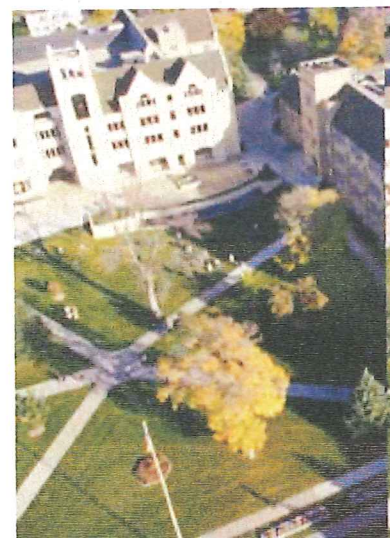


Partnership Feasibility Study

Findings, Conclusions & Recommendations

May 2011



Prepared for:



WEST SUMMIT NEIGHBORHOOD
ADVISORY COMMITTEE

Prepared by:



Introduction and Executive Summary

The University of St. Thomas (UST) and the West Summit Neighborhood Advisory Committee (WSNAC) retained Smith Partners PLLP to explore the feasibility of a public-private partnership to promote neighborhood livability and housing market stability. We interviewed neighborhood residents and UST personnel selected by the project steering committee. In addition to our own research, the UST Geography Department completed a Residential Property Analysis in the St. Thomas Community, which we reviewed for our work.

Our findings indicate that the conversion to non-homestead properties in the UST neighborhood has increased well above what would generally be considered a “tipping point,” which warrants concern that disinvestment and decline could follow. At the same time, UST has shown a strong commitment to addressing student behavior issues as they impact the neighborhood, and there has been marked progress in reducing complaints during the 2010-11 school year. UST has also made good progress in implementing the housing Buy-back program. While it is critical that UST and WSNAC continue to work together to address these housing market and livability issues, we find that forming a new partnership with other institutions is not an appropriate means to address them.

The neighborhood conditions surrounding UST certainly do not present a crisis for UST, but the increase in student rentals and overall non-homestead ownership that has now risen above the “tipping point” does present chronic concerns and creates a tension in the UST – neighborhood relationship that will persist absent critical change. It is quite obvious that a great deal of controversy and conflict have characterized the process preceding and following the CUP for UST campus development, but it is also very clear that both UST and neighborhood leaders are committed to collaboration and progress. UST’s mission and values present a strong platform for affirming a ‘right relationship’ with the neighborhood.

We recommend three integrated initiatives to stabilize the housing market: continuing the Buy-back program and extending it at a more modest level for ten additional years; initiating a downpayment assistance program with special incentives for UST employees to acquire homes in the neighborhood; and UST sponsorship in cooperation with WSNAC of a market study to facilitate private development of student rental housing in priority areas adjacent to campus. We also recommend a series of initiatives to improve neighborhood livability, including landlord and tenant training, alignment of UST research and service learning activities, and integration of campus and parish ministry. We also recommend consideration of an environmental sustainability initiative to expand the conversation and offer an opportunity for UST and neighborhood residents to build new relationships of trust and success. Finally, we recommend that, rather than create a new CDC or some other form of partnership, all parties involved renew their commitment to WSNAC as the appropriate forum for this work.

Background

UST has a long history in St. Paul, tracing its roots in the neighborhood back to its founding in 1885. Blessed with great success throughout this history, UST experienced significant growth from the mid-1970s to the early 1990s. Enrollment during that time grew from about 2,500 mostly male undergraduate students to more than 10,000 undergraduate and graduate women and men located on multiple campuses. Enrollment at the St. Paul campus is currently approximately 7,600 students. UST has committed to a maximum enrollment on the St. Paul campus of 8,750.

The UST undergraduate population increased from 4900 in 1989 to 5900 in 2010. The on-campus housing capacity increased by 1000 beds during this period, and the percentage of undergraduates students living in residence increased from 33% to 44%.¹ Past discussions between UST and neighborhood representatives have referred to an “aspirational goal” that 60% of undergraduate students live on campus, but that is not an adopted goal of UST – nor does it appear to be one in which UST is presently interested. The university has achieved its maximum debt capacity, having invested over \$200 million in facility construction in the past ten years, and therefore it has no immediate short term plans to construct additional on-campus housing.²

With the growth in UST’s St. Paul campus enrollment during the 1990s, there was also a significant increase in the number of students living off campus in the surrounding neighborhood. Over the past decade, between 1500 and 1800 students have resided within the six block area surrounding the St. Paul campus.³

This growth in undergraduate students living off campus has prompted neighborhood controversy. Neighborhood residents became concerned with the conversion of single family homes to student rentals. UST’s expansion plans to redevelop two blocks on Summit Avenue in 2004 became controversial, and the Conditional Use Permit (CUP) approved by the City of St. Paul approved UST’s expansion plans but, by mutual agreement of UST and neighborhood organizations, also placed limitations on UST’s future growth. The CUP required that UST capitalize a community development corporation or establish a similar initiative for the purpose of purchasing, rehabilitating, and selling to non-student owner-occupants a total of 30 houses over a period of 12 years.⁴ Houses acquired and sold through this effort must have a restrictive covenant at the time of sale requiring use of the property for non-student, owner-occupied residential uses only.

The CUP also required the establishment of a university – community advisory council, with UST participation at the level of senior management and the board of trustees, charged with “resolving university/community problems, and providing a channel for communications on campus master planning and development, and to enhance

¹ WSNAC minutes, D. Hennes, May 11, 2010.

² Id.

³ Records of UST Neighborhood Liaison J. Hershey; Off-Campus Student Housing Study, April 2010.

⁴ City of St. Paul Council File #04-792, paragraph 10.

university/community relations.”⁵ Further, this council’s work is to include “all issues affecting local residents, including but not limited to: the creation and management of a CDC or similar initiative to purchase and rehabilitate housing in the neighborhood; parking; St. Thomas construction impacts, including the building of parking lots, athletic fields; student housing (both on and off-campus); and neighborhood quality of life issues such as the impact of student party houses.”⁶

The West Summit Neighborhood Advisory Committee formed in 2005 and has met monthly, organizing its work through Subcommittees focusing on Campus Development; Housing; and Traffic, Parking, Safety, and Student Relations. Neither WSNAC nor UST established a CDC to work on the housing issues, but instead UST has assumed direct responsibility for the housing Buy-back program, working in cooperation with WSNAC. To date, UST has acquired 18 homes through the Buy-back program, and is on schedule to complete the required 30 acquisitions and resale by 2016.

UST has committed to WSNAC with participation by a member of its Board of Trustees, Vice President for Community Relations, Neighborhood Liaison, Assistant Dean of Students, and Department of Public Safety. Neighborhood leaders from the Union Park, Macalester-Groveland, Neighbors United, and Summit Avenue Residential Preservation Association organizations have actively committed to WSNAC. UST and WSNAC members have also participated in the International Town and Gown Association, including sending representatives to the 5th Annual ITGA “Best Practices in Building University/City Relations” Conference.

⁵ Id. at paragraph 11.

⁶ Id.

Project Scope and Process

WSNAC and UST retained Smith Partners in 2010 to assess the UST – WSNAC relationship and to determine whether a public-private partnership model would be a viable and beneficial alternative approach to promoting neighborhood livability and housing market stability. It is important to note that both UST and WSNAC are identified as the clients for this project. As a result, our aim is to provide recommendations that we believe will be seriously considered by both UST and WSNAC for implementation.

A project steering team comprised of Scott Banas, Doug Hennes, Jeanne Matross, Jim Sachs, Leo Viktora, and John Hershey met to guide the project work plan and review progress. Based on the guidance from the Steering Team, we made an effort to learn from diverse perspectives about the UST – neighborhood relationship. Our work should be considered a qualitative assessment, and not a scientific or statistically valid survey of UST or neighborhood opinions.

Smith Partners interviewed individuals identified by the Steering Team in September through November of 2010, and conducted follow up interviews in January through March 2011. A list of individuals interviewed for this project is included in the Appendix. We attended the WSNAC meeting on May 11, 2010 to gather background information; presented our preliminary recommendations to WSNAC on January 11, 2011; and participated in a follow up review and discussion of those recommendations on March 8, 2011.

The Findings, Conclusions, and Recommendations presented below have been reviewed and revised, based on the comments received in this review process.