

TWIN CITIES INVESTMENT CONNECTION EVENT

March 31, 2020

Host: Michou Kokodoko

Federal Reserve Bank of Minneapolis



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The following slides feature key information about the project proposals presented at the Minneapolis Fed's Twin Cities Investment Connection session on March 31, 2020.

The views expressed herein are those of the presenters and not necessarily those of the Federal Reserve Bank of Minneapolis or any other component of the Federal Reserve System.

TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- **Avivo**
- Raising Everyone Up: Scholarships for Career Pathway Training Courses
- Funding request: \$110,000
- Type of support requested: Grant
- CRA eligibility activity(s): Workforce Development/Economic Activity
- Project description: Offer scholarships to train 20 - 30 students in Medical Technology, IT Support, and other skilled jobs at the Avivo Institute of Career & Technical Education.
- Population served: 96 % at or below federal poverty level; 64 % People of Color
- Project duration: One year (when the Institute reopens; it is closed due to the pandemic)
- Expected outcomes: 85% of enrollees will graduate, prepared for jobs with increased wages



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: Pillsbury United Communities
- Project name: Minneapolis Community Development Corporation
- Funding request: \$400,000
- Type of funding/support requested (loan, investment, grant, line of credit): Grant
- CRA eligibility activity(s) addressed: Community Development
- Brief project description: A community-centered CDC
- Population served: North Minneapolis Community
- Project duration: 3 years for incubation of the MCDC
- Expected outcomes: Equitable economic development

TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: Project for Pride in Living
- Project name: Newly Built Affordable Housing
- Funding request: \$12,000,000
- Type of funding/support requested (loan, investment, grant, line of credit): Loan at 3% for 10 years.
- CRA eligibility activity(s) addressed: Affordable housing.
- Brief project description: Build 200 units of new affordable rental hsg.
- Population served: 40% of units at 60% AMI; Remainder at 80% AMI
- Project duration: Build-out, 2-3 years; Refi in Year 10 to repay loan.
- Expected outcomes: 200 units of perpetually affordable rental housing.



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: ServeMinnesota
- Project name: Reading Corps - Total Learning Classroom (TLC)
- Funding request: \$500,000 that will support bringing the TLC model to 20 Kindergarten through 3rd grade classrooms, closing literacy gaps and rewriting the narrative of racial/economic inequities for students in high-need, high poverty Twin Cities schools
- Type of funding/support requested: Grant
- CRA eligibility activity(s) addressed: Community services targeted to low-income individuals
- Brief project description: Partnering with schools, TLC leverages the people power of AmeriCorps to enhance schools' ability to make systems-wide changes using data-based decision making and evidence based interventions that empower students into skilled, confident readers ready to succeed in school and later in life
- Population served: 500 at-risk students K-3rd grade - more than 80% receive free/reduced lunch, less than 20% of 3rd graders read proficiently and majority are students of color.
- Project duration: 2020-2022
- Expected outcomes: 70% of students will meet or exceed their target growth rates in reading



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

Organization name: HousingLink

Project name: Housing Hub

Funding request: \$30,000

Type of funding/support requested: Investment/Grant

CRA eligibility activity addressed: Affordable Housing

Brief project description: Housing Hub is a one-stop, web-based technology solution that addresses the challenges of the current affordable housing waiting list process to help low-income renters find housing faster and increase revenues at affordable properties by reducing the time it takes to fill vacancies.

Population served: Housing Hub will serve low-and moderate-income renters in Minnesota. Roughly 75% have an annual income below \$25,000.

Project duration: Ongoing

Expected outcomes:

1. Increased housing choice for low-income renters
2. Decreased time renters spend on housing waiting lists
3. Faster unit lease-up
4. Unduplicated count of households on waiting lists for affordable housing
5. New insight into renter demand for location and unit size
6. Ability to analyze waiting list trends (length of wait, frequency of opening, etc.)



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: Greater Metropolitan Housing Corporation
- Project name: GMHC Affordable Homeownership Program
- Funding request: \$3 million
- Type of funding/support requested (loan, investment, grant, line of credit): Line of Credit or Loan
- CRA eligibility activity(s) addressed: Community Development, Affordable housing for LMI persons
- Brief project description: Providing affordable homeownership opportunities for low- to moderate-income households, primarily in North Minneapolis
- Population served: Low- to Moderate-Income
- Project duration: Ongoing. We receive regular government funding for projects and need construction financing.
- Expected outcomes: 10-20 low- to moderate-income homebuyers per year



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: NEON
- Project name: NEON's Culture of Entrepreneurship
- Funding request: \$50,000
- Type of funding/support requested: Loan, Investment, Grant
- CRA eligibility activity(s) addressed: Small Business Development / Microlending
- Brief project description: Create a culture of entrepreneurship by expanding access to capital
- Population served: North Minneapolis (Promise Zone)
- Project duration: Annual
- Expected outcomes: West Broadway Avenue as a vibrant Minneapolis destination and a thriving hub of local businesses that supports those typically left out of the system.

TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: Twin Cities R!SE (TCR)
- Project name: Economic Development for Low-Income Individuals,
- Funding request: \$10,000
- Type of funding/support requested (loan, investment, grant, line of credit): Grant
- CRA eligibility activity(s) addressed: Workforce and Economic Development
- Brief project description: TCR will provide job training to 915 low income individuals throughout the year. An investment from the organizations here today will help us fund technology for a full cohort as we pivot to a mobile model of providing our services.
- Population served: All participants are very low-income, earning less than \$11,000 on average at program start. In FY2019, 82% of participants were persons of color, 71% were unemployed, 47% had a history of chemical dependency.
- Project duration: Year-round, our program year runs October 1st-September 30th.
- Expected outcomes: Serve 915 individuals. Place 263 into employment, 110 into internships, and achieve 80% job retention at one year.

TWIN CITIES INVESTMENT CONNECTION – MARCH 31

Organization name: Urban Homeworks/ YardHomesMN Partnership



Project name: **Project ADU**

Funding request: **Anything up to \$500,000** Type of funding/support requested (loan, investment, grant, line of credit): **All**

- **Grants would allow us to apply the funds directly to the cost of the ADU thereby buying down the amount of the lease and allowing more of the monthly rent payment to go to the family or completely eliminated the end buy out cost for the family. Typical units will cost \$95,000-\$115,000 (all in).**
- **A low interest loan to or line of credit to Urban/ YardHomesMN Partnership would allow us to purchase the manufactured units in bulk and there by bring down the cost of the units overall.**
- **Investment into YardHomesMN (which is structured as an Opportunity Zone business) through the YardHomes Opportunity Zone fund would shelter your earnings from capital gains if they remained in the business for 10 years. In addition the funds would be designated to be utilized for the purchase of units within the Urban Homeworks/ YardHomes MN Partnership.**
- **Additional Investment in CRA Qualified Securities will be available in Year 3 once scale is obtained.**

CRA eligibility activity(s) addressed: **Affordable Housing, low to moderate income families, lending and investment, community development investment.**

Brief project description: **YardHomesMN will sign a land lease with the property owner (Urban Contract for Deed client) and revenue share the rental income from the ADU with both entities. YardHomes plans on ensuring that individuals given access to the ADU's are individuals moving out of homelessness, veterans or individuals utilizing a voucher program. These ADU's will be utilized by MN homeless vets through a partnership with MACV.**

Population served: **Families making below 50% AMI's. Homeless Vet's, Homeless Youth, Anyone on a Public Housing Voucher Program**

Project duration: **Installation period 1 Year, amortization period 10 years**

Expected outcomes: **The pilot project will consist of 4 units however once pilot is proven we hope to partner with many non profits and HRA's and install at least 200 over a period of 2-3 years.**



TWIN CITIES INVESTMENT CONNECTION – MARCH 31

- Organization name: **CommonBond Communities**
- Project name: **Housing Investment Fund (HIF)**
- Funding request: **\$1,000,000**
- Type of funding/support requested: **Grants, PRIs, EQIIs**
- CRA eligibility activity(s) addressed: **Affordable Housing Development**
- Brief project description: **CommonBond’s HIF acts as predevelopment, acquisition, and project gap source for acquisition and development of affordable housing. By leveraging grants and concessionary capital in our project stacks, we can act quickly and prudently to create and preserve the housing our communities need.**
- Population served: **Low income renters at 30-80% of Area Median Income**
- Project duration: **Ongoing; investment terms 5-15 years**
- Expected outcomes: **Creation and Preservation of 1,000+ affordable units**

