

## 2020 Neighborhood STAR Program

Recommended Guideline Changes (replace stricken language with underlined language):

### 1) Clarify eligible STAR activities:

#### Overview of the Saint Paul STAR Program

~~What types of activities are eligible? Eligible activities are permanently affixed, physical (bricks and mortar) enhancements which strengthen and/or improve the neighborhoods of Saint Paul. Improvements may include commercial and housing rehabilitation, parks, streetscape projects, and economic development activities. STAR-funded capital improvements should have an expected life of seven or more years, and not be deferred maintenance activities~~

Eligible activities are permanently affixed, physical (“bricks and mortar”) enhancements which strengthen and/or improve the neighborhoods of Saint Paul. STAR funded capital improvements may include commercial and housing economic development activities with an expected life of seven or more years.

### 2) To broaden the scope on general expectations:

#### PART 1 – Program Description

##### General Policies and Expectations

~~STAR proposals must be capital (bricks and mortar) improvement projects or programs and located within the Saint Paul city limits.~~

~~To maximize the use of STAR funds, loan requests over \$50,000 and every STAR grant dollar needs to be matched on a minimum dollar for dollar basis with non-city resources.~~

~~STAR initiatives should help to maintain or increase the tax base.~~

~~Proposed activities should be part of an approved plan or initiative, and focus on unmet needs~~

~~STAR projects should be the result of collaboration and/or partnership with appropriate stakeholders.~~

~~Proposals should address needs that affect more than one neighborhood when appropriate, and may include participation by the private lending community.~~

~~Projects and programs financed with STAR funds are expected to be used for their funded purpose for seven (7) or more years. If for any reason the STAR-funded initiative is discontinued or property sold prior to seven years, the STAR award may be required to be returned to the city.~~

~~Over time, STAR projects and resources should strive for geographic and financial equity across all city neighborhoods.~~

STAR proposals must be for capital improvement projects or programs and located within the Saint Paul city limits. Projects and programs financed with STAR funds are expected to be used for their funded purpose for seven (7) or more years. If for any reason the STAR-funded initiative is discontinued or property sold prior to seven years, the STAR award may be required to be returned to the city.

To maximize the use of STAR funds, loan requests over \$50,000 and every STAR grant dollar needs to be matched on a minimum dollar for dollar basis with non-city resources.

STAR projects should encourage a public purpose by: maintaining or increasing the tax base; creating and/or retaining jobs; building wealth within neighborhoods; celebrating and/or strengthening the city's cultural diversity; advancing climate-action, sustainability, and/or resilience goals as put forth in the Saint Paul Climate Action and Resilience Plan.

Proposed activities should be consistent with any approved neighborhood plans or initiatives.

Over time, STAR projects and resources should strive for geographic and financial equity across all city neighborhoods.

*3) To clarify eligibility of creative placemaking/placekeeping capital activities:*

## **PART 2 – Eligibility**

### **Eligible Activities**

~~Beautification of public or private open space, including trees and shrubs, benches, play equipment, and lighting~~

Beautification of public or private open space, including trees and shrubs, rain gardens, benches, play equipment, bicycle parking, and lighting. Creative placemaking / placekeeping capital improvement activities, including public art and creative public infrastructure improvements, especially those located in a Cultural Destination Area.

*4) To include Saint Paul Climate Action and Resilience Plan language:*

## **PART 4 – Evaluation and Selection Process**

Include the following underlined language:

**Proposals may receive more favorable consideration during the selection process if:**

The proposal advances climate-action, sustainability, and/or sustainability resilience goals as put forth in the Saint Paul Climate Action and Resilience Plan;

*5) To establish STAR loan standards:*

## **PART 7 – Loan Standards**

~~The goal of the STAR loan program is for loans to earn a reasonable rate of return. Standard interest bearing loans as well as a fee-based alternative financing structure are available. Applicants will propose a rate, term and structure that best suits their needs. All loan requests will be analyzed by city staff for credit worthiness and may be modified. The city's credit analysis is forwarded to the Neighborhood STAR Board.~~

Standard STAR loan terms are as follows:

- STAR loans will have an eight-year term. There will be no interest accrued nor payments due for the first year after the loan is executed. STAR loans will be amortized over a seven-year period beginning one year after the loan is executed.
- STAR loans will have an interest rate of 3%.
- Applicants seeking terms different from the standard STAR loan terms will have to provide appropriate documentation to demonstrate financial need.

- A fee-based alternative financing structure is available upon request.
- All borrowers will be asked to provide collateral, including mortgage, security agreement, and/or personal guaranty as appropriate.

All loan requests will be analyzed by city staff for credit worthiness and may be modified

#### 6) *Add new definitions:*

### **APPENDIX: ACRONYMS AND DEFINITIONS**

Add the following definitions (underlined):

- **Creative Placemaking** – An economic development approach using arts and culture inspired by public, private, nonprofit, and community partners to shape the physical and social character of a place to spur further economic investment, encourage social change, and improve the built environment.
- **Creative Placekeeping** – An economic development strategy that supports a community's ability to maintain a place and its social fabric through active care via arts, culture, and other creative and economic mechanisms. This strategy doesn't solely focus on shaping and changing physical and social spaces but preserving and keeping the cultural memories associated with the locale in the area.
- **Cultural Diversity** – The existence of a variety of cultural or ethnic groups within a society, in this case the City of Saint Paul.