

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



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Organization Name	The Works, Inc
Mission statement	The vision of The Works, Inc. is to usher in the total, holistic, and healthful renaissance of our targeted community in South Memphis; to deliver its very rebirth. Our mission is to work to rebuild, restore and renew our community’s families, and the environments in which they live through housing, economic development, and social services. The goals of The Works include: 1) increasing the availability of affordable housing, 2) delivering programs and services related to affordable housing and neighborhood revitalization, and 3) providing the social services, advocacy, and support requisite for families’ holistic, healthful, socioeconomic success.
Overview of Organization	<p>Since 1998 The Works has invested more than \$17,000,000 in the South Memphis community:</p> <ul style="list-style-type: none"> • Developed 116 units of affordable housing <ul style="list-style-type: none"> o 80 units of affordable rental in Alpha Renaissance Apartments o 36 single-family homes for homeownership • Provided minor home repair services to 404 elderly homeowners (\$2,020,000) • Provided Housing Education Counseling services to over 4,500 families, including: <ul style="list-style-type: none"> o Helped 458 families avoid foreclosure o Helped over 250 families purchase homes • Sponsored the Circles of Success Learning Academy (COSLA), a nationally accredited K-5 charter school since 2003. • Convened the South Memphis Renaissance Collaborative, whose work supported residents in

developing the South Memphis Revitalization Action Plan (SoMe RAP). SoMe RAP was adopted by the Memphis City Council by resolution March 2010 as the official plan for South Memphis. This process brought research and student services from the University of Memphis to the community valued at \$250,000

- Developed SoMe RAP projects including:
 - o Established the South Memphis Farmers Market, a once weekly fresh food outlet in the South Memphis food desert, which became the second farmers market in Tennessee to accept food stamps.
 - o SoMe RAP was used as evidence by the City of Memphis for a \$450,000 stimulus grant to repave South Parkway – a major East-West commercial corridor, which had not been addressed in over 40 years.
 - o Formed a partnership between The Works, the Grizzlies NBA Team, ServiceMaster, and City of Memphis Division of Parks & Neighborhoods to revitalize a major neighborhood park. This project is installing new basketball courts, a new playground, new picnic pavilion, and a new irrigation system and landscaping – bringing an estimated \$250,000 investment into the park.
 - o Begun planning for the South Memphis Greenline to replace a 2.6 mile abandoned rail line with a linear park, which will provide space for safe physical activity while transforming blighted property into a community asset.
- Acted as a certified HUD Housing Counseling agency and received \$214,000 since 2003.

- City of Memphis HOME & CDBG - \$3,008,750 since 2004 to develop single family housing.
- United Way of the Mid-South - \$450,000
- USDA Farmers Market Promotion Program and Outreach Grants - \$190,000
- Developed a green grocer using \$788, 673 from US Department of Health and Human Services
- \$741,000 from the US Department of Health and Human Services to provide a third-party loan to a local, independent grocer to create job opportunities for low-income individuals.
- \$350,000 from the Plough Foundation for the construction of the Grocer at the South Memphis Farmers Market and the Kitchen at SMFM.
- \$206,750 3- year grant from Methodist LeBonheur Community Health Well-Being and the Tennessee Department of Health for the provision of Linking Actions for Unmet Needs in Children’s Health services by implementing the Strengthening Families Framework and

	<p>Services in the targeted zip codes 38106, 38126, 38109.</p> <ul style="list-style-type: none"> • 3-yr grant for \$375,000 from the Plough Foundation to pilot the Aging Mastery Program in partnership with the City of Memphis Division of Parks and Neighborhoods and the National Council on Aging, to provide a comprehensive and fun approach to aging well that encourages people to take actions to enhance their health, financial well-being, social connectedness, and overall quality of life. Central to the AMP philosophy is the belief that modest lifestyle changes can produce big results and that people can be empowered and supported to cultivate health and longevity. • Pyramid Peak Foundation 3 yr grant \$150,000 to support the hiring of staff to manage our housing programs, specifically the Home Loan Opportunity Fund and a Research and Evaluation Manager to provide oversight of our charter school educational outcomes and overall programmatic outcomes. • Successfully obtained a sub-planning grant from the Mid-South Regional Greenprint Consortium for \$50,000 for e
Website	www.theworkscdc.org
Location of project/activity	Memphis/Shelby County
Project/proposal title	Renaissance at Steele Apartment Community
Support request	Loan; Investment/Grant
Requested amount	\$8,603,061.00
Other significant partners in the proposal	<p>Pyramid Peak Foundation and other philanthropy - \$5,547,730.00.</p> <p>ComCap Partners</p> <p>Neighborhood Preservation Inc.</p> <p>US Department of Housing & Community Development</p> <p>Memphis Housing Authority</p>
Proposal narrative	<p>The Works is proposing the rehabilitation of 145 units of affordable, multifamily housing located in the Frayser neighborhood along Steele Street using an institution(school-based)development strategy. The current development has 152-units. Seven existing units will be renovated to provide wraparound social services for future tenants.</p> <p>In the summer of 2015, ComCap Partners (formerly Community Capital), in partnership with Neighborhood Preservation, Inc. (NPI) began an effort to target blighted and dilapidated properties in the central Frayser area of Memphis. The primary objective of this effort was to improve the built environment around schools in an effort to help provide a more stable living environment around</p>

schools to decrease transience and ultimately impact long-term educational attainment outcomes. The focus area is an approximate one-mile radius around MLK College Prep High School and Frayser Elementary School located on Dellwood, near the intersection of Steele Street.

To help facilitate this effort, ComCap Partners and NPI secured financial support from the philanthropic community to help fund the redevelopment efforts. The financial support provided the acquisition and pre-development activities including hazard remediation. The project will secure construction and permanent financing to develop quality housing that is both sustainable and affordable to the families that have children attending nearby neighborhood schools. Financing will include a combination of third party sources including Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds, bank financing and other grant sources.

In the target area around the schools, there are several large, abandoned and troubled properties, both commercial and residential. Within 500 feet of both schools sit three multifamily apartment communities, the largest of which was the 252-unit Pleasant View Apartments. Developed between 1973 and 1975, the complex straddles both the east and west sides of Steele Street. Since 1979, the property has had many changes in ownership with few, if any, significant improvements. The site has also struggled with criminal activity making it unsafe for families with children.

Apparent that improving this development is essential to the overall viability of the community, Urban Renaissance Partners, Inc (URP), a newly formed non-profit acquired the west side of the Pleasant View Apartments which consists of 152-units. The east side, 91-units, was retained by the current owners. URP also acquired the Peach Tree Apartments which are just south of the east side of Pleasant View.

URP, ComCap Partners, and NPI in an effort to facilitate the redevelopment of the property partnered with the Works, Inc, an experienced non-profit developer to serve as joint developer, owner, and general partner. The Works, Inc will participate in every aspect of the development, management and operation while retaining ComCap Partners as the development consultant.

	<p>Thus far, ComCap Partners has engaged a construction consultant, architectural firm and a firm to complete the remediation of environmental hazards. The budget is prepared that details the costs associated with the rehabilitation and redevelopment of the site to provide sustainable and quality affordable rental housing for the community.</p>
Issues addressed	<p>Community development finance; Neighborhood revitalization and stabilization; Affordable housing</p>
Geographic impact	<p>Countywide; Citywide; Neighborhoods</p>
Population served	<p>The project will serve 145 low-income families by providing affordable housing.</p>
Income of population served	<p>The project will serve families with income 60% and below the area median income for the Memphis, TN-MS-AR HUD Metro FMR Area.</p> <p>FY 2017 Income Limits for Very Low (50%) for a family of 4 is \$30,000. FY 2017 Income Limits for Extremely Low for a family of 4 is \$24,600.</p>
Anticipated outcomes/impact	<p>As mentioned in the overview, the rehabilitation of the Renaissance at Steele Apartments (formerly Pleasant View Apartments) will have a significant positive impact on the community.</p> <p>First, the project will transform a blighted, troubled and crime riddled apartment complex into a safe, quality and energy efficient affordable housing complex. The redeveloped complex will increase the availability of quality affordable housing in the Frayser community, thereby offering residents with a level of affordable housing that is currently not available.</p> <p>The second significant community impact is the potential positive impact that the project will have on the educational attainment levels for students attending school in the Frayser community. The development is a very short walk to both MLK Prep and Frayser Elementary. Consequently, the combination of quality, affordability and proximity will hopefully provide students with a more stable home environment that will also reduce unintended student mobility. Additionally, the elimination of the blighted property would also have a positive impact on how students view their community.</p> <p>City's Development Efforts Presently, there are no comparable multifamily developments within the target area.</p>

	<p>Job Creation As described above, the primary benefit and community impact is the provision of safe, quality affordable housing in close proximity to neighborhood schools. However, the extensive rehabilitation will also provide an economic benefit to the community. Initial estimates indicate that approximately four new permanent jobs will be created as part of the property management effort. These positions include property manager, leasing agent and maintenance staff. In addition to the permanent jobs, the estimated approximate rehabilitation cost of \$10 Million will produce approximately 400 construction period jobs (based on one job per \$25,000 of capital expenditures).</p> <p>MWBE Involvement The primary development participants in this project are The Works and Community Capital.</p> <p>Quality of Life The proposed complex, upon completion will offer several design features and amenities that will enhance the quality of life for the residents. All units will be rehabilitated in accordance with the Enterprise Green standards thereby increasing both energy efficiency and sustainability. The development will also have significant exterior lighting to enhance security. The complex will meet (or exceed) the minimum handicap accessibility requirements and also include assessable units and assessable pathways throughout the complex. The complex will also contain outdoor green spaces, including some recreational areas with playground equipment for the younger children living in the development. Other amenities include a computer center and assessable laundry facility.</p>
<p>Evaluation methods used to measure success</p>	<p>Benchmarking from other successful metric tools, the partnership will develop a tool to measure outcomes and impact through resident surveys, property management information, income recertification process, school-based performance measures, community engagement, etc. The tool will promote and measure how cross-sector partnerships and wraparound services collectively lead to a healthier community. The Works, Inc employs a full-time Data & Research Specialist who employs both quantitative and qualitative methods to measure programmatic success.</p>
<p>Project time frame</p>	<p>New Program</p>

