



Date: February 16, 2016
To: Darryl Tufte, Community Development Director
From: William Weber, Planning Consultant
Subject: Summary of the February Presentations

On February 11th, the Eau Claire Neighborhood Summit Task Force heard four superlative presentations. Each provided a different perspective on the tools and process of neighborhood revitalization and each will help the Task Force recommend a course of action for Eau Claire. Here is a summary of the presentations. The PowerPoint files for each can be viewed on the City’s Website under *Departments, Community Development, Planning, Comprehensive Plan, Neighborhood Revitalization*. The speakers were:

Lucy Thompson
Principal City Planner, St. Paul Planning and Economic Development 1

Maria Prioletta
Director, Milwaukee Neighborhood Improvement Development Corporation 4

Will Sebern
Director, Layton Boulevard West Neighbors, Milwaukee 7

Karl Green
University of Wisconsin Extension–La Crosse 8

Lucy Thompson – St. Paul Planning and Economic Development

1. Neighborhood Revitalization Principles

- Neighborhoods are the **fundamental building blocks** of the city. They are the primary setting for civic engagement, city planning and managing change.
- It is in the City’s best interest to **support and grow strong neighborhoods**, with an engaged citizenry, diverse housing stock, mix of land uses, access to multi-modal transportation options, range of parks and open spaces, safety and beauty.
- The best neighborhoods thrive with a **public-private partnership** committed to working with neighborhood residents around shared goals.
- Neighborhood change is a **constant process** and must be continually planned for, directed and managed.

- Neighborhood associations are one of many **players** impacting the vitality of neighborhoods. Other players include the City, County, and State, educational institutions, community development corporations, block clubs, private developers, non-profit developers and major employers.

2. The City's Role in Neighborhood Revitalization

The City helps neighborhood revitalization by:

- Community engagement, planning and urban design
- Regulation
- Development financing
- Infrastructure investment

3. Community Engagement in St. Paul

- St. Paul has 17 **district councils**, which are the official participation organization for each neighborhood. They are an independent, non-profit organization, some of which are incorporated as 501-c-3 community development corporations. They receive money from federal grants via the City and from foundation grants.
- Each district council has prepared a **neighborhood plan**, which becomes part of the City's comprehensive plan.

4. St. Paul Design Center

The Design Center is a **public-private partnership** with the Saint Paul Riverfront Corporation. The goal is to provide good-quality design for private and public projects.

5. Regulation for Neighborhood Revitalization

- The City sometimes uses one or more **traditional-style neighborhood zoning** districts and appropriately-designed streets, lights, bridges, etc. to promote the desired look and feel.
- They have some **design standards for housing** that go beyond the basic zoning regulations and that are intended to ensure acceptable architecture and site planning, with a special emphasis on the relationship between the building and the sidewalk.
- **Accessory dwelling units** are allowed.
- They have a **residential permit parking** system to prevent parking from nearby institutions or venues from flooding into the neighborhoods.
- They use **preservation districts** for areas of special historic or architectural merit.
- They use "**neighborhood conservation districts**" to protect the general look and feel of certain areas that have not been declared historically significant but nevertheless have desirable characteristics.

6. Development Financing for Neighborhood Revitalization

- St. Paul uses tax increment financing
- They have a program called Neighborhood STAR that:
 - Provides **loans and grants for capital improvement projects** that further residential, cultural, economic and commercial development
 - Is funded with 50% of annual sales tax proceeds (half-cent sales tax levied since 1994)
 - Is awarded through competitive process
 - Funds neighborhood-based projects designed with neighborhood representation to strengthen St. Paul neighborhoods
 - Is open to public, private, non-profit, for-profit applicants
 - Requires a 1:1 match with non-City resources
- Housing assistance includes:
 - **Housing rehab lending** for owner-occupied housing (CDBG, income restrictions)
 - Inspiring Communities
 - Minnesota Home Ownership Center
 - Mortgage foreclosure prevention
- City is a flow-through for Metropolitan Council and State funding
- The City sometimes **partners with community development corporations.**

7. Infrastructure Investment for Neighborhood Revitalization

- **Saint Paul Streets**
 - Long-term plan to reconstruct all residential streets
 - Funded from street improvement bonds and assessments
 - Doing 2 to 3 miles per year
 - Now adding arterial streets
 - Includes street lighting, trees, paving, and utilities as needed
 - Even includes public art such as poems embedded in the sidewalk concrete

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Maria Prioletta – Milwaukee Neighborhood Improvement Development Corporation

1. Department of City Development

Milwaukee and Eau Claire – both recognize that sustainable neighborhood change is dependent on more than physical improvement and the involvement and support of residents and community stakeholders is key.

- Planning
- Economic Development
- Redevelopment Authority
- City Real Estate
- Neighborhood Commercial Corridors
- Housing and Neighborhood Development – Maria's area

2. Challenges Shared between Milwaukee and Eau Claire

- Increasing owner occupancy
- Addressing older housing stock
- Declining resources
- Disinvestment and nuisance properties

3. The Neighborhood Improvement Development Corporation

- Is a non-profit 501 (c) 3 corporation – a **private corporation** that is housed within City Government at the Department of City Development!
- Has an **independent Board of Directors**.
- Has **no Staff** – operates under a cooperation agreement with the City which then provides the staffing
- Its mission is to “Promote redevelopment in City neighborhoods and improve the quality of life for City residents.”
- Guiding principles:
 - **Targeting**: Traditional resources have declined, so there is a need to direct them in a way that results in a visible impact for City neighborhoods
 - **Neighborhood Involvement**: Work with residents to not only improve the physical condition of the neighborhood, but the quality of life as well
 - **Leverage Resources**: Partner or consider non-traditional housing resources
- Activities:
 - Applied for and **received grants** to support neighborhood activities
 - Acquired and **developed residential properties**
 - **Lending partnerships** to implement new loan products

- Piloted new housing programs
- Advantages:
 - As a non-profit, can accept and receive **donations**
 - **Flexibility** – good vehicle for implementing pilot programs and testing new approaches
 - **Responsive** – better able to move quickly to respond to neighborhood challenges and opportunities
 - **Staffed by Department employees** – helpful in that many “back office operations” don’t have to be built
- Examples:
 - Target Investment Neighborhoods
 - Community Improvement Projects
 - Tax Incremental Districts

4. Milwaukee Targeted Investment Neighborhood Program

- Focuses efforts in a **small geographic area** (6-12 blocks) for 3 years
- Provides resources to improve physical condition of residential properties and neighborhood and strengthen and support owner occupancy
- **Partners with local neighborhood organization** to address quality of life issues.
- Selection Process:
 - Local neighborhood organizations can apply for a TIN in their neighborhood on an annual basis
 - Selection criteria include: Neighborhoods with a strong base of owner occupancy, strong community partners, engaged residents, evidence of ongoing reinvestment by property owners
 - City team reviews applications, tours neighborhood with neighborhood organization and makes selections
- **Role of the City**
 - Provide loans (repayable and forgivable) for home repair (funded with federal HOME dollars).
 - Technical assistance for property owners for rehab projects – creation of scope of work and assistance in the bidding and project monitoring processes.
 - Collaborates with other City departments to address quality of life issues such as the Department of Neighborhood Services (Building Inspection) or the Milwaukee Police Department.
 - These grants encourage resident involvement, build leadership and improve the neighborhood.

- **Role of the Neighborhood Organization**
 - Conduct outreach to neighborhood residents to inform them about TIN resources
 - Work with City to address quality of life issues
 - Encourage and sponsor projects and events that increase resident involvement and build neighborhood leadership

5. Community Improvement Project Program

- “A little can go a long way.”
- Provides **matching grants** of up to \$4,000 for residents to undertake projects that encourage **resident involvement** and **improve their neighborhoods**.
- Grant amounts can be as small as a few hundred dollars – up to the maximum allowed.
- Resident matching funds can come from **private donations**, organization funds, or in-kind contributions of goods and services.

6. Using Tax Incremental Districts

- Tax Incremental Districts are traditionally used to fund public improvements or large scale development projects.
- But Milwaukee has **expanded the benefitting district to include the neighborhood** around a tax incremental project site in order to provide money for home rehabilitation.
- **Example:** The City drew a TID boundary for a large industrial project to include the surrounding neighborhood and created a \$500,000 forgivable loan pool for exterior improvements to housing.
- Wisconsin enabling law:
 - Wisconsin Statutes – 66.1105 (6) (g) provides that after a Tax Incremental District has paid off its costs, it can be extended for one year and the funds can be used to improve housing in the City.
 - The housing does not have to be located within the TID district.
 - 75% of the funds must be used to benefit affordable housing – 25% can be used to improve the housing stock in the City.
 - Milwaukee has utilized about \$1 million to create a new loan program for owners to address essential house repairs.

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Will Sebern – Layton Boulevard West Neighbors

1. Overview of Layton Boulevard West Neighbors and its Neighborhoods

- Founded by the School Sisters of Saint Francis in 1995 to “stabilize and revitalize the Silver City, Burnham Park and Layton Park neighborhoods.”
- Neighborhood Demographics:
 - **66% Latino**; 22% Caucasian; 5% African American; 4% Asian American
 - 84% owner occupancy (single-family homes)
 - 33% of neighbors under age 18
 - 71.9% household earn at/below 80% County Median Income
- Early years were focused on solving problems – a deficit-based approach

2. Transition to Asset-Based Neighborhood Development

- Shifted to an **asset-based approach** that focuses on creating a healthy neighborhood, which is:
 - A place where it makes economic and emotional sense for people to invest time, energy, and money, and
 - A place where neighbors can successfully manage neighborhood-related day-to-day issues.
- **Money** was provided by Healthy Neighborhoods of Milwaukee, the Greater Milwaukee Foundation and the City.
- **Objectives** of the Healthy Neighborhoods program were:
 - Image/Identity – how your neighborhood is perceived
 - Market – how the real estate market reflects confidence
 - Physical Conditions – reflect pride and high standards
 - Neighborhood Management – capacity to address day to day issues
- The turning point was the **Quality of Life Plan**
 - More than 250 neighbors and stakeholders helped prepare it
- **Helped residents become leaders** through social engagement, block clubs and projects
- Improved the **perception** of the neighborhood in the minds of potential home buyers
- **Bought, rehabbed and re-sold houses**; restored to their historic charm
- Informed owners about **money** and **advice** for rehabilitation
- Provided **matching grants for housing rehabilitation**; money came from a foundation and a bank.

3. Impact and Lessons Learned

- **Asset-based** vs. deficit-based
- 94% of total investment occurred since 2005
- **Listening** to neighbors is paramount
- Use **neighborhood marketing** to drive investments
- **Investment, not charity**
- **Leverage opportunities** to cluster impact.

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La Crosse Neighborhood Development Corporation

1. The Importance of the Residential Tax Base

- Residential development creates the greatest demand for services (expenditures)
- When average housing values are low – this creates greater impact on the municipal mill rate and services that are needed.

2. Market Challenges to Improving Older Housing

Factors that contribute to neighborhood deterioration:

- Declining housing values
- Declining rate of home ownership
- Unkempt and dilapidated properties
- Increasing change of the population

3. Relationships between Housing Quality and Public Services

- Results in a declining tax base and increased human service needs, especially for children.

4. The Response by the Public Sector

- They recognized the problem!
- There was a **strong City / County / School District collaboration**

- Local “stakeholders” became **knowledgeable of the issues**
 - Banks, credit unions and other lenders
 - Realtors
 - Health care providers
 - Home owners
 - UW-La Crosse and Western Technical College
 - Created a City/County task force
- Created the **City Revitalization Commission**
- The County provided demolition and disposal grants
- Increased the **community policing** effort
- Created the **County Family Collaborative**
- Created the “**Rebuilding for Learning**” cooperative

5. The Response by the Private Sector

The shared objective was to remove the perception of risk

- **The La Crosse Promise**
- La Crosse Promise **Lenders Consortium**
- La Crosse **Neighborhood Development Corporation**
- City and Gunderson Health System **Joint Neighborhood Development Corporation**
- **Housing assistance by local health care providers**
- *Renew La Crosse*

6. The La Crosse Promise

- Purpose was to reinvigorate the housing market in the most tired neighborhoods by:
 - Attracting **education-minded families**
 - **Reducing the perception of risk**
- Programs:
 - Place-based post-high school **scholarships** of up to \$50,000 per household
 - There were eligibility requirements regarding construction or redevelopment
 - The scholarship could be transferred to someone else
 - La Crosse Promise Future Centers
 - Provides **counseling for college and careers** after high school
 - \$1.5 million donated from private philanthropists
 - Started in 2008 and staffed by U-W

- **Strong support by community stakeholders**
 - 20 member **Board of Directors** includes:
 - County Board Chair and Administrator
 - La Crosse School Superintendent
 - The mayor
 - UW-La Crosse
 - Western Technical College
 - Viterbo University
 - Mayo Health System
 - Gundersen Health System
 - Private sector (attorney, president of Coulee Bank, a land developer, a marketing executive, a real estate agent, a representative of the La Crosse Education Foundation, and others.)
 - Staffed by the City, the County and UW Extension.
- The **lenders consortium** for the La Crosse Promise
 - **10 banks and credit unions** participating
 - \$8 million in loan dollars available
 - Located in areas defined by the La Crosse Promise
 - \$1 million per institution
 - By holding loans internally, private mortgage insurance is not required
 - Allows lender to increase the debt-to-equity ratio, which is beneficial
 - Overcomes the financing challenges of the initial participants.

7. La Crosse Neighborhood Development Corporation

- **Board membership:**
 - Mayo Health System
 - CouleeCap
 - Franciscan Sisters of Perpetual Adoration
 - Habitat for Humanity
 - Banker
 - Developer / Landlord
 - Entrepreneur / Business Owner
- **Staffing** is provided by the City, the County and UW Extension
- Biggest obstacle is **developing an agreed-upon common mission!**
- There is a difference between the **mission** of La Crosse Promise and that of the Neighborhood Development Corporation
- This has been the **third attempt** for City to start a neighborhood development corporation – there have been several obstacles

- The community is currently figuring out **what the organization should do**
 - Should it be a social or neighborhood organizer?
 - Should it engage in redevelopment?
 - Should it market the neighborhoods?
- Its interests can be difficult to focus, depending on the number of members
- Wondering what will resonate with potential funders?
- Trying to not duplicate the work of other organizations.

8. The La Crosse–Gundersen Health System Development Corporation

- **Public Private partnership** – supported by Gundersen TIF
- Board makeup:
 - City Council membership and Mayor,
 - Gundersen Health System Administration
 - Staffed by City and Gundersen Health System
- Developing a **plan for public and housing improvements** near the Gundersen Health System campus
- Is using the model of **tax incremental financing** for neighborhood improvements described by Maria Prioleta – the increment from the campus development is being used to improve housing in the adjacent neighborhood
- Looking to perform a “catalytic project” in the adjacent neighborhood, possibly involving a hotel, a mixed-use development or a higher-end rental housing development.

9. Other Efforts

- Housing assistance programs
 - Gundersen Health system
 - Mayo Health System
- Project RENEW
 - Free, competitive grants for home improvements within the neighborhood
 - Over 1,000 volunteers provided service to neighbors

10. Summary

- Housing is the City’s largest asset
- Why hasn’t the private market fixed this?
- Who needs to act to fix this?

- Often, **perception of risk** is biggest obstacle
 - Crime
 - Neighboring housing quality
 - Old houses lack the size, space and amenities that current buyers want
 - There are financing challenges
- A house is a person's largest financial asset
- The objective is to **help ensure that individuals will not be taking an unnecessary risk**
 - Nobody wants to be the first home owner "on the dance floor"

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Getting started is always the most difficult part