Action Plan

Grantee: St Paul, MN

Grant: B-09-LN-MN-0038

Grant Amount:	$ 18,031,623.00
Status:	Reviewed and Approved
Estimated PI/RL	$ 7,000,000.00
Total Budget:	$ 25,031,623.00

Funding Sources

No Funding Sources Found

Narratives

Executive Summary:

The City of Saint Paul received $18,031,623 of grant funds from the United States Department of Housing and Urban Development through the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act of 2009.

The NSP2 Target Geography has been selected in a manner that will allow NSP2 activities to holistically build upon and leverage the successes of recent and current neighborhood stabilization efforts undertaken by the City: the Invest Saint Paul Initiative and NSP1. Within the NSP2 Target Geography, use of these funds will help stabilize these neighborhoods and position them for a stabilized role in a revitalized community.

The NSP2 program has a tightly defined short list of eligible activities. Saint Paul&rsquos NSP2 plan is structured around this list and may be summarized as follows:

The City will undertake the following activities in the following approximate quantities over three years:

- Financial incentives for buyers: for 86 buyers
- Acquisition and rehabilitation: 85 homes
- (B, D) Acquisition and demolition of blighted structures: 28 structures
- Land-bank vacant lots for future re-use: 28 parcels
- In addition, the City will use NSP2 program income for (E) Redevelopment activities in future years.

Target Geography:

The Saint Paul Target Geography is comprised of 18 census tracts with an average &ldquoforeclosures with vacancy risk index score&rdquo of 19.44. A map of these census tracts and a listing of their scores can be seen at www.stpaul.gov/nsp.
The NSP2 Target Geography closely mirrors a subset of the City&rsquos NSP1 area referred to as the &ldquoMarket Collapse Area.&rdquo These neighborhoods have the largest concentration of vacant homes and foreclosures in the City. Though occupying only 13 percent of the citywide land area, NSP2 Target Geography contains over 55 percent of the vacant homes and 40 percent of the foreclosed homes in the city. There are many blocks in this area containing more vacant houses than occupied houses. These were the first neighborhoods in Saint Paul hit by the housing collapse starting in 2006. Investor foreclosures started initially, followed quickly by many single-family homeowner foreclosures. Many properties in these neighborhoods have been haphazardly converted from original single-family and duplex structures to multi-family buildings that are operated as sub-par rental units. There are many blighted properties unfit for habitation that should be demolished. The values in these neighborhoods continue to deteriorate as low-value investors continue to buy cheaply and fix cheaply.
Minnesota Housing Finance Agency data suggests a greater availability of credit with unfavorable terms in the NSP2 Target Geography perhaps leading to a higher number of foreclosures and vacancies. MHFA data also indicates that the NSP2 Target Geography census tracts have lower mortgage loan approval rates than tracts in other parts of Saint Paul.

Program Approach:

(A) Financial Incentives. 86 buyers @ $15,000 average = $1,290,000
The City will establish financial incentive programs for purchasers of foreclosed upon homes and residential properties. These programs may be available for buyers of either rehabilitated NSP2-funded properties or other eligible foreclosed or abandoned properties.

(B) Acquisition and Rehabilitation. 85 homes @ $57,000 average acquisition + $100,000 average rehabilitation = $13,345,000
The City will acquire and rehabilitate approximately 85 abandoned or foreclosed upon homes during the first three years of NSP2. The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via other direct negotiations with property owners. Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. The City will minimize the risk and capital requirements of our development partners to expedite this activity.

(B, D) Acquisition, Demolition and Land Bank. 28 homes @ $27,500 average acquisition + $15,000 average demolition + holding costs = $1,593,461
The City will acquire approximately 28 blighted structures and will remove these destabilizing influences via demolition. Acquisition will be either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via direct negotiations with property owners. The 28 vacant parcels will then be held in land-bank status for future re-use. NSP2 funds will be used to cover the ongoing carrying costs and maintenance of land-banked property.

(E) Redevelopment to be funded with program income in future years
NSP2 program income will be generated by future sales of rehabilitated homes and cleared lots available for redevelopment. These proceeds will fund redevelopment of vacant lots.

Administration = $1,803,162
Ten percent of the NSP2 grant is available to cover administrative costs associated with carrying out the activities of the program.

Consortium Members:

None.

How to Get Additional Information:

Please see www.stpaul.gov/nsp or call Joe Musolf, Senior Project Manager, Department of Planning and Urban Development, City of Saint Paul at 651-266-6594.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
001	Admin	001-1	Administration
002-A	Financing Mechanisms	002-A-1	Financing Mechanisms
003-B	Acquisition and Rehab	003-B-1	Acquisition LH
		003-B-2	Acquisition LMMI
		003-B-3	Rehab LH
		003-B-4	Rehab LMMI
004-C	Land Bank	004-C-1	Land Banking Acquisition
		004-C-2	Land Banking Holding
005-D	Demolition	005-D-1	Demolition
006-E	Redevelopment	006-E-1	Redevelopment LH
		006-E-2	Redevelopment LMMI
9999	Restricted Balance	*No activities in this project*	

Activities

Grantee Activity Number:	**001-1**
Activity Title:	**Administration**

Activitiy Type:
Administration

Activity Status:
Under Way

Project Number:
001

Project Title:
Admin

Projected Start Date:
02/11/2010

Projected End Date:
02/11/2013

National Objective:
Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Total Budget: $ 2,500,000.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 2,500,000.00

Environmental Assessment:
EXEMPT

Benefit Report Type:
NA

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 1,803,162.00

Location Description:

Activity Description:
Administrative costs associated with carrying out the activities of the program.

Grantee Activity Number:	**002-A-1**
Activity Title:	**Financing Mechanisms**

Activitiy Type:
Disposition

Activity Status:
Planned

Project Number:
002-A

Project Title:
Financing Mechanisms

Projected Start Date:
07/01/2010

Projected End Date:
02/11/2013

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget: $ 0.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 0.00

Environmental Assessment:
EXEMPT

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	86			0.00
# of Households	86			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	86
# of Housing Units	86
# of Properties	86

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 1,290,000.00

Location Description:

Activity Description:
The City will establish financial incentive programs for purchasers of foreclosed upon homes and residential properties. These programs may be available for buyers of either rehabilitated NSP2-funded properties or other eligible foreclosed or abandoned properties.

Grantee Activity Number: 003-B-1
Activity Title: Acquisition LH

Activitiy Type:
Acquisition - general

Activity Status:
Under Way

Project Number:
003-B

Project Title:
Acquisition and Rehab

Projected Start Date:
05/01/2010

Projected End Date:
09/30/2011

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget: $ 1,096,000.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 1,096,000.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	16	16		100.00
# Owner Households	4	4		100.00
# of Households	20	20		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Multifamily Units	16
# of Housing Units	20
# of Properties	20

Activity is being carried out by Grantee:
Yes

Activity is being carried out through:
Grantee Employees and Contractors

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 1,096,000.00

Location Description:

Activity Description:
The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via other direct negotiations with property owners. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Grantee Activity Number: 003-B-2
Activity Title: Acquisition LMMI

Activitiy Type:
Acquisition - general

Activity Status:
Under Way

Project Number:
003-B

Project Title:
Acquisition and Rehab

Projected Start Date:
05/01/2010

Projected End Date:
09/30/2011

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget: $ 3,000,000.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 3,000,000.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	39		39	100.00
# of Households	39		39	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	39
# of Multifamily Units	
# of Housing Units	39
# of Properties	39

Activity is being carried out by Grantee:
Yes

Activity is being carried out through:
Grantee Employees and Contractors

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 3,000,000.00

Location Description:

Activity Description:
The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via other direct negotiations with property owners.

Grantee Activity Number: 003-B-3
Activity Title: Rehab LH

Activitiy Type:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
003-B

Project Title:
Acquisition and Rehab

Projected Start Date:
07/01/2010

Projected End Date:
02/11/2013

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget: $ 3,897,123.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 3,897,123.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	16	16		100.00
# Owner Households	4	4		100.00
# of Households	20	20		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Multifamily Units	16
# of Housing Units	20
# ELI Households (0-30% AMI)	
# of Properties	20

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 2,911,906.00

Location Description:

Activity Description:
Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Grantee Activity Number:	**003-B-4**
Activity Title:	**Rehab LMMI**

Activitiy Type:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
003-B

Project Title:
Acquisition and Rehab

Projected Start Date:
07/01/2010

Projected End Date:
02/11/2013

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget: $ 7,234,500.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 7,234,500.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	39		39	100.00
# of Households	39		39	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	39
# of Multifamily Units	
# of Housing Units	39
# of Properties	39

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 3,007,094.00

Location Description:

Activity Description:
Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community.

Grantee Activity Number:	**004-C-1**
Activity Title:	**Land Banking Acquisition**

Activitiy Type:
Land Banking - Acquisition (NSP Only)

Activity Status:
Under Way

Project Number:
004-C

Project Title:
Land Bank

Projected Start Date:
05/01/2010

Projected End Date:
03/31/2011

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget:	$ 1,100,000.00
Other Funds Total:	$ 0.00
Total Funds Amount:	$ 1,100,000.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Area Benefit (Census)

Proposed Accomplishments	Total
# of Properties	28

Activity is being carried out by Grantee:
Yes

Activity is being carried out through:
Grantee Employees and Contractors

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 1,100,000.00

Location Description:

Activity Description:
The City will acquire blighted structures either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via direct negotiations with property owners.

Grantee Activity Number:	**004-C-2**
Activity Title:	**Land Banking Holding**

Activitiy Type:

Land Banking - Disposition (NSP Only)

Activity Status:

Under Way

Project Number:

004-C

Project Title:

Land Bank

Projected Start Date:

05/01/2010

Projected End Date:

02/11/2013

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget:	$ 700,000.00
Other Funds Total:	$ 0.00
Total Funds Amount:	$ 700,000.00

Environmental Assessment:

UNDERWAY

Benefit Report Type:

Area Benefit (Census)

Proposed Accomplishments	Total
# of Properties	28

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 403,461.00

Location Description:

Activity Description:

Vacant parcels will be held in land-bank status for future re-use. NSP2 funds will be used to cover the ongoing carrying costs and maintenance of land-banked property.

Grantee Activity Number:	**005-D-1**
Activity Title:	**Demolition**

Activitiy Type:
Clearance and Demolition

Activity Status:
Under Way

Project Number:
005-D

Project Title:
Demolition

Projected Start Date:
07/01/2010

Projected End Date:
06/30/2011

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget:	$ 320,000.00
Other Funds Total:	$ 0.00
Total Funds Amount:	$ 320,000.00

Environmental Assessment:
UNDERWAY

Benefit Report Type:
Area Benefit (Census)

Proposed Accomplishments	Total
# of Properties	28

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of St Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of St Paul	Unknown	$ 420,000.00

Location Description:

Activity Description:
The City will remove blighted structures via demolition.

Grantee Activity Number: 006-E-1
Activity Title: Redevelopment LH

Activitiy Type:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
006-E

Project Title:
Redevelopment

Projected Start Date:
09/01/2011

Projected End Date:
02/12/2013

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Total Budget: $ 1,288,500.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 1,288,500.00

Environmental Assessment:
COMPLETED

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	4	4		100.00
# Owner Households	4	4		100.00
# of Households	8	8		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Multifamily Units	4
# of Housing Units	8
# of Properties	8

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of Saint Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Saint Paul	Local Government	$ 1,000,000.00

Location Description:

Activity Description:
Reconstruction/rehabilitation of housing units for reoccupancy as rental to benefit households at or below 50% AMI.

Grantee Activity Number:	**006-E-2**
Activity Title:	**Redevelopment LMMI**

Activitiy Type:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
006-E

Project Title:
Redevelopment

Projected Start Date:
10/01/2011

Projected End Date:
02/12/2013

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Total Budget: $ 3,895,500.00
Other Funds Total: $ 0.00
Total Funds Amount: $ 3,895,500.00

Environmental Assessment:

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	18		18	100.00
# of Households	18		18	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	18
# of Housing Units	18
# of Properties	18

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of Saint Paul

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Saint Paul	Local Government	$ 2,500,000.00

Location Description:

Activity Description:
Reconstruction/rehabilitation of housing units for reoccupancy as owner-occupied to benefit households at or below 120% AMI.

Action Plan History

Version	Date
B-09-LN-MN-0038 AP#1	02/02/2012
B-09-LN-MN-0038 AP#2	01/16/2013
B-09-LN-MN-0038 AP#3	12/16/2011
B-09-LN-MN-0038 AP#4	10/12/2011