



For Immediate Release

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HUD Secretary Donovan Congratulates Saint Paul for Innovative Approach to Create Affordable Housing and Small Business

The \$13.5 million development driven by community involvement is helping to transform the historic Frogtown neighborhood

Saint Paul, MN (March 4, 2011) Shaun Donovan, United States Secretary for Housing and Urban Development (HUD) visited Frogtown Square today to see the results of HUD financing and congratulate the community for their efforts to make the Frogtown Square project come to life. Secretary Donovan was joined by U.S. Representatives Betty McCollum and Keith Ellison, Deputy Mayor Paul Williams and Ward 1 Councilmember Melvin Carter, III for a press conference and tour of the HUD-funded Kings Crossing senior apartments and the locally-owned Frogtown Square small business retail locations.

"I'm delighted to have the opportunity to celebrate Frogtown Square, which is well on its way to becoming a cornerstone in the Saint Paul community," said Secretary Donovan. "This development's innovative approach of combining small businesses and affordable housing is exactly the type of smart planning the country needs to continue winning the future towards economic prosperity."

"I want to thank all of our partners, from Secretary Donovan and the Obama administration to the local community for making this project a reality. With the opening of Frogtown Square, Saint Paul is excited to welcome new residents and small businesses to this historic neighborhood. This project continues the exciting momentum of economic growth poised to bring new jobs and economic vitality all along the Central Corridor," Mayor Chris Coleman said.

Over \$4 million in grants and loans from the City of Saint Paul were used for site acquisition and preparation. "City support laid the foundation for the project and eventually led to \$6.4 million in financing from HUD" said Ward One Councilmember Melvin Carter. "Frogtown Square is an important project for our community and also a great example of the type of development that can only happen when leaders from all levels work together."

Episcopal Homes, Inc. owns and manages Kings Crossing Apartments. The 50 apartments are designed for active, independent residents over age 62 living on limited incomes who are looking

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for safe, quality housing with support coordination. Episcopal Homes, in partnership with Northeast Dale-University (NEDU), LLC, was awarded HUD 202 financing, which allows them to offer very affordable rents to seniors with incomes at or below 50% of area median income.

NEDU owns and operates 11,700 square feet of first floor commercial space and surface parking lot. The retail space is completely leased and will include a barbershop, Ethiopian restaurant, ethnic grocery store, women's clothing store, coffee shop, wireless store and Subway restaurant. NEDU is comprised of four local community development companies: Model Cities, Inc, Neighborhood Development Center, Aurora St. Anthony Neighborhood Development Center, and Greater Frogtown Community Development Corporation.

The project created roughly 35 new, permanent jobs. Construction included business opportunities totaling \$6.3 million and 69% of the business was directed to minority-, women- and small business enterprises.

Project partners included Metropolitan Council, United States Department of Health and Human Services, Minnesota Department of Employment and Economic Development, Ramsey County, Bigelow Foundation, Twin Cities Local Initiatives Support Corporation (LISC), and other private investors.

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