



LIVING CITIES

Fall 2022

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January 18, 2023

Jaime Tincher
Deputy Mayor
City of Saint Paul Office of Financial Empowerment
15 West Kellogg Boulevard
700 City Hall
Saint Paul, MN 55102

Re: Grant No. 23-6040- G-1128

Dear Deputy Mayor Tincher:

I am pleased to inform you that Living Cities has awarded **The City of Saint Paul – Office of Financial Empowerment** (“the Grantee”) a grant of **One Hundred Fifty Thousand Two Hundred and One Dollars (\$150,201.00)** (the “Grant”) to support the implementation of strategies detailed in your workplan to shift policies, processes, and programs to pave the way to entrepreneurship for BIPOC people enabling a path towards building wealth.

The terms of this grant agreement are outlined below. Your signature at the end of this agreement indicates that you, as an authorized agent of your organization, have read, understood and agreed to these terms.

Grant Agreement

- (1) Use of Grant:** The Grant is to be used only for the purposes outlined in your **workplan** dated **October 12, 2022**. Specifically, the funds are to be used to implement the goals and objectives, attached herein as Schedule A.
- (2) Grant Period:** The grant period will begin on **December 1, 2022**, and end on **July 31, 2024**. Any funds not used by the end of the grant period toward the purposes of this grant will be returned to Living Cities within 45 days after the end of the grant period.
- (3) Payment of Grant:** The Grant will be paid out in two (2) **installments** upon completion of conditions stated in Section (4.). Living Cities’ ability to pay out this grant is dependent on the timely receipt of grant funding from institutional grantors. In the event that Living Cities has not received sufficient or timely funding from these grantors, Living Cities may elect to postpone, reduce or eliminate this award prior to disbursement.
- (4) Conditions to Disbursement(s) of Grant:** The Grant will be disbursed to the Grantee, upon the fulfillment of the following conditions:
 - (a) One Hundred Thousand Dollars (\$100,000.00)** upon execution by Living Cities of a signed copy of this agreement, including Schedule C: Grantee Questionnaire. By signing this agreement, you also agree to the requirements of participation set forth in paragraph five (5) below.
 - (b) Fifty Thousand Two Hundred and One Dollars (\$50,201.00)** upon receipt and approval of a mid-grant progress report due on or around June 30, 2023, as set forth in 7(c) below.

- (5) **Requirements for Participation:**
- (a) Participation in the **Closing the Gaps Cohort** learning activities, such as cohort calls and convenings with the cohort lead **LaKeeshia Fox** and other Living Cities' team members (virtual or in-person).
 - (b) Participation, by the city's core team members in the People's Institute for Survival and Beyond's **Undoing Racism™** workshops organized by Living Cities to build collective anti-racist analysis and practice.
 - (c) Support Living Cities in storytelling of the city's **racial equity** and **entrepreneurship** journey; and
 - (d) Continued work and attempts to shift policies, practices, and programs for anti-racist governing as stated in your workplan.
- (6) **Legal and Tax Requirements:** Grantee represents and warrants to Living Cities that:
- (a) Grantee is an organization in good standing, is either a governmental unit or an organization described in Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and is not a private foundation within the meaning of Section 509(a) of the Code. Grantee will notify Living Cities immediately of any change in its tax status.
 - (b) Grant funds may be expended only for charitable, educational, literary or scientific purposes as specified in Section 170(c)(2)(B) of the Code.
 - (c) No part of the grant can inure to the benefit of any private person or entity in violation of Section 501(c)(3) and 4941 of the Code, including but not limited to any Foundation trustee, officer, employee, or his/her spouse, children, grandchildren, and great grandchildren or their respective spouses for any purpose.
- (7) **Conditions and Other Requirements:** During the term of this grant, the Grantee is expected to adhere to the conditions below. Failure to adhere to these conditions will constitute an act of default and result in the return of part or all of the grant funds to Living Cities. In such a case, but only after a 30-day notice of breach of conditions of the agreement and an opportunity to cure, Living Cities will determine in its sole and absolute discretion the percentage of the grant to be returned. Cessation or reclamation of grant funding by Living Cities may also result in your organization's elimination from consideration for future grant awards.

During the grant term and beyond as applicable, the Grantee under this agreement agree to the following:

- (a) **Adhere to the uses of the grant summarized in Section (1).** This grant is made only for the purposes stated in this letter and in the proposal the Grantee has submitted. Any grant funds not expended or committed for these purposes within the grant period will be returned to Living Cities. Any prospective changes in the use of this grant totaling over five percent of the total grant amount must be submitted in writing to and approved by Living Cities.

In addition, the Grantee is expected to meet the milestones stated in the workplan within the timeframe specified therein. Any material changes in the Grantee's milestones or timeline should be reported to Living Cities at the earliest reasonable opportunity. Living Cities will decide in its sole and absolute discretion whether any delays in meeting milestones constitute a violation of the grant terms and conditions.

- (b) **Maintain its tax-exempt status and all authorizations, filings, exemptions, etc. required to perform its duties within and outside this agreement.** The Grantee also agrees to immediately provide any correspondence from the IRS or other related agencies regarding the above.
- (c) **Cooperate in the monitoring and evaluation of its work.** Given Living Cities' learning goals, Living Cities expects its grantee, to cooperate in timely and accurate reporting of program process, outputs, and outcomes. A progress report must be submitted by **June 30, 2023**.

[Information in the progress report(s) should include but will not necessarily be limited to:

- (i.) Progress in achieving outcomes as outlined in Schedule A;
- (ii.) Expenditures against project budget as outlined in Schedule B;
- (iii.) Resources leveraged against Living Cities' funds;
- (iv.) Challenges encountered; and
- (v.) Any material operational or strategic shifts.]

Living Cities and its institutional grantors reserve the right to use and publish any information furnished by the Grantee, provided that Living Cities give appropriate credit to you as the provider of this information.

In addition to progress report outlined above, Living Cities expects to use the following means to track outcomes:

- (i.) Site visits: **At least one** visit will be conducted during the course of the grant period. These visit(s) will be used not only to facilitate monitoring of project progress, but also to support other project purposes. Living Cities may also use these site visits to facilitate the education and cross-fertilization of ideas across its own partners and member organizations.

We encourage our grantees to use any site visits to their full advantage, leveraging our involvement and engagement for such purposes as convening key stakeholders and enhancing fundraising efforts. In this spirit, we remain open to creative and broader uses of these mechanisms.

- (ii.) End-of-grant-period report: This report must be submitted to Living Cities no more than 45 days after the end of the grant period. It will include: (1) a narrative account of what was accomplished by the expenditure of funds, including progress made towards achieving the goals of the grant; and (2) a financial accounting, which includes a statement by the responsible financial officer of the Grantee certifying the accuracy of the report. Guidelines for the mid-year and end-of-grant-period report will be sent to the Grantee at least sixty (60) days prior to report date.

Living Cities reserves the right to audit Grantee's financial and other records to ensure the proper utilization of its grant funds. During and at least three years following the end of the grant term, the Grantee will be expected to maintain records showing, separately from other accounts kept in its books and records, the receipt and expenditure of Living Cities grant funds.

(d) Adhere to the following prohibitions on the use of the Grant. Under no circumstances the Grantee or any other organization receiving Living Cities' grant funds use these funds directly or indirectly for the following purposes or activities:

- (i.) Make a grant to any individual for travel, study or other similar purpose, as described in Section 4945(d)(3) of the Code;
- (ii.) Promote or engage in violence, terrorism, bigotry, or the destruction of any state, nor will it make sub-grants to any entity that engages in these activities;
- (iii.) Influence the outcome of any specific public election, participate in or intervene in, including by the publishing or distribution of any statements, any political campaign on behalf of or in opposition to any candidate for public office;
- (iv.) Influence legislation, including by the publishing or distribution of any statements, or any campaign in support of or opposition to pending legislation; and
- (v.) Any other purposes outside your proposal without express written permission from Living Cities.

- (e) **Represent faithfully and coordinate with Living Cities in reports and communications.** Living Cities hopes and anticipates that the Grantee will leverage recognition by Living Cities in your communications and public relations. In doing so, Living Cities expects the Grantee to represent Living Cities fairly and faithfully in all reports, press releases, speeches and other media. All materials describing the Grantee's efforts, particularly those that mention Living Cities, should be sent to Living Cities prior to publication. Whenever possible, major communications plans should be coordinated with Living Cities in advance. Copies of any reports, evaluations or other communications supported by Living Cities' grant funds should be sent prior to publication to:

Name: LaKeeshia Fox, Associate Director of Strategy
Email: lfox@livingcities.org
Phone: (646) 442-2212

Conversely, receipt of this grant provides Living Cities license to disseminate any products, outcomes, or other information related to the Grantee's efforts in any media of its choosing. Whenever feasible, Living Cities will share these materials with the Grantee prior to publication. The Grantee and its sub-grantees will be expected to cooperate in any public education or outreach effort undertaken in connection with this grant, which may include efforts to attract additional resources to the Grantee or others doing similar work.

- (8) **Notice:** Any notice under this Agreement shall be in writing and shall be deemed delivered upon Grantees receipt of notice at the address or facsimile hereunder. Living Cities' Principal Contact regarding this grant will be:

Name: Santiago Carrillo, Assistant Director, Business Starts & Growth
Email: scarrillo@livingcities.org
Phone: (646) 442-5854

For inquiries on Grant Administration notify:

Name: Joan F. Springs, Assistant Director, Development
Email: jsprings@livingcities.org
Phone: (646) 442-2231

For inquiries on payment & invoices, in addition to the principal contact, notify:

Email: accounting@livingcities.org

- (9) **No Right of Assignment or Delegation:** The Grantee may not assign or otherwise transfer its rights, or delegate any of its obligations, under this agreement.
- (10) **Compliance with Anti-Discrimination Rules:** In its use of grant funds provided by Living Cities, and in the course of all development, marketing and operation activities, the Grantee shall fully comply with all applicable federal, state, local (and any other governmental), anti-discrimination laws, executive orders, rules and regulations.
- (11) **Governing Law:** This Grant Agreement is governed by, and will be construed in accordance with, the laws of the State of New York.
- (12) **Amendment of Term of Grant:** Living Cities shall consider but is not obligated to agree to requests by the Grantee to make modifications to the terms of the Grant. Amendments to the Grant shall be made only after (i) Living Cities' Assistant Director, Development has received a written request from the Grantee stating the nature of the amendment requested, and (ii) an authorized officer of Living Cities has executed a written agreement describing the terms of the amendment.



(13) Countersignature Required. If this agreement correctly sets forth your organization's understanding of the terms and conditions of the grant, please sign and date in the space provided below, complete/attach Schedule A: Workplan, Schedule B: Project Budget and Schedule C: Grantee Questionnaire and return to Joan Springs, Administrator of the Grant at jsprings@livingcities.org.

If a signed Grant Agreement is not received within 45 days from the date of this letter, this Grant is subject to cancellation by Living Cities.

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Congratulations on receiving this award.

John McCarthy
Director
City of Saint Paul
Office of Financial Services

Date: _____

Muneer Karcher-Ramos
Director
City of Saint Paul
Office of Financial Empowerment

Date: _____

David Gorski
Assistant City Attorney
City of Saint Paul
City Attorney's Office

Date: _____

Joe Scantlebury
President and CEO
Living Cities, Inc.: The National
Community Development Initiative

Date: _____

Jaime Tincher
Deputy Mayor
City of Saint Paul
Office of Financial Empowerment

Date: _____

SCHEDULE A: WORK PLAN & SCHEDULE B: BUDGET



CITY OF SAINT PAUL

Closing The Gap Network
Work Plan Submittal



A CTG Network Initiative
 **Living
Cities**



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Date: 10.12.2022

**Fr: City of Saint Paul
15 W Kellogg Blvd
St Paul, MN 55102**

**To: Living Cities
1040 6th Ave
New York, NY 10018**

Re: Year of Reckoning | CTG Network Work Plan Submittal

Dear Colleagues,

The City of Saint Paul is thrilled to submit this work plan to advance equity in BIPOC homeownership and Business Starts and Growth. Mayor Carter often operationalizes equity as residents' stake in 1) ownership, 2) decision-making, and 3) the economy. We believe there is no better strategy to breathe life into this operational definition of equity than the homeownership initiatives and worker and community ownership initiative outlined within this work plan.

The City of Saint Paul is committed to strengthening BIPOC homeownership opportunities and building out a worker and community ownership ecosystem that ensures BIPOC workers and community members thrive – both boosting BIPOC residents' incomes while building community wealth that becomes anchored in our city.

Our work plan outlines the foundational work that the city will embark on in its generational journey to become a city known for growing a new class of BIPOC homeowners, worker-owners and community-owners.

Sincerely,

Muneer Karcher-Ramos, Director
Office of Financial Empowerment
City of Saint Paul

1. Executive Summary

While the Twin Cities have grown and maintained as a headquarters for billion-dollar companies across industries, BIPOC communities have been systemically excluded from wealth-building opportunities and, in some cases, have had their wealth destroyed, like in the case of the destruction of the Rondo community. The impact of this history has contributed to Saint Paul having the starkest racial inequities in the United States across all areas of quality of life.

BIPOC communities in Saint Paul face both underinvestment, which drives home values down, and an appraisal gap – where comparable homes are priced lower just because they are in majority black neighborhoods. Both dynamics constrain the wealth-building potential of homeownership for BIPOC homeowners. A report by Brookings notes that nationally, homes in neighborhoods where at least 50% of the population is Black are valued at roughly half the price as homes in neighborhoods with no Black residents.

Given the historical context of Rondo and the current devaluation of assets in Black neighborhoods, Mayor Carter proposed a \$2M initiative in his 2023 budget called Inheritance Fund. The program allows up to \$110,000 entirely forgivable loans that can be used for renovations and down payment assistance for any old Rondo descendant. Our proposed initiative links to and leverages the mayor's plan by building community relationships necessary to reach the BIPOC communities across the city that can benefit from the Inheritance Fund. Our plan also leverages existing financial education and technical assistance resources for home buyers' financial readiness.

Our proposal integrates the principles of cooperative ownership across housing and business starts and growth. On the BSG front, we would hire a program manager who would play the role of Cooperative Ecosystem Builder. There is an opportunity to strengthen further collaboration and coordination for housing coops and worker and community-owned coops. The city of Saint Paul will share lessons learned and leverage shared resources in monitoring and evaluating the performance of our pilot.

If we are fortunate enough to receive \$167K for Housing and \$100K for Business Starts and Growth, Saint Paul will be able to accelerate our advocacy for BIPOC community members and businesses. Further, the Living Cities funding will allow us to attract other philanthropic funding to supplement the cost of new hires and access to subject matter expertise.

2. The Team

The City of Saint Paul proudly presents its team for the Closing the Gap Network. As a part of the Year of Reckoning Cohort, we have been inspired by the tireless efforts of those who have joined us in the fight for racial and wealth equity. The individuals listed below represent our champions and inspiring leaders. We may come from different offices, organizations, and journeys in life, but as A. Phillip Randolph, the American labor unionist, and civil rights activist once stated, "Freedom is never given; it is won." This statement couldn't be more true about the resolve of the Saint Paul team.

Core Team

- 1) Muneer Karcher-Ramos | Director
Office of Financial Empowerment, City of Saint Paul
- 2) Maryan Abdi | Project Manager
City of Saint Paul
- 3) Daniel Yang | Senior Policy Advisor
Mayor's Staff, City of Saint Paul
- 4) Kasey Wiedrich | Financial Capability Manager
Office of Financial Empowerment, City of Saint Paul
- 5) David Gorski | Assistant City Attorney
Attorney's Office, City of Saint Paul
- 6) Toni Newborn | Director of Human Resources and Chief Equity Officer
City of Saint Paul, Office of Human Resources

Extended Team

- 1) Repa Mehka | President and CEO
Nexus Community Partners
- 2) Benjamin Tsai | Director of The Worker Ownership Initiative
Nexus Community Partners
- 3) Christina Nicholson | Program Manager
Nexus Community Partners, Worker Owner Initiative

3. The Plan

What opportunities have you identified in the areas of Business Starts & Growth and Homeownership in your city? What is your ten-year vision for HO and BSG in your city? How will you apply racial equity competencies in accomplishing this vision? Consider:

- **How have you engaged the BIPOC community in identifying these?**
- **How did you prioritize what strategies to implement based on this information?**
- **How are the findings from your needs assessment informing your opportunities?**

The work plan presented by the City of Saint Paul is presented for your review as a collective body of work derived from the findings of our internal team, Living Cities, the consultants we've worked with as a part of the Year of Reckoning Cohort, e.g., the Urban Institute, FSG, and Regionerate, as well as the many voices from within our BIPOC community. We will present a combined work plan for Homeownership and Business Starts and Growth (HO/BSG) in corresponding sections, categorized accordingly.

Homeownership (HO)

The FSG needs assessment highlighted seven findings and opportunities for the City of Saint Paul to work on. They included (1) ensuring sustainability and accountability and (2) providing financial education. We will link these two focus areas to our community wealth-building and stabilization strategy for old Rondo Community descendants. The Rondo neighborhood was once the heart of Saint Paul's African American community before being wiped out in the 1950s and 1960s to build Interstate 94. The newly announced \$2M Inheritance Fund offers up to \$100,000 in forgivable loans to help low-income descendants of old Rondo achieve home ownership anywhere in the city and build wealth with their families. An additional \$10,000 is available to buyers who purchase a home in the Rondo community. The funding can be used either for down payments or repairs.

1) Ensuring Sustainability and Accountability

To ensure the success of the recently announced **Inheritance Fund** by Mayor Carter, we will develop a community outreach strategy and communication materials for potential BIPOC homeowners that are descendants of former residents of the once-thriving Rondo neighborhood.

The city will leverage the Living Cities grant dollars to engage with BIPOC communities on the Rondo Plan to build awareness of qualification criteria,

homeownership programs, and where the gaps exist. This information can inform future policy and program decisions.

2) Financial Education

The city would like to work with Rondo descendants interested in taking advantage of the Inheritance Fund but who may not be mortgage ready. By working with existing city programs and partner organizations to offer technical assistance, we will support financial education, credit readiness, and closing gaps for those who qualify as descendants but are not mortgage ready.

Business Starts and Growth (BSG)

The Living Cities Needs Assessment identified two areas of focus within Business Starts & Growth that the City of Saint Paul will develop its plan around:

1) Focus Area 1: BIPOC Worker Ownership

The needs assessment identified that “Co-ops have played a strong role in building community wealth in BIPOC communities throughout history, especially in predominantly Black neighborhoods. According to a study by Project Equity, Co-ops enhance a workers’ wealth by allowing them to ‘build assets through business ownership.’ Local actors echoed this sentiment and expressed the opportunity to expand the number of commercial real estate co-ops.”

The needs assessment “emphasized the need to focus on directing funds to BIPOC-owned/led cooperatives, saying, ‘We see that the White cooperative work is incredibly funded. If the city invests in this work, it brings another level of affirming the work; helps bring in other funders. Even the City of Saint Paul is picking cooperatives that are already happening, not cooperatives that are still figuring things out.’”

2) Focus Area 2: BIPOC-led Commercial Real Estate Investment Cooperatives

The needs assessment also emphasized that “it is important for entrepreneurs to **own the assets** that underlie their business – ‘ownership of the building and making sure that it is legally separate from the business, so regardless of the outcome people can leave with the outcome of an asset that can support their next thing.’ They said that financial assistance is often needed to capitalize the business – ‘Funding the actual equipment, space, operations.’”

Why is an initiative to advance Business Starts & Growth and Homeownership strategies for BIPOC valuable? Consider:

- **Is your work plan meeting a need (see needs assessment)?**
- **What problems does it address?**
- **How did you determine the priority of the strategies identified in your work plan?**

HO Value Proposition

An initiative to advance homeownership strategies for BIPOC communities is valuable because homeownership can have a significant impact on wealth building while creating stability and future economic opportunities for generations to come. Minnesota has one of the highest homeownership rates across the nation and one of the largest racial disparities in homeownership in the country.

In Saint Paul, BIPOC communities continue to suffer from historical practices that made homeownership inaccessible leaving the city with a current gap of 22% Black homeowners and 62% White homeowners. The City of Saint Paul's Department of Planning and Economic Development is committed to community wealth building and part of the fabric of strong communities is having diverse and engaged homeowners.

BSG Value Proposition

The FSG Needs Assessment for Saint Paul identified that *“limited access to financing is the largest barrier that creates and exacerbates racial inequities in business starts & growth. Entrepreneurs' first line of credit is usually their own or their families. Generational wealth has been limited in BIPOC communities in large part due to racial discrimination in homeownership. The result is White entrepreneurs are much more likely to have access to personal and family financing, which in turn increases their likelihood to receive additional business loans. On average, White entrepreneurs in the United States receive 5 times more funding from family than Black entrepreneurs. BIPOC entrepreneurs also face a more liability-burdened path, relying on personal credit cards. This in-turn will increase their debt-to-income ratio making it more difficult to secure a bank loan.”*

A worker-owned small business may be the best and at times the only way for a business to survive or expand. More importantly, employee-owned businesses provide employees and workers with stable incomes and jobs that also offer the opportunity for the workers to build wealth as the business grows. Employee ownership has the potential to bring more people into the middle class and narrow the racial wealth gap. Finally, by facilitating and financing this type of expansion, the program will preserve jobs within the city of Saint Paul.

How will the initiative and its outcomes lead to systemic change? Consider:

- **Will the initiative change the city's process(es), practices, and/or policies?**
- **Is there a stated/proposed impact of the initiative?**
- **What goals have been established for the strategies you have identified in your work plan?**

The Saint Paul work plan can lead to systemic change by building on other "Undoing Racism" practices and funding opportunities to center equity, reduce barriers, and require community engagement and input throughout the execution of the Rondo Inheritance Fund program meant to serve BIPOC communities.

Additionally, our initiative will also call out and identify barriers in our existing programs that may be unfavorable to the very communities we intend to serve. For example, the needs assessment by FSG calls on the City to reevaluate restrictions on the existing down payment assistance program. Ultimately, our goals are to set priorities that speak to the need for systematic change by accomplishing the following:

- 1) **HO** - Establish a new practice of requiring city-sponsored awareness campaigns and financial education services to be attached to city-sponsored programs (Inheritance Fund) designed to remedy historically city-enabled destruction of BIPOC households.
- 2) **BSG** - Create a new Worker-Community Owned Program Manager role in the Office of Financial Empowerment
- 3) **BSG** - Assign that role to organize public, private, and philanthropic capital to support worker-owned businesses, and
- 4) **BSG** - Qualify the role for the City's ongoing general fund appropriation.

What activities should be performed to complete the initiative? Consider:

- **What are your initiative's deliverables? What are your initiative's milestones?**
- **How are you ensuring that historically excluded voices, particularly BIPOC voices, are included in the strategy development and implementation of your plan?**

During the Needs Assessment conducted by FSG, there were a number of voices from within the BIPOC community that were heard and recorded as part of an exercise to better determine whether our work plan is moving towards the direction of where the BIPOC needs of the community are most critical. The following are excerpts from some of these voices:

- 1) *"I had problems with renting my own apartment because I didn't have no rental history and that's probably one of the biggest problems I ever had...Even renting an apartment is now \$1200 or something dollars a month. You've got to make triple or double for it."*
- 2) *"I don't have any support. Rent is not affordable to me. I have recently, just recently, started looking for other places, just to see what's out there. For a two-bedroom, I'm looking at anything like \$1500, \$1600 and up, which ... that's outrageous. Especially, when it's something that you're going to be paying every single month and not owning. That's crazy to me."*
- 3) *"I feel like I used to complain about it so much to where it used to just upset me. I'll be upset all the time. And, now, I don't care. All I want to do is get out. That's it. I'm getting out. That's all I know."*
- 4) *"You'll have companies that say, 'We're all about diversity, We're all about supporting, we're committed to communities of color,' but then when it comes to working with companies, like minority-owned business or BIPOC-owned business, then a lot of paperwork, the process is not easy, very cumbersome, they have to set you up in the system and all that."*
- 5) *"In the end, you can talk about red tape, but so if we elevate the conversation to the concept of prosperity, talking about wealth distribution, there's all these pot of money. The government has a lot of money, companies have all these money to be invested. But the way in which this money flows has to do with relationships, who knows who."*
- 6) *"Some of the biggest ideas in the world when they were presented for the first time, people thought they were the craziest ideas. And that include even Amazon, the second largest company in the world today."*

These are just some of the voices which have expressed their stories and their journey. There are many, many more that could fill this entire work plan. However, from these voices and stories, we have attempted to form our vision and craft our strategies, to best serve their needs.

As it relates to HO/BSG as a combined model, we believe that the inputs from the community further support our view that these two pillars can be coupled for a unified approach to strengthening opportunities for our BIPOC residents to access tools to advance their wealth creation, aggregation, and legacy ambitions.

When is the initiative slated to begin and end? Consider:

- **What are your project's goals, milestones, and deliverables?**
- **Is there enough flexibility in your timeline to adapt for unforeseen circumstances?**

Timeline and Objectives for HO

We have identified project goals, deliverables, and milestones for that will help us determine what work lies ahead of us, that will be used to guide our efforts. If we are approved for the grant by Living Cities, and we are afforded the human resources by city government (and we will), our start and end timeframe for our work plan is reasonable. We believe our objectives can be accomplished within a one-year timeframe.

A possible scenario is laid out in the following table:

Project Goal	Deliverable	Milestone
Build awareness of Inheritance Fund opportunity for old Rondo descendants	Community Outreach Strategy for Inheritance Fund qualifiers and Marketing Materials	Community input on how best to articulate the opportunity to BIPOC communities
Financial Education Initiative	Build partnership with community-based groups to provide culturally specific education and engagement about homeownership Long-term partnerships and education on financial preparedness (being mortgage ready), debt to income ratios, post-closing homeownership responsibilities and planning.	Community education programs about Homeownership Developed plan for education and engagement of young people and those who do not see homeownership as an option

Focus Areas for BSG: BIPOC Worker and Community Ownership

The Living Cities Needs Assessment produced by FSG, identified two areas of focus within BSG that the City of Saint Paul will develop its plan around. FSG also conducted a series of interviews with residents within our BIPOC community. The feedback we received has been integral into helping us understand woven into our work plan.

10-Year Vision for BIPOC Worker and Community Ownership

Within the next decade, The City of Saint Paul believes it is possible to accomplish the following goals:

- 1) Achieve thousands of BIPOC worker-owners and community-owners,
- 2) Eliminated income gaps between white business owners and BIPOC worker-owners,
- 3) Increase asset-based wealth for BIPOC worker-owners and community-owners, and
- 4) Increase worker and community voice in workplace and real estate decision-making.

Timeframes for completing our objectives are shown in the ensuing table, which includes Focus Area, Strategies, and more:

Focus Area 1 BIPOC Worker / Ownership Cooperatives	Focus Area 2 BIPOC-Led Commercial RE Investment Cooperatives	Strategies to Advance BIPOC Worker and community Ownership
<p>The needs assessment identified that “Co-ops have played a strong role in building community wealth in BIPOC communities throughout history, especially in predominantly Black neighborhoods. According to a study by Project Equity, Co-ops enhance a workers’ wealth by allowing them to ‘build assets through business ownership.’ Local actors echoed this sentiment and expressed the opportunity to expand the number of commercial real estate co-ops.”</p>	<p>The needs assessment also emphasized that “it is important for entrepreneurs to own the assets that underlie their business – ‘ownership of the building and making sure that it is legally separate from the business, so regardless of the outcome people can leave with the outcome of an asset that can support their next thing.’ They said that financial assistance is often needed to capitalize the business – ‘Funding the actual equipment, space, operations.’”</p>	<p>Strategy 1: Access to capital – loans and grants.</p> <p>Strategy 2: Technical assistance and business training.</p> <p>Strategy 3: Administration for loan servicing and grantmaking.</p> <p>Strategy 4: City structural shifts to support worker and community ownership.</p>

Who will be involved? Consider:

- **What are their roles and responsibilities?**
- **Do their roles and responsibilities meet a capacity need?**
- **Are they individuals or organizations?**

Our work will be supported by the City of Saint Paul’s Department of Planning and Economic Development. More specifically, project managers from the housing division will gather data and information to help evaluate existing programs. Project managers will also have opportunities to provide input on

barriers they have encountered when assisting BIPOC communities with navigating our existing programs.

Project Managers in the housing division provide program support, planning, execution, and evaluation. They will be engaged throughout our pilot and will help with community partnerships and engagement. In addition, to support from project managers, Tara Beard, Director of Housing at the City of Saint Paul, will be supporting our efforts to strategize a vision for future BIPOC HO initiatives.

Partner Organizations

If awarded the grant funding by Living Cities, Saint Paul will leverage its award to advance its HO/BSG initiatives with the following organizations:

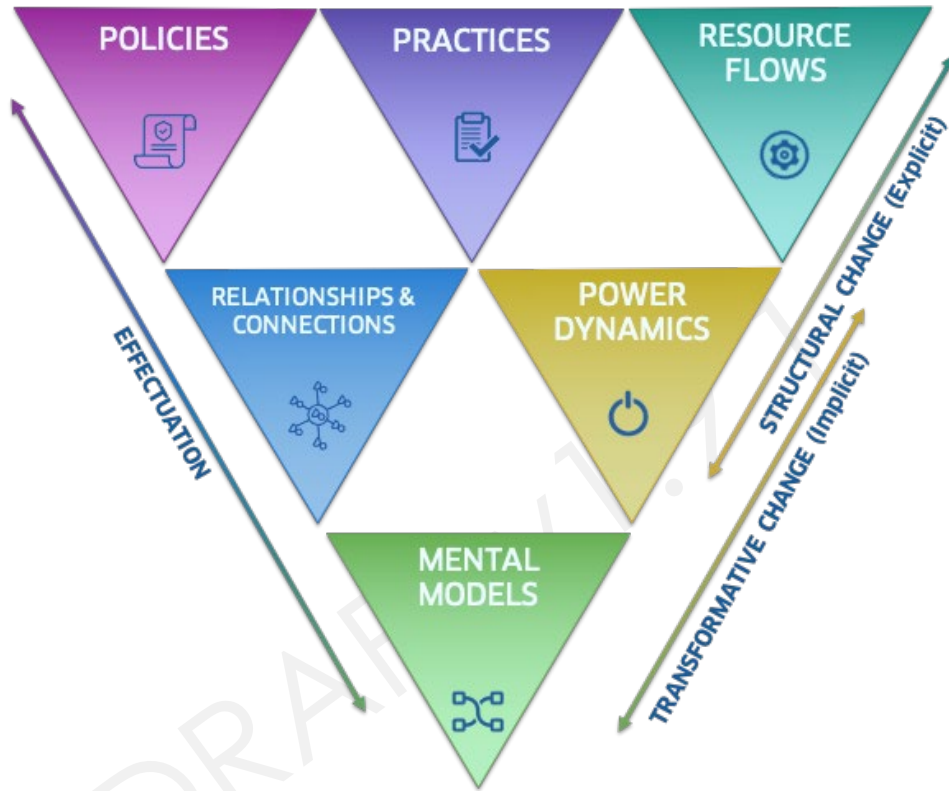
Financial Institutions	Government Agencies	Private Sector	Non-Profit Groups	National Partners	Philanthropic Partners
Sunrise Bank	City of Saint Paul	Saint Paul Chamber of Commerce	Rondo Community Land Trust	Living Cities	McKnight Foundation
Bremer Bank	City Planning & Economic Dev		Neighborhood Development Center	Democracy at Work Institute	Saint Paul & Minnesota Foundation
US Bank	County – EDWS		Cultural CDCs: AEDA, AEDS, HAP, LEDC	National League of Cities	Northwest Areas Foundation
Wells Fargo	State - DEED, DHS		Twin Cities Land Bank	Urban Strategies	Melville Charitable Trust
JP Morgan Chase	Federal - SBA		Habitat for Humanity Twin Cities		JP Morgan Chase
Build Wealth MN Inc.			Urban League Twin Cities		Kellogg Foundation Groundbreak Coalition

How do you intend to measure the performance of your activities that lead to systemic change?

The strategies outlined in this workplan address the six conditions of systems change developed by FSG. And although the housing division of Saint Paul at times, is challenged with measuring the performance of our programs and activities, given the targeted focus on this grant, we will be able to track in-person information sessions, social media hits, applications for Inheritance Fund, grants awarded, technical assistance hours, and home equity metrics over a 5-year span.

With respect to the BSG objectives, the “Six Conditions of Change” outlined in the FSG Needs Assessment report, will act as a visual guide to pursuing systematic change in our city. See image diagram and chart below.

SIX CONDITIONS OF SYSTEM CHANGE



Source: Adapted from Kania, Kramer and Senge – *The Waters of System Change*, 2018

Category of Change	S1: Access to Capital	S2: TA & Business Planning	S3: Servicing grants and loans	S4: WCO Program Manager
Policies	X		X	X
Practices	X	X	X	X
Resource Flows	X		X	X
Relationships & Connections	X	X	X	X
Power Dynamics	X	X	X	X
Mental Models	X			X

4. Budget

Funding Narrative for HO

The City of Saint Paul seeks to apply for grant funding in the amount of \$167,000 to execute on our homeownership strategy. Homeownership plays a critical role in wealth building and provides stability for families. According to findings in the needs assessment provided by FSG, 63% of Black renters in Saint Paul are cost-burdened compared to 14% of Black homeowners. This shows that there is a clear correlation between home ownership and financial stability.

The City of Saint Paul's Department of Planning and Economic Development (PED) aims to build community wealth through housing, jobs, business, and planning. The housing division of PED will lead efforts to address racial disparities and barriers to homeownership by strategizing with a consultant to evaluate existing programs and provide recommendations on procedural changes for future program planning.

The housing division will also partner with community groups to plan a long-term strategy to provide homeownership education to BIPOC communities. Although these are just two of the seven areas identified by FSG, we believe using this grant to focus on these two areas will provide a foundation for staff to address the remaining challenges.

Funding Narrative for BSG

The City of Saint Paul seeks to apply for grant funding in the amount of \$100,000 to execute on our business, starts and growth strategy. The \$100,000 in funding from Living Cities will support in creating the Worker and Community Ownership (WCO) Program Manager position within the Office of Financial Empowerment at the City of Saint Paul.

The WCO Program Manager will represent the City's structural commitment to worker and community ownership in the city. The role will help cultivate the ecosystem.

Purpose

- **Are your funds going to be used for something that is challenging to use restricted or tax dollars for?**
- **Is your community involved?**

Future programs implemented by the City of Saint Paul that support BIPOC homeownership could use various sources of public funds. Our hope is to also

leverage relationships with philanthropy and the private sector to match future committed funds.

We hope to partner with nonprofit community-based organizations on the financial education piece and will explore different sources of funding that can be used to ensure long term sustainable education is available to the community.

Leverage

- **Are you accounting for leveraged public, private, or non-profit funds?**
- **Could the use of your grant funds unlock other funds?**

Leveraging Funds for HO

Like other cities of our size, the \$167,000 requested for the HO portion of our work plan will leverage public, private and philanthropic funds in a blended fashion. Living Cities and other philanthropic dollars tend to be the most flexible so will therefore be used to fund activities that are not allowable under federal program areas.

Cities dollars can be used as match for federal funding opportunities that require cash match. Potential federal funding opportunities include support for a feasibility assessment for community development projects that will lead to job creation and revenue generation. Economic Development Administration Economic Adjustment Assistance under the US Department of Commerce funds planning grants, including feasibility assessments. EDA also funds projects for site preparation and construction of public roads, sidewalks, and public service buildings.

Housing and Urban Development Community Block Grant Dollars (CDBG) can also be used for building or renovating community service buildings, such as job training centers, bodegas, cafes, financial literacy centers, and other amenities. CDBG dollars can be used to improve commercial corridors and neighborhood revitalization.

We plan to leverage federally mandated private sector dollars, namely, Community Reinvestment Act (CRA) dollars from local banks to keep fiscal resources within targeted districts to be used by some of the city's most vulnerable communities.

Another leverage point under consideration includes creating special incentives which attract additional private investment or retain public funding for reinvestment. This could take many forms, like lowering the millage rate inside the core neighborhoods (or raising it outside) or dedicating a portion of taxes collected in target district to only be used within it. This could be further divided

by sending more tax dollars from areas which were historically green or blue lined to those areas which were redlined.

Leveraging Funds for BSG

The \$100,000 will leverage \$175,000 in philanthropic funding for the WCO program manager, as well as leverage the use of \$2,500,000 in American Rescue Plan funding that leverages an estimated \$4,800,000 in capital from other financial institutions for worker and community ownership. In total, the Living Cities funding leverages nearly \$7,500,000 in additional funding above and beyond the \$100,000 commitment from Living Cities.

Saint Paul will continue to explore other funding opportunities from the Small Business Administration and other federal agencies, as well as philanthropy and other national intermediaries interested in advancing worker and community ownership strategies.

Costs

- **Do you have a detailed estimate of resources and costs related to your deliverables?**
- **How were the estimates calculated (please provide the research used)?**

Costs For HO

The City of Saint Paul would leverage the \$167,000 to engage outreach and marketing specialists to develop materials and collateral focused on building community awareness of the Inheritance Fund Opportunity. Other contractual support needed includes community liaisons to convene information sessions and registration workshops and technical assistance providers to work with eligible residents who are not mortgage ready.

Costs For BSG

The WCO program manager will be hired at a salary of \$96,595.20 plus 30% benefits / fringe, totaling \$124,800 annually. Living Cities will cover the first \$100,000 and the city has secured philanthropic funding to cover the balance of \$24,800 for year 1 plus \$125,000 for year 2 of the position. See contingency for more elaborated plan to sustain the position.

Contingencies

- **Are you expecting any budget shortfalls to happen?**
- **How will you mitigate those contingencies?**

The American Rescue Plan funding to support worker and community ownership have been committed to by the Mayor and City Council, which include three elements: 1) loans, 2) grants, and 3) technical assistance and business supports.

For the loans issued using ARPA funding, the loan pool is planned as a revolving fund that will remain beyond the life of the American Rescue Plan funding timeline at the end of 2026.

For the grants issued using ARPA funding, these will be one-time grants, which would need to be replenished or re-committed to using other funding if grants were to remain part of a longer-term worker and community ownership strategy.

Separate from the ARPA funding, the first two years of the Worker and Community Ownership Program Manager position that will be created within the Office of Financial Empowerment at the City will be financially supported by Living Cities and other philanthropic funding. After the two years, it is the goal that the position would move to the general fund as part of the 2025 budget.

Tracking

What is your method to track budget expenses over the life of the initiative?

The City will set up an accounting code that is specific to the Living Cities grant. This accounting code will allow the City to track and generate line item reports at any time frequency requested. The accounting codes are set up at the time that the funds are accepted and an administrative order is passed through the Saint Paul City Council.



Contact

City of Saint Paul

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Phone:

(651) 266-8500

Web:

www.stpaul.gov

A CTG Network Initiative







Schedule C: GRANTEE QUESTIONNAIRE

Organization Name: _____

Grant # / Tax ID Number: _____ / _____

Program Contact Name: _____

Phone: _____ Email: _____

Fiscal Contact Name: _____

Phone: _____ Email: _____

Tax-Exempt Classification under the Internal Revenue Service:

- Government Unit
- School or University
 - If checked, submit IRS letter of exemption and classification
- Other Section 501(c)(3) entity
 - If checked, submit IRS Letter of exemption and classification
- Other Tax-exempt entity
- Not a Tax-exempt entity
 - Your organization is planning to, but has not applied for tax exempt status
 - If your organization has applied for status as a 501(c)(3), please submit a copy of the Form 1023 submitted to the IRS

Payment Information:

Grantee's Preferred Payment Method: Check or ACH / Electronic Transfer

Payee / Beneficiary: _____

Address: _____

City, State, Zip: _____

Phone: _____ Email: _____

Attention: _____

If ACH/Electronic Transfer, Receiving bank Information

Bank Name: _____

Bank Address: _____

City, State, Zip: _____

ABA / Routing Number: _____

Account Number: _____

Additional Instructions: _____

Name, Signature and Title (of the person who completed this form):

	Name	Title
	Signature	Date