

Investment Connection Request for Proposal - St. Louis

Response ID:101 Data

3. Enter Your Submission's Details

1. Project/Program Name:

Spanish Lake Road to Home

2. Organization's Legal Name (as shown on IRS Letter of Determination):

Spanish Lake Community Development Corporation

3. Doing Business As (DBA - if name differs from legal name):

SLCDC

4. Organization Contact Info:

	Info
Street Address 1	11840 Bellefontaine Road
Street Address 2	
City	St. Louis
State	Missouri
Zip	63138
Organization Phone Number	314.733.9020
Organization Website:	www.spanishlakecdc.org
Organization Email Address	angela@spanishlakecdc.org

5. Executive and Primary Contact Info:

	Info
Executive Director or Top Executive:	Angela Pinex
Executive Phone Number:	314.733.9020
Executive Email Address:	angela@spanishlakecdc.org
Primary Contact for this proposal:	Angela Pinex
Primary Contact's Phone Number:	314.853.5698
Primary Contact's Title:	Executive Director
Primary Contact's Email Address:	angela@spanishlakecdc.org

6. Are you a 501(c)3?

Yes

7. Organization Mission Statement (Please limit response to 1,000 characters)

To make Spanish Lake a more desirable, attractive and quality place to live for existing and future residents. We achieve our mission through the provision of two main activities: housing stabilization and community building & engagement.

8. Briefly summarize your organization's history. (Please limit response to 1,000 characters):

The Spanish Lake Community Development Corporation (SLCDC) was formed in 2014, by residents with the support of the St. Louis Economic Development Partnership, St. Louis County Office of Community Development, Christian Hospital and its sister organization, Spanish Lake Community Association.

SLCDC was formed to fill in a service gap in unincorporated North St. Louis County. Without a local municipality to lead the way, the community needed someone to lead discussions, planning and work around residential and commercial revitalization, remediation of vacant & nuisance structures, and public safety concerns – in alignment with the North County Plan. Today, SLCDC's board is composed of residents, business representatives and institutional stakeholders who represent the interests of the community.

9. Briefly describe the organization's current programs and activities - Include examples of recent accomplishments, i.e., number of people served annual, housing units built, loans made, etc. (Please limit response to 1,000 characters):

AFFORDABLE HOUSING – To protect and stabilize housing, in 2017, SLCDC bought and began rehabbing its 1st house. The first rehab project sold in mid-2019 to an LMI family, providing SLCDC with affordable housing development experience. We are currently set to purchase and began rehabbing a 2nd property this month.

HOME REPAIR – Each year, SLCDC repairs about 7 homes owned by seniors, increasing the value of their homes, reducing property violations and enabling them to age in place safely.

TENANT/LANDLORD ISSUES – SLCDC collaborates with StL County Problem Properties Unit to identify, monitor and remediate nuisance properties and provide tenant rights resources. There is a consistent file of at least 15 properties on our radar.

WORKPLACE DEVELOPMENT – In 2020, SLCDC will offer soft skills training and support services to prepare residents for more than 100 new full-time, entry-level jobs projected by two major employers with locations in Spanish Lake.

10. Organizational Annual Budget:

\$87,000

11. Organization Fiscal Year:

From date (mm/dd/year) : 01/01/2019

To date (mm/dd/year) : 12/31/2019

12. Proposal Summary (Please limit response to 1,000 characters):

About 52% of Spanish Lake residents are low-to-moderate wealth renters. SLCDC suspects many of these renters could save money through homeownership, which could in turn play a vital role in stabilizing the most vulnerable areas of Spanish Lake.

With Investment Connection support, the Spanish Lake Affordable Housing Program will serve as a renter-to-homeownership pipeline. Participants will receive 6 hours of instruction in financial literacy, credit counseling, homeownership and subsidy education. Extended one-on-one counseling will be available to those who need it. When ready, participants could buy rehabbed homes from SLCDC for \$65,000-85,000.

SLCDC will rehab 2-3 houses a year on blocks where there is a preponderance of neglected and/or vacant homes, or poorly managed single-family rentals, near the "Triangle", a low-income area of 600+ single-family homes mostly occupied by renters in the St. Louis Promise Zone, a federally designated high-poverty community.

13. Type of CRA eligibility for your proposed project (check all that apply):

Affordable housing

Neighborhood revitalization and stabilization

14. Is your project/program (check one):

Expansion of existing project

15. Type of request (check one):

Loan

16. Amount Requested:

\$220,000

17. Total Project Budget:

\$475,000

18. Funding Period Requested:

From date (mm/dd/year) : 01/01/2020

To date (mm/dd/year) : 08/31/2021

19. Geographical Area(s) Served - Include specific counties MSAs, city(ies), neighborhood(s). (Please limit response to 1,000 characters):

The Affordable Housing Program will serve residents of Spanish Lake (area code 63138) with an emphasis on those already living in transitional and distressed areas, namely the "Triangle".

The Triangle is bound by Bridgevale on the west and Trampe on the north. Larimore on the east meets Bridgevale on the south, which produces the triangular shape. This area sits in the St. Louis Promise Zone, a high poverty pocket where federal and local government encourages private investment.

20. Please list other funding secured or potential sources of funding for this project. (Please limit response to 1,000 characters):

SLCDC is scheduled to close on a property this month. The development cost, including acquisition, for this property is \$210,000; we've secured \$85K in funding (rehab loan from Gateway CDFI + equity) and a \$125,000 forgivable gap commitment from St. Louis County, Office of Community Development (OCD) to source this current development. We'll also receive \$45K to source organizational operating costs from OCD during development.

A loan or line of credit from an Investment Connection partner will allow SLCDC to develop affordable housing faster and less expensively.

We are anticipating \$75K acquisition and construction costs for each home and estimating a sales price of \$85K each, leaving a \$10K profit to cover any additional debt charged to the line of credit, namely salaries for the Program Coordinator. Any shortage will be leveraged by a grant to support staff wages.

21. Describe how you verify low-moderate income (80% of Area Median Income (AMI) status of program participants or geographies, i.e., percent/number receiving reduced or free school lunch, census tract data or other method). Please be specific! Listing low-income zip codes does not provide sufficient information. You must describe how you verify the income of individual program participants or in the case of geography, census-tract level data. (Please limit response to 1,000 characters):

The St. Louis Area (MO-IL) 2019 Median Family Income for 2019 is \$81,300. According to the 2010 Census, the median household income for Spanish Lake is \$34,684, \$23,000 less than the median household income for St. Louis County. Additionally, 23% of Spanish Lake households live in poverty, nearly three times higher than the St. Louis County average.

Because low-moderate status is based on household size, participants are required to submit financial documentation that can include, but is not limited to the following: Previous Year Income Tax Form (1040), all Benefits Letters (Veteran, Social

Security, Disability, TANF, Child Support, etc.) Pension/Annuity Letter, 2 most recent Pay Stubs, 2 most recent bank statements and a completed personal budget form.

22. What community development needs or barriers will this project/program address? (Please limit response to 1,000 characters):

Like other communities in unincorporated St. Louis County, Spanish Lake is without a local municipality to offer financial, logistic or legislative support for community revitalization. SLCDC was formed at the request of residents to fill that vacuum. While SLCDC has received technical support from StL County, it needs flexible funding and more staff to serve the community.

SLCDC recently completed its first rehab and sale. Using StL County HOME funds, we generated operating support and a profit. However, a loan or revolving line of credit would allow SLCDC to complete quality rehabs in less time, reduce costs by 30% and will serve as leverage for grants or investments from other sources.

SLCDC could benefit from a full-time program coordinator to support its Executive Director and Housing Committee, which oversees house rehabs and sales. He/she would support potential homeowners and connect participants to with partner resources.

23. Is this project part of a larger initiative, i.e., special government designation or a larger collaborative community effort? If yes, please explain. (Please limit response to 1,000 characters):

SLCDC is working with St. Louis Economic Development Partnership, St. Louis County Office of Community Development and consultant Rise Community Development to identify components of the North County Plan and accompanying retail studies that can positively activate critical residential areas and commercial corridors in Spanish Lake. Protecting housing stock and increasing homeownership are proven strategies to increasing public safety and civic engagement, as well as increasing confidence among potential developers, retail businesses and investors.

24. Describe who will be served through this proposed project/program including the percentage of clients currently served or the predicted percentage served who are either LMI or the percentage of small businesses with revenues of \$1 million or less. (Please limit response to 1,000 characters):

Spanish Lake's population is about 19,000, with about 8000 households; or close to half being renters. In 2016, 77 percent of the Spanish Lake population was African-American. By contrast, 23.3 percent of the population in St. Louis County was African-American and 70.3 percent of the population was white.

Spanish Lake residents earn less income than St. Louis County residents on average. According to 2016 estimates, 53.6 percent of the households in Spanish Lake earned less than \$40,000 and 18.7 percent made at least \$75,000.

Comparatively, 34.2 percent of households in St. Louis County earned less than \$40,000 and 37.6 percent made at least \$75,000. According to Equifax, between 42% and 55% of people have a credit score of less than 600.

25. What are the goals of this project?. (Please limit response to 1,000 characters):

The Spanish Lake community is experiencing a shift in the ratio between owner-occupied homes and those that are occupied by renters. Our 2016 census data profile states 52% of our households are rentals. We understand that a healthy, more stable and engaged community requires tenured residents who share expectations of making the neighborhood better and who can afford to reside in their homes. We seek to achieve the following goals...

1. To develop affordable housing and preserve Spanish Lake's housing stock
2. To increase homeownership in the Spanish Lake community and hinder the increasing trend of investment property having a greater % of the community.
3. To promote programs, education, and training that support and encourage Spanish Lake residents to increase their economic stability.

4. To increase the capacity of SLCDC, allowing the organization to produce more affordable housing at a lower cost.
5. To create a safer, more engaged and stabilized community.

26. What is the timeline for implementing this project?. (Please limit response to 1,000 characters):

Year One

1. Purchase & rehab home #1 – September 2019 – June 2020
2. Screen 10 potential participants and direct to housing counseling agency – March 2020
3. Homeownership workshops, 1-on-1 housing and credit counseling to 4 income-eligible participants March 2020 – July 2020
4. Purchase & rehab home #2 – January 2020 – September 2020
5. Sell home #1 to LMI family – July 2020
6. Sell home #2 to LMI family – October 2020

Year Two

1. Purchase & rehab home #3 – August 2020 –April 2021
2. Screen 15 potential participants and direct to housing counseling agency – March 2021
3. Homeownership workshops, 1-on-1 housing and credit counseling to 8 income-eligible participants March 2021 – July 2021
4. Purchase & rehab home #4 – November 2020 – July 2021
5. Sell home #3 to LMI family – May 2021
6. Purchase & rehab home #5 – June 2021 –February 2022
7. Sell home #4 to LMI family – August 2021

27. Significant Partnerships:

Does this project/program involve any external partners that may add capacity, programmatic experience and/or funding? (Please limit response to 1,000 characters):

- National Community Stabilization Trust (NCST) – Through NCST, SLCDC can purchase bank-owned property at a discounted price before it is marketed to the general public.
- Credit Repair & Homeowner Counseling Organization –They will help credit challenged clients. with 1-on-1 counseling and group workshops and educate potential homeowners to become good stewards over their finances, clean up delinquent credit items and therefore, increase their credit score to a minimum of 620. They are HUD-certified homeowner counselors.
- Local Commerce Bank branch will provide financial lit classes.
- Real Estate Broker – Hayley Tomazic. She will act as SLCDC's listing/sellers agents. She is a passionate advocate with strong community relationships. Her process is designed to handle home sales that include community programming. She is well versed in down payment assistance programs and specialized mortgage programs.
- RISE – A rising affordable housing developer will provide technical assistance.

28. Who will be responsible for developing, documenting and reporting relationships with connections made through the Investment Connection? (Please limit response to 1,000 characters):

Angela Pinex, Executive Director of SLCDC, is responsible for all documentation and reporting internal and external partners. She will supervise all recruiting efforts and direct potential homeowners/interested renters to housing counseling agency. She is responsible for purchasing all properties from NCST on behalf of SLCDC and act as developer during construction.

A new Staff Program Coordinator will perform all administrative duties, such as, mailing correspondence to potential homeowners. He/she will field questions about the program from community members and forward to the responsible party and will manage the database of interested homeowners. He/she will prescreen potential participants and administer pre- and post-surveys and maintain a file on each. This person will oversee any in-house workshops and counseling.

Janett Lewis, SLCDC Board member and Real Estate Broker will inspect potential properties, develop minimum scope of work and estimate improvement costs.

29. What are the anticipated measurable outcomes of this project?. (Please limit response to 1,000 characters):

- (A) Develop affordable housing – Indicated by the # of rehabbed housing units. We will purchase and develop 5 homes (2 in year one and 3 in year two) to sell to LMI families over a two-year period.
- (B) Increased access to available affordable housing – Indicated by the # of homebuyers whose housing cost % decreased. We will develop 5 homes with annual housing costs (including utilities & maintenance) less than 30% of the purchaser's income.
- (C) Improved quality of life for families – Indicated by increased community connections and improvement of overall well-being and financial stability. 25 people will receive housing counseling and credit repair, 5 of which will purchase affordable homes.
- (D) Increased housing opportunities for LMI families – Indicated by the # of LMI participants who receive housing counseling and credit repair and those who purchase homes. 12 participants will attend homeownership and credit counseling sessions (4 in year 1 and 8 in year 2).

30. How do/will you evaluate this project? Describe the measurement tool(s). (i.e., participation checklists, pre/post surveys, intake sheet, etc.) (Please limit response to 1,000 characters):

- (E) Develop affordable housing unit-We will use our financial and program budget records to determine the # of housing projects that received funding and how much of the line of credit/loan still available to support the program.
- (F) Increased access to available affordable housing-We will measure the # of homebuyers whose housing cost % decreased in relation to their income by reviewing applications and post surveys, using a homebuyer affordability worksheet to calculate housing costs %.
- (G) Improved quality of life -We will use pre/post surveys and intake sheets to measure improvement by an uptick in the rating of the following sample questions 1) My home has a positive effect on my physical health, 2) I communicate with my neighbors and 3) My credit score improved by at least 50 points.
- (H) Increased housing opportunities for LMI families-We will measure the # of participants receiving housing & credit counseling and those who purchase homes by reviewing applications and post surveys.