

MODEL CITIES, INC.
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AURORA/ST. ANHTONY
NEIGHBORHOOD
DEVELOPMENT
CORPORATION

MCASA 2005 Annual Report

October 2005

A project designed to increase homeownership among populations of color

While opportunities for obtaining affordable home ownership for low-income communities have increased in recent years, the need to expand these opportunities to communities of color in the Twin Cities continues to exist.

In 2000, Twin Cities White households were two times more likely to own a home than African Americans. The gap is similar for other communities of color.

While 77% of White households own their own home, only 32% of African Americans, 49% of American Indians, 53% of Asians, and 43% of Hispanics/Latinos are homeowners.

Increasing home ownership among communities of color carries with it several benefits. Home ownership confers on families a measure of independence, security, dignity, and a sign of social status. This plays an important role in the families' social, political, and economic well-being.

Furthermore, home ownership offers families and individuals an opportunity to accumulate wealth. In this sense, housing is not only a

place to live, but can be considered an investment.

MCASA, LLC is a partnership between Model Cities, Community Development Corporation and Aurora/St. Anthony Neighborhood Development Corporation, that will result in home ownership for families of color whose annual incomes are up to 80 percent of the Area Median Income (AMI).

MCASA Homes focuses on infill development of vacant and underutilized parcels located in Saint Paul's Ward 1. Infill development increases housing options and affordability near job centers and transit lines. Infill development also increases the neighborhood's tax base and contributes to the overall improvement and health of the community.

Phase I of MCASA, the development of three single-family homes near the new Rondo Library, is nearing



completion and the homes are expected to be finished by December 1. Three eligible families have been screened and a recommendation has come from the advisory committee to move these families into the homes. We expect occupancy by the end of the year. An open house ceremony is scheduled for November 3, 2005.

Phase II of MCASA has entered into the predevelopment stage. MCASA is moving towards preparing the sites for construction with appraisals of the properties, surveys, and environmental testing in process. Construction will hopefully begin before winter of 2005 and completed some time in early spring of 2006.

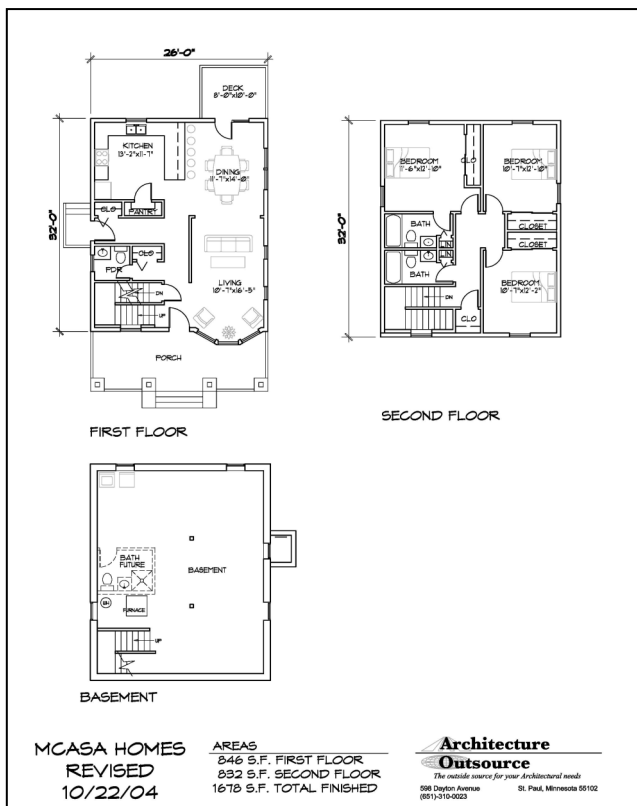
A Contract-for-Deed home ownership structure is what MCASA uses as its model. This enables families to reside in the home for a 6 to 30 month period before the final home purchase.

During their contract period, the homebuyer receives home ownership counseling, home maintenance training, financial management training, debt retirement and reduction assistance that will stabilize families and lead to home ownership. In addition, the family is eligible to receive down payment assistance from local first time homebuyer programs.

MCASA Homes includes three single-family homes approximately 1700 sq. ft. in size. Each home is a 2-story, 3-bedroom unit, with a full basement, porch and 2-car garage.

Both Phase I and Phase II of MCASA Homes involve the development of vacant parcels located on Aurora St. Anthony neighborhood, close to the University/Dale redevelopment area. These home are located within walking distance of the new Rondo library.

MCASA HOMES



2005 HIGHLIGHTS

- The completion of MCASA Homes Phase I Development Project (653, 667, and 671 Aurora Avenue)
- Three candidates have been selected to enter into contract for deeds with MCASA for the three houses of Phase I
- Financing has been secured for the construction of Phase II of MCASA Homes
- MCASA has begun predevelopment planning for Phase II, involving three lots in St. Paul for infill development
- Preliminary planning for Phase III has begun.

2005 CONTRIBUTORS

City of St. Paul
 Family Housing Fund
 Greater Twin Cities United Way
 House of Hope Presbyterian Church
 Local Initiatives Supportive Corporation
 Metropolitan Council
 Minnesota Housing Finance Agency
 Minnesota Housing Partnership
 Otto Bremer Foundation
 St. Paul Traveler's Foundation

2005 FINANCIAL REPORT

This year proved to be quite successful. Revenue includes predevelopment and development grants. Only miscellaneous expenses for operating have been incurred, which was offset by interest income and bank discounts.

STATEMENT OF FINANCIAL POSITION

Assets	
Cash	\$ 182,947
L/T Assets	\$ _____ -
Total Assets	<u>\$ 182,947</u>
Liabilities/Net Assets	
Current Liabilities	-
L/T Liabilities	_____ -
Total Liabilities	_____ -
Net Assets	\$ 182,947
Liabilities/ Net Assets	<u>\$ 182,947</u>

STATEMENT OF REVENUE/EXPENDITURES

Revenue	
Foundation Support	\$ 183,000
Interest Income	\$ _____ 26
Total Revenue	<u>\$ 183,026</u>
Expenses	
Supplies	\$ _____ -
Total Expenses	<u>\$ _____ 79</u>

MODEL OF MCASA HOMES



WEST VIEW



NORTH /WEST VIEW

2006 GOALS

- Complete construction of Phase II Homes (707, 741 Fuller Avenue and 895 Central Avenue)
- Three families occupying Phase I Homes and moving towards homeownership
- Supportive Services operational (property maintenance, home ownership counseling, financial management)
- Three eligible families screened and occupying Phase II
- Future sites for Phase III identified



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MCASA, LLC

DEVELOPMENT TEAM

Model Cities Community Development Corporation is a 501c 3, established by Model Cities, Inc., in 1998 “to promote and carry out community-based development that contributes to the revitalization of inner city communities and improve the quality of life of economically and socially disadvantaged people.”

Aurora/St. Anthony Neighborhood Development Corporation, established in 1980 as a neighborhood watch and crime prevention community group, is a nonprofit membership organization with over 200 residents and local business members. Its mission is “to foster positive relationships within and between neighborhoods; and to support its community members in effecting their choices relative to the quality of life in their neighborhoods.”

Gabler Housing Solutions Corporation was established by in 1995 as an effort to address the multiplicity of issues, services and needs required in the planning, financing, and development of housing, both market-rate and affordable. Gabler Housing Solutions has expertise in housing policy, finance, and tenancy and has a successful array of experiences in housing.

Greater Metropolitan Housing Corporation (GMHC) Phase I General Contractor and Construction Manager, was established in 1970 by the Minneapolis business community. GMHC’s mission is to preserve, improve and increase affordable housing for low and moderate income individuals and families, as well as assist communities with housing revitalization.

Leonard, Street, and Deinard, established in 1922, is one of the oldest and largest law firms in Minnesota and has more than 180 Lawyers practicing from offices in Minneapolis, Saint Paul, and Mankato. They serve businesses in every sector of the economy-commercial, service, financial, healthcare, manufacturing, and industrial.

Architecture Outsource, LLC is an African American owned and operated architectural firm. It was established to develop working relationships in the architectural industry by performing architectural tasks and services for architectural/engineering firms, construction companies and related industries, as well as, facilities management tasks for private and public entities.