



**Federal Reserve Bank of St. Louis  
Investment Connection Proposal**

Proposal title	Developing a Supportive Property Management Program
Contact	Lucas Delort
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Organization name/address	Lutheran Development Group, Inc.  St. Louis, MO 63118
Mission statement	Lutheran Development Group's rebuilds communities near our city's churches through real estate development, community initiatives, ministry investment, and church engagement.
Overview of organization	Lutheran Development Group, Inc. ("LDG") was formed in the summer of 2015. It emerged from the East Fox Homes development, a low-income housing tax credit development by Messiah Lutheran Church. The development highlighted a conflict: area churches have a strong interest to address community issues, like poor-quality housing, but lacked the organizational capacity and professional expertise to tackle them. Lutheran Development Group, Inc. formed to provide capacity and dedicated staff to connect community needs to resources and solutions.  In coming years, LDG aims to align its work with the Gravois-Jefferson Historic Neighborhoods Plan. This plan

	<p>highlighted needs for safety, housing, economic opportunity, and youth engagement. LDG aims to grow its programming in a holistic way towards these ends, including the provision of quality, affordable housing; connection to quality education; addressing commercial and transit needs; and creating local employment opportunities for residents.</p> <p>LDG develops quality, income-restricted rental housing, accessible for-sale housing development, and, beginning in 2019, will provide supportive property management. By spring 2019, we will have rehabilitated 36 vacant buildings and maintained the affordability of an additional 15, serving approximately 150 households or 300 individuals.</p> <p>LDG was developer for the Eagle Prep: Gravois Park, a local charter school, and the Intersect Arts Center. LDG also manages a small summer youth employment program clearing brush and debris from vacant, city-owned lots, and in two years has transformed 24 vacant parcels.</p>
Website	ldgstl.org
Social media link(s)	<p>Facebook</p> <p><a href="https://www.facebook.com/ldgstl/">https://www.facebook.com/ldgstl/</a></p>
Location of project/activity	<p>St. Louis, MO-IL (MSA)</p> <p>Missouri</p> <p>St. Louis City County</p>
Geographic Impact	Neighborhood(s)
Support request	Grant
Requested dollar amount	\$57,000
Proposal description and structure	<p>LDG is developing Rooted Property Management, a new property management program. Rooted will initially manage a 57-unit acquisition, but will grow to manage more units in coming years. Rooted will approach housing holistically, connecting housing needs to residents' other needs.</p>

	<p>Through a tenant application, LDG will assess a household's need for additional services, like credit counseling or continuing education, that will improve success in housing. LDG will also assess a household's need for assistance paying rent. If an application is otherwise strong, but LDG determines a small gap in ability to pay, LDG will provide up to 10% of a household's monthly payment in assistance.</p> <p>LDG will capitalize a fund that will act as an endowment. The returns of an initial capitalization of \$57,000 (\$1,000 per unit), with additional funds from the portfolio's cash flow, are projected to be sustainable while providing 10% assistance to 1/3 of LDG's residents.</p>
<p>Issues addressed</p>	<p>Affordable Housing Financial Access, Capability and Empowerment</p>
<p>Target population/geography</p>	<p>Lutheran Development Group's primary focus areas are the neighborhoods of Benton Park West, Gravois Park, and Dutchtown. These neighborhoods are all located within the zip code 63118, and comprise the recently adopted Gravois-Jefferson Historic Neighborhoods Plan. These neighborhoods are diverse - 64% black/African American, and 15% non-native English speakers, and include a significant youth population - 40% of the population is under 21. The median income is \$16,800, and the poverty rate is high at 39%, and even higher for children (53%). Wealth building opportunities are limited with a high renter population (77%). In this area, 2/3 of renters are rent burdened, and 1/3 are severely rent burdened.</p> <p>LDG aims to provide housing to households earning below 50% AMI, as well as individuals who are receiving other supportive social services.</p> <p>LDG will also be managing and developing housing in other low- to moderate-income neighborhoods, including Baden and Botanical Heights.</p>
<p>Population served including income</p>	<p>LDG will provide housing that is not income restricted. However, the rental assistance program will be restricted to households at or below 50% AMI. During its initial application, LDG will require income verification. This</p>

	<p>could include, but not be limited to, pay stubs or proof of SSI.</p> <p>LDG's primary focus area is within the zip code 63118. Their primary focus area's median income is \$16,800 with a poverty rate of 39%. LDG will also manage housing and administer assistance in the 63110 and 63113 zip codes.</p>
<p>Anticipated outcomes/impact</p>	<p>This program will provide rental assistance to households within Lutheran Development Groups' portfolio who demonstrate a significant financial need. The goal of this program is to promote residential stability and to improve a range of outcomes connected to housing quality and stability.</p> <p>Stable housing provides a groundwork for individuals and families to thrive. Stable housing means the ability to hold a stable job. It means staying in the same school for a full school year and longer. It means the ability to focus on seeking out services or improving one's health.</p> <p>LDG aims to increase access to quality of housing for individuals who may not otherwise be able to pay for that housing by providing a small monthly incentive to these families. Without it, a family may not be able to sustain housing and the other expenses of life. With rent assistance, a family will increase stability, and see an increase in other life outcomes.</p>
<p>How will the program be evaluated</p>	<p>LDG will perform an initial household assessment to determine the need for assistance and additional services. LDG will administer ongoing surveys and conversations to measure growth in a range of outcomes, including financial sustainability.</p> <p>To specifically determine the success of a rental assistance program, LDG will measure the following, and compare them to residents not receiving assistance and outcomes seen with other management companies:</p> <p>Housing outcomes:</p> <ul style="list-style-type: none"> <li>-Length of residency</li> <li>-Timely rent payment</li> <li>-Evictions</li> <li>-Maintenance requests</li> </ul>

	<ul style="list-style-type: none"> <li>-Apartment quality and cleanliness</li> <li>-Renter requests for operations</li> <li>-Calls for mediation</li> </ul> <p>Personal outcomes:</p> <ul style="list-style-type: none"> <li>-Renter demographics - age(s), family status, number in family</li> <li>-Questionnaire of service and housing needs by household</li> <li>-Education success</li> <li>-Employment stability</li> <li>-Tracking of attendance and progress with service providers</li> <li>-Comparison to Intake interview and satisfaction surveys</li> </ul>
Project time frame	<p>New Program</p> <p>Project Duration: 1-3 Years</p>
Other significant partners in the proposal	
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