

Model Cities Annual Report 2013



Model Cities BROWNstone



Our Mission

To promote social and economic prosperity by providing access to opportunities that develop and stabilize families and communities.

www.modelcities.org

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Cover

*Rendering of Model Cities BROWNstone,
Trossen Wright Plutowski Architects*

Greetings!

Model Cities has come a long way from where we started 47 years ago; and most of you have been with us all along. Over the years, we have continued to provide service even in the face of economic downturns and budget constraints. The generous support of our donors that undergirds our work and sustains us as an important community resource. In 2013, we were a critical source of support to more than 1,000 families in crisis with immediate financial assistance. We have seen lives turned around to a positive direction in our work with juveniles on probation and young homeless mothers. Another 150 families received counseling that stabilizes their homeownership experience and almost 400 households received Home Stretch training which enable them to purchase their own homes.

We are making significant progress on our two transit-oriented developments: Central Exchange and BROWNstone. These two buildings will provide affordable workforce housing for close to 60 households and 20,000 sq ft of commercial space for businesses and organizations. The Sustainable Spaces component of the project incorporates green space, green technology and public art in ways that engage the community in unique and interesting ways. The project will also celebrate the roles of African America workers in the rail system by highlighting the work of the Pullman Porters, Dinning Car workers, Red Caps, and other rail workers. The estimated \$20+ million investment will revitalize a stretch of University that has experienced disinvestment for some years now, and will result in a stronger economy along the Central Corridor through business development and jobs.



*Francis Green, Esq.
Board Chairperson*



*Beverley Oliver Hawkins, Ph.D.
Chief Executive Officer*

We are committed to the challenge that lies before us and deeply appreciative of the support that makes these life changes possible. We are, after all, in the business of saving lives. Thank you for joining us in this endeavor.

Community Services

Crisis Intervention Services

Crisis intervention services include intensive home-based therapy for families, targeted case management for children at risk of out of home placement and family preservation and reunification services. The intent is to strengthen and stabilize the family unit in a way that minimizes intimidation and acknowledges cultural diversity. In 2013, 236 families in need were referred to Model Cities from Ramsey County for comprehensive crisis services.

Juvenile Detention Alternatives Initiative (JDAI)

The JDAI initiative of Ramsey County seeks to improve public safety and long-term outcomes of juveniles by addressing the disproportionate representation of juveniles of color in secure detention. Since 2009, Model Cities, under contract with Ramsey County Community Corrections, has provided services to youth. A total of twelve community coaches work closely with these youth, probation officers, parents, and schools to engage youth in strength based pro-social activities and other positive pursuits, in efforts to deter participation in negative behaviors and criminal activities that could potentially land them in secure detention. Data over the past three years show decreased rates of re-offenses of program participants, demonstrating the efficacy of Model Cities' approach.

In 2013:

- **170 of youth served** through JDAI successfully completed their probation obligations through the court system.
- **85% of the youth** were connected to the following services: work readiness, counseling and therapeutic services, community service and educational activities.

In addition, Model Cities held its first JDAI graduation ceremony to recognize youth who completed the program. This program was fully funded by one of our donors.

Supportive Housing Services

Model Cities has provided permanent supportive housing and comprehensive case-managed support services to homeless families since 1992.

The ultimate goal of our supportive housing programs is to reduce repeated episodes of homelessness, and help families live healthy, productive lives. This is accomplished through intensive case managed support services.

Families First Apartments targets single-parent families who meet the HUD definition of homelessness. This includes at least one family member with a documented disability. These apartments are located in three scattered sites.

Sankofa focuses on young adults, ages 17-25, who are either pregnant or parenting a child 3 years old or younger. Families served through Sankofa must meet the State of Minnesota's definition of Long Term Homelessness, which includes households who lack a permanent place to live continuously for a year or more or at least four times in the past three years.

In 2013:

- **47 households (126 individuals)** were moved from homelessness to being housed;
- **70% of the participants** served obtained employment and/or pursued an educational endeavor.
- **10 of 15** of the Sankofa participants enrolled in post secondary education.



Camphor United Methodist Women's holiday celebration with the Sankofa families

Transit-Oriented Development

Model Cities Redevelopment Project

Model Cities Redevelopment (MCR) Project includes new construction of two mixed-use developments (Central Exchange and BROWNstone), both located along University Avenue at or near the Victoria Street Station. These two developments include 50+ residential units and 20,000 square feet of commercial space, along with green space and other amenities. The project will produce several community benefits: bringing economic vibrancy to the area, creating new opportunities for business development and expansion, generating stable jobs, and providing safe affordable housing.

This initiative will consist of two new development projects: BROWNstone on the cover and Central Exchange below.

To date, our accomplishments include:

- over \$3.4 million in grant funds committed;
- 95% of the commercial space is pre-leased;
- preliminary approval \$12 million for tax exempt revenue bonds and residential and commercial tax credits; and
- preliminary design completed.

Sustainable Spaces

Model Cities Sustainable Spaces (MCSS), a component of the MCR project, uses public art to integrate various elements of transit-oriented development and to build a sense of community around a shared sense of place. MCSS will provide the community with opportunities for both environmental and cultural sustainability through the incorporation of pocket parks, storm water management, a rooftop garden and Reading Room. These spaces will be intertwined with public art installations that celebrate the role of African American railroad workers, who historically shaped the social and economic vibrancy of the Rondo community.

In 2013, Model Cities:

- Began production of a video that celebrates the history and legacy of African American Railroad workers;
- Secured \$20,000 in grant funding from the Mardag Foundation for project planning and artwork design services;
- Partnered with the University of Minnesota's Department of African American & African Studies and the Minnesota Historical Society to begin a community-based collective historical research project on the local history of African American porters.



Central Exchange

MCASA Homes

Since 2004, Model Cities has been working to create affordable homeownership opportunities for first-time homebuyers with annual household incomes at or below 120% of the Area Median Income (AMI). With subsidy funding from MN Housing, City of St. Paul, House of Hope, F.R. Bigelow Foundation, St. Paul Travelers Foundation, Otto Bremer Foundation, St. Paul Travelers Foundation and Met Council, we have completed 16 houses and made them available to families earning 50% to 80% of the area median income (AMI).



MCASA Homes serves a diverse population, the majority are persons of color, including African American, Asian, and Latino. Pictured below are two of the MCASA Homes. The house on the left is one of the foreclosed houses that was rehabilitated under MCASA Homes, and the house on the right is a new construction infill development. MCASA Homes are sold under a contract-for-deed, lease-to-purchase or straight sale.



MCASA Homes

Homebuyer Counseling and Training

MCASA takes a holistic approach to homeownership by providing first-time homebuyers with individualized financial case management. The counselor works with the family in creating and a financial action plan that transitions participants to a sound financial foundation that makes homeownership affordable and sustainable. In addition to counseling, Model Cities provides homebuyer workshops to individuals who are interested in homeownership.

MCASA Homes lease-to-purchase or contracts-for-deed products are provided as options for home purchasers who need additional support to become mortgage ready. These families benefit from the intensive counseling and support provided by the homeownership counselor. The MCASA program has been quite

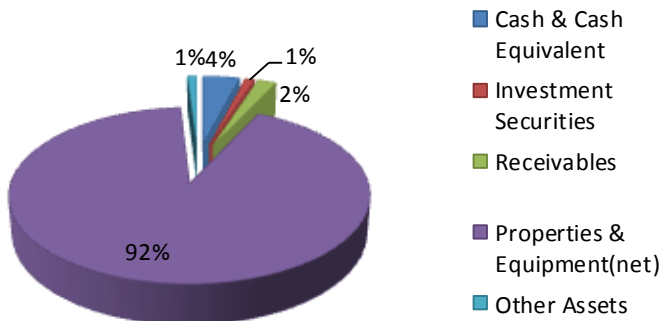
successful in moving these households to stable homeowners.

In 2013:

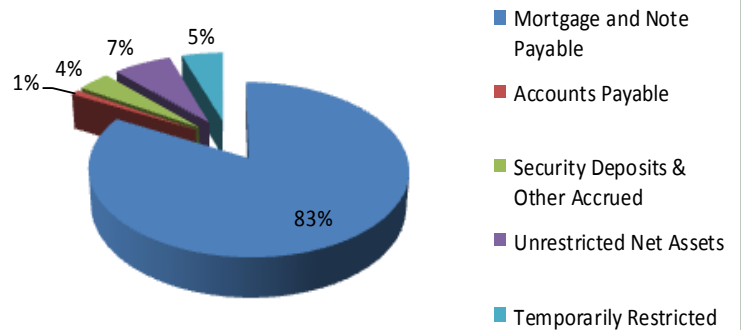
- MCASA Phase III: two of the four remaining families made significant progress and will become homeowners in early 2014.
- MCASA Phase IV: acquisition was completed and rehabilitation began on two of four houses. A purchase agreement was offered on the third house and an inspection started on the fourth house.
- Model Cities held 28 homebuyer workshops serving 298 students, exceeding program goals.
- Model Cities provided pre-purchase counseling to 97 new households with 241 follow-up appointments totaling over 300 counseling hours. All metrics exceeded program goals.

2013 Consolidated Financial Profile

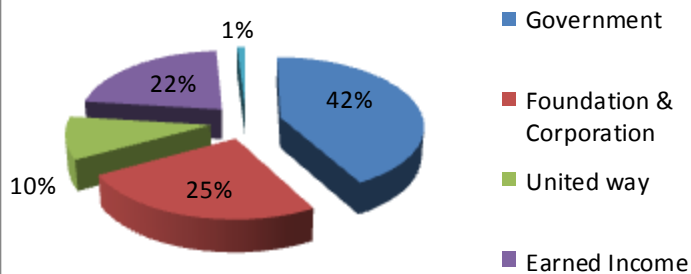
Assets



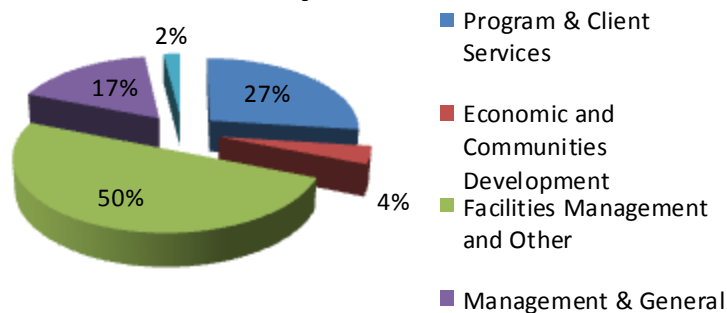
Liabilities and Net Assets



Support and Revenue



Expenses



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THANK YOU!

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