The Big Picture Project:

Aligning housing plans along the Central Corridor

Gretchen Nicholls, Twin Cities LISC

The Big Picture is hosted by the Cities of Minneapolis and Saint Paul and Twin Cities LISC, and supported by the Central Corridor Funders Collaborative.

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Twin Cities
Helping people and places prosper

Central Corridor Affordable Housing Coordinated Plan

Goal:

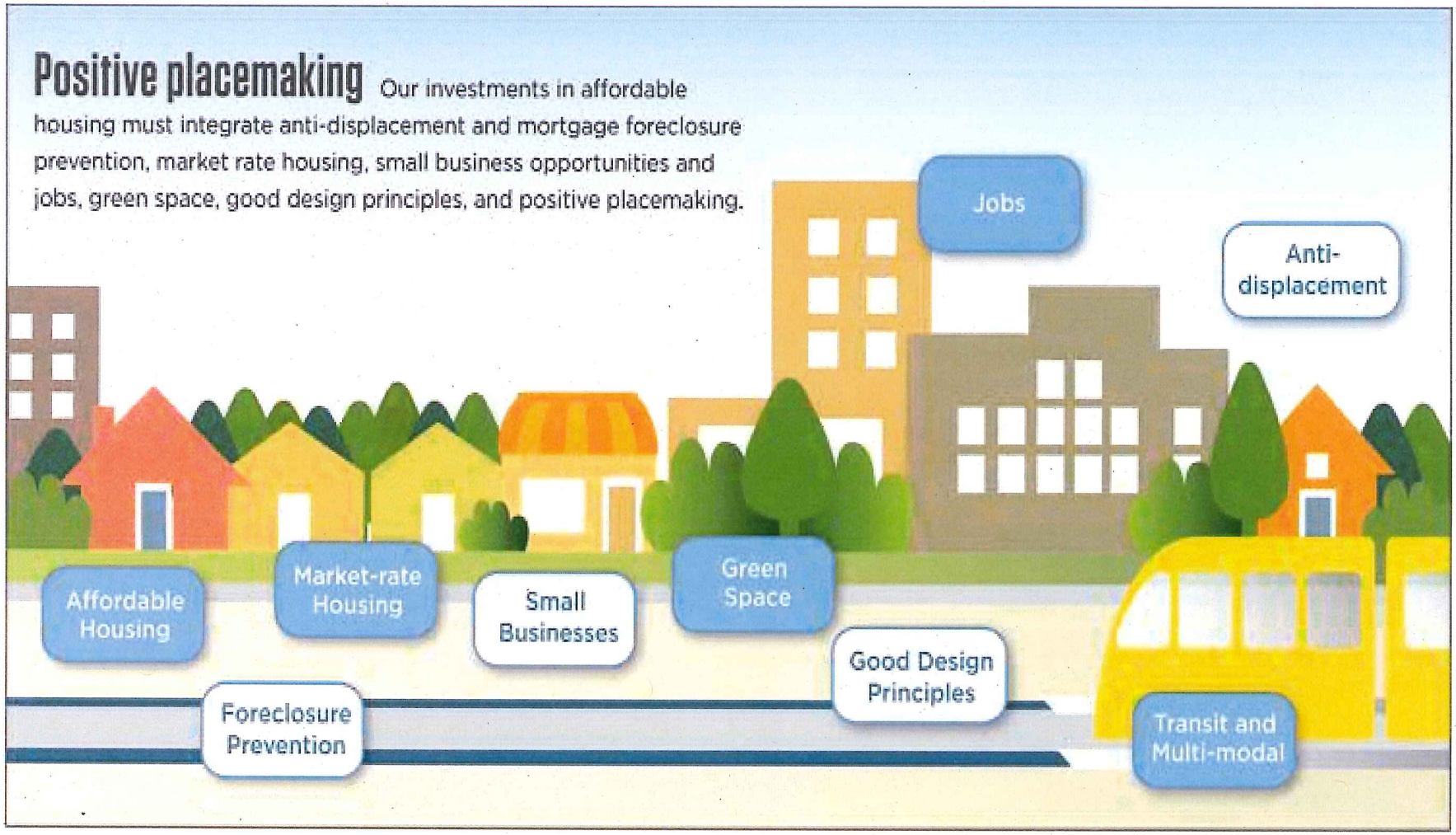
To provide a coordinated set of strategies for the Central Corridor that government, community, finance, and development partners can work toward to achieve affordable housing options, and identify policies that will enable those strategies to succeed.

Equity

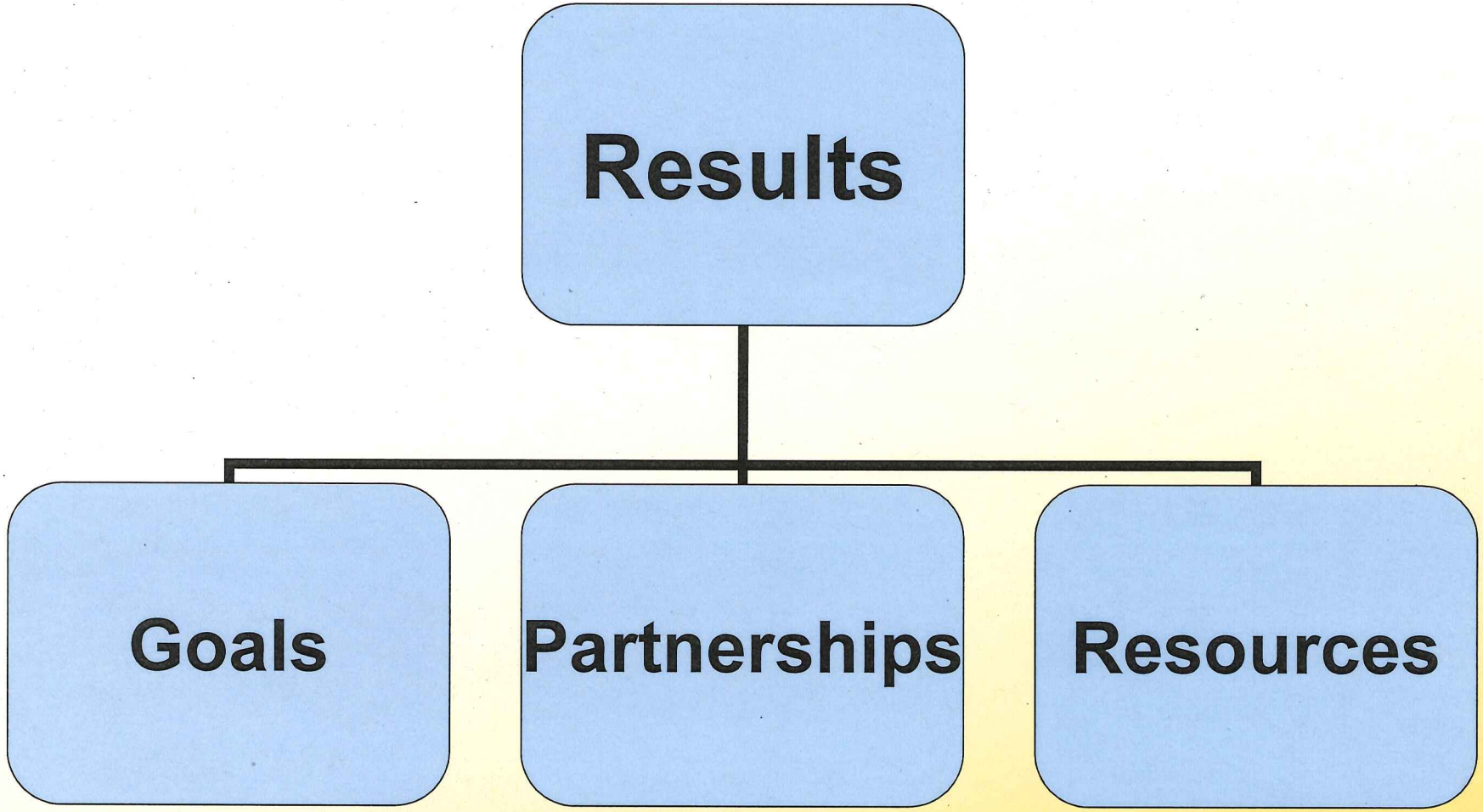
is the superior growth model

eq·ui·ty *ek-wi-tee*, noun. Just and fair inclusion.
An equitable society is one in which all can participate and prosper. The goals of equity must be to create conditions that allow all to reach their full potential. In short, equity creates a path from hope to change.

Corridors of choice and opportunity



A Shared Plan:



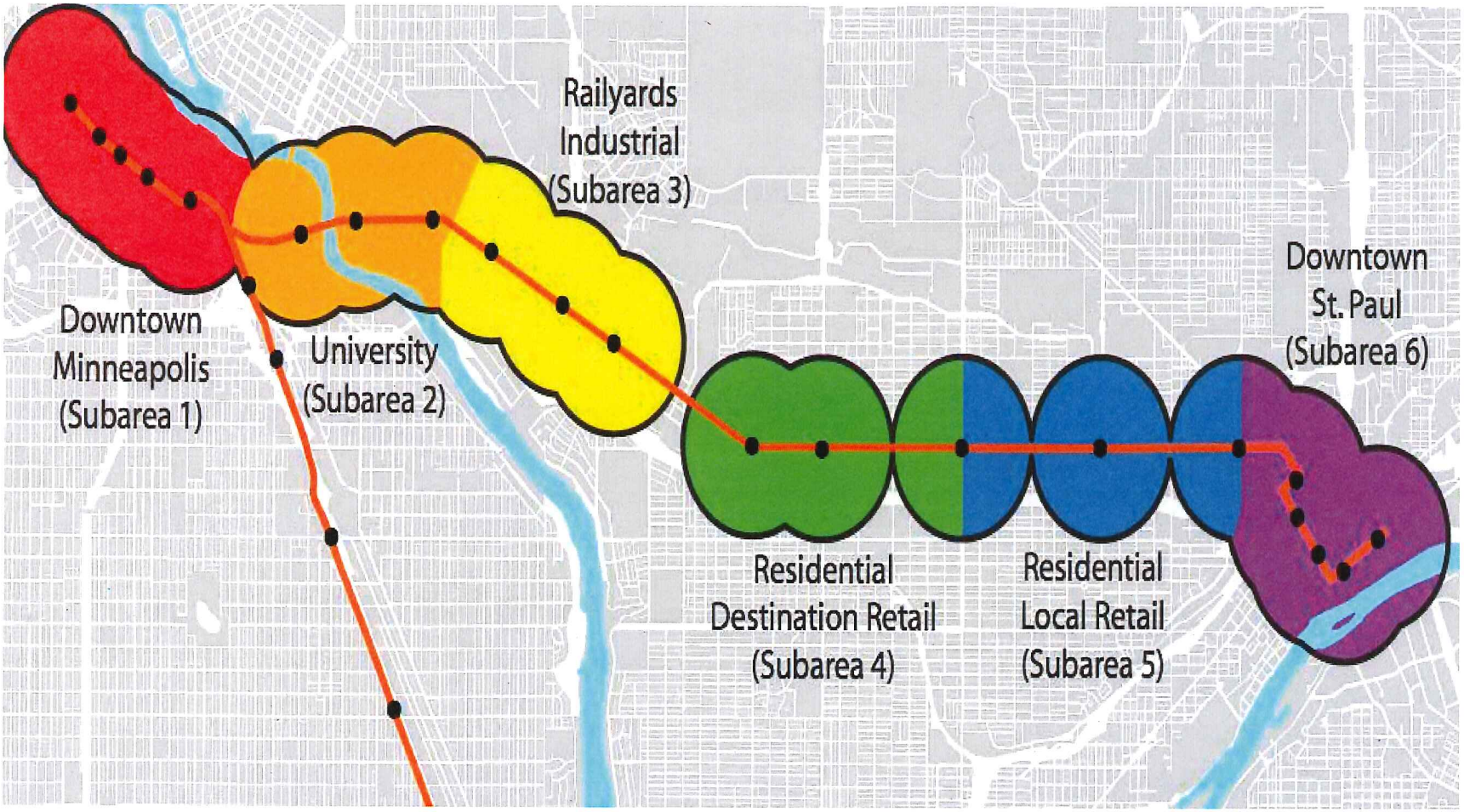
Definition of Affordable Housing

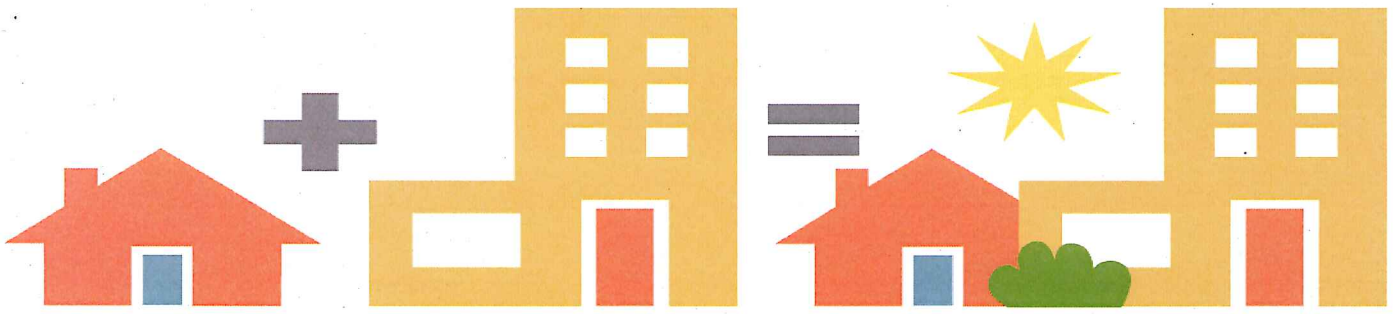
Calculated in relation to the Twin Cities Area Median Income (AMI)
which is **$82,900** in 2014

(Family of 4)	Income
60%	$49,750
50%	$41,450
30%	$24,850

Preservation – Housing that will maintain affordability requirements for terms between 10- 99 years

Central Corridor / Subareas

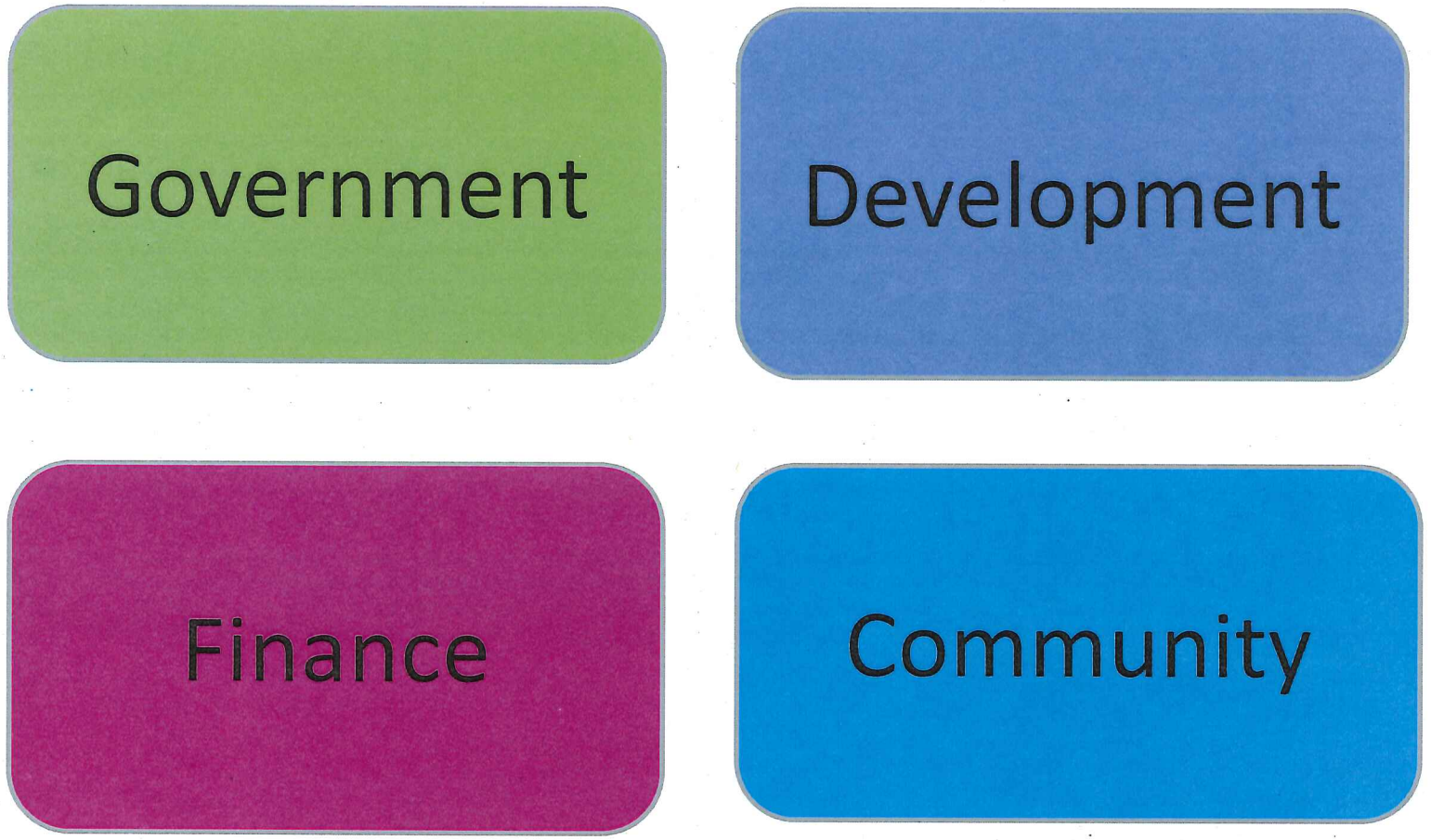




Multiple strategies will be needed to achieve our goals

Key factors for considering affordable housing options

Project Team



Central Corridor Affordable Housing Coordinated Plan

Objective I: Invest in the production and preservation of long-term affordable housing.

Objective II: Stabilize the neighborhood and invest in activities that help low-income people stay in their homes.

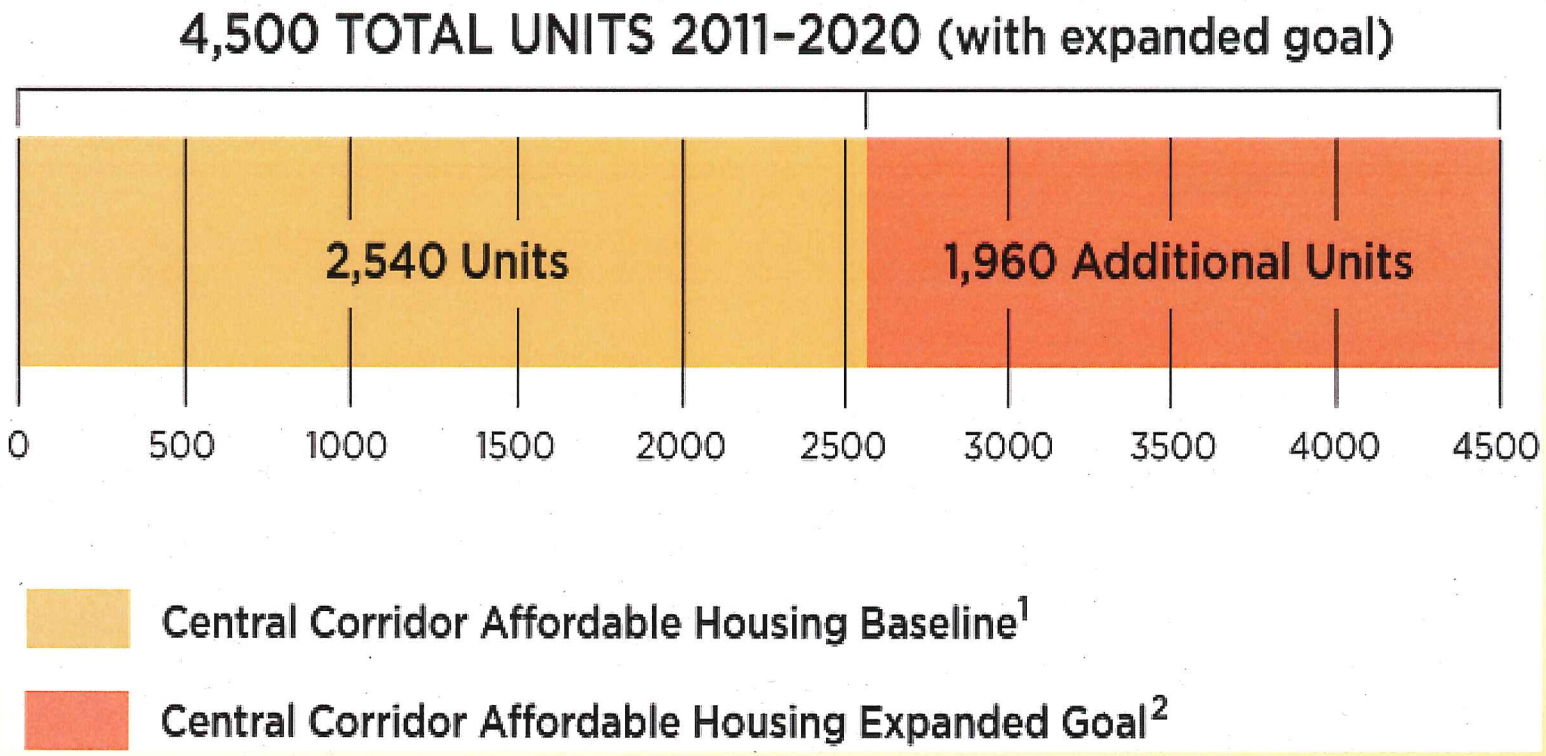
Objective III: Strengthen families through coordinated investments.

Central Corridor Affordable Housing Coordinated Plan

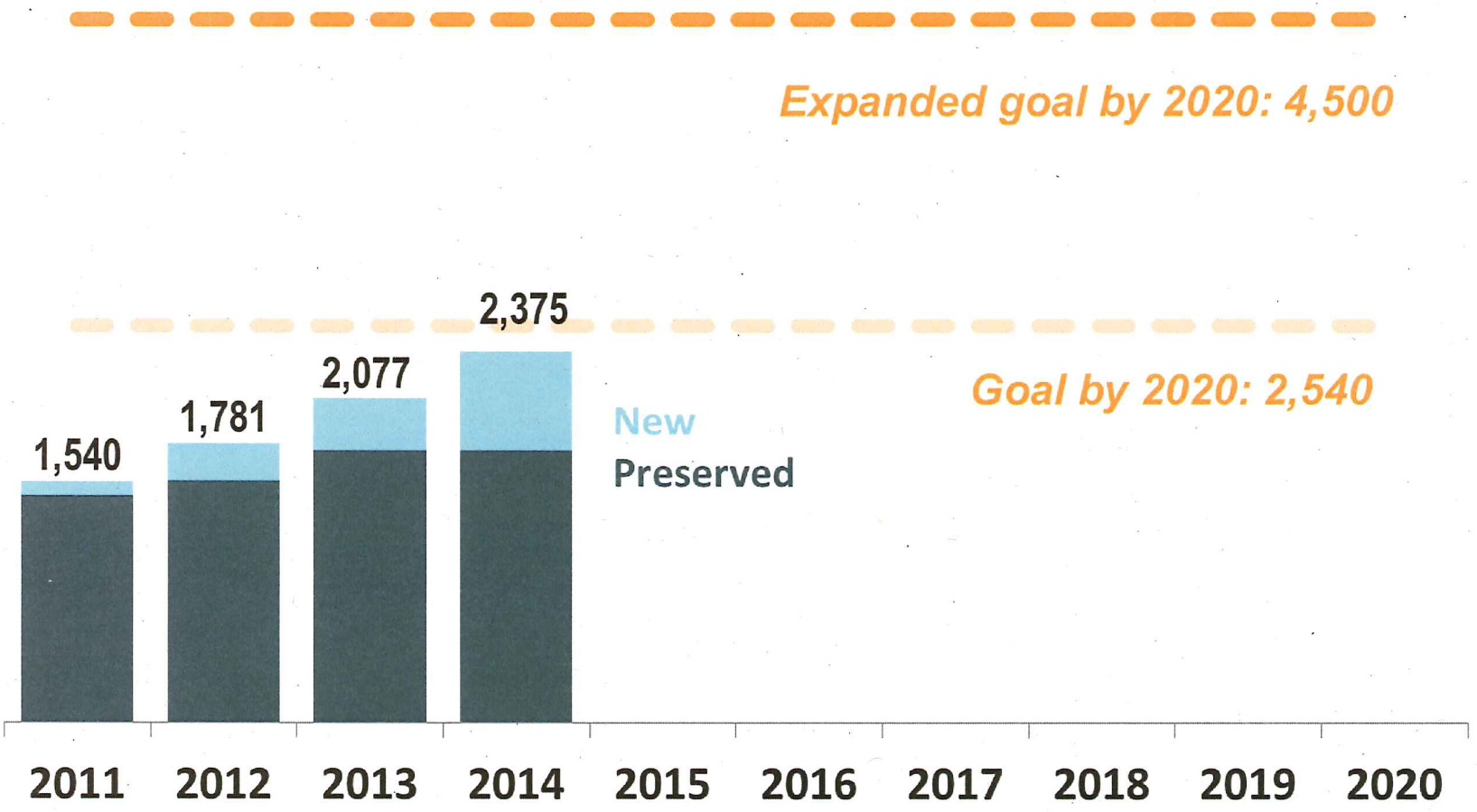
Objective I: Invest in the production and preservation of long-term affordable housing.

1. Additional transit-oriented development (TOD) resources
2. Value capture and tax incentive strategies
3. Opportunity sites – demonstrate equitable TOD
4. Strengthen nonprofit and public housing developers
5. Non-traditional development models

Central Corridor-wide Goals

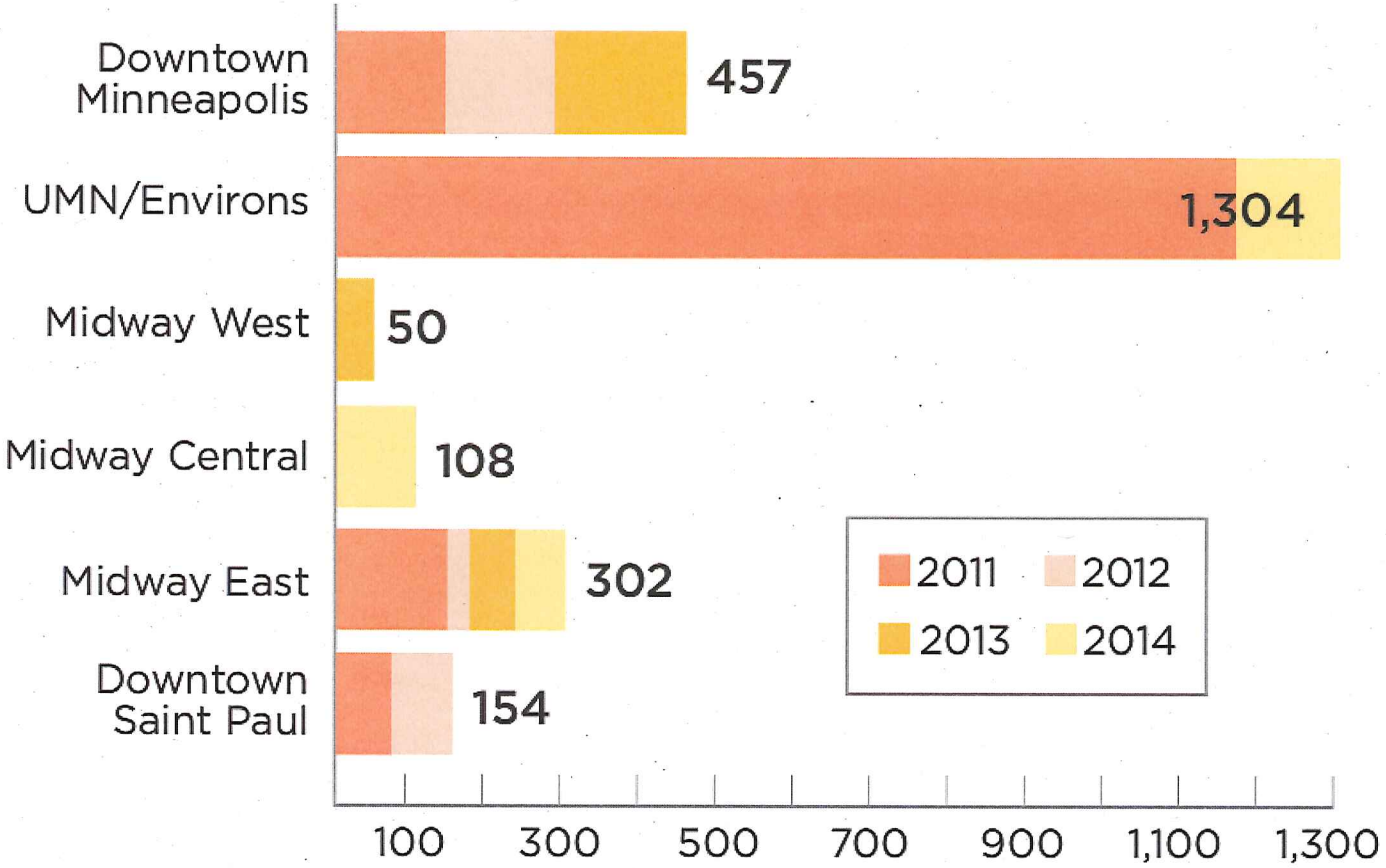


Objective 1: Invest in the production and preservation of long-term affordable housing

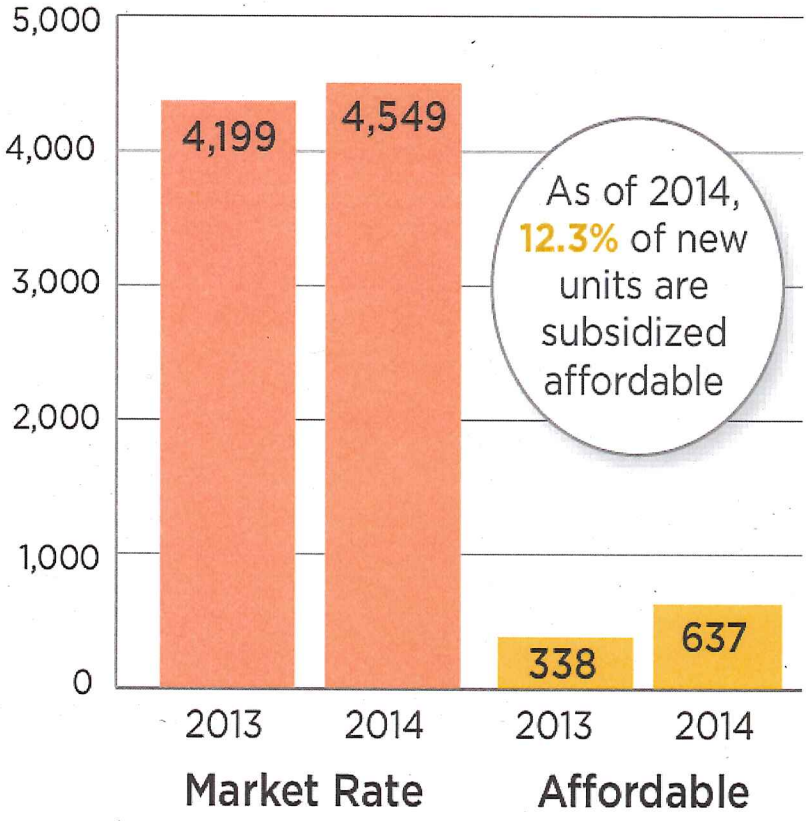


Objective 1: Invest in the production and preservation of long-term affordable housing

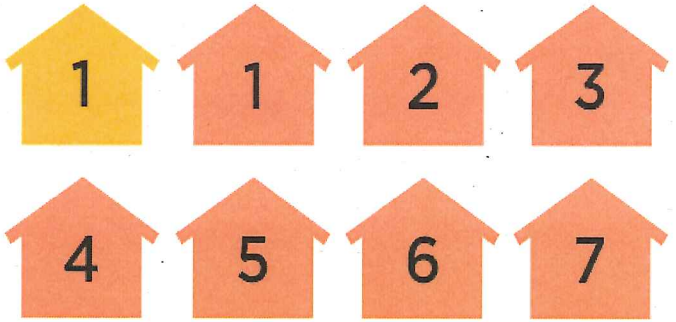
New and preserved affordable units by sub area:



Objective 1: How does new affordable activity compare to new market rate development?*

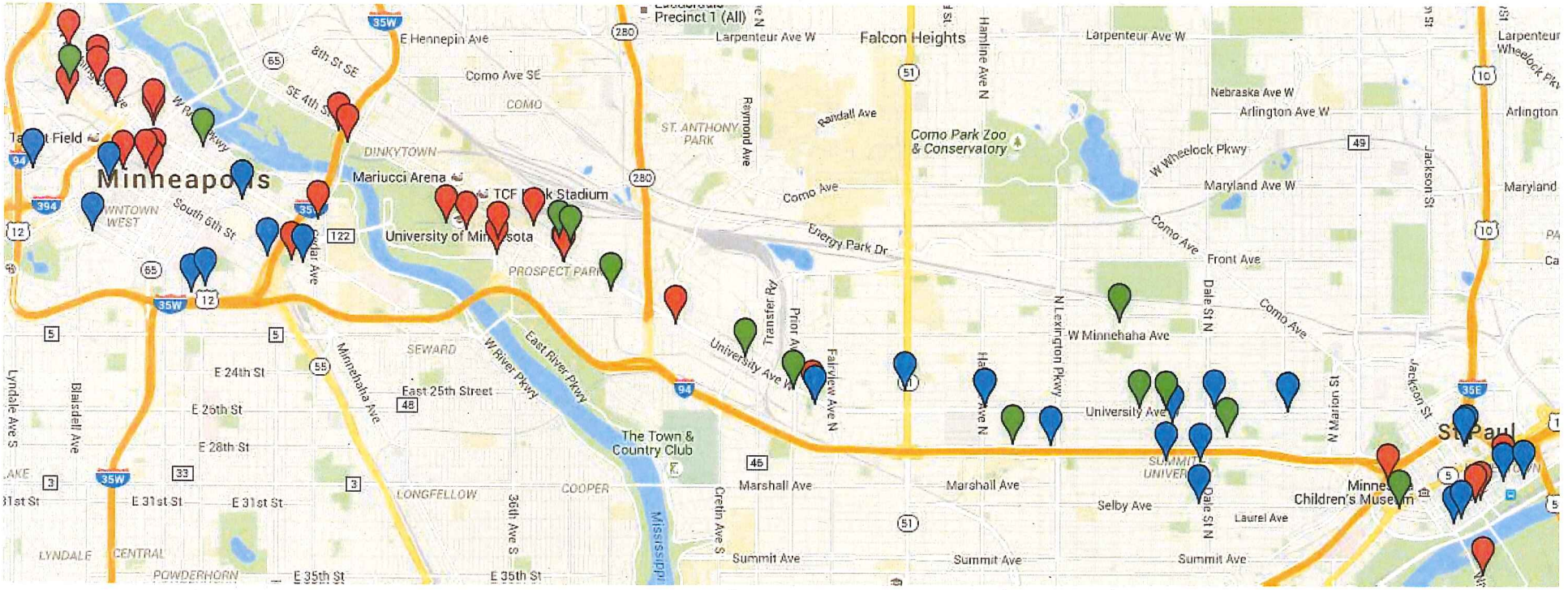


For every **1** subsized affordable unit added to the Corridor housing stock **7** market rate units were added.



*Does not include preserved affordable units.
Long-term affordability at 60% AMI.

Market rate and affordable housing projects: 2011-2014
with planned affordable housing pipeline



Red = market rate 2011-2014

Blue = affordable 2011-2014

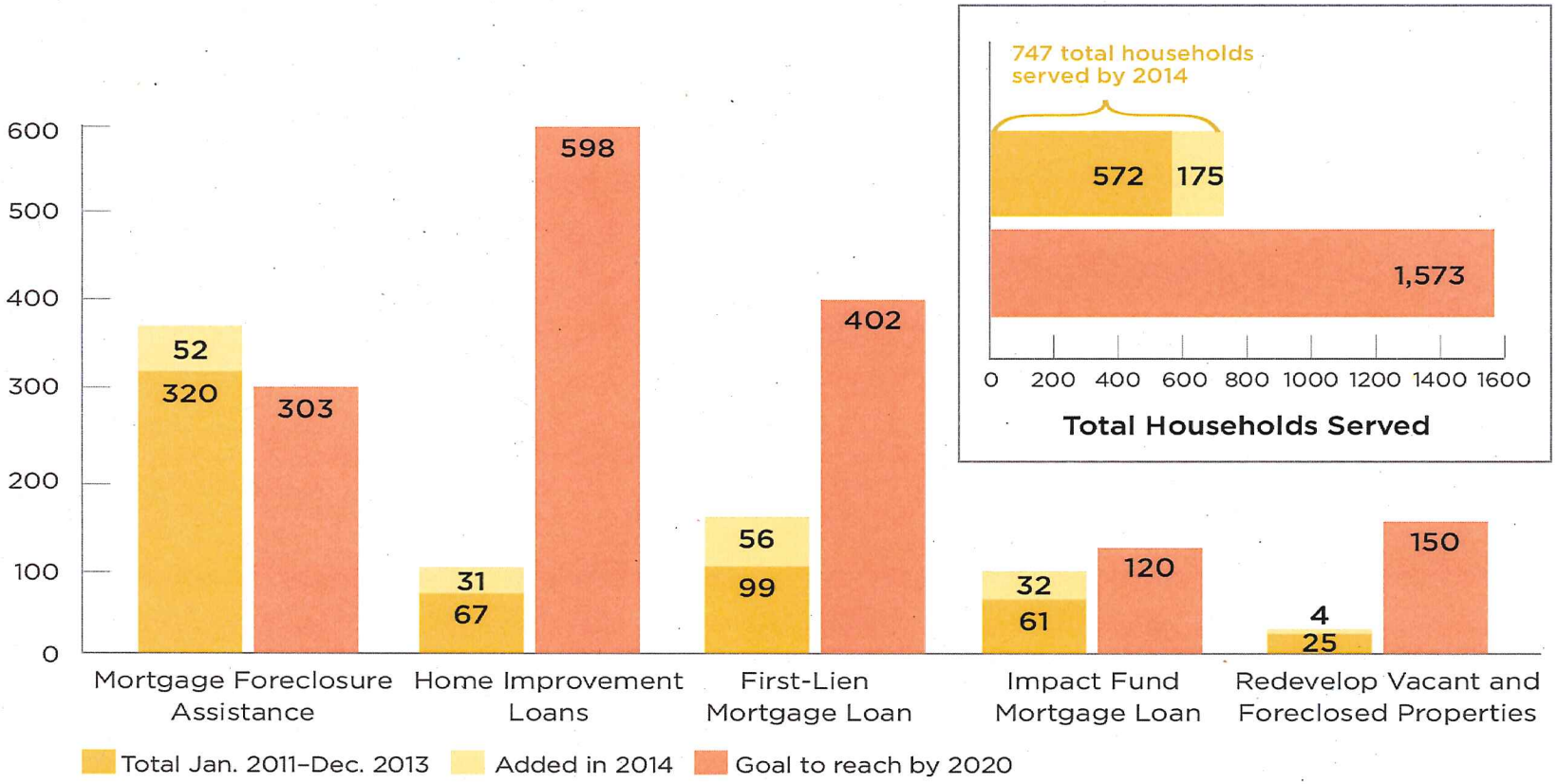
Green = affordable pipeline

Central Corridor Affordable Housing Coordinated Plan

Objective II: Stabilize the neighborhood and invest in activities that help low-income people stay in their homes.

1. Mortgage foreclosure prevention
2. Home improvement loans / energy efficiency and weatherization programs
3. Reuse of vacant and foreclosed properties

Objective 2: Stabilize the neighborhood and invest in activities that help people stay in their home.

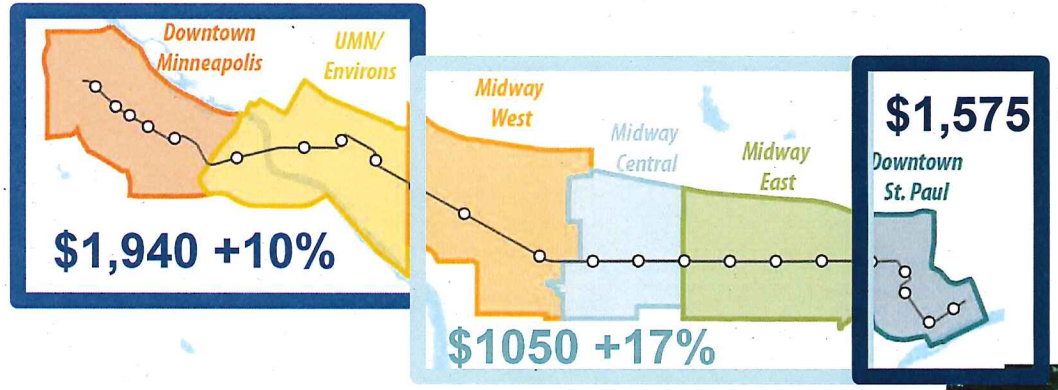


Reached!

Context measures:
Median rent, median EMV

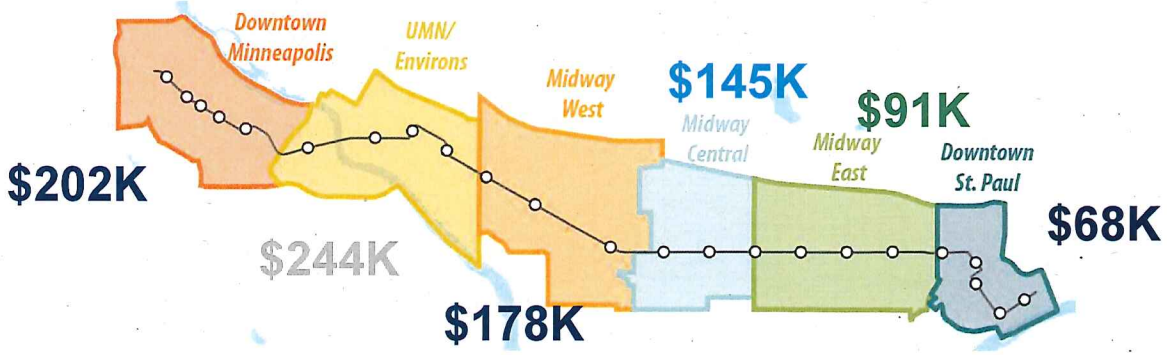
Median rent on the Corridor for listed 2BR: **+39% since Baseline**

Median rent in MSP for listed 2BR: **+13% since Baseline**



Median SF-EMV on the Corridor: **-11% since Baseline**

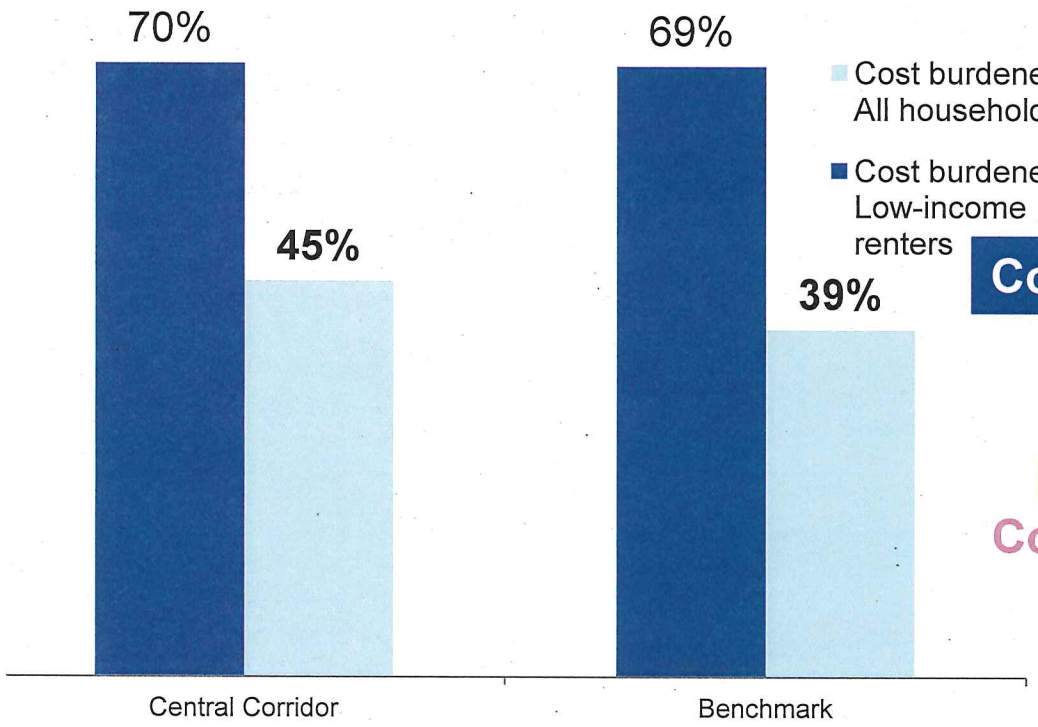
Median SF-EMV in City of St. Paul: **-15% since Baseline**



Context measures:
Cost-burden, income, demographics

Corridor: Residents overall are more likely to be burdened by their housing costs

But…It's hard to be a low-income renter everywhere (under $50,000)

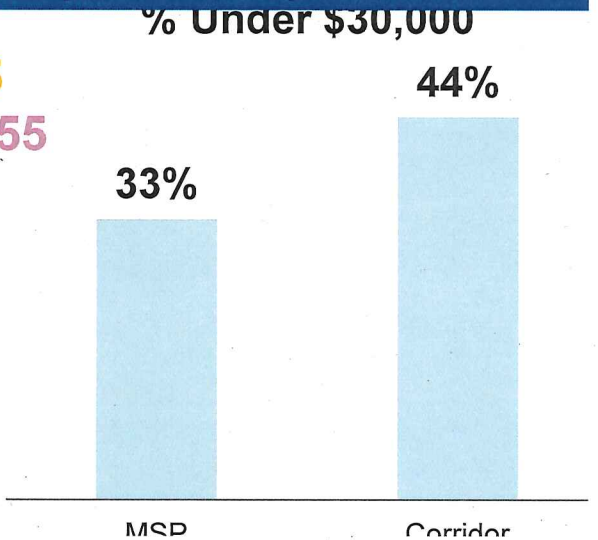


Corridor: Lower median income

more likely to be very low-income

MSP: $48,725

Corridor: $39,955

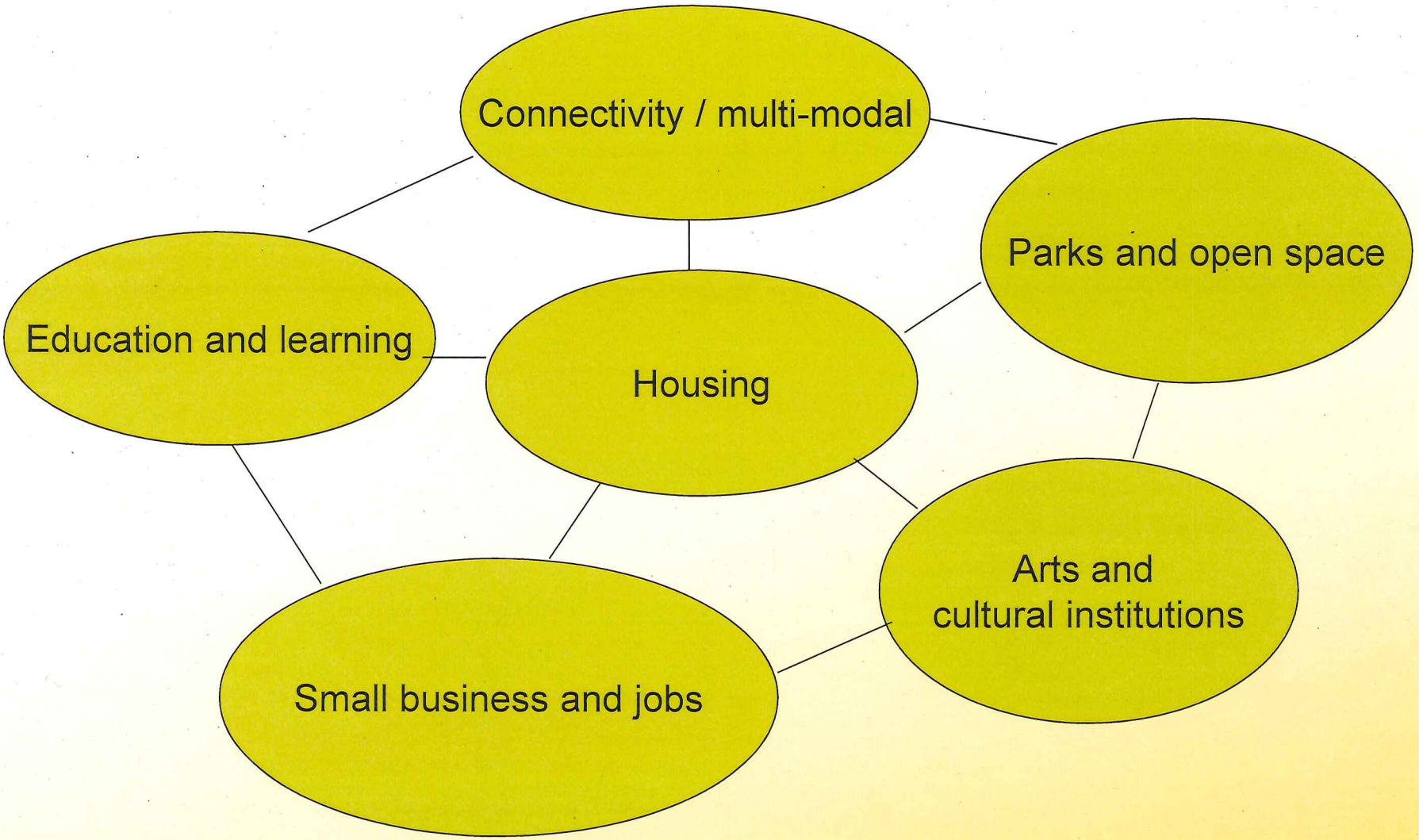


Central Corridor Affordable Housing Coordinated Plan

Objective III: Strengthen families through coordinated investments.

Leverage affordable housing investments with the creation of jobs, small business opportunities, cultural institutions, public art, green space, and connectivity.

Coordinating Investments



Central Corridor Affordable Housing Coordinated Plan

Elements for further study

1. Property tax relief
2. Density bonuses
3. Community engagement and development review processes

TC LISC Accelerator - Project Updates

Hamline Station TOD – Hamline Station
Developer: Project for Pride in Living
Project Concept: redevelop vacant lot into 108 units of affordable workforce/ family housing, 13,000 sq. ft. commercial space and an outdoor plaza.
Estimated Cost: $25.6 million
Primary Financing: 9% LIHTCs (east bldg), 4% LIHTCs/ bonds (west bldg), TIF, Met Council LCDA/TOD, St. Paul HOME, MHFA subsidy gap.
Timing: begin construction fall 2014.
LISC/ Accelerator Support: $225K cap bldg grants (2012-14); $5K feasibility grant; $80K recoverable grant; $570K predev loan; commercial market study; SafeGrowth/ CPTED training; Joint funder/ TA meeting.

Western U Plaza – Western Station
Developer: Aurora St. Anthony NDC & Sand Companies
Project Concept: Combine reuse of historic Old Home Dairy building and new construction to create 60 units of affordable workforce/ family housing and 6,000 sq. ft. commercial space.
Estimated Cost: $16.2 million
Primary Financing: 9% LIHTCs, Historic Tax Credits, Met Council TOD, St. Paul HOME.
Timing: began construction fall 2014.
LISC/ Accelerator Support: $680K CoO Predevelopment Loan & $600K Bridge Loan. $120K cap bldg grants (2012-14); $35.5K feasibility grants; $50K recoverable grant, $680K predev loan; commercial market study; SafeGrowth/ CPTED training; Joint funder/ TA meeting, $100K commercial build out grant.

BROWNstone – Victoria Station
Developer: Model Cities
Project Concept: 70 units of affordable workforce housing, 20,000 sq. ft. of commercial space, a pocket park and rooftop terrace, on two scattered sites.
Estimated Cost: $13.6 million
Primary Financing: 4% LIHTCs/ bonds, TIF, Met Council LCDA/TOD, OCS, St. Paul HOME, MHFA subsidy gap.
Timing: to begin construction in 2015.
LISC/ Accelerator Support: $160K cap bldg grants (2012-14); $7.5K feasibility grant; $50K recoverable grant; commercial market study; SafeGrowth/ CPTED training; Joint funder/ TA meeting, $200K commercial build out grant.

10-28-14

What's Next:

- **Track progress**
- **Implement enhanced approach strategies**
- **Neighborhood / Community planning to inform housing types needed**
- **Maintain BP Project Team to assist implementation oversight and monitoring**
- **Coordinate with other corridor efforts** (e.g. jobs, small business support, arts, connectivity, investment framework, etc.)

For further information about the Big Picture Project, contact:

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Or visit:

www.funderscollaborative.org/partners/affordable-housing-group/resources