Saint Paul
Inspiring Communities Program

UPDATE PRESENTATION TO HOUSING AND REDEVELOPMENT AUTHORITY

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JOE MUSOLF

DEPARTMENT OF PLANNING AND ECONOMIC DEVELOPMENT

Inspiring Communities Overview

- Background on HRA Redevelopment Activity

- Launch of Inspiring Communities Program

- Accomplishments to-date

- Where we're headed

Invest Saint Paul Goals

- Create partnerships among banks, the HRA, CDCs, District Councils, and neighborhood residents

- Bring together resources, time, talent, and funding in neighborhoods poised to prosper after a prolonged period of disinvestment

- Reduce vacant houses

- Rehabilitate or address housing units thereby strengthening the housing stock

- Work to grow new, stabilized and/or expand existing businesses

- Develop major gateways and nodes that will grow jobs and provide opportunity for new types of improvements

- Improve the stability and quality of life in the neighborhoods

- Grow stable and racially and economically diverse neighborhoods, with well-maintained owner-occupied and rental housing

- Build on the strengths of St. Paul's neighborhoods, by insuring that neighborhoods remain strong, and strengthening those where confidence is clearly declining
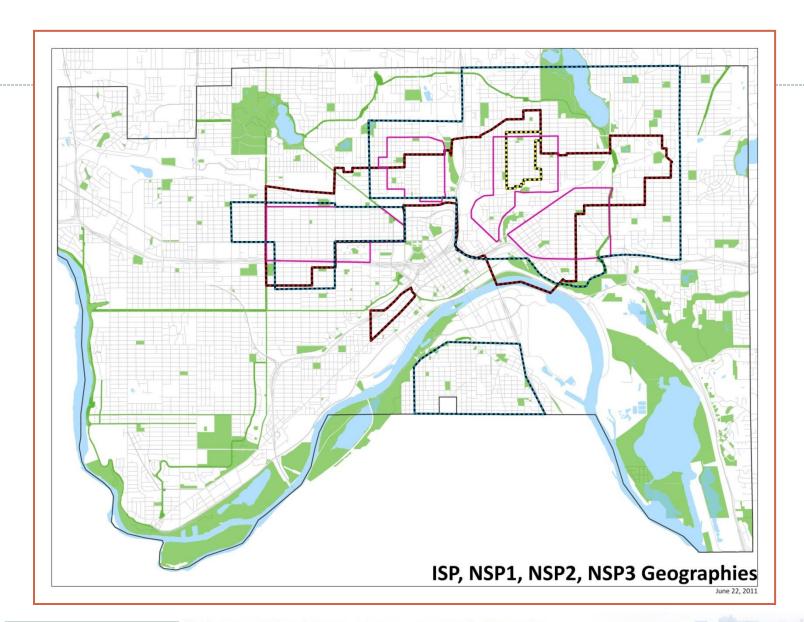
Invest Saint Paul Workplan

- Strategic Acquisition

- Rehabilitation

- Mortgage Financing / Incentives

- Neighborhood Commercial Corridors

- Development Projects

- Organizational Support & Community Outreach

- Regulatory Services

Neighborhood Stabilization Program

- *"emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties"*

- Acquire "eligible" properties
    - Rehabilitate
    - Demolish, land bank, redevelop

ISP, NSP1, NSP2, NSP3 Geographies

June 22, 2011

SAINT PAUL

SAINTPAULMINNESOTA The most livable city in America.

Inspiring Communities Overview

- Spring 2013

- Invest Saint Paul (ISP) and Neighborhood Stabilization Program (NSP) legacy and momentum

- 310 acquisitions to-date; 70 of which were addressed

- 240 HRA-owned properties

Inspiring Communities Goals

- Stimulate market to "preserve, grow & sustain" neighborhoods
- Use inventory as a catalyst for neighborhood transformation
- Create programs that leverage investment in weak and/or borderline markets
- Meet our legal obligations and reduce holding costs
- Standardize the HRA's disposition policy with clearly understood procedures and application process

Inspiring Communities Overview

Property Classification	# of Parcels	Timeline	Budget implications	Priority Rationale
Cluster Area Properties	70 Parcels	RFPs in fall of 2013 and 2014	Matching funds will be sought to leverage with HRA investment in cluster areas	Highest staff priority: potential to leverage funds and maximize neighborhood impact
Splinter Parcels	54 Parcels	Developing infrastructure currently, implement aggressively in 2013	Holding costs budgeted: revenue generated expected to off-set holding costs	Second Priority: Properties are likely to sell easily and are "low hanging fruit" for reducing inventory
Non-Cluster Obligations	60 Parcels	2 rounds of RFPs in spring of 2014 and 2015 to address buildings; hold lots until 2016-18	HRA likely only funder for subsidy due to inability to demonstrate impact/neighborhood change	Third Priority: Cost is higher and neighborhood impact is lower
Lots to Sell	56 Parcels	Pilot Summer 2013, develop policies, procedures, and program infrastructure in fall, implement in 2014	Holding costs in 2013 budgeted: revenue generated expected to off-set holding costs in 2014-15	Fourth Priority: Development of infrastructure to facilitate lot sale needed prior to implementation

Inspiring Communities Overview

- Rebrand

- 5 year plan July 2013 – July 2018
- $12,850,000 projected need

Inspiring Communities Funding

	$12,850,000	
July 2013	$6,070,000	HRA Board Action

Inspiring Communities Funding

	$12,850,000	
July 2013	$6,070,000	HRA Board Action
July 2013	$235,000	DEED
Dec 2013	$840,000	MHFA (2014 CHIF)
Dec 2013	$200,000	Met Council (2014 LHIA)
July 2014	$425,000	CIB (2014 CDBG)
July 2014	$760,000	PED (2013, 2014 CDBG)
Dec 2014	$560,000	MHFA (2015 CHIF)
Dec 2014	$160,000	Met Council (2015 LHIA)
July 2015	$425,000	CIB (2015 CDBG)

Inspiring Communities Accomplishments

- $9,675,000 funded of $12,850,000
- 18 months of 5-year plan
- 134 of 240 properties addressed
- 90 subsidized
- 21 no subsidy
- 23 splinter sales

Inspiring Communities Impacts

- Residential sale prices no longer declining; increasing in most areas
- Exceptional decrease in the foreclosure rate for target areas; demonstrated relationship between Inspiring Communities investments and improvements in the foreclosure rate.
- Exceptional decrease in instances of vacant buildings for target areas; demonstrated relationship between Inspiring Communities
- Investments and a decrease in the number of vacant buildings.
- Increase in non-distressed home sales for 3 out of 4 target areas
- Stabilization of mean assessed values for residential real estate 34% overall loss 2007 to 2012 (7% loss per year)
- Only 2% loss 2012 to 2013
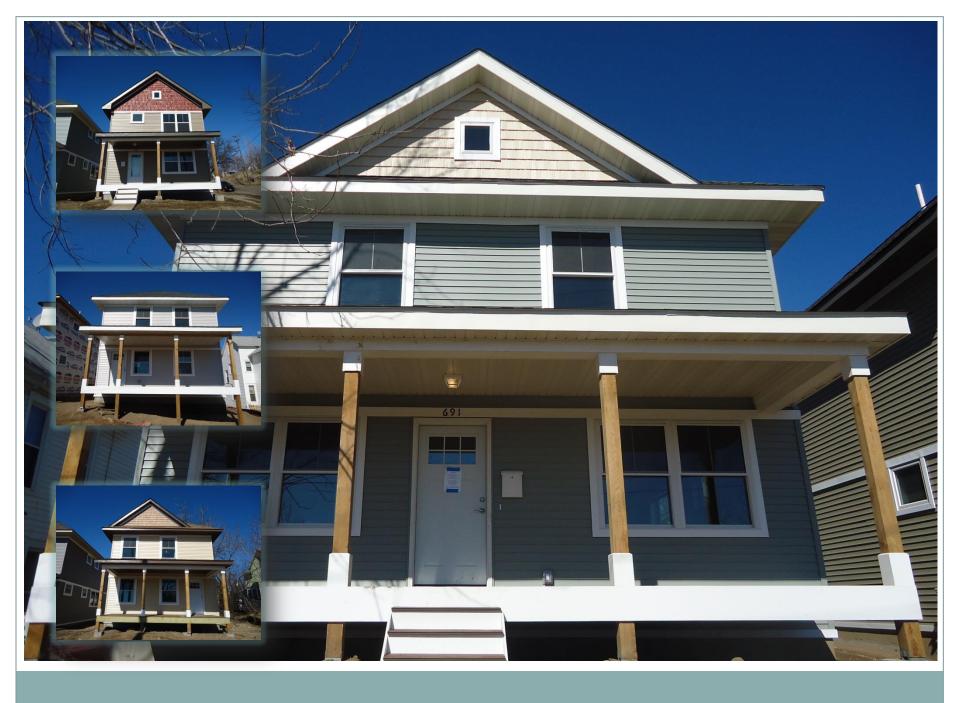- Only 1% loss 2012 to 2013 for target areas

Demographic Data

	OWNERSHIP			RENTAL	
	IC Homes	**Saint Paul**		**IC Homes**	**Saint Paul**
Average Income	**$52,166**			**$21,545**	
Female Head of Household	**35%**	36%		**81%**	64%
Average Household Size	**3.1**	2.65		**4**	2.33
Area Median Income		$75,488			$29,935
< 30%	**2%**			**15%**	
30-50%	**34%**			**83%**	
50-80%	**15%**			**-**	
80-120%	**48%**			**-**	
Race					
Black/African American	**31%**	20%		**60%**	80%
Asian	**14%**	38%		**17%**	62%
Native Hawaiian/Pacific Islander	**2%**	25%		**-**	75%
American Indian/Alaskan Native	**2%**	30%		**2%**	70%
White/Caucasian	**51%**	61%		**21%**	39%
Other	**-**	30%		**-**	70%
Unknown	**2%**	-		**-**	-
Hispanic	**9%**	33%		**2%**	67%
Previous Renter	**82%**	-		**-**	-
Previous St. Paul Resident	**60%**	-		**-**	-

Inspiring Communities Funding

	$12,850,000	
Funding to-date	$9,675,000	
July 2016	$500,000	CIB (2016 CDBG) requested
July 2017	$500,000	CIB (2017 CDBG) requested
Future fundraise	$2,175,000	

Dayton's Bluff

Dayton's Bluff

West Side

Frogtown

Frogtown

Dayton's Bluff

Payne-Phalen

Dayton's Bluff

Summit-University

Summit-University

Little Bohemia

Saint Paul, Minnesota, United States

Little Bohemia

Payne-Phalen

Payne-Phalen

Railroad Island