer the Ramsey County Lead Window replacement program, which allows us to easily integrate this program with our existing home improvement projects making this easy for both the homeowner and the funder. NWHP' target market is the City of St. Paul, which is home to a number of active and vibrant neighborhoods and communities. NWHP has found the most success in expanding our outreach to marginalized and isolated populations (low-income Hmong and African American populations) through on the ground face-to-face communication. NWHP employs a culturally and ethnically diverse staff, many of whom have had years of experience working in the housing profession within their community. NWHP uses these and other connections to reach those in the community in need of our services that main stream advertising likely won't reach. In addition, all 13 of NWHP' staff members live within various neighborhoods throughout St. Paul and utilize their local ties to disseminate information about our services. NWHP prides itself on not only working city-wide but also in having a presence in a number of local neighborhoods. The City of St. Paul has numerous neighborhood based Community Development Corporations that serve geographically restricted areas. NWHP partners and works with all of these local CDC's to support and supplement their work. For example, certain CDC's offer first mortgage programs but not homebuyer education, so NWHP works in these areas to provide the development services. In addition, there are number of neighborhoods that do not have a local CDC. NWHP has "adopted" two such neighborhoods, St. Paul's Westside (where one our office is located) and the West 7th-Fort Road neighborhood. NWHP concentrates additional work and resources into these neighborhoods to make a measurable improvement. Through our recent merger of programming with Sparc and GF CDC, we have significantly strengthened our relationship and services not only in these neighborhoods but also in nearby neighborhoods through our second office location on the Green Line in St. Paul. NWHP is proud to serve and supplement the services offered throughout all of St. Paul without losing our neighborhood based focus.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

NWHP' St. Paul Home Improvement Loan Fund is, at its core, a program that benefits the community. The loans provided by the program significantly benefit many of the neighborhoods located in the City of St. Paul as well as the City as a whole. The program enhances livability by improving safety and increasing property values.

Houses that receive loans will also see an improvement in aesthetic appearance and, likely, other design features. Home repairs funded through this program are limited to health and safety related needs. Interior or exterior repairs are allowed and the repairs must be consistent with needed maintenance and upkeep of the property. Requests for improvements considered extravagant (Jacuzzi, hot tub, out of line with moderate cost hardware) will be considered if they are required for a verifiable medical condition or may create a hazardous condition on another part of the property. Below are some recent client stories from real St. Paul Home Loan Fund clients: Two elderly sisters in St. Paul's West End were referred to NWHP by the Neighborhood Nurses Block Program. The sisters were on the verge of having the only home they had ever lived in condemned. The sister's median age was 86 and their combined income was less than \$12,000 per year. By using deferred funds, NWHP was able to dramatically improve the sister's living situation, save a home from becoming another vacant property in the neighborhood and create a partnership with the West End Block Nurses. A widow who had been diagnosed with Multiple Sclerosis (MS) came to NWHP in hopes of making her home more handicapped accessible. NWHP' Construction Specialist and a contractor were able to come up with a plan and make changes that should allow this woman to stay in her home as her MS progresses. A single mom with three children were facing the possibility that their home was going to be condemned. NWHP was able to complete enough work on the house to prevent condemnation including replacing all of the lead windows with vinyl windows and upgrading the insulation, furnace and hot water heater. This past winter the family saw a dramatic difference in their gas/electric bill and the home is now safe from potential lead poisoning. A single grandmother who had adopted a special needs child was in need of minor exterior and interior repairs that would improve the livability of their home. NWHP provided a low interest loan that met the needs of this working single grandma/mom and maintained the integrity of the neighborhood. NWHP was able to provide matching funds to an elderly widow to repair her crumbling chimney. NWHP partnered with the West 7th Fort Road Federation to provide the matching funds. A multi-generational family living in an owner occupied side-by-side duplex was able to improve their home through a combination of low interest loans from NWHP and a grant from St. Paul Public Health for lead abatement. The children, who are cared for by the grandparents, are now safe on both sides of the home. NWHP assisted a borrower who recently purchased a vacant home in a low income census tract in our target market who, primarily due to the fact that the home was not habitable, was unable to secure financing to make the necessary repairs to bring the property up to code. NWHP financed almost \$70,000 in funds and provided construction oversight of the project and, as the borrower's primary language was Hmong, we were able to provide all of these services in a culturally competent way. Once the project was complete and the property passed inspection, the borrower was so excited that he and his family hosted an open house for all NWHP staff to attend and see firsthand the progress. As this property is a duplex, NWHP was able to turn one vacant home on a distressed block into a beautifully remodeled home for not only a homeowner but also a renter.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

NWHP' St. Paul Home Improvement Loan Program is designed to meet the specific needs of the City of St. Paul through below market interest rate loans, less restrictive credit criteria, increased financial education and ongoing financial education support. In addition, our home improvement loan programs provide support throughout the loan and construction process in the form of education on the lending side and a Construction Specialist who assists the home owner by inspecting the home, writing a project scope, sending the scope out for construction bids, going over the bids with the home owner, assisting in the selection of the appropriate contractor and monitoring and approving payments for work completed and ensuring that all permits are obtained from the city, city codes are complied with and city inspectors are on site to monitor and sign off on projects. NWHP strongly encourages the use of Energy Star products and "green" building materials for all of our home improvement loans. NWHP' St. Paul Home Improvement Loan Program provides a tangible return on investment in the form of improved housing stock, increased home values and increased tax base. The preservation of the single family housing stock is very important to a vibrant St. Paul and at the heart of our work in order to not only maintain but also to attract homeowners to the city. In addition, as NWHP is able to leverage these funds, we are able to multiple this return on investment substantially. Also, many of the homes which NWHP has provided funding to repair are homes of historical significance. As older homes tend to have more deferred maintenance needs, NWHP finds that we are often working more frequently in these areas. NWHP' home improvement loan program has been thriving for over 33 years, with major foundational support coming from the City of St. Paul through CDBG funding. NWHP has a strong track record of achieving our stated outcomes in our home improvement lending program year after year. NWHP is proud to count the City of St. Paul as a core partner in the great work that we do in stabilizing and revitalizing the City of St. Paul and we are hopeful, through this application, that we can continue to count on this vital support in the future.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

NWHP was awarded \$200,000 in FY14 and \$200,000 in FY15 for this program (consistent with awards we have received for this program prior to the past 2 years) for a total of \$400,000. Over that same time period, NWHP spent \$684,814.37 in CDBG funds to provide home improvement loans in St. Paul. While some of this has to do with

timing of disbursements, much of this has to do with our program model of providing amortizing loans which results in us revolving the City's investment in us to help even more homeowners further leveraging this investment. As NWHP takes in over \$100,000 a year in payments which we re-lend, this is the primary reason why we invest more than we are awarded, year over year. In fact, over this time period, NWHP has received \$404,319.65 in program income (an average of \$16,846 a month). This means that, due to NWHP operating our program based on providing amortizing loans, we have been able to leverage the City's investment 1:1 (\$400k awarded / \$404k in income) just with revolving this money and not even taking into account all of the other sources of funds we have been able to acquire through this work which have been directly invested into St. Paul. This is an incredible return on investment for the City of St. Paul while also meeting a core need for the community, helping homeowners and improving the City's single most important asset – the single family housing stock. In utilizing the \$684,814.37 in CDBG funds, we were able to finance 27 home improvement projects over that time period to help 27 families make necessary health and safety repairs to their owner occupied homes in St. Paul. These 27 families served all benefited greatly from this program and are a subset of the total number of families we served in this program with funds from all sources across St. Paul. NWHP did not use any funds to construct homes with this program nor did we provide any funding for business projects. NWHP plans to increase our lending activity this year as we have been able to increase other investments into our St. Paul Home Improvement Loan Fund using this CDBG award as a base for this leverage. NWHP plans to increase our home improvement lending activity by 33% this year as our goal is to close 60 loans, compared with 45 loans from last year. This goal and our planned continued increase in production is contingent our receiving these funds, as this is the base for our lending program and its success.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6603434 St. Paul Home Improvement Loan Fund

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			2,099	300	300	0	0	0	600
Total:				2,099	300	300	0	0	0	600

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	2,099	300	300	0	0	0	600	100.0%
Total:	2,099	300	300	0	0	0	600	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	2,099	300	300	0	0	0	600	
		2,099	300	300	0	0	0	600	100.0%
Total:		2,099	300	300	0	0	0	600	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Vacant and Hazardous Building Demolition

Proposing Agency or Group: - St. Paul Dept of Safety & Inspections

Proposer's Address: - 375 Jackson St., Suite 220, St. Paul, MN 55101

Contact Person: - Vicki Plaistow

Phone Number: - 651-266-9113

Email Address: - Vicki.plaistow@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: - Citywide

2. Citizen Participation District(s):

Citywide

3. City Council Ward(s):

Citywide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Demolition of vacant and hazardous buildings.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

This is a citywide, multi-year program which provides resources to clear buildings which are considered nuisance properties, and/or pose a threat to public health and safety. Properties must have been 1) vacant for at least one year; or 2) vacant and unfit for habitation for at least 90 days. These structures are typically identified on the City's vacant building list. The program is administered by the City's Code Enforcement personnel in the Department of Safety and Inspections.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The financing that is provided through the CDBG funds are used to remove blighted, nuisance buildings in the City of St. Paul. These structures historically have been a negative influence on an individual block which creates disinvestment and crime in the community. By providing the CDBG funding to remove these properties the City has the ability to remove many more of these structures than if it used its limited internal

resources. As the number of vacant buildings continues to remain relatively constant, at a very high number, and the costs of hazardous waste abatement continue to increase, it is necessary to utilize every funding source available to remove these blighted structures.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Removal of these blighted structures enhances neighborhood livability and stabilizes the community in general. This stability creates an increase in tax value and a decrease in the need for police and fire services. In addition, future economic development opportunities for stable housing are created.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

DSI's Code Enforcement has utilized CDBG funding for removal of nuisance properties for more than fifteen years. Prior to 2012 the funding level from the CDBG funds was at \$500,000 per year. For fiscal years 2012 and 2011 the vacant building demolition funding had an additional \$250,000 available from assessment funds to use for removing structures. That funding is not budgeted in 2015, leaving total funding for 2015 for vacant building demolitions down to \$400,000 compared to total funding available in 2011 of \$750,000. Combining this program reduction with the increase in cost we are experiencing for demolitions, our 2015 program has been reduced to about 30 buildings, a fraction of what is needed.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

2016-2017 RED - Vacant and Hazardous Building Demolition

Currently there are over 1,100 vacant buildings in St. Paul. As part of the nationwide mortgage foreclosure crisis this number peaked at over 2,000 in 2009. Historically there have been fewer than 500 vacant buildings in the City. City Council members have expressed a desire to bring the vacant building level to around 400. Vacant and abandoned buildings are an attractive nuisance and havens for criminal activity. By focusing on demolishing problem structures we improve the livability of neighborhoods and make our communities more inviting for future reinvestment. This proposal would allow DSI to get this program back on track and demolish approximately seventy of the worst of the worst buildings each year.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

Provides future opportunity for redevelopment in neighborhoods that have seen decades of disinvestment.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

2014 and 2015 awarded \$400,000 each year. In 2014 activity had to stop midway through the year because the budget was exhausted. 2015 is on track to be spent within six months as well.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6600840 Vacant & Hazardous Building Demolition

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Demolition	CDBG			5,054	1,000	1,000	0	0	0	2,000
Total:				5,054	1,000	1,000	0	0	0	2,000

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Demolition	5,054	1,000	1,000	0	0	0	2,000	100.0%
Total:	5,054	1,000	1,000	0	0	0	2,000	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Demolition	5,054	1,000	1,000	0	0	0	2,000	
		5,054	1,000	1,000	0	0	0	2,000	100.0%
Total:		5,054	1,000	1,000	0	0	0	2,000	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Acquisition Fund for Stabilizing Neighborhoods

Proposing Agency or Group: - Department of Planning and Eco. Development

Proposer's Address: - 1100 City Hall Annex

Contact Person: - Patty Lilledahl, Director of Housing

Phone Number: - 651-266-6593

Email Address: - patty.lilledahl@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: - Citywide

2. Citizen Participation District(s):

Citywide

3. City Council Ward(s):

Citywide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Funds are being requested to enable the HRA to acquire strategic, hazardous and/or blighted properties for reuse as determined by input and support from the applicable recognized community organizations representing the neighborhood in which the property is located.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

Funds are being requested to enable the HRA or its partners, to acquire strategic, hazardous or blighted properties for reuse as determined by input and support from the applicable recognized community organization representing the neighborhood in which the property is located. The resulting lots may be utilized as follows:

1. Lots too small for redevelopment may be sold to adjacent property owners or used as green space or garden lots, in accordance with CDBG requirements.
2. Combined with a larger development for either commercial (i.e. parking) or housing
3. Infill single family home new construction
4. Preserve and rehabilitate existing structures.

Repayment of the fund may result in the sale of the property.

On January 1, 2015, the City had 1,009 registered vacant buildings. This is considerably less than the 2,000 vacant buildings in 2009 and 1,361 in 2013. This situation is improving, but is still a problem. Pre-housing crash, the normal number of registered vacant buildings was less than 400. The pressures of vacant buildings results in declining property values and visual unattractiveness in neighborhoods. Low building values are attractive to investors who do minimal, if any, repairs which continues the downward spiral of property values, stability and quality of life. This Program is one part of a comprehensive program involving a wide range of activities with other funding sources.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

This activity provides an opportunity to create/continue collaborative efforts to strategically channel city and private resources into revitalization initiatives. By concentrating on distressed properties or vacant abandoned buildings, the spread of problems associated with these properties will be reduced.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

It is important that neighborhoods have safe decent housing and be void of blight in order to be stable and successful and support the City’s business corridors. A primary purpose of this program is to remove the blighting negative influence of vacant structures in neighborhoods when ISP/NSP funds are not eligible or practical. These funds are also crucial to assembling larger tracts of land to be redeveloped for larger housing or commercial uses, which have a catalytic impact on the revitalization of neighborhoods. Lastly, these funds can be combined with other funding sources to acquire and preserve existing affordable housing.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

This citywide program has received CDBG funds through the CIB process since 2002. The HRA would like the ability to acquire properties when opportunity arises that would be critical to implementation of previously approved community plans and redevelopment activities in process. Having site control is a threshold requirement for all of our funding partner Programs and thus helps the HRA leverage outside resources.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

Deteriorating and blighting structures have a negative impact on the viability of a neighborhood. Through strategic planning, demolition, rehabilitation, preservation or new infill construction, blight will be removed. Redevelopment of the property will eliminate the source of numerous problems resulting from the blighted property. Redevelopment brings a renewed sense of commitment, accomplishment and pride to the affected communities, thereby adding to the health and well-being of our neighborhoods and tax base.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

This activity provides the resources for the City to remove blight and allows for the infusion of new development or the preservation of significant structures. This activity positively affects the quality of life for residents in the neighborhood. This activity preserves the tax base, and assists in the long term sustainability of the City.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

PED was awarded \$200,000 in 2013 which was used to acquire Jamestown apartments. Jamestown was acquired and substantially rehabilitated by a non-profit developer (TCHDC) in order to preserve 73 affordable (Section 8 project based) rental units including four units for long-term homelessness. PED was awarded \$100,000 in 2014 and is reserving to use on another preservation rental housing project in the spring of 2015.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6601846 Acquisition Fund for Stabilizing Neighborhoods

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demo/Reloc/Const/R ehab	CDBG	06-01-12	05-01-13	3,534	100	100	0	0	0	200
Total:				3,534	100	100	0	0	0	200

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demo/Reloc/Const/Rehab	3,534	100	100	0	0	0	200	100.0%
Total:	3,534	100	100	0	0	0	200	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Acq/Demo/Reloc/Const/Rehab	3,534	100	100	0	0	0	200	
		3,534	100	100	0	0	0	200	100.0%
Total:		3,534	100	100	0	0	0	200	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Citywide Homeowner Improvement Loan Program

Proposing Agency or Group: - Department of Planning and Eco. Development

Proposer's Address: - 1100 City Hall Annex, 25 West Fourth Street, Saint Paul, MN 55102

Contact Person: - Patty Lilledahl, Director of Housing

Phone Number: - 651-266-6593

Email Address: - patty.lilledahl@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: - Citywide

2. Citizen Participation District(s):

Citywide

3. City Council Ward(s):

Citywide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The funds are used to assist low income households to rehabilitate their homes by addressing CDBG eligible uses: (i.e. building code enforcement, lead paint abatement, hazardous waste treatment, handicap accessibility, energy improvements and window, roof and siding replacement, etc.). Funds are also used for emergency repair of water/sewer lines, deficient furnaces and broken water heaters.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

This city-wide program has been in existence and funded with CDBG funds since the inception of the program in 1975. Administered by the City's Home Loan Fund staff, the funds are used to assist low income households to rehabilitate their homes by addressing CDBG eligible uses: (i.e. building code enforcement, lead paint abatement, hazardous waste treatment, handicap accessibility, energy improvements and window, roof and siding replacement, etc.). Funds are also used for emergency repair of water/sewer lines, deficient furnaces and broken water heaters. Loans up to \$25,000 were originated for households at or below 50% AMI (4 member household income limit is \$41,450), and now will serve up to 60% AMI (4 member household income limit is \$49,740) because of an increased demand for households with incomes between 50-60% AMI. If these households (50-60% AMI) fall through the crack, the end result is

usually an abandoned home. Loans up to \$40,000 will still be offered to households at or below 80% AMI located in targeted ISP neighborhoods.

The zero percent deferred payment loans are due on sale of the property or 30 years, whichever is less. A large number of clients are elderly or individuals with accessibility challenges. Historically, the program helps to rehabilitate approximately 70-80 homes per year.

The primary goal of the program is to maintain the City's older housing stock and more importantly keep people in their homes. Due to the housing crisis and fallen home values, there are a significant number of homeowners that are not able to afford or access traditional lender financing for home improvements. Reasons include lack of sufficient income, credit and/or employment stability and unwillingness of lenders to provide small improvement loans. Many homeowners have lost considerable equity or have an upside down mortgage in their homes, thereby preventing them from obtaining home improvement loans. This program is one of only a few programs available to citywide households with low income.

Funds are often used to leverage other development activities and make a larger impact in or near ISP/NSP neighborhoods. The program is also important for Saint Paul's stable neighborhoods where one unaddressed deteriorated house on a block can have a negative impact on the rest of the block.

Home improvement is one of three major strategies in the City's Housing Action Plan. It is also identified in the City's Housing Chapter of the Comprehensive Plan, the five year HUD Consolidated Plan and is a major objective of most neighborhood district and small area plans.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

Investing in maintaining a solid stable housing stock is critical to the City as this asset provides a significant monetary basis to generate revenue to the City in the form of property taxes to pay for vitally needed City services. Studies also show that a well maintained housing stock reduces the need for City services such as police and fire. The rehabilitation program is more important than ever, given the number of single family homes that are vacant due to foreclosure. Lastly, the program helps to keep good citizens in their homes. If not for this program, many elderly citizens would be forced into expensive alternative housing.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

The program improves the condition of the City's housing stock thereby improving living conditions, safety, and the quality of life for those in their homes and those living around them. The values of the homes increase thereby increasing the value of the neighborhood and acts as an incentive for other homeowners to make repairs to their homes. Specifically, the program addresses, but is not limited to, potential lead paint poisoning, asbestos removal, structural issues, carbon dioxide poisoning from deficient furnaces and sewer backups. The program also provides job opportunities for residents through contractors. On the economic development side, residents of successful neighborhoods support and interact with local businesses.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

This city-wide program has been in existence since the beginning of the CDBG program in 1975. Continued funding is needed to fulfill un-met demand in neighborhoods not served by other rehabilitation program providers from a geographical and income perspective. Most other providers limit their programs to specific neighborhoods or higher income households, thus the City's program compliments rather than competes with other providers. The City's program also serves the lowest of income households that don't have the financial ability to pay amortized loans.

Our staff also works closely with the inspectors in the Department of Safety and Inspections and Ramsey County House Calls to assist households with financing and repairs that often assist homeowners in avoiding condemnation.

Many of our community partners and other providers continually refer their clients to our programs. One quarter of our eligible households use our funds as leverage for other provider's funding.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The program helps to improve the personal appearance of a neighborhood, the longevity of the housing and its safety to its occupants. This all relates to the quality and financial value of the City's neighborhoods. Home improvement also invites other

2016-2017 RED - Citywide Homeowner Improvement Loan Program

homeowners in the neighborhood to invest in their homes and make a commitment to their neighborhood.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

Home improvement is one of three major strategies in the City's Housing Action Plan. It is also identified in the City's Housing Chapter of the Comprehensive Plan, the five year HUD Consolidated Plan and is a major objective of most neighborhood district and small area plans.

Improved homes lead to improved neighborhoods, and decrease the need for City services such as fire and police.

Improvement to homes increases the value, thereby increasing property tax revenue for the City.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

We were awarded \$1,125,000 in 2013 and \$909,000 in 2014. Each project is completed anywhere between 4-6 months from loan closing, so CDBG funds are paid out when the project is completed. Currently, our CDBG budget as of 11/30/2014 is \$815,977. Of that, \$518,319 is committed for 18 projects that are in process; leaving a balance of \$297,658 for the rest of 2015.

In 2013, we funded 108 projects for a total amount of \$1,057,538 and in 2014; we funded 84 projects for a total amount of \$881,501. As a result of our CDBG projects, we generated \$215,908 of program income; which we receive from loans that were paid back to the City of Saint Paul.

In the past, the program was limited to households with incomes below 50% AMI, but going forward in 2016/2017, the income limits will be increased to 60% AMI to reach more households in need.

We are planning in the future to review the feasibility of reviving an old Rental Rehab Program that was administered by the City of Saint Paul more than 10 years ago to address owner occupied small rental buildings. More information is needed regarding

2016-2017 RED - Citywide Homeowner Improvement Loan Program

the demand for such a program. In the meantime, the City of Saint Paul will be referring interested owners to private lenders. Minnesota Housing also had a Rental Rehab Program which currently is available in Greater Minnesota. Minnesota Housing has indicated the program may be expanded to include the metro area provided they receive sufficient funds to expand the program. When a decision is made, we would also refer owners to the Minnesota Housing Program.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6601807 Citywide Homeowner Improvement Loan Program

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG	06-01-12	05-01-13	8,395	1,000	1,000	0	0	0	2,000
Total:				8,395	1,000	1,000	0	0	0	2,000

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	8,395	1,000	1,000	0	0	0	2,000	100.0%
Total:	8,395	1,000	1,000	0	0	0	2,000	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	8,395	1,000	1,000	0	0	0	2,000	
		8,395	1,000	1,000	0	0	0	2,000	100.0%
Total:		8,395	1,000	1,000	0	0	0	2,000	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Commercial Node Citywide Economic Development Program

Proposing Agency or Group: - Department of Planning and Eco. Development

Proposer's Address: - 25 West Fourth Street, Suite 1300

Contact Person: - Martin Schieckel

Phone Number: - 651-266-6580

Email Address: - martin.schieckel@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: - Citywide

2. Citizen Participation District(s):

Citywide

3. City Council Ward(s):

Citywide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The Commercial Node Citywide Program will provide financing to assist businesses with expansion, property acquisition, rehabilitation, and energy conservation improvements. Funds will be prioritized for use with the City's new Commercial Node Program, set to be rolled out in 2015, providing coordinated, targeted, and leveraged application of City resources.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

Funds will be used to help revitalize key commercial areas as part of the City's new Commercial Node Program. Priority will be given to projects that maximize job creation and retention, within redevelopment efforts targeted toward larger commercial areas under the Commercial Node Program.

Due to constrictive private financing and high construction costs, small and mid-sized businesses often do not have access to the resources necessary to implement their commercial real estate and business startup or expansion plans. By providing additional financing to fill this gap, businesses are able to purchase and rehabilitate vacant, deteriorated and under-utilized buildings in our neighborhoods, and along our commercial corridors. Funding for energy efficient improvements will increase businesses profitability, growth capacity, and reduce energy consumption. Financial

assistance to businesses located within Saint Paul’s neighborhoods will result in job retention and creation in areas where it is most needed.

The Economic Development Program funds will be leveraged with funding already in place as part of the Commercial Node Program, thereby increasing the overall economic impact. This coordinated and strategic application of economic development resources is aimed at making significant impacts in larger commercial areas.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The ultimate goal for the use of these funds is to create value in our community where there is a lack of private investment and/or funding availability. This program will help in the creation of new jobs, attraction of new businesses, and assist in maintaining existing employment. It will improve the function and appearance of our commercial building stock, and help add value to strategic commercial areas within the City.

Investing strategically in select commercial nodes within Saint Paul, building on identified neighborhood assets, will help stabilize area businesses, which in turn support the surrounding residential community. The result is an increase in economic health, making Saint Paul a vibrant place to live, work, shop and play. This program complements the city’s Neighborhood Stabilization Program (NSP), Invest Saint Paul (ISP) Program, as well as street and parks improvement programs on and adjacent to our commercial corridors.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

This program accomplishes both. Increasing value in the commercial areas has a very direct positive benefit to the surrounding residential community. Stable and successful neighborhoods have safe and decent housing, residents that support their local businesses, and an available labor force within walking distance. Each plays a vital role in the continuing success of the other.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected

services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The Citywide Economic Development Program is the CDBG program’s primary economic development activity. Funded for more than 25 years, the program has a continuous successful record of using CDBG funds to serve low to moderate income residents through business development and job creation.

PED has been engaged in a variety of initiatives that leverage investment within key commercial areas: 1) Central Corridor Ready for Rail program, which provides business consulting and working capital assistance to businesses on University Avenue; 2) The Corridors of Opportunity / Partnership for Regional Opportunity, an initiative designed to improve access to regional opportunities; 3) the Entrepreneurial Accelerator, a metro-wide strategy under development that will use our core strengths to stimulate the formation and growth of new businesses across industries; 4) Think Green MSP, a partnership between Minneapolis and Saint Paul dedicated to growing the region’s economy, create regional distinction, drive demand for green products and services; and 5) the Commercial Node Program, a new program funded with STAR revenue aimed at increasing vitality, growing the tax base, and providing living wage jobs for Saint Paul residents in neighborhood commercial nodes.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The residents of Saint Paul who live, work and purchase goods and services in our commercial nodes will benefit from the strengthening of small businesses. With a commitment to increasing the vibrancy of our neighborhood commercial areas, the program will continue to increase jobs for residents of Saint Paul, strengthen businesses, and add value to the tax base.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

A continued commitment to invest in the commercial building stock within our neighborhoods is critical to the health and stability of our urban core. Saint Paul is a city of neighborhoods. If neighborhood commercial areas are neglected, the entire community feels the impact. By creating vibrancy in our commercial nodes, we secure

2016-2017 RED - Commercial Node Citywide Economic Development Program

long term viability, invite new commerce, increase local jobs for local citizens, and contribute to a sense of place and safety for all to enjoy.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information
1. Additional Information Requested: Please provide additional information that would be important to know about your project.

The Citywide Economic Development Program was awarded \$100,000 in each of the past two years. Approximately \$85,000 was earmarked for two projects during that time: helping to build out a day-care facility and providing kitchen equipment for a new theater/restaurant. The money provided was in the form of grants, therefore no program income was received.

CDBG funds are not always easy to use for commercial projects, given the eligibility requirements of the program. This cycle’s proposed program has been revised slightly from previous years’ in order to build on the new Commercial Node initiative and its funding pipeline.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6601810 Commercial Node Citywide Economic Development Program

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG	06-01-12	05-01-13	2,675	100	100	0	0	0	200
Working Capital	CDBG			525	0	0	0	0	0	0
Total:				3,200	100	100	0	0	0	200

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	2,675	100	100	0	0	0	200	100.0%
Working Capital	525	0	0	0	0	0	0	*****
Total:	3,200	100	100	0	0	0	200	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Construction/Rehab	2,675	100	100	0	0	0	200	
	Working Capital	525	0	0	0	0	0	0	
		3,200	100	100	0	0	0	200	100.0%
Total:		3,200	100	100	0	0	0	200	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Housing Real Estate Multi-Unit Development Fund

Proposing Agency or Group: - Department of Planning and Eco. Development

Proposer's Address: - 1100 City Hall Annex

Contact Person: - Patty Lilledahl, Director of Housing

Phone Number: - 651-266-6593

Email Address: - patty.lilledahl@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: - Citywide

2. Citizen Participation District(s):

Citywide

3. City Council Ward(s):

Citywide

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

1. Assist in financing the preservation, rehabilitation or new production of affordable housing.

2. Implement CDBG eligible activities related to acquisition and related costs (e.g. relocation, demolition, site preparation, and adjacent public improvements), rehabilitation, new construction and related costs that are part of the total development cost of a housing project.

3. Implement the housing component of larger mixed-use developments as determined by the Mayor, City Council/HRA and neighborhood.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

The wellbeing of the City's multi-unit affordable housing stock is crucial to the success of our neighborhoods. Economically diverse neighborhoods, increased housing choices and neighborhood revitalization are key City Housing goals and improved housing increases the tax base.

Public financial assistance is needed for the City to meet its affordable housing goals as outlined in the Comprehensive Plan (10% of the units @30% of AMI, 10%@50% of AMI and 10%@60% of AMI). The traditional federal funding sources for these projects have

been cut dramatically. PED/HRA currently has over 10 affordable housing projects in the pipeline with an estimated gap in financing of over \$10 million. These projects propose to serve families, seniors, low-income single adults and homeless youth. The projects are scattered throughout the city and involve preserving existing affordable housing and new construction. The proposed projects along the Central Corridor would improve residents' ability to access jobs, services, and amenities without a car. The HRA owns 3 properties purchased with past CDBG dollars which are in need additional financing in order to fulfill the development vision for the properties.

Historically, PED has received about \$1 million per year through CIB for multi-family affordable housing which results in the creation or preservation of approximately 100 units per year. Since the housing crash the demand for multi-unit rental housing has grown significantly thus the need for gap financing has increased dramatically if the City is to insure that a portion of the housing is affordable.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

CDBG funds for multi-family develop is one of the very few financial resources available to preserve or develop affordable rental housing. Rental projects cannot leverage sufficient private capital to construct/preserve units if the rents are restricted in order to be affordable to persons at or below 80% AMI. Demand for safe, habitable and affordable housing far exceeds supply in the City of Saint Paul for all unit types; large family, small family, work force, seniors, homeless youth, veterans and the long term homeless population. Stable housing improves student performance and reduces demand on other public serves. Demographic trends indicate an increasing demand for all types of senior housing; including assistance to age in place.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

CDBG funds leverage private and other public funds to City priority projects. Newly developed projects act as a catalyst for other development, add residents who then support local businesses and create demand for new businesses to invest on the commercial corridors. Affordable housing developed along public transit routes increases disposable income for lower income residents who often spend a disproportionate percentage of income on rent. CDBG funds are also used to rehabilitate and extend the useful life (20+ years) of existing affordable units.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

This program has been a core activity of the City and funded through the CIB since 1977 and meets the requirements of the CDBG program by providing safe, decent and affordable housing to our lower income resident. Using CDBG funds for this activity is a good value to the City as \$1 dollar of CDBG leverages at a minimum \$10 dollars of other outside funding sources to preserve or create new multi-family developments.

Under this activity projects are not brought before the HRA Board of Commissioners without extensive community review and input.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

City wide development of new units under this activity almost always involves the large scale removal of blight, which in and of itself is a benefit to the surrounding neighborhood. New construction or rehabilitation of existing developments adds improved design, quality materials, curb appeal, value and tax base to the neighborhood. Developments are required to adhere to our Sustainable Building Policy and storm water management codes.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

This funding activity is a cornerstone of the City's CDBG program and is an integral part of the City's five year HUD Consolidated Plan which lays out the proposed use of federal funds, and the City's Housing Action Plan pursuant to the City's Comprehensive Plan. These funds will also work in concert with small area plans and the City's Invest Saint Paul and Neighborhood Stabilization Programs in the city's core neighborhoods.

Developments are required to adhere to our Sustainable Building Policy and storm water management codes.

Staff will work with MHFA to address the rehabilitation needs of 6-8 unit apartments in neighborhoods where naturally occurring affordable housing is located.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

PED was awarded \$869,000 in 2013 which was used to substantially rehabilitate an existing 1972 project referred to as Jamestown Homes. Jamestown includes four, four-story rental buildings with 100% project-based Section 8 HAP contract. The buildings are connected to each other via a third-floor hallway and had immense physical rehab needs (\$107,000/unit). The CDBG funds leveraged MHFA funds, low income housing tax credits and HUD extended the HAP contract.

PED was awarded \$600,000 in 2014 which is reserved to be spent this spring on an existing 24 story high rise referred to as Skyline Tower. Skyline includes 504 units of which 448 have project-based Section 8. Rehab plans include replacing the main waste stack, water lines, and windows. MHFA has awarded \$10M+ in funding to the project and HUD will renew the HAP contract for 30 years.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-6601808 Housing Real Estate Multi-Unit Development Fund

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demo/Reloc/Const/R ehab	CDBG	06-01-12	05-01-13	5,897	1,000	1,000	0	0	0	2,000
Total:				5,897	1,000	1,000	0	0	0	2,000

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demo/Reloc/Const/Rehab	5,897	1,000	1,000	0	0	0	2,000	100.0%
Total:	5,897	1,000	1,000	0	0	0	2,000	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Acq/Demo/Reloc/Const/Rehab	5,897	1,000	1,000	0	0	0	2,000	
		5,897	1,000	1,000	0	0	0	2,000 100.0%	
Total:		5,897	1,000	1,000	0	0	0	2,000 100.0%	

1. Please provide the following information about your organization and proposed project:

Project Title: - Inspiring Communities

Proposing Agency or Group: - Department of Planning and Eco. Development

Proposer's Address: - 1100 City Hall Annex, 25 West Fourth Street, Saint Paul, MN

Contact Person: - Joe Musolf

Phone Number: - 651-266-6594

Email Address: - joe.musolf@ci.stpaul.mn.us

Address or Cross Streets of Proposed Project: -

2. Citizen Participation District(s):

District 2 – Greater East Side, District 3 – West Side, District 4 – Dayton’s Bluff, District 5 – Payne-Phalen, District 6 Planning Council, District 7 – Frogtown, District 8 – Summit-University, and District 9 – West Seventh/Fort Road Federation

3. City Council Ward(s):

Ward 1, Ward 2, Ward 5, Ward 6, and Ward 7

4. I am aware of the City’s public art ordinance:

Yes

5. Please provide a short description of your project.

Inspiring Communities addresses vacant property owned by the HRA through development, redevelopment and conveyance. We are producing high quality, affordable ownership and rental units. Our work is stabilizing neighborhoods, decreasing the quantity of vacant buildings, increasing non-distressed home sales, stabilizing real estate values, and increasing the City’s tax base.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

The Inspiring Communities program stabilizes neighborhoods most impacted by foreclosures, vacancy and disinvestment. The program also spurs additional rehabilitation and remodeling in the immediate project areas, increases employment opportunities for skilled and unskilled individuals, increases mortgage and construction lending, and expands affordable housing opportunities.

The Inspiring Communities program is built upon the success of the City’s Invest Saint Paul (ISP) initiative and the Neighborhood Stabilization Program (NSP). These legacy programs helped arrest the decline and disinvestment in stressed neighborhoods that were experiencing numerous foreclosures, declining property values, unemployment, and crime. Our ISP, NSP and Inspiring Communities work has been concentrated

primarily in Frogtown, Dayton's Bluff, Payne-Phalen and West Seventh, and secondarily in the West Side, North End, East Side and Summit University. The ISP initiative and NSP have resulted in over \$50 million reinvestment in Saint Paul neighborhoods.

Through 2013, our work was focused on acquisition of properties, demolition of blighted structures, and rehabilitation of salvageable structures. During the past 18 months, we made a planned shift away from acquisition and demolition activity, and significantly increased the pace of redevelopment.

The HRA Board adopted the Disposition Work Plan and Budget in July of 2013. This plan identified available funding and outlined the strategy for addressing 240 HRA-owned HRA-owned properties. Subsequent Board actions have established policies and procedures for various methods of disposition including a request for development and redevelopment proposals, and sales to adjacent property owners, developers and community organizations. It is anticipated that the plan will guide single family activity through 2018. The plan includes a comprehensive funding strategy that leverages ISP and NSP program income, CIB and STAR funds, Minnesota Housing's Impact Funds, Metropolitan Council's Local Housing Incentive Account funds, as well as equity and financing from private developers, non-profits and local banks. It is estimated that the ratio of private to public funding is 2:1.

Research by the PED Planning Division has determined that the Inspiring Communities program is contributing to the following trends in the program's target neighborhoods: (1) Residential sale prices no longer declining; increasing in most areas; (2) Exceptional decrease in the foreclosure rate for target areas; (3) Exceptional decrease in instances of vacant buildings; (4) Increase in non-distressed home sales; (5) Stabilization of mean assessed values for residential real estate; and (6) Increase in City tax base.

While the dollars associated with this project are intended to fund the hard and soft costs associated with property redevelopment there are numerous ancillary benefits that result. The project has consistently exceeded compliance goals related to Section 3, minority- and female-owned, and small business utilization and hiring.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The Inspiring Communities program creates new housing units, rehabilitates vacant homes with significant code violations, and improves the local housing market. The construction of new units creates additional housing options for those who want to move into a given neighborhood, while building the city's tax base. Rehabilitated homes contribute to the elimination of blight and creation of neighborhood housing options as well as act as comparable sales in the local real estate market. This activity not only contributes to the stabilization of the immediate residential area, it stimulates the local economy and businesses, and adds to the vibrancy of neighborhoods.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Through the improvement of individual neighborhood components, the Inspiring Communities program is helping to stabilize neighborhoods. The program funds the development gap that leads to these incremental improvements. If gone unaddressed, vacant buildings and undeveloped lots can become opportunity sites for crime and misbehavior; reducing vacancy can lower actual crime rates and perceived risk in a neighborhood.

Project developers are required to obtain construction financing and/or invest private equity to complete the project; many developers have secured financing from local banks. Each project requires the use of a general contractor and various skilled and unskilled subcontractors, many of whom are neighborhood or Saint Paul residents. Our developer partners have helped unskilled subcontractors launch businesses and establish client bases. The program has created opportunities for small and local businesses through the formation of new contractor and subcontractor relationships and the use of local suppliers.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The Inspiring Communities program activity has the support of residents, District Councils, Community Development Corporations, real estate developers, and neighborhood organizations. Program activities have leveraged partnerships and resources from the Saint Paul Department of Parks and Recreation Forestry Unit, the Capitol Region Watershed District (CRWD), Enterprise Green Communities and the Neighborhood Energy Connection. Our partnership with CRWD to incorporate rain gardens in most of our program’s single-family redevelopment projects was named “2013 Program of the Year” by the Minnesota Association of Watershed Districts. The program gives preference to developers who have partnerships with workforce training organizations such as Goodwill/Easter Seals, Youth Build and Under Construction; and offer educational opportunities in cooperation with green building organizations such as the US Green Building Council.

The program provides development gap funds. This approach leverages private equity, other public program dollars, construction financing and other resources available to both for- and non-profit developers.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The Inspiring Communities program is designed to produce housing for low and moderate income buyers and renters, and to stabilize neighborhoods. Housing developed and redeveloped through this program enhances the neighborhood aesthetic and has contributed to the real estate market resurgence in focus areas. As indicated above, impacts of the program include (1) Residential sale prices no longer declining; increasing in most areas; (2) Exceptional decrease in the foreclosure rate for target areas; (3) Exceptional decrease in instances of vacant buildings; (4) Increase in non-distressed home sales; (5) Stabilization of mean assessed values for residential real estate; and (6) Increase in City tax base.

Over 50% of our program’s end-beneficiary residents are households of color. Our program gives special attention to decreasing the racial disparity of homeownership by partnering with developers who advertise through organizations that offer mortgage readiness programs to people of color.

Our developer partners are careful to respect the character of neighborhoods and individual houses. All projects are code-compliant, free from safety hazards, fitted with modern appliances and HVAC systems, and often include visitability features that make it possible for those who have trouble with steps or use a walker or wheelchair to visit or reside in the home.

By incorporating rain gardens in most of our projects, we are reducing stress on the City’s storm-water system, and we are reducing the flow of pollutants to the Mississippi River.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project’s impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The program requires certain standards of rehabilitation or new construction which assures that property owners will have little to no significant capital costs within the first 10 years. Requirements include abatement of environmental hazards such as lead and radon, installation of high-efficiency furnaces and hot water heaters and ENERGY Star appliances, and certification through Enterprise Green Communities. These standards result in lower energy costs, making the home even more affordable for low and moderate income buyers.

All project activities are supported by the city’s Housing Chapter of the Comprehensive Plan that seeks to provide a diversity of housing options in neighborhoods throughout the city. In addition, projects located in the Heritage Preservation District are completed in cooperation with the Heritage Preservation Commission staff.

Our award-winning CRWD rain garden partnership is reducing the flow of pollutants to the Mississippi River and reducing volume stress on the City’s storm-water system.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

The Inspiring Communities program was awarded \$425,000 of CDBG funds in 2014 and \$425,000 in 2015. The program also used 2013 CDBG funds. In 2013 and 2014, total Inspiring Communities CDBG spending was \$913,818.24. The funds produced 6 rehabilitated rental units and 4 newly constructed homes. The balance of the funds will be invested via allocations to developers through the Inspiring Communities RFP, which was released in fall of 2014 and awards will be made in February of 2015. Future CDBG funds received through the CIB process will be used as value gap financing in accordance with the current Inspiring Communities development model.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5503431 Inspiring Communities

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demo/Reloc/Const/R ehab	CDBG			0	500	500	0	0	0	1,000
Total:				0	500	500	0	0	0	1,000

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demo/Reloc/Const/Rehab	0	500	500	0	0	0	1,000	100.0%
Total:	0	500	500	0	0	0	1,000	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Acq/Demo/Reloc/Const/Rehab	0	500	500	0	0	0	1,000	
		0	500	500	0	0	0	1,000	100.0%
Total:		0	500	500	0	0	0	1,000	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - NENDC Economic Development/Loan Leverage Fund

Proposing Agency or Group: - NENDC

Proposer's Address: - 1321 White Bear Avenue

Contact Person: - Chuck Repke

Phone Number: - 651-771-6955

Email Address: - chuckrepke@aol.com

Address or Cross Streets of Proposed Project: - East Side of St Paul

2. Citizen Participation District(s):

Districts 1, 2, 4, and 5

3. City Council Ward(s):

Wards 6 and 7

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Two Hundred Thousand Dollars a year to provide business loans and grants, financing for acquisition funds for development and redevelopment projects as well as funding for demolition and preparation for projects located in the City of Saint Paul with a focus on White Bear Avenue, Phalen Village and East Seventh Street.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

NENDC's Economic Development/Loan Leverage Fund is a tool for both small businesses that are interested in locating or expanding on the East Side of Saint Paul and for developers that are proposing redevelopment projects in the area. Small businesses often lack access to necessary capital, this fund is available for small businesses that otherwise would not be able to finance acquisition or rehabilitation of property. Redevelopment projects require funding for acquisition, demolition and site preparation to enhance development parcels to make them ready for new business development in our business corridors. Gap financing is often required for redevelopment projects. This fund is available to fund the financing gaps experienced by such projects. The goal would be to be able to provide loan capital and/or redevelopment funds to 2-4 projects located in the area benefit map area, within the City of Saint Paul.

We have had small businesses locate in the area because of the fund and have had several significant development projects occur because this fund was available as a resource to make the project happen.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The Fund creates the ability for NENDC to aggressively market the East Side for redevelopment and business improvement. Examples include: \$200,000 of gap financing to complete the financing package that created the Cub Foods/Phalen Village shopping center, \$275,000 of combined loan/grant funding was used to assist 180 Degrees to acquire the Martin Lumber Site, where more than \$3 million was spent on a new shelter without the fund they would have never acquired the site and started the capital campaign.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Three areas of the East Side have been or are in the process of being greatly improved because of the impact of the fund: the Southeast corner of East Seventh and White Bear was in extreme blighted condition before the development of the dental clinic. No one can dismiss the impact that the new Cub Foods/Phalen Village shopping center has had on the East Side. The redevelopment of the Martin Lumber site has radically improve that corner and has the potential to stimulate investment in E 7th Street. None of those projects happen without this fund.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The NENDC Economic Development/Loan Leverage Fund has been in funded in every cycle since 1996. The project has leveraged millions of dollars in outside funding by acting as a stimulant to attract business and by providing gap financing. The \$200,000 of gap financing in Cub secured a multi-million dollar development project. The

\$270,000 into the Smile Center help to create a million dollar building. The \$275,000 for 180 Degrees stimulated a \$3 million dollar building project. The project has enjoyed the support of the local district councils from the East Side in the past and we assume in the future.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The NENDC EDLL Fund has been used to bring barbers, dentist, lawyers, chiropractors, pet groomers, accountants, counselors, and financial advisors as well as groceries and a bank to the community. The development of Cub Foods/Phalen Village eliminated an urban food desert and built the first full service, affordable grocery store within walking distance of a Public Housing project in Saint Paul. 180 Degrees offers family council services in Spanish, a growing need in the community and the first shelter for young exploited women in the county.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The NENDC EDLL Fund has had a significant return on investment as mentioned above. We did wish to note that there have also been monies that have been used in loans that have been repaid that have had multiple impacts. Tracking one \$125,000 loan that was given to assist a lawyer in buying his office in 2001; that loan was repaid and the monies were reused that year to assist in site assembly for development on White Bear and Maryland; they were repaid in 2006 when the site was sold to a developer and were then reused one last time as a part of the gap financing of the Smile Center. NENDC's economic development objectives are mentioned in the White Bear Avenue Small Area Plan, the Phalen Village Small Area Plan and the District 2 Area plan. We believe that we have a nineteen year track record of demonstrating our ability to achieve outcomes.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

NENDC was awarded \$200,000 in both 2013 and 2014. Two projects were completed in calendar years 2013 and 2014, for a total of \$232,459 spent. We have made commitments on three other projects for an additional \$400,000, some that have been in the works for some time. We have received \$11,738.51 of non-recycled program income dollars in the last 2 years. Since 1996, Total CDBG funds = \$3,272,208.66, (\$778,569.91 recycled monies) Total 19 yr CDBG Admin = \$328,955.92, CDBG Admin percentage = 10.08% - We will compare our 19yr low admin costs with anyone. Current performing loans = \$322,968.84. We are soon to close on a \$200,000 loan-grant with Hmong Village to improve parking and with Big Steer Meets to do a business expansion.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5502944 NENDC Economic Development/Loan Leverage Fund

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Acq/Demolition/Reloc	CDBG			1,800	200	200	0	0	0	400
Total:				1,800	200	200	0	0	0	400

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Acq/Demolition/Reloc	1,800	200	200	0	0	0	400	100.0%
Total:	1,800	200	200	0	0	0	400	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Acq/Demolition/Reloc	1,800	200	200	0	0	0	400	
		1,800	200	200	0	0	0	400	100.0%
Total:		1,800	200	200	0	0	0	400	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Home Improvement Plus

Proposing Agency or Group: - NENDC

Proposer's Address: - 1321 White Bear

Contact Person: - Chuck Repke

Phone Number: - 651-771-6955

Email Address: - chuckrepeke@aol.com

Address or Cross Streets of Proposed Project: - East Side of Saint Paul

2. Citizen Participation District(s):

Districts 1 and 2

3. City Council Ward(s):

Ward 6 and Ward 7

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Two Hundred Thousand dollars a year to provide home improvement loans to low and moderate income people living on the East Side of Saint Paul. Many home owners have moderate incomes or acquired their homes during the housing bubble; they have limited equity and have difficulty getting financing for home improvements from a private lender.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

As mentioned, HIP provides home improvement loans to low and moderate income people living on the East Side of Saint Paul. Many home owners in the area are seniors on fixed incomes or moderate incomes and would have difficulty getting financing for home improvements from a private lender. Additionally, we have many newer home owners that bought their houses during the housing bubble of the late 1990's and early 2000's and do not have any equity to borrow on for home improvements.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

Home improvement loans are design to stabilize the individual properties. We are looking for properties where but for this assistance the house would lose value and potentially even become a problem property or develop code issues.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Home improvement loans go a long way towards stabilizing a neighborhood. People fixing up their houses tend to lead to neighbors fixing up their houses. Unfortunately, the reverse is equally true, neglect leads to neglect.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

NENDC's Home Improvement Plus has been in existence for almost twenty years. It has been an ongoing program supported by the City of Saint Paul and the CIB members in the past. NENDC partners with Dayton's Bluff NHS to reduce costs overhead by having NENDC do the recruitment of clients in the far East Side service area and by having DBNHS do the direct customer service work.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

HIP is the ONLY home improvement program targeted at the District 1 and District 2 neighborhoods. All other targeted housing programs end at Johnson Parkway.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The Home Improvement Plus program has had a stabilizing impact on the neighborhood. It is a resource that has been available for residents of District 1 and District 2. The proposed funding would assist another 5-10 home owners each year.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

For 2013 – 2014 we were awarded \$250,000 in HIP monies and have spent \$230,224 of contract CDBG. We have received \$477,234 of program income (largely from the sale of 2 homes). The total CDBG monies spent in the past two years are \$599,672 on projects and \$107,786 on administration (NENDC \$15,257 – DBNHS \$92,529). There were 9 loans approved and 8 houses completed. During the housing crash we invested our CDBG funds in the acquisition, rehab and sale of two homes for low/mod home buyers. That created our bump in program income over the last 2 years. There are no plans to do that again and we would expect a healthier interest in home improvements and ask for the increase from \$125K to \$200K per year.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5501806 Home Improvement Plus

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			1,250	200	200	0	0	0	400
Total:				1,250	200	200	0	0	0	400

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	1,250	200	200	0	0	0	400	100.0%
Total:	1,250	200	200	0	0	0	400	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Construction/Rehab	1,250	200	200	0	0	0	400	
		1,250	200	200	0	0	0	400	100.0%
Total:		1,250	200	200	0	0	0	400	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - North End Economic Development Fund

Proposing Agency or Group: - NENDC

Proposer's Address: - 1321 White Bear Avenue

Contact Person: - Chuck Repke

Phone Number: - 651-771-6955

Email Address: - Chuckrepke@aol.com

Address or Cross Streets of Proposed Project: - District 6

2. Citizen Participation District(s):

District 6 Planning Commission

3. City Council Ward(s):

Ward 1 and Ward 5

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

With One Hundred Thousand dollars a year CDBG funding, the NEED Fund would make CDBG dollars available to North End businesses with a focus on small business improvements in the area. There is currently no Community Development Corporation with a primary service area of District 6 and the District 6 Community Council is partnering with NENDC to assist local businesses in having access to CDBG funds.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

The North End and Rice Street businesses need an access point to CDBG dollars. Since SPARC has gone out of business there has not been a Community Development Corporation focusing in that area. Last year NENDC and District 6 partnered in proposing a STAR grant/loan program that will bring one hundred thousand dollars of STAR funding to the North End. As they began working in the area it was clear that there were local businesses that served primary low to moderate income clients in the CDBG eligible neighborhoods that were not in a position to produce the match necessary to participate in getting STAR funding. Those businesses would qualify for CDBG funding if there was a program that they could tap into. Our goal is that the NEED Fund would become the fund that would assist those local businesses that serve local customers in this CDBG eligible neighborhood.

NENDC and District 6 has created a “team” of local residents and business owners who will review applications for funding and make recommendations to the NENDC Board for approval. The team will also actively recruit local businesses to apply for assistance.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

There continue to be many struggling businesses that these monies could be used for to make improvements to the properties that would make the business more attractive to customers and more functional and safe. There are also vacant store fronts where given the right new tenant this kind of funding could be used for lease hold improvements or build outs that would assist in occupying those spaces.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Facade improvements, and property upgrades significantly improve neighborhood stability. The potential use of the fund for leasehold improvements or build outs can improve job opportunities and bring new employees to the neighborhood.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

NENDC is making this proposal to continue to assist the District 6 Community Council in providing access to City/State and Federal dollars to the North End. The proposal also has the support of the North End Business Association.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The program will be the access point for CDBG dollars to North End businesses. With NENDC and District 6 having STAR monies available as well this creates at least some flexibility of funding available in the area to serve business needs.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The commitment to improve businesses on North End is a part of the District 6 plan.

NENDC has a more than 20 year history of running these kinds of loan/grant programs in Saint Paul.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

NENDC has not gotten any funding from CIB to provide services in the North End Area. You can review our EDLL and HIP funds in their applications for continued funding.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0603432 North End Economic Development Fund

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	100	100	0	0	0	200
Total:				0	100	100	0	0	0	200

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	100	100	0	0	0	200	100.0%
Total:	0	100	100	0	0	0	200	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	100	100	0	0	0	200	
		0	100	100	0	0	0	200	100.0%
Total:		0	100	100	0	0	0	200	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - East Side Home Improvement Revolving Loan Fund (East Side RLF)

Proposing Agency or Group: - Dayton's Bluff Neighborhood Housing Services (DBNHS)

Proposer's Address: - 823 East 7th Street, St. Paul, MN 55106

Contact Person: - Jim Erchul

Phone Number: - 651-774-2704

Email Address: - jerchul@dbnhs.org

Address or Cross Streets of Proposed Project: - Dayton's Bluff: east of Mounds Blvd, south of the Phalen Blvd, west of Johnson Pkwy and north of the Mississippi River bluffs. Payne- Phalen: east of I-35E, south of Larpenteur Ave, north of Phalen Blvd and west of English St.

2. Citizen Participation District(s):

District 4 - Dayton's Bluff and District 5 - Payne-Phalen

3. City Council Ward(s):

Wards 5, 6, and 7

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The East Side RLF's primary purpose is to provide low interest home improvement loans and construction management assistance to help low and very low income households maintain and improve their homes. DBNHS is requesting \$1,000,000 in CDBG funding, over two years, to carry these activities.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

The primary purpose of the East Side RLF is to provide low interest home improvement loans, in tandem with expert construction planning and management services, to help low and very low income homeowners, in the Dayton's Bluff and Payne Phalen neighborhoods, maintain and improve their homes. Because these neighborhoods have a large number of older homes (8,835 of the units were built in 1939 or earlier), and a large number of owner-occupied households (approximately 5,365 or 55%), with annual incomes at or below 80% of the AMI, the need for affordable home improvement financing and construction planning and management assistance is ongoing. This need has been heightened further by the foreclosure crisis which left literally hundreds of vacant houses in its wake and depressed real estate values. These still lingering, depressed real estate values make it very difficult for owners to obtain conventional

loans or home equity loans to maintain and improve their homes, because they cannot meet conventional loan-to-value underwriting standards. The preservation of existing neighborhoods through “aggressive housing rehabilitation” is a key strategy identified in the Housing Chapter of St. Paul’s Comprehensive Plan. The Plan recommends neighborhoods, such as Dayton’s Bluff and Payne-Phalen, with large numbers of aging substandard housing units should be priorities for housing rehabilitation funding. If our East Side RLF request for CDBG funding, in the amount of \$1,000,000, is fully funded, DBNHS will use these funds to rehabilitate 32 owner-occupied houses. DBNHS anticipates 12 more houses will be rehabilitated with program income generated from loan payments. To accomplish our goal, DBNHS will engage in a number of activities including: neighborhood outreach and marketing; providing home inspections and lead paint risk assessments; writing rehabilitation specifications; assisting homeowners in obtaining construction bids; construction monitoring; construction escrow management; lead clearance testing; loan processing; financial counseling; and the provision of deferred and low interest rate loans to income qualified owner-occupant households. DBNHS has successfully delivered the East Side RLF Program since 1981. Since the program’s inception, the RLF has helped over 800 households maintain and improve their homes. DBNHS strives to “recycle” RLF resources, and whenever we can, we use them to leverage non-City resources. Our emphasis on involving residents and other key stakeholders in planning and overseeing how these financial resources are targeted and used to address the East Side’s housing needs, ensures that the RLF continues to be a prudent and cost-effective means of furthering several of the City’s key housing priorities.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

As highlighted above, because there are a large number of older homes on the East Side and a large number of homeowners with limited incomes, the need for affordable home improvement financing is great and ongoing. Most of the housing rehabilitation work financed with RLF resources are for such things as: roof, window and siding replacement; insulation; foundation repair; updating the electrical, plumbing, heating and cooling systems; lead based paint hazard reduction; and improving the functionality of rooms, particularly kitchens and bathrooms; and increasing the usable living space in a home by finishing a basement or expanding into an unused attic space. These home improvements stabilize the structural and mechanical integrity of the East Side’s affordable housing stock “assets”, as well as improve the functionality of these “assets” in order to meet new household needs and demands such as the addition of a new family member or the need to make improvements to help the occupants “age in place”.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

By helping homeowners update and upgrade their houses, the RLF improves both residential and neighborhood stability. The RLF furthers the City’s Housing Action Plan’s priority of promoting home improvement, as well as the Housing Chapter of the City’s Comprehensive Plan which encourages “aggressive housing rehabilitation” in areas with the greatest need, to promote neighborhood stability and neighborhood improvement. According to a study by NeighborWorks® America titled “Estimating the Economic Benefits of Home Ownership”, each \$1,000,000 invested in housing rehabilitation construction supports 17 FTE jobs. According to the same study, the local economic impact of \$1,000,000 invested in housing rehabilitation construction totals \$687,387. DBNHS makes every effort to contract with local small businesses (particularly with Section 3 and certified minority-owned, women-owned and small businesses) whenever possible. On all of our projects, health and safety issues, identified through an initial home inspection, including lead paint, are addressed/corrected. Our construction specialists perform inspections throughout the construction project to ensure contractors are complying with the construction contract’s specifications, including health and safety work practices and all applicable building code rules and regulations.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

As stated previously, DBNHS has successfully administered the RLF program since 1981, rehabilitating more than 800 housing units with RLF resources. It is the backbone of our operations and our longest standing and most important housing program. Historically, all of our housing rehabilitation programs have received strong support from the District 4 and 5 Community Councils, and other stakeholders. DBNHS has a particularly close working relationship with the East Side Neighborhood Development company (ESNDC). They provide outreach and marketing assistance and work with us to identify target areas within the broader neighborhood. ESNDC also helps us complete specific home improvement by recruiting volunteers through organizations such as Brush with Kindness, to provide construction labor. Although the majority of the RLF resources revolve back through the repayment of our loans, because the terms of the loans are usually very long (20-30 years), and the interest rates are low (currently 1-3%), the annual principal and interest payments we receive (excluding any early payoffs) only total between \$140,000-\$150,000 per year. This is enough to complete an additional six houses per year so additional funding is needed on an annual basis to

address the need. DBNHS makes every attempt to leverage other resources with RLF resources. DBNHS currently has a \$160,000 matching grant program for homeowner rehabilitation from the Minnesota Housing Finance Agency, and we offer MHFA deferred loans which we “piggyback” with RLF loans. DBNHS also operates a STAR-funded “aging in place” matching grant program which can be combined with a RLF loan to help older homeowners make improvements to their home that allow them to live more safely and comfortable. In part because of our ability to use RLF resources as a match, last year DBNHS successfully obtained a \$768,000 federally-funded YouthBuild grant. In conjunction with City Academy Charter School, using one of DBNHS houses as a training site, over two years, 48 “at risk youth” are being trained in the construction trades, as they obtain their high school diplomas.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The East Side RLF furthers specific City and neighborhood objectives related to housing including: stemming deterioration; improving property values; increasing and targeting resources for housing rehabilitation; and promoting homeownership. In addition to the City-wide plans already referenced, some of the neighborhood plans where these goals are identified include: the Lower Bluff, Railroad Island, Arcade Street and East Consolidated Small Area Plans; the Phalen Corridor Development Strategy; the Northeast Corridor Development Plan; the Dayton’s Bluff Community Council’s Strategic Plan 2010-2015, and the East Side Development Company’s Block Based Neighborhood Stabilization Greenewal plan. DBNHS believes the investing in our neighborhood’s housing stock is critical to improving the quality of life in our neighborhoods. Whenever we can, we encourage homeowners to make improvements to a home’s exterior that improves its overall aesthetic appearance. DBNHS also offers homeowners special assistance to improve a home’s accessibility.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project’s impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

Investing CDBG resources in the East Side’s housing stock consistently, overtime, helps to maintain and even improve the City’s tax base and reduce the expenses the

City incurs for such things as code enforcement and housing demolition. Being able to live in quality stable housing has been shown to reduce social service costs and even a child’s performance in school. On each project, DBNHS encourages homeowners to make improvements to reduce their ongoing maintenance and energy costs. We also encourage homeowners to make improvements and purchase and install equipment and fixtures that meet Minnesota Green standards. A number of the homes in the Dayton’s Bluff neighborhood are historic homes, located in the Dayton’s Bluff Heritage Preservation District. In many cases, we assist the homeowners, through the HPC application process, and help them make improvements to maintain or even enhance their home’s historical significance. DBNHS has two construction specialists and a loan officer on staff who spend the majority of their time assisting RLF customers, and we have a long track record of housing production. As described above, our housing rehabilitation activities are called for in a number of City and neighborhood plans. Using a neighborhood-based delivery system, overseen by residents, gives residents the opportunity to develop skills and expertise that help them be better advocates and stewards of the neighborhood’s housing resources which is good for the neighborhood and the City as a whole.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

CDBG awarded from City:

- October 15, 2012 - \$325,000
- December 15, 2013 - \$325,000
- October 14, 2014 - \$325,000
- TOTAL \$975,000*

*DBNHS expects to receive an additional \$325,000 in October of 2015

CDBG spent:

- Contract \$ 310,215.25
- Program Income \$1,600,781.73
- TOTAL \$1,910,996.98

CDBG rehabs completed: 25 units including 8 vacant houses DBNHS currently has 13 homeowner rehabilitation projects and 1 vacant house (in partnership with the City Academy YouthBuild Program) under construction. The construction escrow balances total \$170,690. We also have 8 loan applications in process totaling approximately \$217,350.

CDBG homes constructed: DBNHS currently has 4 CDBG-funded new houses under construction. The CDBG construction escrow balances total \$720,500. CDBG business projects completed: N/A

2016-2017 RED - East Side Home Improvement Revolving Loan Fund (East Side RLF)

Program income received: \$1,928,093.40

Since DBNHS has been using CDBG funds for construction financing, the vast majority of these funds are the same funds going out and coming back in; as we acquired, rehabilitated and sold vacant houses. The RLF's normal monthly program income, not including early loan payoffs, is approximately \$15,000 per month.

Agency's future plan: In 2009, when the foreclosure crisis began, DBNHS started using RLF resources to acquire, rehabilitate and sell vacant houses. In addition to the 25 units we completed using NSP funds, DBNHS completed 55 vacant houses on its own and 115 more with our partners. A total of 30 of these houses were funded in part with CDBG funds. Since 2009, DBNHS used \$294,322 of CDBG funds as construction gap financing. This helped us leverage \$1,425,000 in additional construction gap financing from the MHFA, the Met Council, NeighborWorks®, and the Federal Home Loan Bank. Going forward, DBNHS does not expect it will be engaging in vacant house rehabilitation at this level; not because there aren't vacant houses that need to be rehabilitated, but because funders are no longer making resources available that can leverage to engage in this activity. DBNHS expects once the four new houses on Wells Street and the vacant house at 676 Rivoli are completed and sold, we will be using RLF funds almost exclusively to provide low interest home improvement loans for low and very low income homeowners.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0402942 East Side Home Improvement Revolving Loan Fund

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			3,200	500	500	0	0	0	1,000
Total:				3,200	500	500	0	0	0	1,000

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	3,200	500	500	0	0	0	1,000	100.0%
Total:	3,200	500	500	0	0	0	1,000	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	3,200	500	500	0	0	0	1,000	
		3,200	500	500	0	0	0	1,000	100.0%
Total:		3,200	500	500	0	0	0	1,000	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Business Investment Fund (BIF)

Proposing Agency or Group: - East Side Neighborhood Development Company

Proposer's Address: - 965 Payne Avenue #200 St. Paul, MN 55130

Contact Person: - John Vaughn, Executive Director, Anne DeJoy, Director of Commercial Development

Phone Number: - 651-288-8744

Email Address: - adejoy@esndc.org

Address or Cross Streets of Proposed Project: - Payne Avenue & Arcade Street

2. Citizen Participation District(s):

District 5 – Payne-Phalen

3. City Council Ward(s):

Ward 6

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

REQUEST \$400,000. ESNDC's Business Investment Fund (BIF) revitalizes the Payne-Arcade Commercial District by providing financing for façade improvements and code-related rehabilitation for commercial buildings that stimulates investment. ESNDC will also pursue private investments for new development opportunities on Payne Avenue by providing gap financing for construction costs as an incentive.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

BIF is an important financing tool that utilizes CDBG funds to provide supplemental funding to businesses carrying out projects that will create and retain permanent jobs available to moderate to low-income people.

BIF stimulates commercial real estate development by investing in construction projects related to new development, parking lot development and the rehabilitation of existing commercial properties.

Healthy neighborhood business districts play an important role in the vitality of the East Side, and throughout the City of St. Paul. ESNDC understands there are many challenges that local owners can face as they plan for rehabilitation of a commercial property. The BIF program aims to help improve and sustain the commercial corridors

of Payne Avenue and Arcade Street through strategic investments in the form of forgivable and low-interest loans, which also leverage private investments.

While conditions are improving, Payne Avenue and Arcade Street continue to experience vacancies and underutilized commercial properties. Most buildings on Payne are older structures, many of them constructed before 1930. Resources for sustainable rehabilitation and energy efficiency improvements are crucial for repurposing older buildings. Code-related issues are expensive to resolve and have become a major obstacle to reinvestment, expansion, and upkeep.

Among the code issues confronting property owners are zoning regulations, which are often enforced when building owners alter, improve or repurpose their buildings. Several building owners have complained that Zoning requires off-street parking when they modify or change the use of their buildings. Lack of off-street parking has been cited as a reason that potential investors have been deterred when considering a purchase. ESNDP will utilize BIF to invest in strategically-placed parking lots as part of our redevelopment efforts.

BIF is an on-going program that generates several projects throughout the two-year grant period. Individual projects may occur in phases or stages.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

Signs of revitalization are emerging on Payne and Arcade even in the wake of a distressed commercial real estate market. Property values have risen, sales of commercial properties have begun to rebound, and some owners are proposing alternative uses for empty storefronts, buildings in foreclosure, abandoned buildings, and other struggling properties.

Adaptive reuses require vision and understanding of the local marketplace to attract different categories of owners and tenants. Investing in these commercial assets to improve their functionalities and efficiencies also builds upon the assets of the community.

BIF aims to improve the deficiencies of existing commercial buildings and create spaces that meet new demands in the real estate market. Redeveloping and repurposing distressed buildings requires commitment, creativity and resources. Different stakeholders including the private sector and local government must work together toward a common goal of revitalization.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

Locally influenced economic development spurs employment, enhances community safety and contributes to a vibrant environment of activity and growth. Through investments in commercial properties, BIF has created opportunities for new businesses, business expansions and livelihoods in the form of local jobs.

Flourishing businesses like Ward 6, Kendall’s Ace Hardware and La Palma Supermercado, each maintain a loyal customer base by serving the needs of the community. They have created jobs and hired people from the neighborhood. These businesses (each receiving BIF financing) have established a connection to their community while developing prosperity.

Properties filled with businesses help thwart blight and reinforce investments in housing and other real estate development. Locally-owned enterprises like Plaza Latina and Plaza del Sol (both receiving assistance from ESND) have transformed their commercial properties and created gathering places for social activity and incubators for entrepreneurship. These two properties have developed commercial spaces for more than 20 start-up microenterprises.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

ESND has received support from the Payne Arcade Business Association (PABA). We have every reason to believe that support will come from our District Council as well—as they have supported these efforts in the past. Based on a recent discussion with the Executive Director of the Payne-Phalen District 5 Planning Council, we expect to receive approval from their Board.

ESND is committed to fulfilling a legitimate public purpose with each BIF project helping to ensure that sustainable commercial development leverages private investment in the community. We are also committed to ensuring that all compliance mandates (HUD and Local) are fulfilled.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or

property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

BIF has been in existence for more than 15 years. The program has advanced from strictly-façade projects to investing in more substantial commercial development. ESNDC will continue to serve as a resource for potential projects already anticipated in the future.

BIF enhances livability by improving property values and providing an unmet need in the form of gap financing. Capitalizing BIF with CDBG resources will increase the level of redevelopment activity by generating significant rehabs and new construction projects that advance community goals, inspire future investment, and ultimately increased the tax base.

BIF projects improve the aesthetic appearance of the neighborhood through façade improvements that include lighting, signage, or other design elements, and through parking lot development that includes landscaping improvements and storm water management in the form of rain gardens.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

Sustainable rehabilitation and energy efficiencies will result in increased property values. Building owners will experience decreased utility bills. This translates into reduced operating costs and money staying in the business. Building tenants will notice an increased level of comfort from new efficient heating and cooling systems. Tenants with triple-net leases will also benefit from lower energy costs.

Addendums to the **Comprehensive Plan for St. Paul** call for revitalization of Arcade Street on the East Side; and development of commercial uses along Payne that serve the neighborhood and attract people to the neighborhood- (*Arcade Street Small Area Plan and Railroad Island Plan*).

Energy efficiency and other upgrades to commercial properties drives economic development, which results in stakeholders having increased dollars that can be reinvested into their employees and the local economy. Sustainable development also drives workforce development, as the demand for a skilled green-collar workforce increases the level of building professionals in the region. An improved building stock with low utility costs also attracts employers to the area.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

ESNDC Sub-grantee Contract total for EO-026242

Awarded: \$142,000 . Total expended = \$142,000

5 commercial projects completed

Additional Program income from RLF= \$4,000

Current CDBG contract PO#2693 = Awarded \$225,000

1 commercial project completed

3 commercial projects in progress

Contract still in progress until 12/31/2015

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0503226 Business Investment Fund (BIF)

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			150	400	0	0	0	0	400
Total:				150	400	0	0	0	0	400

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	150	400	0	0	0	0	400	100.0%
Total:	150	400	0	0	0	0	400	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt									
	Construction/Rehab	150	400	0	0	0	0	400	
		150	400	0	0	0	0	400	100.0%
Total:		150	400	0	0	0	0	400	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Victoria Arts Center

Proposing Agency or Group: - Frogtown Neighborhood Association

Proposer's Address: - 685 Minnehaha Avenue West, Saint Paul MN 55104

Contact Person: - Sam Buffington

Phone Number: - 651.734.5928

Email Address: - sam@frogtownmn.org

Address or Cross Streets of Proposed Project: - 825 University Avenue West

2. Citizen Participation District(s):

District 7 – Frogtown, District 8 – Summit-University, and District 11 – Hamline Midway Coalition

3. City Council Ward(s):

Ward 1 and Ward 4

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

The Victoria is a 1915 silent movie theater building which has been vacant for 15 years. A consortium of community and arts organizations in and around Frogtown has organized the Victoria Theater Arts Initiative to buy the building and transform it into a community owned and managed center for performing and visual arts—open to all with a focus on the vibrant and diverse artistic life of people in the greater Frogtown area. This CIB proposal requests funds to purchase the building.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

The Victoria was a silent movie theater for only a handful of years. In 1924 it became a nightclub and about 12 years later it became a lighting store—which function it served for nearly 50 years. It has sat vacant—a deteriorating, empty shell of a building—for 15 years now.

In 2009 an organization in the community proposed to demolish the building to make way for a parking lot. The community rose up to prevent this desecration and to reclaim the building for community space. It became clear that people in the community wanted to revive the building to create a community owned and managed arts center.

The City of Saint Paul designated the building as a heritage preservation site in 2011.

One year ago today (1.16.2014), the Twin Cities Community Land Bank stepped in to buy the building on behalf of Frogtown Neighborhood Association and the Victoria Theater Arts Initiative (VTAI). We have a limited amount of time to raise funds to complete the purchase of the Victoria from the Land Bank.

VTAI recently received \$75,000 from the Knight Green Line Challenge to fund a community visioning and design process which will employ three artist-organizers and an architecture firm to help develop a community vision for the Victoria Arts Center and create concept plans for the project.

It is expected that the Victoria will be vibrant from morning to night with a wide range of activities and functions including a flexible, 150-seat performance space for theater, music, and dance as well as visual arts and arts education. The building will also likely house a gallery space, a small neighborhood cafe, a neighborhood radio station, and recording facilities. Our vision is to create a space where the rich history and vibrant new energy of Frogtown and its residents intersect and connect through theater, arts education, performance, storytelling, poetry, music, dance, and visual arts.

We are requesting \$400,000 in CIB funds, which includes \$331,500 for acquisition costs and \$68,500 for building stabilization costs. This would allow the Frogtown community to have full site control over the building and its future.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

- The project will allow for the stabilization of a valued community asset that currently is vacant, deteriorated, and deteriorating further.
- The project will create a brand new use for the asset and for the community— one that is now completely and sorely lacking. Frogtown is rich with arts and artists but has nowhere within the community to share and present such fruits and to engage in arts education for the young, old, and in between.
- The project will create a use and functionality for a building which currently has neither.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

The project will have tremendous economic benefit to the surrounding business and residential community. It will bring people to the area who will patronize nearby businesses, as is often the case with arts and performing arts venues. It will make the surrounding residential areas more desirable and help to reverse the decline of and disinvestment in commercial and residential properties in the area. Lastly, it will remove the threat that vacant buildings always pose to the surrounding community.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

The Victoria Arts Center has wide community support and has generated a lot of enthusiasm and interest from community organizations and individuals—including a very successful arts open house at the theater on Green Line opening day last June 14 with a wide range of arts performances – all by people and groups living within one mile of the theater.

Organizational members of the Victoria Theater Arts Initiative include Frogtown Neighborhood Association, the Center for Hmong Arts & Talent (CHAT), Dangerous Productions, Historic Saint Paul, and Springboard for the Arts. Numerous community organizations will continue to be important partners as the project is planned and implemented. We already have a draft of a business plan for the arts center and its operation.

The proposed funding will provide critical assistance to preserve the asset as well as support the ongoing effort to reclaim and revive the Victoria for the direct benefit of the community.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The Victoria project, as a vibrant, small-scale, community owned and managed arts center, will have a tremendous benefit to the larger Frogtown/Rondo community and to the city as a whole. It will build community, bridges, and relationships; bring many new visitors and perhaps some new residents to the neighborhood; increase patronage at nearby businesses including several restaurants; create an arts identity and gathering place for the community that is now missing; and improve the appearance, vitality, and

functionality of the now-vacant and deteriorating building. It will create a much needed arts hub along the Green Line between the downtowns of Saint Paul and Minneapolis.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project’s impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The requested CIB funds will allow for the preservation and reuse of a city-designated historical landmark—and help us significantly in raising the additional funds we need to undertake wholesale renovation of the building. The project is consistent with goals and policies outlined in the historic preservation chapter of the city’s comprehensive plan. Please see more below.

Relevant excerpts from the city’s Historic Preservation Plan:

The following principles inform the strategies, objectives and policies in this chapter:

- *Preservation is a core community value.*
- *Historic preservation is a priority for the City of Saint Paul.*
- *Preservation is a critical component of neighborhood vitality, quality of life and sense of place.*
- *Preservation is an essential tool to accomplish economic development.*
- *Historic resources are unique and irreplaceable, and should be treated accordingly.*

(Three of the seven strategies in the plan:)

Preserve and Protect Historic Resources.

There are a finite number of irreplaceable historic resources in Saint Paul. Historic resources are focal points of the community that create a strong sense of place and instill a sense of pride and ownership in residents of Saint Paul. While there will always be loss over time due to natural disasters and other unforeseen events, neglect, inappropriate alterations, and purposeful removal are all avoidable conditions. Policies under this strategy focus on how to preserve, protect, and maintain the unique character of Saint Paul’s historic resources.

Use Historic Preservation to Further Economic Development and Sustainability.

Historic preservation is a powerful tool for economic development. It creates jobs (in some cases, more than new construction would); stimulates private investment; increases property values; contributes to an enhanced quality of life, sense of community, and neighborhood pride; celebrates a community’s “specialness,” which helps in maintaining a competitive edge; and provides environmentally sustainable alternatives to new construction. Policies under this

strategy focus on ways to utilize historic preservation to bring investment to the city, stimulate neighborhood revitalization, create jobs, increase property values, improve the sustainability of Saint Paul, and make it easier and more cost-effective to complete historic rehabilitation projects.

Preserve Areas with Unique Architectural, Urban, and Spatial Characteristics that Enhance the Character of the Built Environment.

Historic preservation plays a critical role in defining the physical and visual character of Saint Paul. It is inextricably linked to community character, quality of life, and the sense of place in neighborhoods and commercial districts throughout the city. Policies under this strategy focus on maintaining and enhancing the traditional urban character and fabric of the city to create distinctive, vibrant places to live, work, and recreate.

The project would conform to and implement these specific policies in the Historic Preservation Plan:

Policy 5.3: Realize the full economic potential of key historic resources.

- a. Rehabilitate key historic resources to serve as a catalyst for additional development in adjacent areas.*
- b. Integrate historic properties into new development to strengthen sense of place and provide a link between old and new.*

Policy 5.4: Invest in historic resources along transit corridors as part of a larger neighborhood revitalization and reinvestment strategy.

Policy 6.5: Encourage City-funded projects to protect and enhance those neighborhood physical features that define an area's visual character and urban form.

Policy 6.6: Assist neighborhoods in addressing design issues related to the retention and preservation of neighborhood character.

- a. Partner with appropriate organizations to focus on educating the public on the significance of specific features and characteristics of a neighborhood and how to protect these features through appropriate maintenance and sympathetic alterations; and*
- b. Determine where gaps exist in planning and design expertise, and foster the development of new organizations and tools to address these gaps.*

Policy 6.7: Partner with organizations that support preservation and redevelopment efforts in neighborhood commercial districts and along commercial corridors.

Because Saint Paul's urban form was created largely by the location of streetcar lines along commercial corridors, the preservation of commercial corridors is particularly important to preserving the overall character of the city. In addition, neighborhood commercial districts are a key feature of Saint Paul's traditional urban neighborhoods. Effort should be made to provide necessary support to the various organizations working to retain and enhance commercial districts and corridors as defining elements of the urban fabric.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

How much CDBG funding were you awarded from the City?

\$65,500 (2013-14)

How much CDBG did you spend?

\$65,5000 (all spent on citizen participation as part of citizen participation contract with City)

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5503436 Victoria Arts Center

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	200	200	0	0	0	400
Total:				0	200	200	0	0	0	400

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	200	200	0	0	0	400	100.0%
Total:	0	200	200	0	0	0	400	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	200	200	0	0	0	400	
		0	200	200	0	0	0	400	100.0%
Total:		0	200	200	0	0	0	400	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Restore Saint Paul: Commercial Facade Improvement Program

Proposing Agency or Group: - Historic Saint Paul

Proposer's Address: - 400 Landmark Center, 75 Fifth Street West, Saint Paul MN 55102

Contact Person: - Aaron Rubenstein

Phone Number: - 612.226.5517

Email Address: - arubenstein@historicsaintpaul.org

Address or Cross Streets of Proposed Project: - Scattererd sites: West Side, Dayton's Bluff, Payne Phalen, Frogtown, Summit-University, West End

2. Citizen Participation District(s):

District 3 – West Side, District 4 – Dayton's Bluff, District 5 – Payne-Phalen, District 7 – Frogtown, District 8 – Summit-University, and District 9 – West 7th – Ford Road Federation

3. City Council Ward(s):

Ward 1, Ward 2, Ward 6, and Ward 7

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

This program provides loans, technical assistance, and project management to help business and property owners undertake historically appropriate storefront improvement projects. It is available in the city's oldest, low-moderate income neighborhoods. Financing may include forgivable, deferred, and amortizing low-interest loans and an owner match as appropriate.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

Historic Saint Paul's Restore Saint Paul (RSP) Commercial Façade Improvement Program has existed since 2008 with funds provided by the city through the CIB process. During this next funding cycle, we expect to complete three to four storefront improvement projects. The projects may consist of rehabilitation of existing facades or construction of new ones compatible with the buildings' original historic character if the original storefronts no longer exist.

Historic Saint Paul (HSP) offers preservation-based design, project management, and the technical services necessary to complete project improvements. These services

allow business owners to focus on their own operations while remaining confident that a high quality project will be delivered.

The program is available to businesses in the city's oldest, low-middle income communities surrounding downtown— specifically planning districts three through nine—and eligible businesses must serve customers residing in low-middle income neighborhoods. Funds must be used for exterior improvements visible from the street, including business signage and streetscape improvements. HSP works with local community development organizations as appropriate to ensure that projects complement ongoing revitalization efforts.

RSP projects stabilize and improve deteriorated buildings and business vitality in the city's oldest neighborhoods. The funded projects reflect, preserve, restore, and/or enhance the historic design and character of the buildings and thereby improve their appearance, increase visibility, attract new customers, and increase business. They also inspire confidence and generate additional investment in nearby properties and contribute to the welfare and revitalization of aging commercial areas and surrounding residential neighborhoods.

Investment in the city's aging commercial building stock improves the architectural integrity of its neighborhoods, facilitates commercial corridor revitalization, encourages business growth, provides improved local services to nearby residents, and ultimately builds community identity and pride.

Providing financial incentives to business and property owners promotes private investment in the city's built environment, increases the life span of older buildings, and reduces building vacancy rates. It also promotes the success of existing businesses and improves the appeal and marketability of nearby residential communities.

Continued support by the City of Saint Paul and community partners is needed to preserve and improve historic resources in our commercial districts. It has been proven time and again that preserving the character of historic commercial corridors increases market demand and investments into them, adding to the overall vitality of communities.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

The Restore Saint Paul: Commercial Façade Improvement Program is important for these reasons:

- The projects are very effective at improving the appearance of deteriorated older commercial buildings and corridors, increasing business vitality and success,

spurring investment in surrounding commercial and residential properties, and increasing the city’s tax base.

- Participating businesses serve city residents in low and moderate income areas.
- Business and property owners typically lack the financial resources and technical knowledge and abilities to plan and implement historically-sensitive façade improvement projects. This program fills these gaps effectively.
- The program improves deteriorated and out-dated community assets, thereby creating more demand (business) for goods and services.
- Historic preservation is an effective tool for community and economic development, strengthening community identity, heritage, and pride.
- Projects involve preserving and enhancing older buildings with exterior façade improvements (visible from the street) that will endure. They will not go out of style in 10 or 20 years, prompting another remodeling for the latest look or trend.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

The program offers considerable economic benefits:

- Provides investment in existing older buildings and in durable projects; leverages private investment as appropriate (via match/equity).
- Increases visibility and attractiveness of businesses, drawing new customers and increasing business. Promotes business opportunities and indirectly creates job opportunities. Increases business success and development.
- Increases tax base.
- Boosts confidence of community members and spurs additional private investment by commercial and residential property owners.
- Increases community stability and economic activity; decreases disinvestment and number of deteriorated and vacant properties.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

Historic Saint Paul has had a passion since its founding in 1998 to promote and use historic preservation as a community development tool in the city’s neighborhoods. The first two sentences on the homepage of our website state:

2016-2017 RED - Restore Saint Paul: Commercial Facade Improvement Program

Historic Saint Paul is a non-profit organization with a mission to preserve, protect and enhance the historic character of Saint Paul neighborhoods. We work in partnership with private owners, community organizations and public agencies to leverage Saint Paul's cultural and historic resources as assets in economic development and community building initiatives.

With HSP's 2013 *Heritage Preservation on the Green Line* project we established a dialogue with a range of property owners as well as community organizations and stakeholders which has led to additional partnerships and projects. We will continue to foster these relationships, and others, to collaborate and to implement specific storefront improvement projects.

In particular, HSP is partnering with Neighborhood Development Center (NDC) on two significant University Avenue façade improvement projects that are underway. We appreciate their support and collaboration. NDC has relationships with many University Avenue businesses.

During the 2008-09 CIB/CDBG funding cycle, HSP worked with the Dayton's Bluff Community Council to identify potential projects along East Seventh Street and several were implemented.

Continued funding is necessary for the program to continue.

Program projects do leverage outside funding to the extent possible. One project currently being planned will leverage two dollars of private investment for each public dollar.

With the current (2012-13) cycle of CIB/CDBG funding, HSP has completed (98 percent actually) one large project and two more are underway/in the planning stages with construction expected during the 2015 construction season.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

The Restore Saint Paul: Commercial Façade Improvement Program provides tremendous benefit to the communities it serves by:

- Improving the appearance and character of commercial buildings and streetscapes in the city's oldest, low-moderate income neighborhoods by funding

2016-2017 RED - Restore Saint Paul: Commercial Façade Improvement Program

and facilitating rehabilitated and new storefronts/facades including lighting and signage. The projects add vibrancy, attract new customers, and improve perceptions of adjacent neighborhoods. They also help stimulate community revitalization by sparking additional private investment in the surrounding commercial and residential areas.

- Enhancing neighborhood livability by improving physical assets, reversing disinvestment and the deterioration and vacancy of storefronts, supporting a broader range of goods and services, boosting the health of commercial districts, and sometimes improving accessibility.

The anticipated façade improvement projects will also:

- Maintain current operations and staffing levels of subject businesses.
- Increase opportunities to expand leasable space and local businesses.
- Give small contractors the opportunity to gain experience working on historic rehabilitation projects.
- Strengthen the sustainability of corridors and increase the longevity of Saint Paul's existing building stock—an important and unique asset.

The program benefits a number of commercial and residential areas in diverse communities surrounding downtown: Dayton's Bluff, Payne Phalen, North End, Frogtown, Summit-University, West Seventh, and the West Side.

Sensitive rehabilitation of older commercial structures contributes to a sense of community and neighborhood pride, celebrates a community's unique features—assisting in the development of a competitive edge, and provides environmentally sustainable alternatives to new construction.

Improving the exterior appearance and functionality of businesses improves security in commercial areas. Contributing factors include improved lighting, reduction in vacancies, increase in foot traffic and eyes on the street, and improved visibility inside and out.

Through our Restore Saint Paul loan programs, HSP helps homeowners and businesses make exterior improvements to their historic homes and commercial buildings by offering low interest loans and providing architectural and technical services as part of the loan process. To date, HSP has invested more than \$875,000 in loan and grant funds and leveraged an additional \$1,600,000 in private investment into more than 50 homes and 10 commercial properties in the Dayton's Bluff, Payne Phalen, Summit University, West 7th and Frogtown neighborhoods.

Improvements funded through the Commercial Façade Improvement Program have a positive impact on the community character, quality of life, and the sense of place in targeted neighborhoods and commercial districts. Architecturally sensitive improvements

to commercial buildings enhance the traditional urban character and fabric of impacted neighborhoods, creating distinctive, vibrant places to live, work, and recreate.

Neighborhoods benefit from a strong local business climate. Unfortunately, the condition and appearance of many commercial properties in target areas do not send an inviting message and buildings that could be neighborhood assets are underutilized. This affects the confidence of consumers and business operators and has a negative impact on the quality of surrounding neighborhoods.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

The program clearly maintains and enhances the city's historic commercial assets. The retention and renovation of historic commercial buildings has played an important role in the business success of many Saint Paul neighborhoods. Their traditional architecture helps differentiate them from other locations and the businesses within them help recycle financial resources into the local economy.

The City Council in 2010 adopted the Historic Preservation Plan chapter of the *Saint Paul Comprehensive Plan*. The goals of this program reflect and support the priorities identified in that plan. In addition, many of the targeted communities have district plans that specifically identify improvements to commercial and/or historic structures as top priorities for revitalization.

Relevant excerpts from the city's Historic Preservation Plan:

The following principles inform the strategies, objectives and policies in this chapter:

- *Preservation is a core community value.*
- *Historic preservation is a priority for the City of Saint Paul.*
- *Preservation is a critical component of neighborhood vitality, quality of life and sense of place.*
- *Preservation is an essential tool to accomplish economic development.*
- *Historic resources are unique and irreplaceable, and should be treated accordingly.*

(Two of the seven strategies in the plan:)

Use Historic Preservation to Further Economic Development and Sustainability.

Historic preservation is a powerful tool for economic development. It creates jobs (in some cases, more than new construction would); stimulates private

investment; increases property values; contributes to an enhanced quality of life, sense of community, and neighborhood pride; celebrates a community's "specialness," which helps in maintaining a competitive edge; and provides environmentally sustainable alternatives to new construction. Policies under this strategy focus on ways to utilize historic preservation to bring investment to the city, stimulate neighborhood revitalization, create jobs, increase property values, improve the sustainability of Saint Paul, and make it easier and more cost-effective to complete historic rehabilitation projects.

Preserve Areas with Unique Architectural, Urban, and Spatial Characteristics that Enhance the Character of the Built Environment.

Historic preservation plays a critical role in defining the physical and visual character of Saint Paul. It is inextricably linked to community character, quality of life, and the sense of place in neighborhoods and commercial districts throughout the city. Policies under this strategy focus on maintaining and enhancing the traditional urban character and fabric of the city to create distinctive, vibrant places to live, work, and recreate.

The Restore Saint Paul: Commercial Façade Improvement Program conforms to and implements these specific policies in the Historic Preservation Plan:

Policy 5.4: Invest in historic resources along transit corridors as part of a larger neighborhood revitalization and reinvestment strategy.

Policy 5.7: Partner with Historic Saint Paul to increase its capacity to improve historic resources through its revolving loan program.

Loans could be available for such activities as reuse studies, intervention for threatened historic resources, emergency maintenance and stabilization, and maintenance/rehabilitation for low-to-moderate income homeowners and owners of small businesses.

Policy 6.5: Encourage City-funded projects to protect and enhance those neighborhood physical features that define an area's visual character and urban form.

Policy 6.6: Assist neighborhoods in addressing design issues related to the retention and preservation of neighborhood character.

- a. Partner with appropriate organizations to focus on educating the public on the significance of specific features and characteristics of a neighborhood and how to protect these features through appropriate maintenance and sympathetic alterations; and*
- b. Determine where gaps exist in planning and design expertise, and foster the development of new organizations and tools to address these gaps.*

Policy 6.7: Partner with organizations that support preservation and redevelopment efforts in neighborhood commercial districts and along commercial corridors.

Because Saint Paul's urban form was created largely by the location of streetcar lines along commercial corridors, the preservation of commercial corridors is particularly important to preserving the overall character of the city. In addition, neighborhood commercial districts are a key feature of Saint Paul's traditional urban neighborhoods. Effort should be made to provide necessary support to the various organizations working to retain and enhance commercial districts and corridors as defining elements of the urban fabric.

RSP also implements several policies in the Land Use Plan chapter of the *Saint Paul Comprehensive Plan*:

Policy 1.45: Maintain and enhance retail commercial areas throughout the city by promoting standards that make them vital and attractive:

- *Access to a broad range of goods and services;*
- *An anchor for surrounding residential neighborhoods;*
- *Safety for pedestrians; and*
- *Architectural elements that add interest at the street level.*

Policy 1.49: Continue to promote principles of traditional urban form in the design of new or renovated commercial buildings.

Policy 1.50: Facilitate the redevelopment of commercial areas where existing buildings are no longer considered functional to accommodate viable retail and businesses.

Many older commercial buildings are functionally obsolete and cannot be readily adapted to the requirements of modern commercial retail and office establishments. Programs to redevelop these properties or otherwise rehabilitate existing buildings have the potential to strengthen commercial areas in which they are located.

The 2010-14 HUD Consolidated Plan for Saint Paul identifies Commercial/Industrial Building Acquisition/Construction/Rehabilitation as one of seven key priorities in the plan. It states, in particular:

Economic Development Needs:

The City and its subgrantees have used CDBG funding to assist eight to ten economic development activities per year over the last five years, and it is anticipated that they will continue to do so over the next five years. When used for economic development, CDBG funding is primarily used for the rehabilitation or development of commercial properties, or for direct financial assistance to businesses.

These activities help the City retain and attract businesses, and also help to create jobs for city residents.

Businesses that receive CDBG funding must either have a low/moderate income service area, or create jobs for low/moderate income persons. The City will work on the

renovation and/or redevelopment of vacant and/or traditional commercial and industrial buildings. (p. 109, underline added)

Conservation and improvement of our existing building stock, and reinvestment in older and historic communities, are crucial components of sustainable development. Most historic buildings were designed with “green” features that reduce energy consumption and, with a few modern upgrades, can be very effective in reducing operating costs for business owners. One commercial project reported an energy savings of \$5,000.00 over a 10-month period and others have commented on improved comfort levels and reduced need for artificial lighting.

While the façade improvement program requires property owners to maintain project improvements for a minimum of 10 years, most of the eligible exterior improvements will last much longer. Historic Saint Paul specifies appropriate materials selections which reduce yearly maintenance and increase project life. Coupled with the economic benefits, this return on investment enhances and sustains successful businesses and corridors.

The proprietor of our recently-completed storefront renovation project on West Seventh Street, in which small infill windows were replaced with large, traditional storefront windows, reports that business has increased and that he is seeing many new customers in his establishment. While the back of the house used to be the preferred seating area, the new storefront now makes the front of the house preferred and he has stopped taking reservations for this area given the higher demand.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

• *How much CDBG funding were you awarded from the city?*

\$200,000 (2012-2013)

• *How much CDBG did you spend?*

\$94,098

• *How many CDBG funded home rehabs did you complete?*

0

• *How many CDBG-funded homes did you construct?*

0

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- *How many CDBG-funded business projects did you complete?*

1

- *How much program income have you received as a result of your CDBG projects?*

0

- *What does your agency plan on doing in the future compared to what it has done in the past?*

When we started the most recent CIB funding cycle of this program, we spent a lot of time trying to initiate a number of smaller projects that did not materialize due to project costs and other factors. For this upcoming cycle we propose to implement fewer and larger projects given the typical scope and cost of these projects. We realized we need to aim for larger projects in order to accomplish truly transformative ones. The financial terms (potential combination of owner equity along with forgivable and low-interest deferred and amortizing loans) are evaluated on a project-by-project basis according to scope, costs, and availability of private equity.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-5503433 Restore Saint Paul: Commercial Facade Improvement

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	200	0	0	0	0	200
Total:				0	200	0	0	0	0	200

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	200	0	0	0	0	200	100.0%
Total:	0	200	0	0	0	0	200	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	200	0	0	0	0	200	
		0	200	0	0	0	0	200	100.0%
Total:		0	200	0	0	0	0	200	100.0%

1. Please provide the following information about your organization and proposed project:

Project Title: - Central Exchange

Proposing Agency or Group: - Model Cities of St. Paul, Inc.

Proposer's Address: - 839 University Avenue, St. Paul, MN 55104

Contact Person: - Craig Johnson

Phone Number: - 651-632-8354

Email Address: - cjohnson@modelcities.org

Address or Cross Streets of Proposed Project: - 771 University Avenue, St. Paul, MN 55104

2. Citizen Participation District(s):

District 7 - Frogtown

3. City Council Ward(s):

Ward 1

4. I am aware of the City's public art ordinance:

Yes

5. Please provide a short description of your project.

Central Exchange is a transit-oriented development, located near the Victoria Street LRT Station that includes 7,850 square feet of ground floor commercial space and 33 units of affordable workforce housing on the upper floors. Model Cities seeks support from the CIB to help fund the construction of this building.

Section B – Narrative/Long Description: • Why is this project important? • Is there any historical context we should be aware of? • What does this project accomplish? What problem is it trying to solve? • Will this project occur in phases? What are they?

WHY IS THIS PROJECT IMPORTANT? The Central Exchange project is important for St. Paul because it is aligned with the City's strategies for increasing housing density, creating housing along key transit corridors, and fostering economic investment in neighborhoods disproportionately affected by a trend toward disinvestment. It will result in business development, job creation, and an increase in the tax base, all of which create and sustain economic competitiveness. This project will replace land parcels that are currently sitting idle with a new financially productive building. The more intensive uses of the site are expected to increase its property value, and as a result, the City of St. Paul is expected to realize an increase in tax revenue. In addition, the project will improve public safety because this well-constructed, aesthetically-pleasing building with multiple uses will define this stretch around the Victoria Street LRT Station as one that is alive with activity. The building will make a positive contribution to the community, not only because it will eliminate blight and improve

aesthetics but also because the area will become more pedestrian friendly, which in turn will deter crime and foster a strong sense of place. Additionally, the project will provide needed green space along University Avenue through the inclusion of a pocket park on-site. Over time, University Avenue will begin to resemble the vision of being a thoroughfare that is dynamic, active and cutting-edge, thus helping to keep existing businesses while attracting a wide variety of new businesses to the area. Model Cities will incorporate a public art and history component into this project called “Sustainable Spaces” that highlights the legacy of African Americans from the surrounding neighborhood in the rail system. Sustainable Spaces will enhance this area’s designation as a “cultural heritage district,” establishing it as a regional destination point for cultural diversity. Arts and cultural activity are an essential element of urban communities like Frogtown/Rondo and can also strengthen the economic vibrancy of the community as people will become more confident and willing to invest financial resources into the area.

IS THERE ANY HISTORICAL CONTEXT WE SHOULD BE AWARE OF? There is no historical context of which the CIB Committee should be made aware because the site on which the new development will be constructed does not have any known historical significance. In fact the City of St. Paul demolished blighted and vacant commercial structures located at the Central Exchange site due to their status as nuisance buildings.

WHAT DOES THIS PROJECT ACCOMPLISH? WHAT PROBLEM IS IT TRYING TO SOLVE? One of the major problems in the Frogtown/Rondo area over the last few decades has been economic disinvestment due to factors such as the growth in automobile use, interstate construction and an increase in crime. This project aims to reverse that trend by realizing increased development along the Green Line, thereby helping University Avenue to reach its economic potential. The project is expected to create approximately 10-20 new FTEs, as well as 70-90 construction jobs. In addition, Model Cities estimates that close to 8,000 square feet of leased commercial space and 33 housing units will be developed, as well as 2,500 square feet of accessible green space. The new transit line has already spurred development, such as Frogtown Square, the Rondo Outreach Library, and Model Cities’ BROWNstone project at the corner of University and Victoria. Central Exchange will be a part of this pattern of development and will signal to other developers that University Avenue and Frogtown/Rondo are good places to live and do business. Over time, University Avenue should begin to resemble the vision outlined in the Central Corridor Development Strategy, consisting of higher-density, transit-oriented development that provides ample housing and commercial opportunities, thereby helping to create an economically vibrant mixed-use thoroughfare.

WILL THIS PROJECT OCCUR IN PHASES OR STAGES? WHAT ARE THEY? Model Cities does not expect this project to occur in stages. It expects to close on financing in Spring 2016 with a Summer 2016 construction start and approximately 12-month construction period. Construction is expected to be completed in Summer 2017.

Section C – Fit with Evaluation Criteria

1. Project Importance: • Project stabilizes the structural or mechanical integrity of an asset • Project improves or creates an asset that is currently in high use or

demand • Project improves or creates an asset to meet new demand • Project improves the functionality of an asset • What is the need for the project

PROJECT IMPROVES OR CREATES AN ASSET TO MEET NEW DEMAND Central Exchange will help meet anticipated demand for new housing and commercial space on the Green Line in St. Paul. According to a recent market study by Joe Urban, Inc., the Met Council projects that 2,625 affordable housing units are needed in St. Paul between 2011-2020 in order to meet projected housing needs. Specifically in the Victoria Station Area, the City of St. Paul’s Victoria Station Area Plan predicts a demand of up to 250-300 rental housing units over the next two decades. The Central Exchange project will help meet this forecasted housing demand. Central Exchange will also provide new opportunities for commercial businesses to thrive at an active Light Rail Transit stop. The Met Council recently reported that ridership along the Green Line “was 38,597 in October (2014) – 40 percent higher than 2015 projections” (“Transit Talk,” Finance & Commerce, November 17, 2014, <http://finance-commerce.com/transit/>, accessed December 2014). This figure is an example of the developing market of transit riders who will have their needs met by businesses along the Green Line, such as at locations like Central Exchange. More specifically, the Victoria Station Area Plan forecasts a potential 75,000 square feet of office and retail space in the Victoria Station Area by the year 2035 to which Central Exchange can help contribute.

PROJECT IMPROVES THE FUNCTIONALITY OF AN ASSET The functionality of the Central Exchange site will be improved because it will convert vacant, unused parcels into a productive property that provides jobs and generates increased tax revenue. The site will allow for increased commercial and transit-oriented uses near a very active transit stop.

WHAT IS THE NEED FOR THIS PROJECT Model Cities’ goal with the Central Exchange project is to help transform the Frogtown/Rondo neighborhood from a “cold market” that has resulted from decades of disinvestment, into a “hot market” where people want to live because they know they will have a good quality of life and businesses will want to locate because they know they will be successful. For too long, this neighborhood has been passed over for investment due to perceptions of poverty and crime. With the Green Line, there is new opportunity to help the community reach its economic potential. It is critical for projects like Central Exchange to take place in order to “plant the seeds” for other investment that will allow this potential to be realized. Through its mix of housing, commercial, green space and public art uses, Central Exchange will provide a new amenity for community residents. In addition, it will help build the neighborhood economy in a way that will attract other investments and thus transform this part of St. Paul into a vibrant commercial district that injects income and resources into the community over the long-term.

	Points Possible	Points Awarded
Project Importance Score:	10	

2. Residential and Economic Benefit: • Improves residential and neighborhood stability • Project creates or improves job opportunities • Project improves business opportunity • Remedies safety issues that pose danger to person or community

PROJECT IMPROVES RESIDENTIAL & NEIGHBORHOOD STABILITY Central Exchange will contribute to residential and neighborhood stability in St. Paul by providing approximately 33 units of housing affordable to low and moderate income households. Currently the neighborhoods around the Green Line are experiencing transition that could cause housing to become more expensive over time. Projects such as Central Exchange will help ensure long-term affordability within the housing stock in the neighborhood. This means that residents who want to remain in the community will be able to do so. In addition, the project contributes to more diverse housing choices for residents by adding increased multi-family apartment options. Considering that the majority of units in the new development will be one-bedroom, the project will help meet the needs of a population that the St. Paul Comprehensive Plan expects to consist of a greater number of smaller households in the future.

PROJECT CREATES OR IMPROVES JOB OPPORTUNITIES The project will create or improve job opportunities by creating an estimated 10-20 new FTEs, and perhaps more. In addition, approximately 70-90 construction jobs will be generated, which will serve as employment opportunities for local residents and also help the project to achieve Section 3 goals.

PROJECT PROMOTES BUSINESS OPPORTUNITY The project improves business opportunity because it is estimated to provide close to 8,000 square feet of leased commercial space on the first floor. In addition, the inclusion of public art and green space within the development is expected to draw in customers and clients to the businesses that will help contribute to their long-term success. Currently, Model Cities has strong interest from potential tenants who would occupy 100% of the space.

PROJECT REMEDIES SAFETY ISSUES THAT POSE DANGER TO PERSON OR COMMUNITY The project will improve neighborhood stability and safety by eliminating vacant buildings, which cause blight, depressed property values, and deviant behavior, in order to bring these parcels back into productive use. Moreover, the presence of a new, aesthetically-pleasing building will project a sense of safety and security in the neighborhood and will encourage other projects to further develop that image. This will be accomplished through improved lighting, a well-built structure, and large windows that provide "eyes on the street." Commercial businesses that are located right along the Avenue, in addition to the well-lit pocket park, will encourage increased pedestrian activity on the corridor. As a result, the area around the project site will become known as one that is bustling with activity and likely deter those who would seek to carry out crimes. Sidewalks fronting the development will provide safe and direct access to multiple modes of transit.

	Points Possible	Points Awarded
Residential and Economic Score:	10	

3. Demonstrated Support: • Project demonstrates community support and organizational commitment • Proposal demonstrates evidence of community collaborations or partnerships • Continued funding is needed to deliver expected services or to preserve an asset • Project leverages outside funding • What progress, if any, has been made on the project

PROJECT DEMONSTRATES COMMUNITY SUPPORT AND ORGANIZATIONAL COMMITMENT Model Cities has been active in community engagement activities related to this project since 2009 when the District 7 Planning Council (i.e. Frogtown Neighborhood Association) held visioning sessions at the Rondo Outreach Library and in the community room at Model Cities' BROWNstone building. Staff has worked with District 7 to provide updates on development plans at their housing task force meetings, community forums, and meetings of Board of Directors. District 7 has also written a support letter for the project. In addition to District 7, staff has reached out to local businesses and residents within proximity of the development site in order to provide updates on the project's progress and to seek community input. Additionally, businesses either adjacent to or on the same block as the Central Exchange site and a homeowner who lives near the project location have written letters supporting the project. In terms of organizational commitment, Model Cities has been planning to develop this project since it incorporated it into its Strategic Plan in 2009. Evidence of its investment into the project is seen by the fact that it has fully acquired the Central Exchange site. In order to assemble the Central Exchange parcels, the organization injected \$130,000 of its own funds to leverage the interim acquisition funding noted below. It has assembled a development team that has put in countless hours to bring the project to fruition, and it has raised over \$1.5 million for the overall development of the project.

PROPOSAL DEMONSTRATES EVIDENCE OF COMMUNITY COLLABORATIONS OR PARTNERSHIPS The following collaborations and/or partnerships are integral to this development project:

- (1) Commercial leasing and business development: Model Cities will be collaborating with the Neighborhood Development Center (NDC) to provide commercial tenants in the new building with opportunities for professional development and entrepreneurial training to help ensure their continued success.
- (2) Job development and training: Model Cities will work with the YWCA through its YW Works and YW Jobs programs to assist in the recruitment and training of low-income residents into permanent employment. This will be done through referrals from clients in these programs to job openings at Central Exchange. In addition, signed agreements with Lifetrack Resources and the Minnesota Workforce Center will also help low-income workers apply for employment opportunities in the new building.
- (3) Model Cities, Aurora St. Anthony and NDC have developed an MOU to work in collaboration on development sites, including Central Exchange, Model Cities' BROWNstone, Aurora St. Anthony's Western/University site, and NDC's NW University/Dale property in regard to marketing, sharing design concepts, commercial leasing and other matters
- (4) To develop the public art component of the project, which will be known as Sustainable Spaces and highlights the history and legacy of African Americans in the rail system, Model Cities has been working with Forecast Public Art, the University of Minnesota, and the Minnesota Historical Society over the past two years. Sustainable Spaces is important because while the community is culturally diverse and rich in talent, there are few public gathering places where the creativity of the community can be expressed. This aspect of the project will change that by providing welcoming, public spaces that provide opportunities for residents to learn about the rich history of the community, engage in and appreciate art, and express themselves creatively. Educational activities

will be tied into this public arts component to increase visitors' access to various art forms and cultural activities. This will be done in partnership with the local community, including artists, public libraries, K-12 schools, community groups, businesses, local youth programs, and colleges and universities.

PROJECT LEVERAGES OUTSIDE FUNDING Model Cities' CIB request is expected to help leverage approximately \$10 million in additional funding for construction of the mixed-use site at Central Exchange. The financing is expected to include Low Income Housing Tax Credits, tax exempt revenue bonds, commercial financing, Minnesota Housing Finance Agency, philanthropic funds, a construction sales tax rebate, and a rebate from Xcel Energy. Already, Model Cities has made substantial progress in securing the financing needed to bring the project to fruition. The organization injected its own funds that helped leverage another \$860,000 in interim financing for acquisition from the Twin Cities Community Land Bank, Neighborhood Development Center, Nonprofits Assistance Fund and the Greater Metropolitan Housing Corporation. A Program-Related Investment (PRI) from the Otto Bremer Foundation, and a loan from the Minnesota Housing Partnership, have also helped to provide funding for predevelopment expenses. In addition, Model Cities has raised over \$1.5 million in permanent financing for the project from sources such as the Metropolitan Council, U.S. Department of Health and Human Services, Family Housing Fund, St. Paul Foundation, F.R. Bigelow Foundation, Twin Cities LISC and Capitol Region Watershed District. The City of St. Paul has funded the environmental investigative work on the site as well, which is now complete, through a grant it received from the U.S. Environmental Protection Agency.

WHAT PROGRESS, IF ANY, HAS BEEN MADE ON THE PROJECT Model Cities has made substantial progress on the Central Exchange project. First, it has assembled five parcels that are necessary to make a viable site on which 33 housing units and approximately 8,000 square feet of commercial space can be constructed. In addition, it has worked with its architect to complete an initial design that allows its goals for the site to be attained. Third, as noted above, it has raised over \$1.5 million in permanent financing for the site. In addition, it has worked with partner organizations, such as the University of Minnesota and the Minnesota Historical Society, over the last two years to develop Sustainable Spaces, the public art component of the project. Finally, it has received support from the City of St. Paul, which has sponsored several funding applications for the project and has provided funding for environmental investigative work.

	Points Possible	Points Awarded
Demonstrated Support Score:	10	

4. Community Benefit: • Project significantly benefits a neighborhood, district, area, or city as a whole • Project enhances livability by improving quality of life or property values, providing unmet needs, improving safety or accessibility, etc. • Project improves aesthetic appearance of an asset or area through landscaping, public art, lighting, signage, or other design features

PROJECT SIGNIFICANTLY BENEFITS A NEIGHBORHOOD, DISTRICT, AREA, OR CITY AS A WHOLE This project benefits the Frogtown/Rondo neighborhoods,

Districts 7 & 8, and the City of St. Paul as a whole in several ways. The neighborhoods benefit because the new building will provide high-quality housing to meet anticipated housing demand and commercial space that is expected to result in increased business investment and job opportunities in the community. In turn, the development will be a catalyst for similar investments nearby that will create even more businesses, jobs and housing opportunities. The City will benefit because the building will increase the tax base in the area and contribute to the potential new housing demand of between 3,950-5,050 total rental units on University Avenue by 2030, as projected in St. Paul's Comprehensive Plan. The community overall will also benefit by having added green space along University Avenue. Additionally, the community will benefit from the public art within the development, which will highlight the history and legacy of African Americans from the surrounding neighborhood in the rail system. The integration of public art into the "cultural landscape" of this area is needed in order to provide: (1) Attractions that will draw people together who otherwise might not have access to arts and other cultural events and activities. By presenting art outside of traditional venues and galleries, the project will benefit the community and its visitors by extending the reach of public art to communities that have historically been underserved in the past and by providing local artists with opportunities to expand their artistic skills and audience. (2) Opportunities to improve the image of the neighborhood, making it more attractive and appealing for visitors, residents and businesses. This will serve to bring people into the neighborhood, thereby enhancing the community's position as a cultural destination point; moreover, it will strengthen the economic vibrancy of the community, as people will become more confident and willing to invest financial resources into the area.

PROJECT ENHANCES LIVABILITY BY IMPROVING QUALITY OF LIFE OR PROPERTY VALUES, PROVIDING UNMET NEEDS, IMPROVING SAFETY OR ACCESSIBILITY, ETC. This project will enhance livability in Frogtown/Rondo because it will help create an active, thriving commercial district where people want to live because they know they will have a great quality of life and businesses will want to locate because they know they will be successful. Central Exchange is essential to the future prosperity of this community because it will provide an example of a successful development in a disinvested area, thereby sending a message that Frogtown/Rondo is an area where people want to live, can have their needs met, and have great opportunities for work, as well. Other investments would be expected to follow, transforming a "cold market", where investment is minimal, into a "hot market," where investment is significant and growing. Property values at the Central Exchange are expected to significantly increase because it will once again become a productive property instead of sitting idle. The project will improve safety because these vacant and blighted parcels, which currently serve no use and could attract criminal elements, will be converted into a well-constructed building that creates a new community asset and includes features like nighttime lighting, security cameras, and a robust alarm system. Additionally, the project will improve accessibility to the Green Line because the building will be within a very short walking distance of the Light Rail Transit (LRT) line, thus provide building residents convenient access to a host of economic opportunities in the region.

PROJECT IMPROVES AESTHETIC APPEARANCE OF AN ASSET OR AREA THROUGH LANDSCAPING, PUBLIC ART, LIGHTING, SIGNAGE, OR OTHER DESIGN FEATURES

Model Cities will improve the aesthetic appearance of the area by including a public art component and green amenities in the project. The public art component, also known as Sustainable Spaces, will highlight the railroad history of the Frogtown and Rondo communities, particularly the Pullman Porters, Dining Car Waiters and Sleeping Car Porters who made up the fabric of the community for decades. The art will come in the form of permanent visual pieces that are part of the building or green space, as well as artist-designed functional elements (e.g. sidewalks). It is expected that Sustainable Spaces will improve the image of the neighborhood, making it more attractive and appealing for visitors, residents and investment. To move this effort forward, Model Cities has been working with Forecast (a local public arts consulting organization), the University of Minnesota and Minnesota Historical Society for the historical element, and two local artists who will carry out the public art component. The inclusion of the pocket park on the western edge of the Central Exchange site will also improve the aesthetic appearance of the area because this added green space will help beautify University Avenue. Outdoor signage for the commercial tenants will draw in customers to the commercial space, and lighting on the building will provide pedestrians with a sense of safety so that they feel secure walking along the block at night. In tandem with the nearby BROWNstone development, also a Model Cities project, these features of the Central Exchange site will come together to help make this section of University Avenue an aesthetically appealing destination point.

	Points Possible	Points Awarded
Community Benefit Score:	10	

5. Long-Range Impact: • Project's impact on future operating costs (both increases/decreases) • Project exceeds standards in environmental sustainability • Project provides tangible return on investment • Project is included in City-approved plan • Project maintains an asset with historical significance • Project demonstrates ability to achieve stated outcomes

PROJECT'S IMPACT ON FUTURE OPERATING COSTS (BOTH INCREASES/DECREASES) The project will have a positive impact on future operating costs because operating pro formas related to the site are being structured such that ongoing expenses, as well as long-term debt, will be covered by the revenue generated with at least a 1.2 Debt Coverage Ratio in the first year. Replacement reserves will be structured at \$450 per unit per year, according to standards set by the Minnesota Housing Finance Agency. An operating reserve equal to at least one year of operating expenses will be capitalized in the total development budget as well. Over the long term, Model Cities projects that cashflow generated from the development will help contribute to the sustainability of operations of the organization as a whole on an annual basis.

PROJECT EXCEEDS STANDARDS IN ENVIRONMENTAL SUSTAINABILITY The project will adhere to Green Communities building standards and the St. Paul Overlay sustainability requirements (i.e. SB 2030 standards). It will also benefit from the consulting services of the Weidt Group, which will help Model Cities to maximize the

energy efficiency of the building. As noted above, the site will include a pocket park that will provide added green space along University Avenue. Central Exchange will also feature green roofs for stormwater management. An additional feature of the pocket park will be an underground stormwater retention tank, which will help reduce site runoff not captured by surface level techniques (e.g. native plantings).

PROJECT PROVIDES TANGIBLE RETURN ON INVESTMENT The returns on investment include: (1) 33 new units of quality housing affordable to low and moderate income households (2) Approximately 8,000 square feet of leased commercial space (3) An estimated 10-20 FTEs and 70-90 construction jobs (4) About 2,500 square feet of accessible green space The City of St. Paul will also realize a return on investment due to its tax base being improved through the conversion of vacant parcels at the Central Exchange site into a multi-story, mixed-use structure.

PROJECT IS INCLUDED IN CITY-APPROVED PLAN The Central Exchange site is aligned with the City of St. Paul's long-range development plans for both residential and commercial projects, particularly with its emphasis on providing higher-density, mixed-use development as called for in the Comprehensive Plan and the Central Corridor Development Strategy. More than just a building, Central Exchange will assist in the transformation of what will be a very visible stretch of University along St. Paul's flagship LRT line, with a projected exposure of 40,000 riders per day along the entire route by 2030.

PROJECT DEMONSTRATES ABILITY TO ACHIEVE STATED OUTCOMES Estimated outcomes of the Central Exchange project include the following: (1) 33 new units of quality housing affordable to low and moderate income households (2) Approximately 8,000 square feet of leased commercial space (3) An estimated 10-20 FTEs and 70-90 construction jobs (4) About 2,500 square feet of accessible green space The project demonstrates the ability to achieve stated outcomes due to Model Cities' history in developing a wide variety of successful projects over an almost 30-year period. Previous projects have included health clinics, a daycare center, multi-family housing (supportive housing), mixed-use office/commercial space and single-family housing. Each project was planned to meet goals and priorities that were identified in the agency's strategic plan.

	Points Possible	Points Awarded
Long-range Impact Score:	10	

Section D – Additional Information

1. Additional Information Requested: Please provide additional information that would be important to know about your project.

Model Cities' development over the past 47 years has been guided by careful strategic planning. The 2017 Strategic Plan was adopted by the Board of Directors in May 2014. Our strategic vision is to be actively engaged in the development of urban communities through family support services, affordable housing development, homeownership counseling, commercial revitalization and economic development, principally for persons with low and moderate household incomes. Three goals and related strategies have been established to achieve the agency's mission and vision: (a) Improve and stabilize individual and family functioning, through culturally competent services. (b)

Carry out comprehensive community-based development that influences and contributes to neighborhood revitalization and stability. (c) Advance organizational capacity, efficiency, and effectiveness. The strategic plan identifies three focus areas for attention over the course of the next three years: Healthy Neighborhoods, Economic Opportunity and Real Estate. These focus areas and related strategies are summarized below.

HEALTHY NEIGHBORHOODS - Model Cities will be actively engaged in activities that develop, promote and strengthen neighborhoods, including: (a) partnering with other organizations to carry out culturally competent support services that target families, high risk youth, and older adults; (b) engaging in new community initiatives that connect our community development work with human services; and (c) incorporating amenities within development projects that increase livability within the Central Corridor, enhance residential fellowship, and celebrate the environmental, cultural and historical assets of the community.

ECONOMIC OPPORTUNITY - Model Cities will be actively engaged in activity that transforms and revitalizes the Frogtown/Rondo commercial corridor into a thriving hot market commercial district, including: (a) supporting small and minority-owned businesses with commercial space and connecting them with community resources; (b) incorporating amenities that will develop an image of the district as a cultural destination point and encourage larger commercial “anchors” to locate within the area; and (c) partnering with other organizations in developing and operationalizing a World Cultural Heritage District.

REAL ESTATE - Model Cities will develop and manage commercial and residential properties, including: (a) developing and managing owner-occupied and rental, single and multifamily residential, transit-oriented developments; (b) providing affordable commercial space for small and minority-owned businesses; and (c) working with private developers in creating public parking at the Victoria Station.

2016-2020 Unified Capital Improvement Program and Budget Process

Budget Year: 2015

Status: FINAL

Stage: S

RE-0703427 Central Exchange

Phase Detail

Phase	Fin Code	Start Date	End Date	Prior Appr	Yearly Amount (in thousands)					Total
					2016	2017	2018	2019	2020	
Construction/Rehab	CDBG			0	282	118	0	0	0	400
Total:				0	282	118	0	0	0	400

Phase Summary

Phase	Prior Appr	Yearly Amount (in Thousands)					Total	% of Total
		2016	2017	2018	2019	2020		
Construction/Rehab	0	282	118	0	0	0	400	100.0%
Total:	0	282	118	0	0	0	400	100.0%

Financing Source Detail / Summary

Fin Code	Phase	Prior Appr	Yearly Amount (in thousands)					Total	% of Total
			2016	2017	2018	2019	2020		
CDBG - Comm Dev. Block Grnt	Construction/Rehab	0	282	118	0	0	0	400	
		0	282	118	0	0	0	400	100.0%
Total:		0	282	118	0	0	0	400	100.0%