

SOUTHEAST COMO HOUSING STRATEGY



**Final Draft
December 31, 2015**

I. Executive Summary

This document presents a strategy and roadmap for addressing housing issues and conditions in the Southeast Como neighborhood—and to some extent in the University District neighborhoods in general.

Housing issues are a primary concern in Southeast Como. They include:

- Conversions of single family homes from owner occupancy to rental
- Deterioration of property conditions
- Tenant behavior issues due to poor management

These are longstanding concerns, and the neighborhood has devoted considerable attention to them over the years.

Housing impacts in the University District neighborhoods were highlighted as a key concern in the 2007 “Neighborhood Impact Report,” which led to a set of pilot programs to address the issues. There was hope this initiative would lead to a scaled-up intervention. But the pilot programs were largely completed several years ago, without a plan for continued action. There is a sense

among neighborhood leaders that momentum needs to be reestablished.

The housing concerns of Southeast Como are largely shared by the Marcy-Holmes neighborhood, which is actively grappling with similar issues. Marcy-Holmes took the initiative in 2014 to hire consulting services to create a “Housing Diversity Strategy.” That strategy report is the predecessor to this document.

The following pages provide additional historical and market-based context, and offer detailed information on strategies that can be pursued to advance the neighborhood’s housing goals. Some of the strategies are available for Southeast Como to pursue on its own. The more ambitious strategies would require a close partnership with the other University District neighborhoods, and the University of Minnesota.

Recommendations

The following is a summary of the report recommendations. Recommendations fall under two headings—Partnership Strategies, and Neighborhood Strategies.

Neighborhood Strategies

The Southeast Como Housing Strategy Task Force acted as a steering committee for this work, and was instrumental in guiding and prioritizing the strategies that the neighborhood might undertake independently. Based on their input, the following two strategies are recommended as priorities for near term neighborhood action.

- **Marketing the neighborhood.** As more and more households desire an urban living experience, without paying downtown rents or mortgages, Southeast Como has much to offer, and can be active in communicating that in various ways.

Audiences include University departments, surrounding employers, the media, real estate professionals, and developers. (See Strategy 1 below.)

- **Building connections with surrounding employers.** Southeast Como is sandwiched between two of the City’s biggest employment districts. Thousands of workers come to these areas to work in industrial production, in creative enterprises, in transportation and health care. Many of these employees could benefit from living near their work, in Southeast Como. (See Strategy 2 below.)

Partnership Strategies

Conversations with University District stakeholders were critical in understanding that a broad collection of disparate strategies would not by itself capture the imagination and energy of a University/Neighborhood partnership. A singular compelling focus was needed, under which a set of strategies could be organized.

Because of this guidance, partnership strategies have been packaged as a single

overarching initiative, which builds on an important opportunity—which is to build a sense of connection and attachment between University faculty and staff and the University District neighborhoods. The idea is for University staff to see the University District neighborhoods as their neighborhoods, to live and recreate in, just as University students do.

In four words:

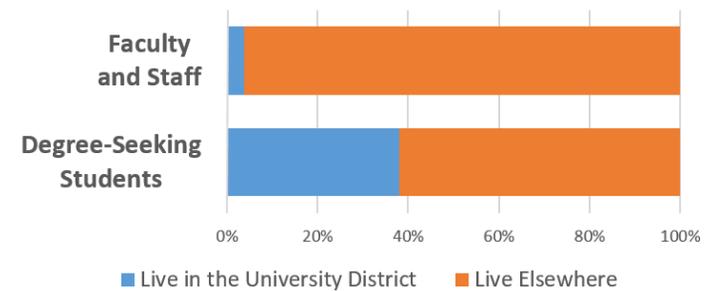
“U Neighborhoods/Your Neighborhoods”

This would be a collaborative initiative of the University of Minnesota, and the University District neighborhoods, over the next decade. It could have a clear and measurable target—to double the number of University staff that live in University District neighborhoods by 2025.

A range of creative efforts can advance this goal. This report recommends consideration of the following as potential components of the campaign.

- **Outreach to staff.** Systematically, assertively, and creatively market

Where University Employees and Students Live



the neighborhoods to University of Minnesota faculty, staff and graduate students as the perfect place to live. (Strategy 3 below provides additional details.)

- **Improvements to housing stock.** Improve the condition of the housing in the University District neighborhoods. (Strategy 4 is relevant to this objective.)
- **Branding through new development.** Identify catalytic sites in the neighborhoods, and develop projects attractive to University staff. (Strategies 5 and 7 are relevant to this objective.)

- **Employer Assisted Housing.** Provide incentives to staff in the form of downpayment assistance to live in one of the U neighborhoods. (Strategy 6 offers more information about this.)

Implementation

These are promising strategies, which can make a difference in longstanding issues. Action on these strategies is dependent on the ability of stakeholders to renew their energy, and to embark on new paths. It

requires consensus-building, and harnessing the collaborative capacity of the University District partners.

Beginning is in itself a big step forward—at both the neighborhood and partnership level. Renewing a University District focus on housing issues would be another.

II. Introduction

Housing issues are a primary concern in the SE Como Neighborhood. They include conditions such as the following:

- Ongoing conversions from owner occupied to rental housing
- Deterioration of property conditions
- Tenant behavioral issues due to poor management

These impacts are longstanding. While the neighborhood embraces the youthful energy that comes from the presence of university students, the neighborhood also benefits from retaining a mix of owners and renters, and from having households and residents in different life stages. These foundations of neighborhood stability are weakening.

The neighborhood is not alone in raising these concerns. They are shared by the other University District neighborhoods, and to some degree by the neighborhood's important institutional partners—the University of Minnesota and the City of Minneapolis—who have themselves taken important and innovative steps to address neighborhood stability issues.

A key moment of consensus building around these challenges was the development and publication of the 2007 report titled, “Moving Forward Together: U of M Minneapolis Area Neighborhood Impact Report.” This report identified housing impacts in University District neighborhoods as a critical challenge to be addressed.

A number of pilot actions followed that report, as well as the creation of the University District Alliance, which offered a venue for neighborhood-University dialog, and provided institutional capacity for some housing related actions.

The pilot actions were supported by an allocation of funding by the Minnesota state legislature. They were modest in scale, but provided important lessons with regard to the three programs that were funded. The programs were:

1. The acquisition and rehabilitation of three homes in the University District, and their subsequent sale to owner occupants
2. The provision of downpayment assistance to 15 households

purchasing homes in the University District

3. The purchase of first rights of refusal options from 21 homeowners, with the intent of keeping those homes in owner occupancy status

The Marcy-Holmes Neighborhood directed new attention to these issues with a decision to create a neighborhood housing strategy, with consultant support. Over a period of six months in 2014, working closely with the neighborhood Task Force, the consultant investigated the unique housing context, and a set of promising strategies was developed. These are laid out in a report to the neighborhood, titled Marcy-Holmes Housing Diversity Strategy.

After its completion, and its presentation to the Marcy-Holmes neighborhood board, there was interest in Southeast Como to pursue a similar type of neighborhood housing strategy, and advance the dialog

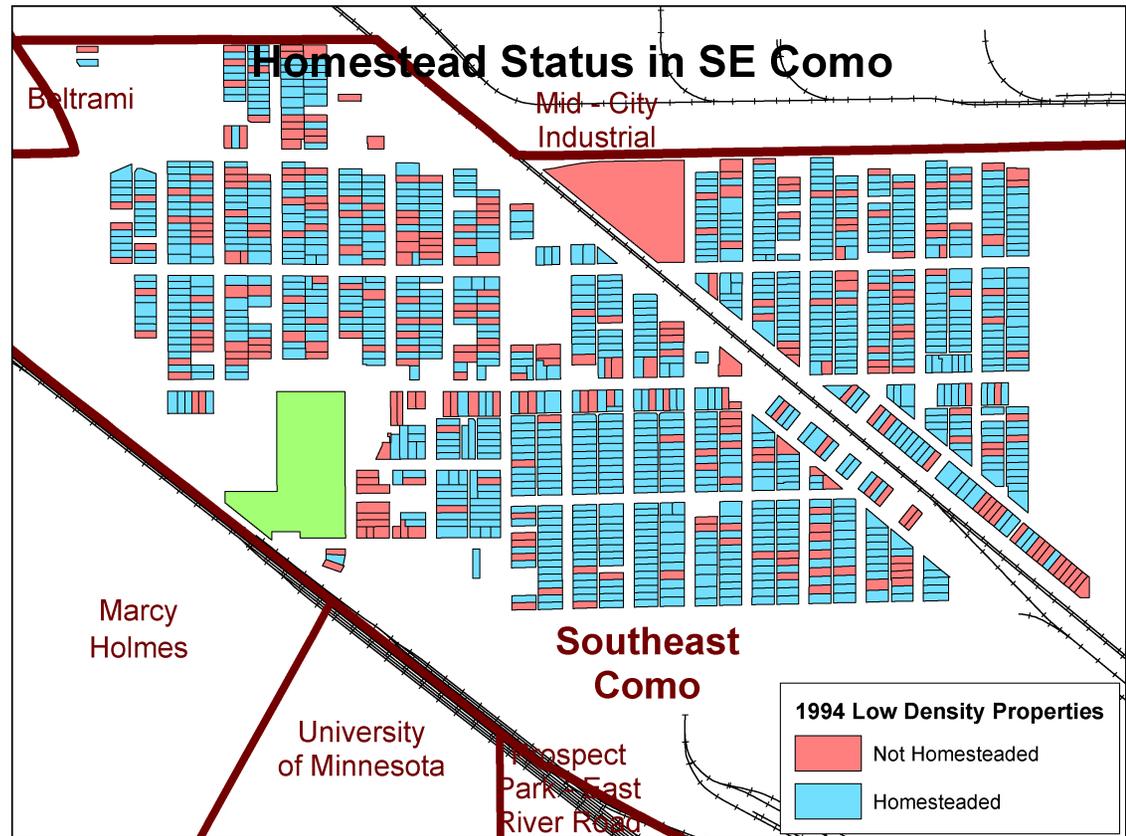
with important collaborators such as the University of Minnesota.

The neighborhood hired the same firm, Tangible Consulting Services, to support a process that would:

- Further the exploration of the housing strategies contained in the Marcy-Holmes report, with a focus on those that are also applicable to Southeast Como
- Broaden the partnership building conversations with implementation partners

This report is the outcome of that process. It offers an overview of the market context and issues experienced in the neighborhood. It provides a menu of promising strategies for the neighborhood to pursue—strategies that can be pursued by the neighborhood on its own, as well as the identification of a collaborative initiative that could be pursued with the other University District neighborhoods, and the University of Minnesota.

Its purpose in the narrow sense is to outline a set of actions that can be taken to address areas of concern. In a broader sense the analysis and candidate strategies of this



Homestead data from the City of Minneapolis.
“Low Density Properties” refers to all properties that can be homesteaded—i.e., single family homes, duplexes, and triplexes.

report can be utilized to build coalitions with other University neighborhoods, the City of Minneapolis, and the University of Minnesota, to undertake collective endeavors at a scale that could arrest or reverse troubling trends.

The process encompassed close engagement with the neighborhood’s Housing Strategies Task Force. Over 20 developers and community stakeholders were interviewed. The earlier pilot projects undertaken in the

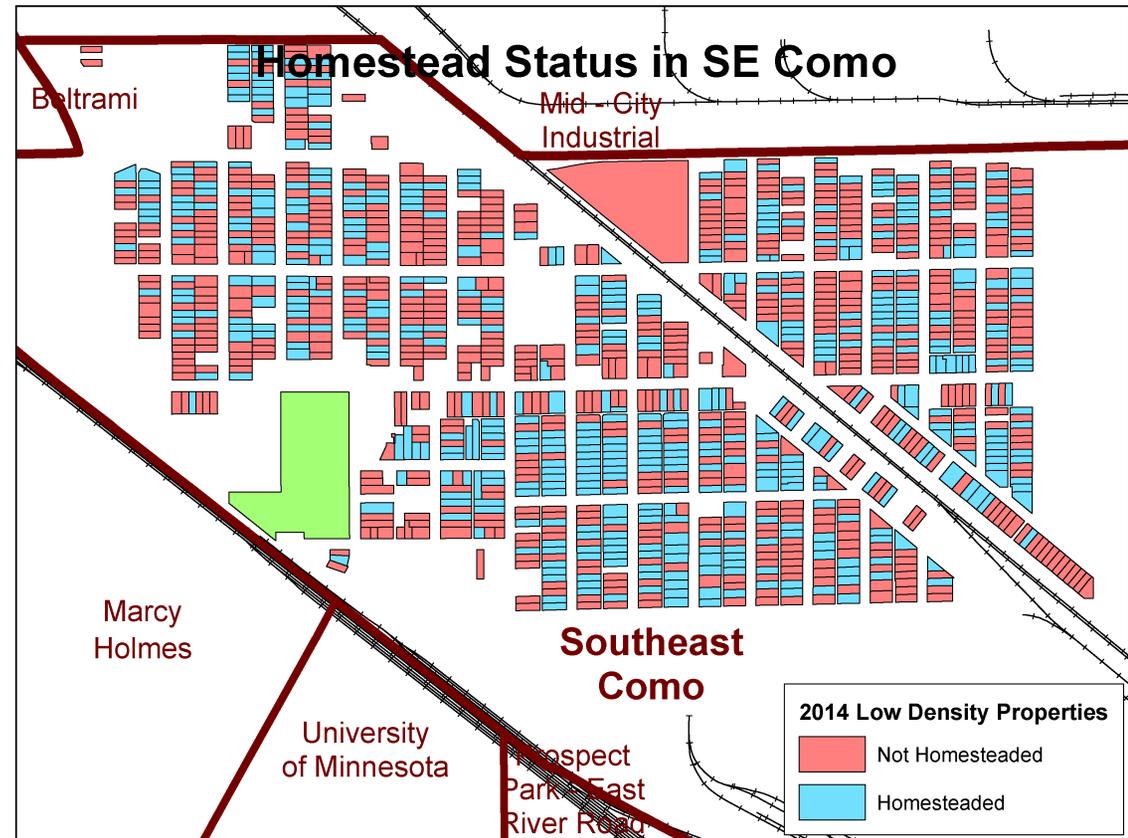
University District neighborhoods were investigated. Best practices research was conducted into the successful programs of other universities and university neighborhoods nationwide.

This Housing Strategy is being completed at the same time as the neighborhood’s small area plan, The Como Blueprint. The analysis and recommendations of this report are intentionally consistent with the values and recommended actions of The Como Blueprint.

Housing Challenges

Of the three housing challenges identified as high neighborhood concerns, two have been the target of efforts that have resulted in improvements to conditions in recent years.

Tenant behavior issues. Behavior of student tenants has shown noticeable improvements as a result of two initiatives. The City of Minneapolis passed a social host ordinance that makes it a crime to knowingly allow underage alcohol consumption at one’s home/event. And the University of Minnesota expanded its student conduct code such that students can suffer academic



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consequences for their behavior off campus as well as on campus.

Property conditions. The City of Minneapolis has taken new and assertive steps in recent years to hold property owners and property managers accountable

for the conditions of their properties, and their responsiveness to housing code violations. This is having an impact on neighborhood housing conditions.

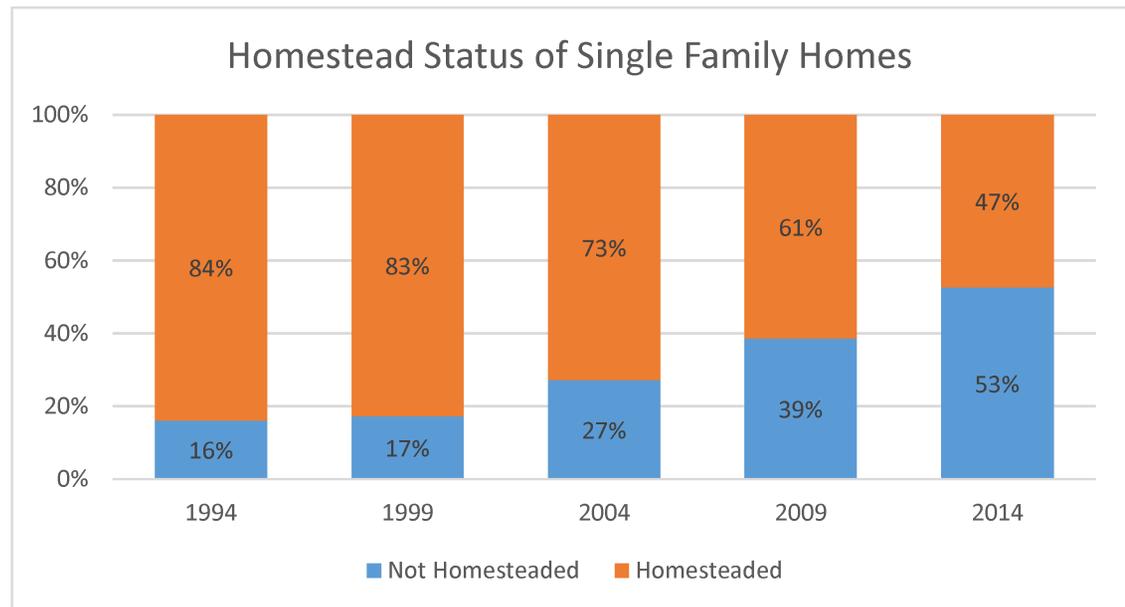
Rental conversions. In contrast to the promising measures being taken to address

issues of tenant behavior and property conditions, the conversion of single family homes from owner occupied homes to rental property has not abated, nor has it slowed. It has continued, in fact, at an alarming rate.

Over the last twenty years, the ownership to rental ratio for all single family homes has dropped precipitously. Over the last twenty years, the ownership to rental ratio for single family properties has declined precipitously. As recently as 1994 fully 84% of single family homes were owner occupied. Just 20 years later, in 2014, the majority of single family homes are rental properties. The pace of conversion was very fast in the last five years. Of the 650 homes that were still owner occupied in 2009, 23.3% (or almost a quarter) were converted to rental property by 2014.

This is a cause for concern not because renters make bad neighbors. On the contrary, well managed rental housing is an asset to a neighborhood, particularly where residents are long-term renters, and become rooted in the community.

But single family homes are the type of rental property that is considered most



difficult to manage well. Its scattered site nature makes it difficult to maintain effectively. It does not have the scale to support an on-site property manager who can pick up on tenant behavior or maintenance issues as soon as they arise.

A concentration of single family rental property on a block can also dampen interest by prospective owner occupants for housing on that block. Such blocks can reach a tipping point where neighborhood household balance is lost.

The following section of the report provides market observations concerning the growth in student housing demand that has contributed to this phenomenon, and the recent response in the form of new student housing construction. It also points out the logic of identifying and attracting other market interest in neighborhood housing from populations that would be owner occupants and longer term renters.

III. Market and Development Context

University District neighborhoods are attractive to students and nonstudents alike. The resulting mix of households contributes to their unique character and vitality.

To preserve and strengthen neighborhood health and balance, we must understand how to attract and retain owner occupants and longer-term renters, and how to maintain a diversity of household types in the neighborhood. This requires understanding the market forces behind student housing demand and supply, and those of other market sectors.

Student Housing Market

What are the market attractors and challenges for each of these markets? Students clearly value proximity to the University. Transit service in the University District neighborhoods is strong and reliable. And additional student-oriented services and amenities have multiplied in Dinkytown and Stadium Village—including new grocery and retail offerings, convenience food, services and entertainment.

Over the last 15 years, the demand for off-campus student housing has steadily grown, in response to three University enrollment and housing trends. (See sidebar, summarized from the University’s online enrollment statistics.) These policies are to be applauded from an academic and student experience perspective. But they have also

served to significantly increase off-campus student housing demand.

The growth in demand has elicited a huge development response in the last few years. Student apartment buildings have sprung up in Stadium Village, Dinkytown, Seven Corners, and extending into neighboring communities.

The construction boom continues, and the dust has not yet settled with respect to rent levels, vacancy rates, and the impact on older apartment buildings and smaller scale rental housing.

Rents in the new buildings tend to be pretty high, so they are not meeting the needs of all students. Students with less to spend on housing presumably continue to compete for space in single family homes, duplexes, and older apartment buildings. But anecdotal evidence is accumulating that the new apartment supply is having a ripple effect through the market. Vacant apartments are filling more slowly in some of the older apartment buildings, and in the single family rentals. Rents are reducing in some instances.

Student Housing Demand Growth: Why?

- **Overall Enrollment Growth.** From 2000 to 2014, student enrollment at the University’s Twin Cities campus increased 12%. Current enrollment is around 51,000.
- **Full-Time Status.** Over the same period, the share of students enrolled full-time increased from 74% to 83%. Taken together, enrollment of full-time students increased 26% from 2000 to 2014. Full-time students are more likely to want to live near campus.
- **Freshmen On Campus.** Over the last five years, the University has prioritized bringing as many Freshmen as possible into on-campus housing. 88% lived on campus in Fall 2014. Once accustomed to the benefits of proximity, students are much more interested in living close to the University in subsequent years.

If the new supply is reducing student rental demand, it should slow the conversion of single family houses to rental property. And it could thus reduce the market advantage that rental property owners have frequently had over owner occupants when single family homes come up for sale.

Non-Student Housing Market

Southeast Como has assets that are attractive to non-student households. There is an abundance of modest sized single family homes and duplexes, with yards—in a neighborhood that is surrounded by an unparalleled employment base, and that is not that far from the center of the City. It has strong transit service that connects to both downtowns. It contains unique neighborhood businesses, is right around the corner from Dinkytown, and is nearly as close to The Quarry—which has an entirely different range of destination and big box retail stores.

The school in the neighborhood is no longer a neighborhood-based school. But the schools that are available to SE Como families are strong. This includes both Marcy School, and the rehabbed Webster School—which is being repositioned to serve

downtown, Marcy-Holmes, and Southeast Como families

Southeast Como also faces some market challenges. As has been discussed, the concentration of rental housing can dampen interest in a block or a neighborhood. A second factor relates to the typical age of SE Como housing. Much of it built around the turn of the century, the neighborhood's housing is commonly due for significant rehabilitation in order for the home to be suitable for today's living sensibilities. Less extensive investment is often required in order for the structure to be serviceable for renters. The plume of underground contaminants in certain parts of the neighborhood clearly presents an additional challenge.

Setting aside these strengths and weaknesses for a moment, the most encouraging element of the non-student housing market may be its untapped potential. What an ideal location for University faculty and staff to live. And yet only 3.7% of family and staff live in the University District neighborhoods. These neighborhoods should be seen as their neighborhoods too. And they represent a lot of market demand that can be awakened.

The same could be said of the employees of the Fairview University hospital and clinics—and of the myriad of additional employees that work in the two employment districts that border on Southeast Como—SEMI, and Mid-City Employment Areas. The businesses in these areas include production facilities, creative class businesses, and the back-office staff of health insurance companies.

Neighborhood Housing Types

The market dynamics described above play out differently for three major types of neighborhood housing. And the neighborhood's interests and concerns are also different for these housing categories.

New Development. Southeast Como has not experienced the volume of new development that has overrun Marcy-Holmes and Prospect Park in recent years. New development represents an opportunity for Southeast Como to be strategic—in the tone it sets, and in providing additional neighborhood amenities.

Legacy Apartments. Most of the apartment buildings in the neighborhood are older buildings. They are termed "Legacy

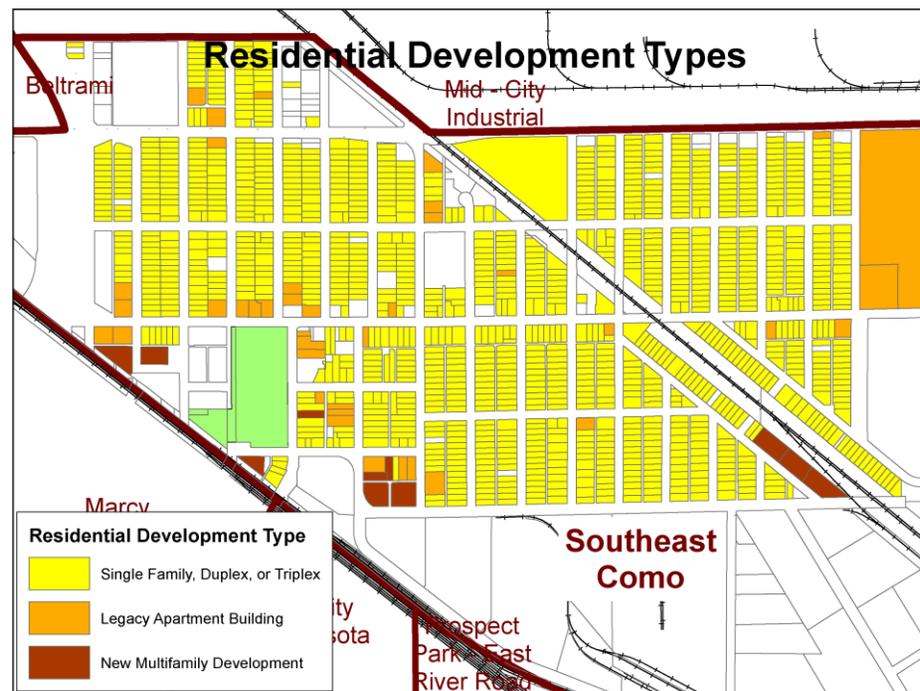
Apartments” in this report if they are constructed in 1980 or earlier.

Legacy apartments support neighborhood goals of household diversity in that these buildings are the “affordable housing” of the neighborhood. And they often house a flexible mix of students and nonstudents.

Well managed buildings are neighborhood assets. Poorly managed buildings have detrimental impacts on the surrounding area.

Because the maintenance and management of these buildings is the key determinant of their impact on the neighborhood, this report offers strategies related to rental licensing and enforcement of regulation (including occupancy requirements). And it offers information strategies that would make prospective tenants aware of license requirements, and the performance of building management.

1, 2, 3 Unit Buildings. Single family dwellings to triplexes are the dominant form of housing in Southeast Como. They may be owner occupied or rented, and their



condition is an important barometer of neighborhood health and balance.

Lower density rentals are uniquely challenging to manage because they are not of a scale that supports on-site property management. Maintenance of buildings can suffer, and it is difficult to oversee tenant behavior. Student rentals have additional challenges because of the association that

some students have between college life and partying, and because many student tenants lack the life experience that it takes to be a good neighbor.

Several strategies in this report would have an impact on the issues pertinent to lower density housing. For example, a rehab program is proposed, which would put some properties back into owner occupancy.

IV. Housing Strategies

The core recommendation of the Southeast Como Housing Strategy is to go in two directions in the short run:

- Focus some neighborhood energy on a set of strategies that don't require the support of a broader coalition
- Work with the broader partnership (the University of Minnesota, and the University District Neighborhoods, etc) to organize its housing work under a primary district-wide focus—a "U Neighborhoods/Your Neighborhoods" Initiative.

There are a number of distinct strategies that support these two strategic directions. They are listed in the table at right, and described in this chapter of the report. Note that this chapter also highlights a couple of strategies that are promising but do not fit neatly under either of the near-term strategic focus areas.

All of the strategies were selected because they meet tests of relevance, impact and

Southeast Como Neighborhood Focus	1	Build Connections with Neighboring Businesses
	2	Market Southeast Como
"U Neighborhoods/Your Neighborhoods" Initiative	3	Promote U Neighborhoods to University Staff
	4	Rehabilitate Neighborhood Housing
	5	Facilitate New Development
	6	Offer Home Ownership Incentives (Employer Assisted Housing)
	7	Increase Organizational Capacity for Development
Other Strategies	8	Support the City's Rental Licensing Improvements
	9	Create Housing Information Exchanges

feasibility. In particular they were weighed against the following criteria:

- Does the strategy further the identified housing objectives of the

neighborhood, and address the identified issues?

- Does the strategy have the potential to make an impact commensurate with the scale of the challenge?

- Is the strategy potentially feasible, financially and politically?

The strategies are an intentional mix of efforts that address a range of neighborhood objectives. Strategies 1, 2, 3, and 5 build the area's cachet with non-student populations, in order to retain a diverse neighborhood that is acceptable to many types of households. Strategies 4 & 6 are at least

partly about strengthening the owner occupant housing market. Strategies 7 & 8 incentivize good management practices on the part of rental property owners.

The strategies require different levels of collaboration, and include some that could be pursued independently. They vary in the scale of resources that need to be marshalled for their implementation.

The strategies are described individually in the pages that follow. There is a lot to be learned from others who have faced similar challenges, and undertaken similar efforts. So for most of the strategies, a precedent project is highlighted, which illustrates a successful initiative mounted in another location.

Strategy 1: Build Connections with Neighboring Businesses

Part of Southeast Como's identity and strength comes from the number of businesses located within and adjacent to the neighborhood. The surrounding employers should be seen as a resource to be tapped, because their many employees have a strong reason to consider living in the neighborhood. Connecting with area businesses can include extending a welcome to nearby workers, and gaining information from them about how to build an environment that is attractive to them.

The Context

SE Como is a primarily residential neighborhood, but it is surrounded by a great number of businesses of many kinds. They are largely located along the larger avenues in the neighborhood: SE Como Avenue, East Hennepin Avenue and Elm Street SE/Kasota Avenue.

While there are some businesses with a lot of employees - UCare, for example, has 550 employees - many businesses in SE Como have few employees. Approximately 41 businesses have 50 or more employees; 18 businesses have 100 or more employees. Businesses are focused in multiple areas. Many are industrial businesses, focused on production of some kind, or distribution. There is also a concentration of businesses that are in the information and/or creative sector. As members of the neighborhood, these businesses can contribute to the stability and vitality of the neighborhood. Their owners and employees could potentially live in the neighborhood as well.

Reaching out to area businesses to understand their needs and their reasons for locating in SE Como would provide the neighborhood with

more information about how to encourage an environment conducive to homeowners and long-term renters.

The Program

A program to connect with neighborhood businesses and encourage business owners and their employees to live in Como could take a number of forms. For example, SE Como could contact area businesses with 50 or more employees to gauge interest in a downpayment assistance program for employees to encourage them to buy a home in the neighborhood. Would business owners be interested in contributing to such a program and would employees be interested in participating? Currently, the median value of a single family home in SE Como is \$200,000. A loan of \$3,000 - \$5,000 could help a homeowner reach a 10% downpayment. Twenty-five loans at \$5,000 each would cost \$125,000 (plus administrative costs). The neighborhood, the city and the businesses could potentially all contribute. Partnering with other University District neighborhoods in creating such a program might make sense. (Median Home value in Marcy-Holmes is \$224,000 and in Prospect Park is \$280,000.)

It seems SE Como is an environment that works for information and arts related businesses. Given this, the neighborhood is encouraged to find out why this is the case and how to facilitate the location of more of these businesses. Perhaps two story office over retail buildings along Como and Hennepin Avenues are attractive and need to be improved and marketed. Perhaps proximity to the University of Minnesota and downtown, combined with lower square footage costs is attractive and should be understood and marketed. Lastly, maybe these businesses are connected to the arts related businesses in northeast Minneapolis and are a southward extension of that business climate. More exploration is needed to inform some strategies. The connection between these businesses and the neighborhood's goal of increasing the number of homeowners and long term renters is clear.

Implementation Steps

The following are implementation actions that can further the purpose of building a closer relationship with neighborhood businesses, and inviting their interest in living in the neighborhood.

1. Do a marketing piece that could be mailed to all businesses. Elements of the piece could include:

- We are SE Como
- We want you to live in our neighborhood
- We offer:
 - A mix of living opportunities, including small single family homes
 - Affordable homes with yards
 - Proximity to U of M, downtown, Van Cleve Park, transit, NE Mpls., Hwy 280, etc

- A mix of attractive and useful retail environments

- Our neighborhood vision and values make us distinctive
- (If/when applicable) Participate in our downpayment assistance program
- We offer live/work opportunities: live in Como, work on Como Ave. for ex.

2. Maintain a strong internet presence so that area businesses can find out about neighborhood information and potential homebuyers or renters can learn about the amenities of the neighborhood.

3. Ask businesses why they locate in SE Como and whether they are interested in living in the neighborhood as well.

4. Host community events (such as the annual picnic) and reach out in-person to local businesses to encourage their participation.

5. Connect businesses with home sale listings in the neighborhood.

Strategy 2: Market Southeast Como

An important component of achieving the vision of more homeowners and longer term renters living in the SE Como neighborhood is letting the community know about this vision and actively marketing the neighborhood as the great place to live that it is. SE Como neighborhood—with its great transit access, its proximity to the University of Minnesota and unique and varied shopping environments, and the availability of single family homes as well as apartments, offers a unique location with appeal to a wide variety of households. The neighborhood is eager to have people buy homes, and choose to rent homes for the long term. It can further these goals by taking a range of actions to spread the word about itself, rather than leaving the marketing indirectly to others. Getting the word out - and creating the message - is critical.

The Context

The SE Como neighborhood is not new to intentionally promoting itself. Recent efforts include the leadership role it has taken in a Live Near Your Work campaign.

The Como Blueprint is a master plan for the neighborhood that is under development. It offers a clear vision statement, and includes other elements that clarify the neighborhood's distinctive character and community assets. These elements can be featured in marketing and communication about the neighborhood.

The Program

A Como neighborhood marketing campaign would have the explicit goal of increasing homeowners and long term renters in the neighborhood. This effort can start with an internal conversation about how the neighborhood presents itself: digitally, over the phone and in person. The strategy can be two

pronged. Initially, the neighborhood can evaluate its own website and strengthen how it markets itself to potential residents. For example, an active listing of homes for sale and rent could be maintained on the website, and information about such properties could be available at Van Cleve Park and at neighborhood events. Also, the neighborhood organization can actively prepare for any phone call from potential buyers/renters or realtors; office staff and board members can be prepped to be ready to discuss the neighborhood's attributes and any available property listings.

The second focus of the marketing campaign could be identifying where people currently get their information about the neighborhood and partnering with these entities. An initial scan points to the following as potential sources of disseminating information: University of Minnesota, area realtors, landlords, the website

Zillow, and word of mouth communication among neighborhood residents.

As the neighborhood has experienced, the University of Minnesota is a decentralized institution when it comes to providing information about residential opportunities for faculty, staff and students. There are a couple of places where SE Como might begin in encouraging the University of Minnesota to play a more proactive role in how Como is described as a place to live. The University's Relocation Assistance Program (RAP) works with U of M departments and their new hires to find housing. SE Como could contact this office to discuss its vision of attracting residents and review the materials about neighborhoods that RAP distributes as well as how its partner company, Relocation Today, portrays SE Como in both its materials as well as on its tours of the city. Contact with individual university departments is advisable as well. As with other University of Minnesota related strategies, SE Como would

benefit from working with other University District neighborhoods in this effort.

To reach realtors SE Como could invite them to a meeting to discuss how the neighborhood is marketed. With the shared goal of selling/renting properties within the neighborhood, the neighborhood and realtors could work together. It would be useful to show realtors what the picture of the neighborhood is today so that they are not relying on outdated information or impressions. There has been a lot of change for the better, especially with regard to student behavior. And current neighbors know best what there is to love about living in the neighborhood: park, gardens, proximity to the U of M events and activities, etc. The neighborhood can also relay the negative outcomes of the real estate community promoting neighborhood housing as investment opportunities.

Implementation Steps

There are a range of actions that can be taken to support this strategy. So the implementation steps should follow the creativity of the neighborhood volunteers who get involved in implementing this strategy.

The following actions are potential starting places. Most of them emerged from a brainstorming session of the Southeast Como Housing Steering Committee.

1. A neighborhood marketing piece is an essential first step. Elements of the piece could include:

- We are SE Como
- We want you to live in our neighborhood
- We offer:
 - A mix of living opportunities, including small single family homes
 - Affordable homes with yards
 - Proximity to U of M, downtown, Van Cleve Park, transit, NE Mpls., Hwy 280, etc
 - A mix of attractive and useful retail environments
- Our neighborhood vision and values make us distinctive
- (If/when applicable) Participate in our downpayment assistance program
- We offer live/work opportunities: live in Como, work on Como Ave. for ex.

Make a plan to distribute the marketing materials, along with Como's vision for attracting homeowners and long term renters, to neighborhood residents so that everyone is working towards the same goal.

2. Maintain a strong internet presence so that potential homebuyers and renters can learn about the amenities of the neighborhood.

3. Reach out to the University of Minnesota's Relocation Assistance Program to discuss SE Como (and other University District neighborhoods) as attractive places to live for faculty and staff. Identify residents in Como with connections to particular U of M departments. These residents can contact those departments to encourage them to suggest Como as a place to live to incoming faculty. This is a great way to distribute Como's marketing piece as well.

4. Reach out and distribute marketing materials to other nearby employers.

5. Create a script for SE Como neighborhood association office staff and board members about why people live in Como, and information about current property listings. Board members obviously know this information, but having a script at the ready makes it easy to take advantage of unexpected opportunities that arise to market the neighborhood.

6. Organize a forum for realtors. Discuss Como's attributes and distribute neighborhood materials. Identify methods for ongoing partnership in marketing the neighborhood's housing.

Strategy 3: Promote U Neighborhoods to University Faculty and Staff

The University of Minnesota is a dominating presence in the University District neighborhoods, employing and providing educational services to tens of thousands. Many of its influences on University District neighborhoods are related to the concentration of University students that live in the neighborhood. But its presence also provides unique opportunities to achieve neighborhood housing objectives if faculty and staff are invited to connect with the surrounding neighborhoods in the same way that students have been. This is a positive message. Rather than discouraging anyone from residing in University District neighborhoods, this is about extending an invitation to faculty and staff to live in the University neighborhoods as well—to also find a home there, and to grow in their attachment to the University neighborhoods as a place to live and recreate.

The Context

This strategy is a key element in the “U Neighborhoods: Your Neighborhoods” Initiative, which invites collaboration between University District neighborhoods and the University of Minnesota on promoting the neighborhoods to University faculty and staff, and to undertaking neighborhood stabilization and improvement to make them more suitable to University faculty and staff households.

Encouraging faculty and staff to take a look at the University neighborhoods is not a new idea. The “Live Near Your Work” website and communication strategy had some success in getting the word out to University faculty and staff about housing opportunities in nearby neighborhoods.

Having acknowledged this recent effort, there is so much more that can be done in this regard if a consensus can be achieved to make it the subject of focused effort and creativity.

The opportunity is enormous. According to the Census Bureau’s On the Map application, there are around 26,000 people who work within the campus boundaries. Of these, 974, or less than 3.7%, live in one of the University District neighborhoods. A doubling of that number, to only 7.5%, would result in nearly a thousand additional faculty/staff households living in the University District neighborhoods. They would contribute to neighborhood stability, because they would typically be owner occupant households, or long-term rental households.

The Program

The “U Neighborhoods: Your Neighborhoods” Initiative came out of a series of discussions with both University personnel and neighborhood representatives who care about the important relationship between the University and the nearby neighborhoods. There was an interest in identifying a focal point for collaboration between these parties. Materials describing the Initiative as a whole are located at the end of this Housing Strategy document.

This element of the Initiative would be pursued in a collaborative fashion, since there are actions that can be taken by the University, by the neighborhoods, and by others, that can serve to promote neighborhood living to University faculty and staff.

An early step is thus to further the communication with the neighborhoods and the University, and to invite agreement to adopt this strategy as a collaborative priority undertaking.

The details of the promotional campaign will be developed collaboratively between the partners, and there is tremendous opportunity for creativity. It can involve existing communication channels (such as the University’s Relocation Assistance Program), or new ones. It can offer unique events in the neighborhoods or on campus to expose faculty and staff to the opportunities. It can involve neighborhood representatives or real estate professionals in providing information or making connections.

There are many connections already in place among the University District neighborhoods and

between the neighborhoods and the University of Minnesota. SE Como should utilize and build on this relational infrastructure/capacity to create consensus around the vision to develop and promote this outreach. Conversations begun with University of Minnesota administration should be continued. And the University District Alliance (UDA) may be the natural convener for discussions about fleshing out this strategy, and coordinating what roles the various parties will play on it.

Implementation Steps

1. Share the "Initiative" with the other University District neighborhoods and the University District Alliance to get comment and gain support.
2. Follow up with the University of Minnesota personnel at the University of Minnesota Foundation, Real Estate Services, and University

Community Relations, to share the "Initiative" and discuss next steps.

3. Work collaboratively with partners to outline the elements of a prominent, assertive, and multifaceted promotional program.

Strategy 4: Rehabilitate Neighborhood Housing

One of the factors behind the dramatic and ongoing transition from owner occupied to rental housing in the University District neighborhoods is the era of the housing stock. The age of the homes means that many of them are due for significant rehabilitation so that they can remain suitable for the next generation of owner occupants. This may be quite costly, and the high cost of the improvements required for ongoing owner occupancy provides an advantage to a buyer that wants to rent out the property rather than occupy it—since the home is likely to need less investment to make it suitable for renters. Once a home is converted to rental housing, it may experience a higher level of wear and tear, making reversion to owner occupancy more costly.

Although there are signs that the non-student-oriented housing market may be strengthening in Marcy-Holmes and SE Como, the restoration of a healthy ownership/rental balance is not likely to happen on its own. A robust rehab program, which operates over a number of years restoring structures to a market-acceptable condition for ownership, can play a role in furthering this objective. The improvements can generate momentum for owner occupancy. And they continue to exert an effect over time, since homes rehabbed to owner occupancy condition put future homeowners on more equal footing w/ rental property owners when the house next comes on the market.

The Context

This strategy is at the top of the first phase strategy list because the legislature has shown some willingness to consider a state funding allocation to address University neighborhood impacts, dating from the time that the new Gophers football stadium was funded. But the prospects for state support diminish as the 2007 Neighborhood Impact Report, and the Progress Report that followed it, become more distant in time. The success of a legislative request is not assured, but because it has the potential to be a real difference maker, it is worth pursuing with vigor.

There was a legislative allocation to the University District Alliance (UDA) in 2007,

following the creation of the Neighborhood Impact Report. The funds were utilized in a range of pilot efforts to address conditions in the University Neighborhoods. One of these was a rehab program, in which three homes were rehabilitated. (Two of them were in Southeast Como.) The projects were resource intensive. They were administered by Greater Minneapolis Housing Corporation, with oversight by the University

UDA Housing Rehab Pilot: Lessons Learned

- Housing development and organizational expertise are critical to managing a successful rehab program. But partnering with an outside organization for program management can present difficulties if the organization is not able to adequately prioritize the program.
- The organization that manages the program must take on educating the community about the rationale for property selection, and the nature of property improvements, without empowering the community to oversee program details.
- Personal contact is critical to successfully promoting the program. The program will benefit from utilizing known and trusted community organizations such as Southeast seniors to advertise and support the program.

District Alliance. The legislature has not allocated additional funds to this effort. Some lessons from that pilot are in the box above.

There is another interesting rehab program precedent in the Southeast Minneapolis neighborhoods. “First Southeast” was a grassroots rehab program initiative that was capitalized by the community in \$100 shares from Southeast Minneapolis community residents. Properties were acquired, and then rented out to build up capital to fund a rehab. Some of the property management was provided by active community member “investors”. At a certain point, rehab work occurred, and the houses were sold to owner occupants. One or two houses would be owned at a time by First Southeast. By one estimate, around 30 homes were rehabbed over a period of 35 years.

The Recommended Program

The recommended program model is for a third party organization to select and acquire properties, oversee the rehabilitation work, and facilitate the sale to the owner occupant. It takes specialized expertise to select properties for acquisition that can be repositioned to be of interest to owner occupants. And it takes specialized expertise to choose the specific property improvements that will add market value and utility for a future owner occupant, and build the neighborhood brand, at a reasonable cost. Therefore, it is recommended that organizational capacity be created to carry out such a program, whether through a community development corporation or a development cooperative. See Strategy 9 for

further discussion of creating this kind of an organization.

The program could be University District wide. It would target single family homes, and duplex, triplex or townhome properties that could be made suitable for owner occupancy. Properties would be rehabbed to a high level of quality. The program should be seen as a 10-year effort, with a total of 80 houses being rehabbed overall. An estimated \$50,000 to \$75,000 of rehab costs per home would not be recouped at the time of sale. Full funding of the program would cost \$5,000,000.

Implementation Steps

To mount a successful state funding request will require building a coalition to make the case. There must be a common sense of purpose between the University of Minnesota and the University District neighborhoods. The legislators that represent the University District must be brought on board, and they will provide important strategic guidance. Initial discussions have been conducted with city elected officials and staff at the University of Minnesota.

Precedents

Rehabilitation programs in university districts are not uncommon. A form of rehabilitation program occurred at Clark University in Worcester, Massachusetts, at University of Pennsylvania in Philadelphia, and at Ohio State University in Columbus.

We highlight a CDC-led initiative in St Paul in the box despite not being in a university district because it is a good example of the CDC-led model that we recommend, and it was effective. One of the key actors in the program said the

NeDA Single-Family Rehab Program

Neighborhood Development Alliance (NeDA) is a non-profit community development organization, located on St. Paul's West Side. Its mission is to strengthen the vitality of low income neighborhoods in the City of Saint Paul through the creation and preservation of housing and business opportunities for residents of all income levels.

In the last 20 years, NEDA has rehabilitated and built 82 homes on St. Paul's West Side. These homes are developed to appeal to different family living styles from single family detached homes, to a LEED Gold Twin Home, to 100 year-old row houses, to owner-occupied duplexes and triplexes. NEDA's goal is to ensure that all West Side residents are served, regardless of family size or income level. NEDA partners with the City of St. Paul, the Minnesota Housing Finance Agency and Habitat for Humanity.

carefully selected and executed rehabs had lots of positive ripple effects, which “turned part of the neighborhood around.” It helps too that the folks who ran the program are close at hand to learn from.

Another local program for rehab and long-term owner occupancy should be highlighted. The City

of Lakes Community Land Trust (CLCLT) assists moderate income households in becoming homeowners. The land trust ownership model preserves owner occupancy even when the homes change hands. CLCLT It is searching for one or two properties suitable for its model in the University of Minnesota neighborhoods, with funds received for this purpose. Once

accomplished it has expressed interest in pursuing additional projects in the University District.

Strategy 5: Facilitate New Development

Southeast Como neighborhood sees itself as a desirable place to live, for families, seniors, first-time homebuyers, those who want to live close to work downtown or at the University of Minnesota, and those who want the amenities of good transit connections and a walkable environment. Como wants to position itself for the future through both rehab of existing housing as well as new development. New development could offer housing as well as retail that would meet residents' and businesses' needs. New housing development provides benefits in terms of demonstrating neighborhood growth and vitality, and supporting local retailers. If built for non-student households, it supports the goals of maintaining a balanced household mix, including young couples, families, empty nesters and seniors.

The Context

The recent building boom in housing in Minneapolis provides a supportive environment for meeting neighborhood goals in this regard. There is interest in living near the center of the region, and neighborhoods like Southeast Como can offer that at a more reasonable cost than downtown developments.

There are many locations in Southeast Como that may support new housing development. But attracting a development to one or more of these locations is complex. It involves building neighborhood support, communicating a vision for change, identifying transformative sites, and then marketing sites and working with developers.

Building neighborhood consensus around new development may itself be difficult. The homeowners who are often the active civic leaders in the neighborhood do not always see new high-quality rental housing in the neighborhood as a high priority, or even necessarily desirable, despite the positive impacts it could have.

The SE Como Neighborhood Improvement Association can pursue redevelopment by gaining support for a vision and building strength to influence the kind of development it wants.

The Program

Direct participation in new development requires deep expertise. SE Como is advised to focus initially on marketing and communication approaches to attract the attention of the development community, as well as working across the neighborhood to build a vision for what will make the neighborhood increasingly attractive to homeowners and long term renters.

There are several activities that can be engaged by the neighborhood to advance this goal. One is building agreement around the kind of development that is desired. Some questions to consider are:

- What kinds of housing does SE Como need?
- What retail amenities would complement the neighborhood's housing?

- Are there properties with historic value that could be opened up to historic funding sources for redevelopment? (North of Van Cleve Park there are homes from the 1880s, and the home of the University of Minnesota's first female full professor is in this area.)
- Where might there be space for co-working locations or for artist living/work space?

A second activity would be to identify a small number of potentially transformative sites. They might be in visible locations. They might be places where a retail component would make sense.

A third activity would be about reaching the development community. One could, with the permission of the property owner, organize a developer forum to discuss development concepts for a selected neighborhood opportunity sites. This event could be leveraged through media attention to create a buzz among developers.

The neighborhood could also pursue a networking strategy to bring the assets and opportunities of the neighborhood to developers that do the type of new development that it is interested in. This may be an effective strategy, for example, in attracting the consideration of one or more developers that do senior housing development.

New development also could encompass projects such as University-affiliated faculty/staff, graduate student, or seniors developments, which would be developed in close collaboration with the University of Minnesota.

Implementation Steps

Implementation of this strategy will require one or more community members who see its value,

and are interested in building interest in it in the neighborhood.

Networking in the development community to raise the profile of the neighborhood in the eyes of certain developers requires dedicated time on the part of someone who speaks the language of development. There may be one or more individuals in the neighborhood who have this expertise and can dedicate time to this effort. It may also be useful to develop an information packet containing the most salient market information about the neighborhood.

The neighborhood organization has existing expertise in neighborhood marketing and communications strategies, and could participate in creating information pieces, or could host an exercise like the proposed developer forum.

If at some point a University District Community Development Corporation is created, there would be new capacity to pursue this strategy, in a way that furthers neighborhood goals.

Precedents

Intentionally fostering development activity in university neighborhoods is not uncommon. The more ambitious of these have proceeded with the support of a district focused fund, or with the facilitation of a district oriented CDC. Both University of Pennsylvania and Ohio State have worked in collaboration w/ others to undertake the development of "flagship" projects that combined housing and retail. These were intended to jumpstart change in the neighborhood. There is more on these examples in Strategy 9 below.

Strategy 6: Offer Home Ownership Incentives (Employer Assisted Housing)

Maintaining community stability and livability in the SE Como neighborhood involves retaining and restoring a demographically mixed neighborhood. This in turn requires attracting households at various life stages to the neighborhood. The faculty and staff of the University of Minnesota, and the staff of other nearby employers such as University and Fairview hospitals and clinics, represent huge pools of academic, professional and administrative staff that span a broad age range, and who would have natural interest in considering a house, condominium or apartment in the SE Como neighborhood.

SE Como is spearheading an initiative to encourage more University of Minnesota faculty, staff, and graduate students to live in the University District Neighborhoods. (See the appendix: "U Neighborhoods/Your Neighborhoods.") This initiative involves a range of communication and asset-building strategies. But efforts to encourage workers to consider moving to a University District neighborhood would be greatly strengthened if there were a financial incentive offered to employees who choose to live near their work. Employer assisted housing is a category of programs that offers such an incentive in many settings nationwide. It has great promise for University neighborhoods, although there are significant hurdles to overcome in implementing the program locally.

The Context

Employer Assisted Housing programs generally offer financial assistance to employees for purchasing a home within a certain distance of the employer. In some cases it also offers a financial incentive to employees who rent in nearby areas.

Employer assisted housing programs result in win-win situations for employees, employers, neighborhoods, and the environment. Employees benefit from the financial assistance. And in living closer to their jobs they have reduced stress from shorter commutes and lower fuel costs. Employers have found that providing employees incentives to live near their work is a good recruiting tool. Days off work are reduced. And employee turnover is lower. Neighborhoods benefit from a new diverse market for their

housing. There are environmental and public benefits from reduced gasoline-based carbon emissions and less traffic congestion.

Employer assisted housing has proved successful in various settings across the country, but the few Minneapolis-based experiments have been modest and showed few results. This can be explained by the absence of some of the cornerstones of successful programs. The most important of these is an independent organizational infrastructure to support program administration.

In locations where Employer Assisted Housing programs have achieved the greatest results, the bulk of the program administration is handled through a third party organization. That means a company that wants to offer the benefit to its employees does not have to take on many

aspects of marketing and administering the program—which can be time intensive and technical.

The most successful programs also utilize a public sector matching grant to incentivize participation by employers. A City of Minneapolis matching program would make a big difference locally. And in the case of the University of Minnesota and nearby hospitals and clinics, University District neighborhoods could also choose to offer a matching grant, so that employer funds could be matched twice.

The Program

The recommended program design would be for the University of Minnesota, and/or University/Fairview hospitals and clinics, to offer

their employees downpayment assistance if they purchase a home or condominium in the University District neighborhoods. The program would be administered by a third party administrator to take the burden of administration off the employers, and it would be matched by the City of Minneapolis, and possibly by neighborhood funds as well.

ImplementationSteps

Employer assisted housing is a partnership intensive program. Implementation requires securing significant support from partners, as well as identifying an organization that is well suited to developing the required administrative capacity.

An initial step might be to convene the parties that stand to gain from the program for exploratory conversations. If there is shared interest, a critical path toward further exploration and ultimately program implementation can be defined by the group. Program development should bear in mind the following considerations.

- There may be a more direct decision process for the University and Fairview

hospitals and clinics to undertake this program than the University of Minnesota, since they do not have as many layers of accountability as a public university does. For this reason, the hospitals and clinics might be the focus of initial efforts.

- The neighborhood may find it easier to engage the interest of necessary partners if it has committed to a neighborhood match of some kind.

Precedents

A number of colleges and universities across the country have instituted some form of employer assisted housing program. Institutions that have

Ohio State University EAH

In 1998 Ohio State University initiated the Faculty and Staff University District Homeownership Incentive Program. Ohio State committed \$500,000 and targeted the incentive to two areas within the University District neighborhoods around its campus. The program offers \$3,000 in down-payment assistance (in the form of a zero interest forgivable loan) to employees who purchase homes within the targeted area. The program does not leverage matching funds from other parties. This homeownership incentive program is part of a larger initiative by the university to assist with the continuing revitalization of University District neighborhoods in cooperation with the City of Columbus, Campus Partners (a university-created nonprofit neighborhood redevelopment corporation) and neighborhood civic leaders.

instituted an employer assisted housing program include Ohio State University, Clark University, Washington University and University of Pennsylvania. The Ohio State University example in the text box is a University sponsored program targeted to neighborhoods near the university.

Strategy 7: Increase Organizational Capacity for Development

Some of the strategies in this report would be difficult to pursue, at a scale that makes a difference, without creating new development capacity. Organizational capacity, paired with strong development competency and expertise, is needed to:

- Play a role in unlocking and facilitating some of the potential new development that meets neighborhood needs
- Serve as a go-to collaborator for the University in pursuing acquisition and development opportunities that meet specific University needs
- Pursue sources of affordable housing or heritage preservation funding for development activities
- Administer a neighborhood housing rehab program

These activities are often advanced by a community development corporation (CDC). They are unlikely to be addressed by an existing CDC because the organizational missions of most CDCs in the Twin Cities are focused on addressing a particular development need—most often creating and preserving affordable housing—at any location where there is need and opportunity. The attention of an existing CDC could be captured for a given development project. But it would be difficult to engage the focus of an existing CDC in ongoing neighborhood-focused programs of the kind that have been outlined above.

The creation of a geographically-focused CDC is the most straightforward way to build capacity for addressing these strategic priorities. There are local and national models of successful neighborhood-based CDCs to learn from. (Seward Redesign is a great example.) However, creating a new community development corporation faces great challenges in terms of identifying start-up capital, attracting appropriate staff expertise, and developing a sustainable financial model—all in a philanthropic and public sector environment that would be skeptical about supporting a new organization, and a funding environment more oriented to affordable housing and job creation than it is to holistic community asset building.

A community investment cooperative is an alternative model of an organization that brings new capacity to take on community development objectives. Some information about Northeast Investment Cooperative is provided below.

As part of this project, Tangible Consulting Services researched university-community partnerships around the country. The table in the appendix outlines the different models we encountered and delineates their missions, some of their activities and areas of focus.

The Context

Neighborhood based CDCs were once the typical CDC model, but now there are few in the Twin Cities. Programmatically focused CDCs, such as

those that are focused on providing affordable housing, are more prevalent in part because they tap a more certain and consistent funding stream for their activities. Neighborhood-based CDCs by contrast need to be more nimble and innovative in funding their varied activities, and paying the

organization's staffing and operating costs. This is a major challenge for neighborhood-based CDCs.

Any new CDC would face additional challenges in establishing credibility with partners and the

funding community, and with building a sufficient capital base to be an active agent in its real estate environment. However, there are unique attributes in the University District that might assist a new CDC in surmounting these hurdles.

The Program

To gain credibility w/ the funding community, to be an effective collaborator with the University of Minnesota, and to achieve the scale and capacity to pursue the identified objectives, a new CDC should see the entire University District as its area of focus—with the possible exception of the Cedar Riverside neighborhood, which is the focus of the existing West Bank CDC.

The University District CDC could play an initial primary role with respect to executing and administering a low density housing rehab program—i.e. making the smart acquisitions and improvements required for effective program execution. And it could grow to engage with the additional identified needs and opportunities as it is able.

There are interesting avenues for a University District CDC to establish rapid credibility in the CDC community, and initial financial capacity. These include:

- **Pursue a grassroots crowdfunding initiative as a component of its capitalization.** In other words, neighborhood resident contributions could be solicited as part of the organization’s startup funds. This would generate great buzz for the

Crowdfunding for Community Development

Crowdfunding is a way to raise money in smaller amounts from a large number of people, often utilizing internet platforms as one of the outreach platforms. While much crowdfunding to date has been for private start-up ventures, crowdfunding for civic or community projects is growing. Federal Reserve Bank Governor Jeremy Stein says crowdfunding "can be adapted to community development investing." Chicago and San Francisco have launched crowdfunding projects - in Chicago to secure funding for five neighborhood economic development projects including job training and community garden development, and in San Francisco to revitalize a major thoroughfare. Crowdfunding is an innovative way of financing community projects and strengthening public-private partnerships.

An exciting local application of crowdfunding is the Northeast Investment Cooperative (NEIC). NEIC is a cooperative that serves as a vehicle for residents of Northeast Minneapolis to “pool their resources to collectively buy, rehab and manage commercial and residential property” in the neighborhood. Nearly 200 members have purchased \$1,000 shares. Over \$270,000 has been raised in member capital. NEIC has acquired and rehabbed a commercial building on Central Avenue, and attracted a bakery and a brewery as building tenants.

- organization, and concretely demonstrate a level of community buy-in and support that would be difficult to discount. There’s an interesting history of this approach being used in a past initiative, as referenced in the Rehab Program Strategy above.
- **Leverage a close University relationship to secure below-market financing rates or provide access to capital.** These actions would confer a concrete financial advantage that would allow the CDC to be a player in a challenging and competitive real estate market.
- **Establish a close organizational relationship with the University District Alliance.** The UDA could serve as the primary community sounding board on the design of CDC programs.

- **Establish a source for an Executive Director salary.** With modest contributions from multiple organizations—the University of Minnesota, the University District Alliance, and the several neighborhood organizations—this core organizational cost could be ensured. This gives important flexibility to the Executive Director, so that he or she does not need to focus entirely on whatever project(s) generates the most immediate cash flow for the organization. This action would also serve to attract highly competent candidates for the position.

The composition of the CDC Board of Directors should be defined with an eye to what the CDC needs to be successful. Strong real estate expertise is needed. A meaningful community voice is essential. And there should be strong representation by University leadership, in order to develop the desired close financial relationships, and to increase the likelihood that joint projects would be undertaken by the University and CDC for such things as University-related housing.

While the preceding describes the creation of a brand new CDC organization, it may be possible to build the needed development capacity in other ways—e.g. by funding a dedicated University District focus in an existing CDC.

Implementation Steps

The creation of a University District CDC or other organizational model would require extensive partnership with other University neighborhoods, the University District Alliance, the University of Minnesota, and others. The SE Como and Marcy-Holmes neighborhoods could take leadership in convening potential partners for early conversations.

For an effective crowd-funding capitalization program, the neighborhood should expect to hire outside expertise and horsepower. This would be a great use for neighborhood dollars, because of its potential to leverage additional resources.

Precedents

There are many examples of CDCs that operate in urban areas adjacent to Universities. And there are many variations on the relationship between the University and the CDC. In some cases the University initiated the development of the CDC and in others it partnered with a CDC created by the surrounding community. In all cases the university and the surrounding communities held shared goals that the CDC worked to carry out.

There are two precedents highlighted in the text boxes. One describes an aspect of the relationship between Clark University and a local CDC. The other overviews the growing use of crowdfunding for community development activities.

Clark University Line of Credit

Clark University, in Worcester, MA, has made a long-term commitment to the University Park Partnership, a targeted comprehensive approach to urban revitalization in its surrounding neighborhoods. It works closely with the Main South Community Development Corporation (CDC). The mission of the Main South CDC is comprehensive: improve quality of life, create safe affordable housing for low-moderate income people, support opportunities for businesses, enhance the physical image of the area and instill a sense of neighborhood pride and commitment. Clark University guaranteed construction financing for a project to acquire, rehab and resell 8 triple decker homes near campus with a \$1 million line of credit from the university (through an area bank).

Strategy 8: Support the City's Rental Licensing Improvements

Well-managed rental property can be a neighborhood asset. But rental housing can have a negative impact on neighborhood livability when there is unmanaged tenant behavior, or the physical condition of property is allowed to deteriorate. This dampens market interest in the neighborhood, particularly from potential homeowners.

Most adverse impacts from rental property come from a minority of properties that are poorly managed. Low density rentals in particular tend to be problematic, since they are not large enough to have on-site property management. Where rental properties are poorly managed, the impacts are borne by surrounding neighbors, and by the public sector in the form of responses by Police and Fire Department personnel, and City Inspections staff. In effect, the landlords are sharing management responsibilities with the public sector without sharing the rent stream. If impactful rental property owners are levied a fee that corresponds more closely to the cost of the public services they consume, they are likely to improve their management practices, and negative neighborhood impacts are then reduced.

The Context

The City's Housing Inspections Department has been impressively entrepreneurial in this regard, and the SE Como neighborhood has an opportunity to support its efforts and leadership. The Department has made several important adjustments to the rental licensing program to encourage responsible management of rental properties. For example, conditions can now be placed on the granting or renewal of rental licenses. Rental licenses can be revoked for over-occupancy, if that occurs twice in the same building. A landlord that is persistently unresponsive to issues can lose rental licenses on all of his or her buildings in the City of Minneapolis.

Another change to the structure of the rental licensing program is a work in progress that holds great promise. The Housing Inspections

Department has developed a tiered rental licensing system, in which a property is assigned to one of three tiers based on its property management performance. Higher tier properties have more issues and have shown less responsiveness to regulatory requirements. They are, therefore, inspected more frequently than lower tier properties. The City's goal is to shift from a 10-year to an 8-year inspections cycle. Tier 1 properties would be inspected every 8 years, Tier 2 properties every 5 years, and Tier 3 properties every year.

The strong market for apartment construction and rental conversions, together with the new tiered inspections strategy, has meant the City's Rental Licensing staff are inspecting many more buildings today. The Department is reviewing its inspections processes and its available resources. SE Como is encouraged to continue its engagement and collaboration with Rental

Licensing staff, to follow the review process, and encourage the continued implementation of the tiered inspections strategy.

On another front, Inspections staff has met with SE Como residents to discuss particular rental violations, and has shown interest in reducing the discrepancy that sometimes occurs between community perceptions about a property's conditions, and the city's code-based requirements. "Co-inspecting" some properties can improve neighborhood-City alignment, so that rental licensing inspections are better able to achieve the desired result of improved housing condition in SE Como.

A recent regulatory success has been the work of the SE Strategic Compliance Team in the university neighborhoods. City Housing Inspections, Police Department, the University of Minnesota and the neighborhoods collaborated

to be more strategic in identifying properties with multiple problems (those costing the City the most in regulatory staff time), and targeting them. The team linked noise/unruly assembly violations with physical problems at certain properties. The U of M worked with tenants in these properties, and the action prompted landlords to improve their properties. This is ongoing work.

Relative Homesteading. Residents of University District neighborhoods have voiced repeated concerns about relative homesteading. This is a category of rental properties which, under state law, is still considered homesteaded for purposes of determining property taxes. In the University area, parents of a University student may buy a property for their son or daughter to live in, who in turn takes on roommates to the legal or perceived capacity of the home. Once rented in this fashion for a time, it is typical for the home to be sold to a rental property owner.

There was a large increase in the number of relative homestead properties in SE Como during the 1990s and 2000s, from 20 in 1994 to 46 by 2009. Since then, however, the number has decreased to 34 in 2014.

Neighbors believe these properties violate housing laws, such as by being over-occupied,

but are not on the radar of Rental Housing Inspections because they are relative homestead.

There have been some changes that affect relative homestead properties and their neighborhood impacts. Most importantly, the City now treats all relative homestead properties as rental properties. And they are subject to rental licensing oversight and inspections as other rental properties are. All properties with relative homestead status must have a rental license. The cost is \$69/year. (There is no rental conversion fee for relative homestead properties.) The fine for not completing a rental license application is \$500, and then an additional \$1000 if there is no response to the first citation.

The Recommended Program

The neighborhood, or a community collaboration, can take action to support the proactive initiatives of the City's Housing Inspections Department. It may particularly need the support of the public as it takes steps toward full implementation of the three-tiered rental licensing system—since increasing fees on Tier 2 and Tier 3 rental property owners may generate resistance from the rental housing industry. The neighborhood should be prepared to show its support of allocating the resources necessary to

making this happen, and to levy these resources from the property owners that require the heightened oversight.

Over-occupancy is an area that needs further discussion with Housing Inspections. A mutual understanding of where and when this occurs is critical, and process improvements that will flag the problem could be made - for example, when a relative homestead property receives its rental license or when a permit is issued for egress window construction.

Implementation Steps

Additional and ongoing communication with the Housing Inspections Department is required to clarify the implementation of the 3 Tier inspections system. Included in this effort should be continued regular joint meetings among Housing Inspections, neighborhoods, U of M and UDA to discuss particular properties, and new issues.

The Southeast Como neighborhood might benefit from a neighborhood resident taking responsibility for gaining special expertise in this area. Then he or she can monitor ongoing systems improvements, and be a constructive partner in bringing neighborhood support and encouragement when that is timely.

Strategy 9: Create Housing Information Exchanges

Rental housing for University of Minnesota students has been part of the diverse array of housing available in Southeast Como for many years. Students and other neighborhood residents share an interest in having well maintained and managed rental housing. Rental units that are well cared for provide good housing for students and contribute to neighborhood stability. However, because student housing turns over frequently and many students are new to living on their own, some of these rental properties fall into disrepair. Information for students about good rental properties and how to be a good renter can help reduce poor quality rental housing in Como.

Students looking for housing have difficulty knowing if a property will be a good place to live—whether the property has been the subject of police calls or license violations, whether the property owner is responsive or unreachable, and what the experience of former tenants has been. Mechanisms that bring good information to students when and where they are weeding through apartment options can help students find safe and stable rentals. And effective information exchange improves the housing itself, since it provides an additional incentive for landlords to maintain their buildings, and be responsive to complaints. Conversely, good and timely information dampens interest in housing that has had recent problems or gets consistently poor reviews.

The Context

Como neighborhood has worked with the University of Minnesota and the City of Minneapolis to improve the quality of life for both student renters and other residents in the neighborhood. Improved information exchange among these partners has contributed to these improvements. In particular, three initiatives undertaken in recent years have been successful:

- The City of Minneapolis' social host ordinance. This makes it a crime to knowingly allow underage alcohol consumption at one's home/event.
- The expansion of the University of Minnesota's student conduct code to follow students off campus. Students can suffer academic consequences for

their behavior off campus as well as on campus.

- The work of the SE Strategic Compliance Team. This team strategically identifies properties with property condition and/or tenant behavior violations.

The University of Minnesota's Department of Housing and Residential Life has an Off-Campus Housing service. It is housed in Comstock Hall and has a website. This service provides students with a list of available off-campus rentals, as well as basic educational information about being a renter - including what to know before signing a lease, price guidelines, and contact information for city housing inspections, neighborhood associations, owner/tenant groups and tenant legal resources. The rental listings on this website have been reviewed by University Student Legal services. The website is also geared toward

landlords who, for a fee, can list their available properties on this site and find resources such as lead paint regulations and the Minnesota Mediation Program. The Off Campus Living Office operates the Neighborhood Liaison program. It connects the University and nearby neighborhoods through a student worker, and provides the opportunity for information and perspectives to be shared.

Information about housing has never been easier to distribute. The City of Minneapolis is in the process of making tenant-relevant information on police and inspections history available in a portal for public use. It will provide details on whether a rental property is Tier 1, 2, or 3, and whether there are housing violations, police calls, and/or other complaints. Students are familiar with information platforms for rating and commenting on everything from the classes they

take to the movies they watch. And geographic technologies allow information to be easily correlated with the student's location. Because of all of these advances, it is an opportune time to bring detailed information about rental options to students as they walk neighborhood streets and shop for their living quarters.

The Program

Any approach that increases the information exchange between the City, the University, and students is beneficial to everyone involved. The following strategies are seen as new actions with high promise.

- Students could benefit from the development of a phone app that would put rental property records literally at their fingertips, on a map display, as they tour neighborhoods and prospective living quarters. The performance of the property on various measures could be essentially scored using graphically attractive charts on a summary page. The app could also include reviews by tenants and former tenants, in the fashion of services such as AirBNB and TripAdvisor. Poorly managed properties would be avoided, giving property owners an incentive to improve their rental management practices. Conversely, Tier 1 rental properties might advertise that status to students. Office of Student Affairs staff said that while students might be less interested in property or inspections data, they need and want to know who

the problem landlords are so they can steer clear of their properties.

- The app, or something similar, could also be hosted on a tablet platform at the University's Department of Housing and Residential Life, in addition to being download-able on students' smart phones.
- The fact that Tier 3 rental properties owners and managers have been unresponsive to issues and complaints is relevant to prospective student renters. The City could consider adopting a requirement that Tier 3 property owners post the Tier 3 status in a visible location on the property, in a similar fashion to the posting of a building permit, or of condemned property status. Tier 1 properties could advertise their status as meeting standards and responsive.

The University of Minnesota's Department of Housing and Residential Life would be an ideal steward of the information platforms, once developed, because they can market and distribute it as part of their mission of giving students good resources for finding high quality housing.

Implementation Steps

Development of the proposed information platforms would be relatively inexpensive. It could be paid for by neighborhood funds from the SE Como and Marcy-Holmes Neighborhoods, or a broader coalition. A decision would need to be made about how to solicit a software

developer for the platform. It could, for example, be an exercise engaged by University of Minnesota students in a service learning format.

Neighborhood residents in Marcy-Holmes have taken some first steps in advancing this idea, including reaching out to the Center for Urban and Regional Affairs (CURA) at the U of M to discuss the development of an app.

Further steps will include the development of linkages to the public data, and conversations with the University of Minnesota about their willingness to play a hosting role for the information platforms, once developed.

The University's Department of Housing and Residential Life and Office of Student Affairs are key players in continued efforts to improve the behavior of students living in neighborhoods. Southeast Como is encouraged to stay engaged in the ongoing conversations with them, and to work closely with them on joint initiatives.

The U of M has moved its annual housing information fair for students to late Fall, and successfully increased student participation in it. Neighborhoods should continue to participate in and support this annual information exchange.

The neighborhood liaison program, coordinated by Office Campus Living, pairs students with neighborhood organizations and residents to bridge the gap between students and their neighbors and create opportunities for all to be engaged in their neighborhoods. While the liaisons often turn over year to year because they are students, the program provides an important link for the U of M to neighborhoods.

The Office of Student Affairs relies on the staff in neighborhood organizations to carry out its outreach programs. The importance of this staff role should, perhaps, be regularly communicated to neighborhood board members, and changes to neighborhood organization staffing must be communicated to the U of M.

Finally, the website of the University's Relocation Assistance Program, in the Office of Human Resources, is incomplete when it comes to their descriptions of neighborhoods around the University. While seemingly a small detail, University staff use this website when searching for housing. SE Como could offer an improved description of itself as a place for University staff to live, and clarify its advantages.

Precedents

Colleges and universities have experimented with many different approaches to information exchange among college housing offices, city regulatory departments, and students. For example:

- Ohio State promotes off-campus housing excellence by maintaining a list

of student housing owned by responsible landlords. "To be on the list landlords must allow inspectors to check safety, security and sustainability of their properties, and meet city housing codes" (online article from The Columbus Dispatch, Mike Wagner, 11/11/13).

- The University of Pennsylvania has actively worked with Philadelphia Housing Inspections to pursue housing code enforcement in neighborhoods around campus.

The precedent in the text box describes a non-collegiate but well-known mobile information platform. AirBNB makes use of a technology

AirBNB

AirBNB is a website that connects travelers looking for lodging with homeowners who want to rent out rooms in their homes. The traveler creates an online profile, searches the website for lodging possibilities, then contacts potential hosts. A critical component of AirBNB's success is the review the traveler writes about his/her stay in a particular home. Future travelers are then able to assess the experience offered by a particular host, and can base decisions on these reviews.

The application is map-based, so all prospective accommodations are illustrated in their actual locations. Clicking on the rental location on the map opens a portal to all of the information available on that property and host.

platform very similar to what the recommended student housing app would have.

The housing rental listings on Craig's List are another example of information on a geographically based platform with similarities to what is proposed.

V. Next Steps and Implementation

This Housing Strategy contains two main components: a near-term initiative to encourage university-affiliated employees to live in the University District ("U Neighborhoods/Your Neighborhoods"), and a set of strategies to be pursued independently by the neighborhood. Tangible Consulting and the SE Como Housing Steering Committee have begun the work of meeting with University District neighborhoods and University of Minnesota staff to discuss the "U Neighborhoods/Your Neighborhoods" strategy. An initial conversation with PPERRIA was positive and encouraging. Continuing this outreach is an immediate next step. Meetings centered on discussion and feedback should occur with Marcy-Holmes, Cedar Riverside and the UDA.

An initial meeting with the University of Minnesota Foundation, Real Estate Advisors, guided the articulation of the "U Neighborhoods/Your Neighborhoods" strategy. SE Como should close the loop with them and identify next steps.

Each of the housing strategies in this report include some suggested implementation steps, but it's worth making some general observations about where this process leaves off, with the submission of this report.

The strategies are a unique set of innovative and distinctive actions for the SE Como Neighborhood. They have been formulated based on housing trends, planning analysis and conversations with a range of stakeholders, but they still need to be considered a starting point for further conversation. Communication with partners is incomplete. In all strategies where collaboration is required, there are key staff and decision makers in the proposed collaborating organizations that may not even be aware of the initial conversations, let alone had an opportunity to provide input that could shape and refine the strategy. The next step on near-term strategies is to advance the communication with prospective partners, and invite them into a collaborative relationship in refining

the strategy and its implementation program.

Neighborhood Capacity

After receiving this report, and going through a process to accept or adopt it in some form, the neighborhood should engage in a decision process on what strategies to prioritize for near-term action, considering questions like:

- Which of the strategies are addressing the most pressing issues?
- Which strategies have a window of opportunity?
- Which strategies are generating enthusiasm or energy?

This being determined, the neighborhood will face the perennial problem of how to get stuff done with limited resources and finite time available on the part of the most committed neighborhood activists. It's important in this process to keep in mind that people are the key.

Strategy Champion and Task Force. Each strategy is likely to require the attention of its own task force. And putting this together can be strategic, similar to recruiting an organization’s board of directors.

A task force assigned to implementing a strategy requires an engaged and competent individual to play a leadership role. This could come from a neighborhood activist who has been active in the neighborhood organization for a long time. Alternatively, leading an initiative around a specific strategy may interest someone who does not have the time for or interest in ongoing neighborhood process.

In recruiting task force members, the relationships people bring are important considerations. For strategies that require collaboration between neighborhoods, the task force could include people who have close personal relationships with people in other University District neighborhoods. Personal connections can supplement formal organizational connections in a helpful way. Another consideration is at the decision

maker level. Can neighborhood people be identified who have historical connections to key decision makers? This may help with surmounting credibility thresholds, as well as provide practical support in things like getting time on people’s calendars.

University District Capacity

The collective support and/or participation of other University District neighborhoods is essential to accomplishing some of the more ambitious of the recommended strategies.

But of course the University District is comprised of neighborhoods with distinct organizations and organizational cultures, and with legitimately different issues and needs. Getting stuff done on key neighborhood objectives means intentionally fostering a culture where neighborhoods help each other to achieve the pressing priorities of each. Building that culture of alliance is a capacity building exercise—and one that requires intentional time and attention in its own right.

The University District Alliance is ideally constituted and situated to play a role in enhancing the collaborative culture between neighborhoods. Its very name suggests an understanding that neighborhoods should support one another in pursuing objectives that contribute to the common good—and also that neighborhoods should be allies to the University in the many areas where there are shared objectives, and vice versa. Beyond the key role the UDA can play in this regard, building a culture of mutual support can and should extend to neighborhood structures and activities on other levels that increase the sense of common cause between the University District neighborhoods.

A specific next step to be taken in this regard would be for the SE Como neighborhood to update its partner neighborhoods and the UDA about the process it has been engaged with, the major findings of this report, and the strategies that require the collective support or collaboration of the partners.

VI. Acknowledgements

This report was guided, informed and improved through the high quality engagement of the Southeast Como Neighborhood's Housing Strategy Steering Committee.

SE Como Housing Strategy Steering Committee

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Staff of Tangible Consulting Services also met with numerous individuals who play a role in the vitality of SE Como, and learned from their areas of expertise and the feedback they offered on strategy ideas. These meetings were critical not only for the housing expertise they provided, but also for the relationships that were established and/or strengthened. Further progress on proposed strategies will require ongoing conversation, partnership and commitment to a shared vision. We want to acknowledge and thank them for their time and contribution.

University of Minnesota

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City of Minneapolis

Council Member Kevin Reich, Ward 1

Council Member Cam Gordon, Ward 2

Council Member Jacob Frey, Ward 3

JoAnn Velde, Housing Inspections

Kellie Jones, Housing Inspections

Neighborhood Organizations

Marcy-Holmes Housing Diversity Task Force

Prospect Park East River Road Improvement Association (PPERRIA) Executive Committee

Appendix A: “U Neighborhoods/Your Neighborhoods” Campaign

The Goal

Boost the numbers of University of Minnesota faculty and staff that live in the University District Neighborhoods.

The neighborhoods around the University of Minnesota have always had close ties to the University. They are places where:

- Many undergraduate and graduate students over the years have lived in their first apartments
- The University has located a number of its facilities and the reach of its campus
- Faculty and staff live and raise families
- People park or pass when going to work, class or events on campus

These neighborhoods are gateways. They provide an initial impression of the campus to potential students, staff and faculty coming to the University from the region, the nation and around the world, and ultimately become the home of those who choose to come.

The University District Neighborhoods - Como, Marcy Holmes, Cedar Riverside and Prospect Park - want a strong yet evolving relationship with the University of Minnesota, focused on the shared vision of a vibrant campus with attractive residential neighborhoods around it.

The Opportunity

Build the natural synergy between the university neighborhoods and the University.

The University of Minnesota is world-renowned and the center of life and work for many in these neighborhoods. The neighborhoods are the physical environment in which U of M faculty, staff and students live every day. And they provide a cafeteria of housing options for faculty and staff, just as they do for its students. These include single family homes with yards, new condominiums, apartments in historic buildings—all connected to parks, transit, retail and dining options, and easy access to downtown. University neighborhoods offer an attractive lifestyle to people affiliated with the University of Minnesota.

The opportunity is to improve the housing options available in the University District Neighborhoods, and systematically market the neighborhoods to University employees, so that U of M faculty and staff find what they want, and the neighborhoods grow more vital, diverse and desirable.

The Benefits

For University faculty and staff:

- Convenience
- Reduced stress, better mental health (no nerve-wracking commute)
- Improved physical health - walk, bike, bus, train to workplace
- Savings on transportation and health expenses

For the University, a work force that:

- Is in better mental and physical health
- Is invested in the well-being of the University community
- Can participate in leisure time U of M activities
- Has lower turnover
- Arrives to work on time - no traffic or weather delays

For the neighborhoods:

- Increased household diversity and owner occupancy
- Less turnover in occupants
- Housing that is attractive to a wide variety of potential owners and renters

The Partnership

The opportunity will be realized through partnership. The neighborhoods will help the University meet its goal of offering faculty and staff a campus setting that is beautiful, with quality housing, in unique neighborhoods—neighborhoods that combine the heart of a large city with quality residential neighborhoods within walking distance, and with great natural, commercial, and cultural amenities. The neighborhoods continue to build their stability, their range of amenities, and their housing options—continuing to develop into long-term, desirable residential areas for renters and homeowners.

The Actions

The menu of options for collaborative action is extensive. Some are resource intensive and others are not. All require a shared commitment to the overarching goal. The following strategies are encouraged for consideration.

- **Outreach to staff.** Systematically and assertively market the neighborhoods to University of Minnesota faculty, staff and graduate students as the perfect place to live.
- **Improvements to housing stock.** Improve the condition of the housing in the University District neighborhoods.
- **Branding through new development.** Identify catalytic sites in the neighborhoods, and develop projects

attractive to University staff. These might include townhome, apartment and condominium projects with the amenities desired by professional singles, couples and families; live/work space; neighborhood retail and restaurants.

- **Employer assisted housing.** Explore the adoption of a downpayment assistance program as an incentive for University staff who choose to buy a home in a University neighborhood.

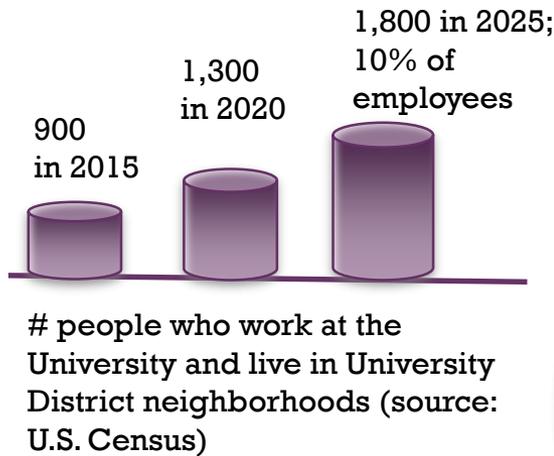
The Target

“U Neighborhoods/Your Neighborhoods” should consider setting a goal of doubling the number of University staff that live in University District neighborhoods by 2030.

U Neighborhoods / Your Neighborhoods

The Goal

Build U of M faculty and staff connection to U neighborhoods.
 Double the U of M faculty and staff that live in University Neighborhoods by 2025.



The Partnership

U of M faculty and staff discover the University District Neighborhoods



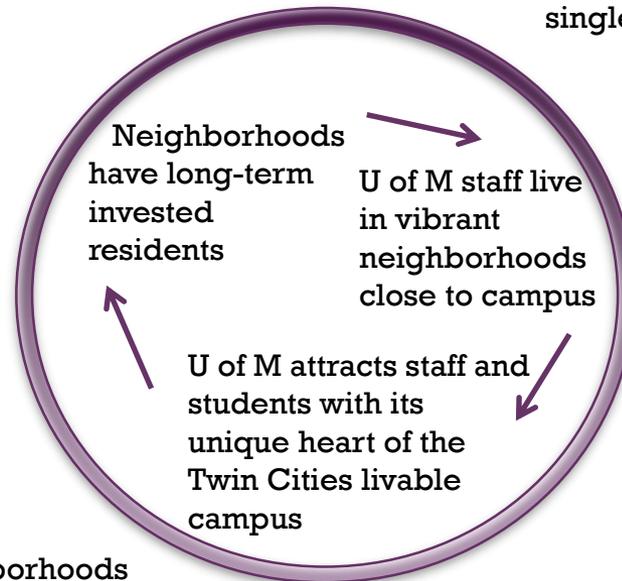
Neighborhoods become more attractive for faculty, staff and grad students

The Opportunity

Cafeteria of Housing in the University District Neighborhoods:

- **Como:** Single family homes, apartments
- **Marcy-Holmes:** New condos, historic homes
- **Prospect Park:** Larger single family homes, LRT area housing
- **Cedar Riverside:** Townhomes, Apartments, single family homes

The Benefits



The Actions

- Assertively market neighborhood housing
- Upgrade housing in the University District neighborhoods
- Redevelop catalytic sites
- Pursue a downpayment assistance program for staff members who buy a home in a U Neighborhood

Appendix B: Models of University-Community Partnerships

Models of University-Community Partnerships around the U.S.

Organization	Organizational Model	Governance Structure	Mission	How was organization created?	Source of Funds	Activities/Funds Spent
1) Clark University Worcester, MA	University Park Partnership (UPP); Main South Community Development Corporation	University Park Partnership is a broad, grassroots partnership that involves neighborhood residents and organizations, local churches, government officials, the business community and public schools. Main South CDC is a partner.	The Mission of the Main South CDC is to improve the quality of life for ourselves, our families, and our neighbors by working together on projects and issues that will maintain and/or create safe affordable housing for low-to-moderate income individuals, support economic opportunities for businesses and residents of Main South, enhance the physical image of the area, and instill a sense of neighborhood pride and commitment.	The Main South CDC is a 501 (c) (3) non-profit organization that was incorporated in 1986. It evolved as a result of neighborhood residents' concerns about the evident decline in the neighborhood and the increasing shortage of affordable housing.	1995-2000: Clark University committed \$4M to Main South CDC	1) Own and manage rental properties; some are specifically marketed to Clark University staff and students 2) Project example: acquisition, rehab, resale to homeowners of 8 triple deckers; construction financing was guaranteed with a \$1m line of credit to Main South CDC by Clark Univ. through Flagship Bank (late 1990s) 3) Manage small business revolving loan fund
2) Ohio State University (OSU) Columbus, OH	Campus Partners: nonprofit neighborhood redevelopment corporation	1) The Board of Directors is made up of university directors and public directors (incl. city development director, student, community resident, area partnerships) 2) The organization was moved into OSU's physical planning and real estate office; OSU's community outreach function moved here too	Our mission is to revitalize distressed neighborhoods within the University District of Columbus, Ohio. We will improve the quality of life for students, faculty, staff, residents and business owners throughout the university community and thereby, reinforce the stature of the Ohio State University as one of the world's great public research and teaching universities.	Created by OSU in 1995. Prompted by murder of student amid ongoing crime issues and poor housing.	1) Operating funds from OSU: \$650,000 annually 2) OSU endowment; see attached 3) OSU investment??	1) Flagship retail/housing project 2) Comprehensive housing: rehab, new development, conversion of dilapidated buildings to housing 3) Have partnered financially with Habitat for Humanity, City of Columbus, foundations, private development firms 4) Community and area planning 5) Attracted private investment 6) Public/private investment totals \$500m
3) Highwinds Fund Macalester College St. Paul, MN	Macalester College fund	The Fund has a Board of Trustees	The mission of the Fund is to maintain and improve the beauty, serenity, and security of the neighborhood around Macalester College.	Established in 1956 with a gift from alumnus DeWitt Wallace, to prevent urban blight he had seen in other university communities.	Established with initial gift of \$300,000; endowment has grown to \$13 million; has an annual budget of \$560,000	1) Owns and manages rental properties: 4 houses and 18 units in 2 buildings 2) Owns commercial properties on edges of campus (ex. Patagonia, Breadsmith) 3) Provides funding to neighborhood organizations for livability improvements 4) Instrumental in securing funding for Snelling Av. and Grand Av. medians
4) University Circle, Inc. Cleveland, OH	Non-profit community service corporation	Board whose members include administrators from university, foundation, hospital, arts organizations, schools, etc.	University Circle Inc. is the development, service, and advocacy organization responsible for the growth of University Circle as a premier urban district and world-class center of innovation in health care, education, and arts and culture.	In 1970 the University Circle Development Foundation was reorganized to University Circle, Inc. with new emphasis on strengthening relationship	Private and public financial support from individuals, corporations, foundations, and government.	1) Manages apartments, houses, commercial property, and open space 2) Involved in comprehensive development and public realm improvement initiatives

Appendix B: Models of University-Community Partnerships

Organization	Organizational Model	Governance Structure	Mission	How was organization created?	Source of Funds	Activities/Funds Spent
				between UCI and surrounding neighborhoods		

Organization	Organizational Model	Governance Structure	Mission	How was organization created?	Source of Funds	Activities/Funds Spent
5) U Penn Philadelphia, PA	University driven effort: University pursued a multi-faceted strategy to improve housing in neighborhoods surrounding campus.	Created a Neighborhood Housing and Development Fund to finance the rehab and upgrading of a multimillion-dollar portfolio of rental properties acquired by UPenn and its partners.	"The vision and commitment of the UPenn trustees was laudable and critical." (Judith Rodin, president UPenn, 1994-2004)	University created; president's vision	U Penn and other institutional partners	<p>1) Home Improvement Loan Program, 1998-2004; up to \$7500 for exterior improvements (homeowner could match and do int or ext improvements); no interest; principal forgiven at 20% annually over 5 yr period (must be primary residence)</p> <p>2) Penn has invested \$510 million in new construction projects since 1998, with \$125 million going to women- and minority-owned businesses.</p> <p>3) \$5 million investment by Penn to attract other investors with "socially patient" capital: Fannie Mae, University of the Sciences in Philadelphia, Commerce Bank, Trammell Crow (a real estate services firm); goal: to acquire and renovate a targeted portfolio of up to 1200 rental units within a defined area: highly visible buildings in bad condition or poorly managed properties that threatened stability of neighborhood</p> <p>4) First 5 properties acquired, 211 units, acquisition costs \$21,000-\$52,000 per unit, capital improvement costs from \$32,000 to \$64,000 per unit (2000-2002)</p>
6) Northeast Investment Cooperative Minneapolis, MN	Cooperative; 200 member owners	9 member elected board; members are individuals and businesses	A cooperative that allows residents of Minnesota to invest financially to collectively buy, rehab, and manage commercial and residential property in Northeast Minneapolis.	Founded by a small group of community members who wanted to do something about poorly used properties in their neighborhood.	<p>1) To date raised \$270K</p> <p>2) \$1000 membership shares with opportunities to invest additional funds</p> <p>3) Business sponsorships at different \$ levels</p> <p>4) \$8K annual organizational budget</p>	<p>1) "Patient capital"</p> <p>2) Purchase, rehab, manage residential/commercial property in Northeast Minneapolis</p> <p>3) Recruit and support businesses</p>

Appendix B: Models of University-Community Partnerships

Organization	Employee downpayment assistance program	Partnering with other institutions	Ways university helps provide high quality off-campus housing for students	Organization mission also fulfills teaching/research mission of university	Points of Interest
1) Clark University	Provides a \$5000 payment at the time of closing, and for the next 7 years after the purchase, a payment of 12% of base salary up to \$4000; must purchase and reside in home in a designated area around campus; over 15 years 22 faculty/staff have bought homes using these loans			1) Faculty and students do research for University Park Partnership; teach in neighborhood schools; mentor children 2) Learning and service activities support Clark's missions or teaching students civic responsibility and moral integrity	People who live in the Main South area for 5 years and are academically eligible can attend Clark University tuition-free
2) Ohio State University	Established 1998: \$500K from OSU in \$3K forgivable loans; 2 target areas around OSU campus (split \$175K/\$325K); eligible: single family, 2-4 units bldgs, condo, new constr.; in 2015 increased loans to \$6K to reintroduce staff to program, and new/rehabbed housing available; approx. \$200K remains; have distributed approx. 100 loans		1) Maintains list of high quality landlords (must meet city codes to be on list)		1) By 2015 requiring OSU sophomores to live on campus; OSU spent \$396m to add 3200 beds in several new dorms 2) CP measures its success through physical change/revitalization AND capacity building in area organizations 3) CP's annual report has measures that are useful in setting goals for a CDC
3) Highwinds Fund, Macalester College	Home improvement loans to Macalester employees: up to \$4500		1) Maintains a list on its website of properties for rent/sale in the Macalester neighborhood 2) Recommends several area realtors		On its website provides nice descriptions of neighborhoods around Macalester
4) Cleveland	1) Concluded that to make this program work must have participation of university HR dept., local lending institutions, realtors, and an agency to process the loan/grant 2) 2008 incentive program to attract new homeowners/renters and encourage existing to make improvements (in the Greater Circle area) 3) In first 18 mos.: 17 downpayment assist; 14 matching improvement grants; 8 1-month rental assistance grants				1) Area residents can purchase university ID card that gives them access to campus and to same discounts on services that employees/students have 2) Area is designated a Design Review District to promote well-designed developments and protect public investments, institutions and parks in the area
5) UPenn	1) Provided forgivable loans to Penn-affiliated homebuyers to encourage home purchases in area neighborhoods (loans of \$15-\$20K, forgiven if homeowner stayed in house at least 7 years) 2) Enhanced Mortgage Program for university-affiliated buyers: mortgage guarantee, forgivable loan financing for closing costs and improvements and a cash incentive: by 1998 mortgage-guarantee program was at \$22m outstanding; counseling integral part of program; 386 Penn affiliated households used incentives from 1998-2004	1) UPenn and Citizens Bank launched a \$28 million initiative that provides low-interest financing for residential and small-business development in West Philadelphia. 2) Penn founded the University City District, a special-services district funded by West Philadelphia's major institutional employers that has improved the cleanliness and safety of the University City community.	Active work with City Inspections Department on housing code enforcement	1) Academically based community service became a global movement under the leadership of Penn's Center for Community Partnerships - worked with faculty to develop more than 130 service learning courses that address community issues in West Philadelphia. 2) UPenn partnered with the School District of Philadelphia and Philadelphia Federation of Teachers to open a new, University-assisted Pre-K-through-8 public school in the heart of University City, with innovative learning environments and smaller class sizes.	1) Penn has purchased \$310 million in goods and services from West Philadelphia businesses; annual purchase volume has risen more than 400 percent since 1995. 2) University housing policies and practices affect the housing market in surrounding neighborhoods. Factors such as number of beds on campus, policies that require (or don't require) students to live in campus housing if it is available, and the quality of the on-campus residential experience all have consequences in the housing market surrounding campus. (Judith Rodin, UPenn)