

OTHER NARRATIVES

SECTION 3

Each year the U.S. Department of Housing and Urban Development provides grants to the City of St. Louis that are generally targeted to neighborhoods with the most pressing needs for housing and economic development assistance. These HUD funds can have a tremendous economic impact on the low-income areas serviced by the grants. To assist and direct grant recipients to maximize the impact of this economic assistance, HUD requires the City of St. Louis to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 to ensure that the HUD funds provide "to the maximum extent feasible" economic opportunities to the residents of the community being served as well as the businesses that serve them.

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by HUD financial assistance shall, to the greatest extent feasible and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 3 compliance is required for Community Development Administration expenditures of funds including the following:

- Housing rehabilitation (excluding routine maintenance, repair, and replacement)
- Housing construction
- Other public construction

The Community Development Administration has granted funds to and reports findings on the following projects:

Project:	Arlington Grove
Address:	Burd on East; MLK on South; Clara on West; Clara on North
Developer:	St. Louis Housing Authority Development Corp.
Grant:	\$425,000 – HOME; \$ 240,000 – CDBG-R

This project commenced in September, 2010 and was 15% complete in December, 2010. Activities consisted of demolition and site preparation for the development of 112 units. In 2010, construction contracts were awarded to 18 Section 3 business concerns totaling \$7,239,881. There were 17 Section 3 hires reported in 2010.

Project: Cabanne Townhomes
Address: #1, #3, #5 Cabanne Townhouse Drive
Developer: Building Investment Group, LLC
Grant: \$532,000 - CDBG

This project commenced in March, 2010 and was 100% complete in December, 2010. Activities consisted of the construction of a 3-unit building. In 2010, construction contracts were awarded to 2 Section 3 business concerns totaling \$30, 891. There were no Section 3 hires reported in 2010.

Project: Dick Gregory Place
Address: Dick Gregory Place
Developer: Dick Gregory Place Associates, LP
Grant: \$4,050,000 - HOME

This project commenced in February, 2010 and was 50% complete in December, 2010. Activities consisted of the rehabilitation and construction of a total of 40 units. In 2010, construction contracts were awarded to 12 Section 3 business concerns totaling \$1,975,247. There were 16 Section 3 hires and 7 Section 3 trainees reported in 2010.

Project: Maple Manor
Address: 5553, 5559, and 5575 Maple
Developer: Building Investment Group, LLC
Grant: \$490,000 - CDBG

This project commenced in January, 2009 and was 60% complete in December, 2010. Activities consist of the new construction of five single family, for-sale units. Three units have been completed and sold. In 2010, no construction contracts were awarded to Section 3 business concerns. One non-construction contract was awarded to a Section 3 business for \$1,265. There were no Section 3 hires reported in 2010

Project: Sullivan Place
Address: 2300 Block of Dodier
Developer: Dodier LLC
Grant: \$540,000 - HOME

This project commenced in December, 2009 and was 100% complete in December, 2010. Activities consisted of the construction of one of eight single-family units. In 2010, no construction contracts were awarded to Section 3 business concerns. There was 1 Section 3 trainee reported in 2010.

Project: 3520 Oregon
Address: 3520 Oregon
Developer: Neighborhood Enterprises, Inc.
Grant: \$283,405 - HOME

This project commenced in December, 2010 and is 30% complete. Activities consisted of the rehabilitation of one single-family, for sale unit. In 2010, one construction contract was awarded to a Section 3 business concern, totaling \$5,500. There were no Section 3 hires reported in 2010.

Project: 3525-27 California
Address: 3525-27 California
Developer: Millennium Restoration & Development Corp.
Grant: \$550,141 - HOME

This project commenced in April, 2010 and was 26% complete in December, 2010. Activities consisted of the rehab of one single family, for-sale unit. In 2010, no contracts were awarded to Section 3 business concerns. There were no Section 3 hires reported in 2010.

Project: 3736-54 South Broadway
Address: 3736-54 South Broadway
Developer: The Perfect Home St. Louis
Grant: \$246,966 - HOME

This project commenced in August, 2008 and originally consisted of the development of seven new construction, for sale units, one of which was to be funded with HOME funds. The HOME funded unit was 95% complete in December, 2010. Construction has not begun on the remaining six units. There were no Section 3 hires or awards to Section 3 business concerns in 2010.

Project: 4100 block of North Newstead and 4406 Lee
Address: 4100 block of North Newstead and 4406 Lee
Developer: North Newstead V, LP
Grant: \$301,618 - HOME

This project commenced in December, 2009 and was 100% complete in December, 2010. Activities consisted of the construction of seven buildings (31 units). In 2010, construction contracts were awarded to 2 Section 3 business concerns totaling \$280,075. There were no Section 3 hires reported in 2010.

Project: 5801-03 Thekla
Address: 5801-03 Thekla
Developer: Riverview West Florissant Development Corp.
Grant: \$310,000 - HOME

This project commenced in October, 2010 and was 50% complete in December, 2010. Activities consisted of the rehabilitation of two for-sale townhouse units. In 2010, construction contracts were awarded to 2 Section 3 business concerns totaling \$155,040. There were no Section 3 hires reported in 2010.

Project: UJAMAA Community Center
Address: 5076 West Florissant and 5486 Ruskin
Developer: UJAMAA CDC and the Black Family Land Trust
Grant: \$120,000 – CDBG; \$260,000 – CDBG-R

This project commenced in 2009 and is 15% complete. Activities consist of the rehabilitation of a vacant commercial building into a community center. In 2010, no construction contracts were awarded to Section 3 business concerns. There were also no Section 3 hires reported in 2010.

In addition to the projects mentioned above, several CDBG-R projects commenced in 2010. Of the total amount of construction contracts awarded in 2010, 34% (or \$645,500) were awarded to Section 3 Business Concerns. In addition, 16 Section 3 hires and two Section 3 trainees were reported for the year.

Please note that due to late reporting, 2010 totals may be understated; additional statistics will be reported in the 2011 CAPER.

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$	38,694,424
B. Total dollar amount of contracts awarded to Section 3 businesses	\$	9,655,743
C. Percentage of the total dollar amount that was awarded to Section 3 businesses		25 %
D. Total number of Section 3 businesses receiving contracts		35

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$	26,289
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$	0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses		0 %
D. Total number of Section 3 businesses receiving non-construction contracts		0

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

MBE/WBE PARTICIPATION

The Mayor and the City of St. Louis are committed and determined to meet MBE/WBE participation goals by utilizing affirmative actions appropriate for size, type and scope of contract. As part of that ongoing effort, during 2010 the City provided block grant funding to MoKan, Vashon Jeff Vander Lou for its Minority Contractors Institute and Access/ Contractor's Assistance Program (CAO) for technical assistance and training to small MBE/WBE firms. The St. Louis Development Corporation also fosters minority construction and other businesses as part of that agency's CDA-funded work program, and M/WBE participation goals are emphasized in the City's Tax Increment Financing developments.

A full listing of certified MBE/WBE contractors may be found on the City's website at www.mwdbe.org or by calling M/W/DBEW Certification Outreach at (314) 551-5000.

SECTION 108 – CDBG FUNDS

OVERVIEW

This section summarizes Section 108 funded programs with a brief narrative describing the projects and progress made on the projects during the 2010 program year.

In 1998 the City of St. Louis applied for a \$50 million Section 108 loan. The \$50 million borrowed included \$20 million for the St. Louis Convention Headquarters Hotel project, \$20 million for the Darst-Webbe HOPE VI Revitalization project and \$10 million for a variety of neighborhood development projects. The application was amended in 1999 to increase funding for the hotel project to \$50 million. Upon completing a review of the amended application, the Department of Housing and Urban Development approved a total Section 108 loan of \$80 million.

The following activities were reported as complete in the previous Consolidated Performance and Evaluation Reports and consequently are not included in the accomplishments section of this year's report:

- St. Louis Convention Headquarters Hotel
- Darst-Webbe Revitalization Phase I
- Darst-Webbe Senior Development Improvements
- Darst-Webbe Environmental Abatement/Acquisition
- Near South Side Public Improvements Phase IV
- Assisted Elderly Development
- G. L. Vaughn Residences
- Delmar Link Public Improvements
- Near South Side Public Improvements Phase IV
- Neighborhood Commercial District Improvements

SECTION 108 NEAR SOUTHSIDE DEVELOPMENT

One remaining work program utilizing Section 108 funds provided funding support for the Darst-Webbe Near Southside Development. It is a contract with the Land Clearance for Redevelopment Authority. General categories of activities, funding amounts and total funds spent as of December 31, 2010 on all four related programs are listed in the following chart. At the end of the 2010 program year, nearly 99% of the budgeted funds for the HOPE VI project had been spent.

SECTION 108 DARST-WEBBE HOPE VI REVITALIZATION PROJECTS			
Program Name	Program Number	Revised Budget Amount	Expended Amount
Darst-Webbe Revitalization Phase I	98-20-70a	\$3,371,419	\$3,371,419
Darst-Webbe Environnemental Abatement/Acquisition	98-20-70b	\$5,021,498	\$5,021,498
Darst-Webbe Revitalization Phase II	98-20-70c	\$8,558,282	\$8,312,277
Near Southside Public Improvements Phase IV	98-20-70d	\$3,048,801	\$3,048,801
TOTAL		\$20,000,000	\$19,753,995

Accomplishments:

IDIS CPS PROJECT #: N/A
PROGRAM: Darst-Webbe Revitalization – Phase II
AGENCY: Land Clearance for Redevelopment Authority
ADDRESS/LOCATION: 1015 Locust Street (63101)

Following improvements undertaken in the Phase I Near South Side redevelopment area, additional work was needed. Work includes re-establishing the historic street grid pattern and construction of streets, alleys, lighting, utilities, sidewalks and green spaces in and around the area bounded by Chouteau, Tucker, Lafayette and 14th. The Near South Side Public Improvements Phase IV work program supports construction of an additional 144 units. The new unit construction includes 84 market rate units, 44 public housing units and 20 low income housing tax credit units. During 2005 the initial public improvement contract providing for interior street improvements in the northwest corner of the development was completed. A second public improvement activity involving street improvements on 14th, Lafayette and Park was completed in late 2005 and closed out in early 2006. A third street improvement contract for work west of Truman Parkway was undertaken in 2005 and was completed in 2006. In the spring of 2007, construction work was substantially completed at the Clinton-Peabody site (Ange, Hickory, Rutger and LaSalle Streets) located east of Truman Parkway and at the Tucker Boulevard site. In late summer, the design and plans and specifications were completed for the area north of old City Hospital (now the Georgian). A construction contract was awarded for this latter work in December 2007. During 2008 the construction work awarded in December 2007 was completed, except for landscaping. The landscaping component of the contract awarded in December 2007 was completed in 2009.

Project Primary Purpose: N/A
 Priority Need Category: Infrastructure
 National Objective Code: LMA/SBA
 Specific Objective: Increase quantity of public improvements
 Improve the quality of public improvements
 Matrix Code/Activity/Citation: 03 Public Facilities and Improvements 570.201(c)

FUNDS:

Budgeted in 2010: \$258,285 (balance remaining)
 Expended in 2010: \$12,280

ACCOMPLISHMENTS:

<u>Type</u>	<u>Category</u>	<u>Proposed</u>	<u>Actual</u>
11	Public Facilities	6	4

Proposed: To provide for public improvements in support of the Near South Side Redevelopment project.

Actual: Activities in 2010 included minor landscaping equipment relocation and plant replacement.

SECTION 108 - NEIGHBORHOOD DEVELOPMENT

Little activity took place in 2001 for Neighborhood Development projects funded through the Section 108 Loan program. Substantial work began in 2002 and continued through 2010. General categories of activities, funding amounts and total funds spent as of December 31, 2010, are indicated in the following chart. By the end of 2010 nearly 97% of the budgeted funds for neighborhood development activities had been spent.

SECTION 108 NEIGHBORHOOD DEVELOPMENT PROJECTS			
Program Name	Program Number	Budgeted Amount	Expended Amount
Delmar Link Public Improvements	98-20-72	\$ 400,000	\$ 400,000
Assisted Elderly Development	98-20-78	\$ 733,469	\$ 733,469
G.L. Vaughn Residences	98-28-84	\$ 546,432	\$ 546,432
Scattered Site Residential Acquisition/Rehab	98-35-10	\$ 2,090,000	\$2,018,768
Residential Acquisition Program	98-35-55	\$ 4,510,000	\$4,504,841
Neighborhood Based Commercial	98-50-12	\$ 1,450,000	\$1,450,000
Development Projects Pool/Issuance Costs	---	\$ 270,099	\$ 28,671
Total		\$ 10,000,000	\$9,682,181

IDIS CPS PROJECT #: N/A
PROGRAM: Scattered Sites Acquisition/Rehabilitation Program
AGENCY: Community Development Administration
ADDRESS/LOCATION: 1015 Locust Street (63101)

This program agreement was executed in May of 2002 and was intended to provide funds for acquisition and development cost write-down for affordable housing rehabilitation in targeted neighborhoods throughout the City. The status of activities funded through this program at the end of 2003 was as follows: 3509 Illinois, 3507 Illinois, 3128 Ohio and 2701-03 Wyoming developments were completed. Ten more developments involving the construction or rehabilitation of 14 units began. Of these, the single-family development at 4057 Shenandoah was completed during the 2003 program year. In 2004 single-family for sale units at 3505 Illinois, 3520 Illinois, 3519 Illinois, 3227 California, 4056 Shenandoah and 7123 Michigan were completed. Four more developments involving the construction of six units began. Of these, the single-family development at 3570 Illinois was completed during the 2004 program year. In 2005 single-family for sale units at 2628-30 Armand, 3503-11 Juniata, 4052 Castleman, 3510 Illinois, 3446 Nebraska and 2901 Michigan were completed. In 2006 single-family for-sale units at 3449 and 3551 Indiana, 2647 Shenandoah, 3163 Iowa, 2624 Nebraska, 3219 Iowa, 2868 and 2870 Texas, 2901-03 Sidney, 4006-08 Russell, 4310 Oregon and 2633-35 South Kingshighway were completed. In 2007 single-family for-sale units were completed at 2647 Wyoming, 2652 Shenandoah, 2743 Ann, 2837 Texas, 2817 Wyoming, 2861 Texas, 3338 Texas, 3340 Texas, 3004 Virginia, 6321 Arthur, 2521-23 Minnesota, 3319 Salena, 2914 Virginia, 2926 Missouri, 5703 Enright and 4056 Minnesota. In 2008 single-family for-sale units were completed at 3653 Compton, 2638 Armand, 2238 Shenandoah, 2730-32 Miami, 3307 South 18th Street, 2625 McNair, 3322-24 St. Vincent, and 3714 Ohio. In 2009 single family for-sale units were completed at 4455-57 Nebraska, 3166 Pennsylvania, 3416 Wisconsin and 2215-25 South Jefferson. A project at 2802 Texas was shifted to the HOME program.

Project Primary Purpose: N/A
Priority Need Category: Owner Occupied/Rental Housing
National Objective Code: LMA/SBA
Specific Objective: Increase the supply of affordable rental housing
 Increase the availability of affordable owner housing
Matrix Code/Activity/Citation: 14G – Acquisition for Rehabilitation 570.202
 12 – Housing Construction 570.201(m)

FUNDS

Budgeted in 2010: \$71,232 (remaining balance)
Expended in 2010: \$0

ACCOMPLISHMENTS:	<u>Type</u>	<u>Category</u>	<u>Proposed</u>	<u>Actual</u>
	10	Housing Units	N/A	358

Proposed: To provide funds for acquisition and development cost write-down for affordable housing rehabilitation in targeted neighborhoods throughout the City.

Actual: In 2010 two rental units were completed at 4011-4015 Shaw, and two for-sale units, one at 3241 Missouri and another at 7078 Bancroft, were completed.

IDIS CPS PROJECT #: N/A
PROGRAM: Residential Acquisition Program
AGENCY: Land Reutilization Authority
ADDRESS/LOCATION: 1015 Locust Street (63101)

This program began in 2002 and was intended to provide funding to the Land Reutilization Authority to acquire residential properties in order to provide housing in targeted neighborhoods of the City. By the end of 2009 198 properties had been acquired for housing development purposes.

Project Primary Purpose: NA
 Priority Need Category: Owner-Occupied/Rental Housing
 National Objective Code: LMA
 Specific Objective: Increase the supply of affordable rental housing
 Increase the availability of affordable owner housing
 Matrix Code/Activity/Citation: 14G - Acquisition for Rehabilitation 570.202

FUNDS

Budgeted in 2010: \$7,761 (remaining balance)
 Expended in 2010: \$2,602

ACCOMPLISHMENTS

<u>Type</u>	<u>Category</u>	<u>Proposed</u>	<u>Actual</u>
10	Housing Units	N/A	198

Actual: During 2010 no additional properties were acquired.

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CITY OF ST. LOUIS SECTION 108 ACCOMPLISHMENTS REPORT

Project Number	Project Description	CDBG \$					ELIGIBLE ACTIVITY	NATIONAL OBJECTIVE	
		108 Loan Amount	EDI AMT	BEDI AMT	Other CDBG \$	Total CDBG \$ Assistance		HUD Matrix Code for Eligible Activity	HUD N.O. Matrix Code
B-98-MC-29-0006	St. Louis Convention Headquarters Hotel	\$49,700,000	\$2,000,000			\$51,700,000	18A	LMJ	Y
B-98-MC-29-0006-B	Delmar Link Public Improvements	400,000				400,000	03	LMA	Y
B-98-MC-29-0006-B	Assisted Elderly Development	733,469				733,469	03	LMA	Y
B-98-MC-29-0006-B	G.L. Vaughn Residences Improvements	546,432				546,432	03	LMA	Y
B-98-MC-29-0006-B	Scattered Site Residential Acquisition/Rehab	2,090,000				2,018,768	14A 14B	LMH SBA	Y
B-98-MC-29-0006-B	Residential Acquisition Program	4,510,000				4,504,841	01 14G	LMA SBA	Y
B-98-MC-29-0006-B	Neighborhood Based Commercial	1,450,000				1,450,000	17D	LMA SBA	Y
B-98-MC-29-0006-A	Darst-Webbe Revitalization Phase I	3,371,419				3,371,419	03	LMA	Y
B-98-MC-29-0006-A	Darst-Webbe Environmental Abatement	5,021,497		\$1,947,355		6,968,852	04A	SBA	Y
B-98-MC-29-0006-A	Darst-Webbe Revitalization Phase II	8,657,782				8,312,277	03	LMA	Y
B-98-MC-29-0006-A	Near Southside Public Improvements Phase IV	2,949,301				3,048,801	03	LMA	Y
NOTE:	Issuance costs repayment	570,099							
		\$80,000,000	\$2,000,000	\$1,947,355	\$ -	\$83,054,859			

Figures represent cumulative expenses/accomplishments.

Of the \$50,000,000 awarded for the Hotel development, \$49,700,000 was made available to the developer, \$219,280 was expended for issuance/advance costs, \$43,098 was paid in interest on the interim loan, and \$37,622 for loan repayment costs. All financing sources, including the \$49,700,000 in Section 108 Loan funds, were placed in an investment account in December 2000. The funds were then disbursed in accordance with a staged disbursing schedule agreed to as part of the project financing agreements.

CITY OF ST. LOUIS SECTION 108 ACCOMPLISHMENTS REPORT - PAGE 2

Project Number	Project Name	JOBS				HOUSING			LMA	LMC	SBA	SBS
		FTE Jobs Proposed in 108 Appl.	Total Actual FTE Jobs Created	Number Held by/ Made Available to Low/ Mod	Percent Held by/ Made Available to Low/ Mod	Presumed Low/ Mod Benefit (P) or Rev. Strategy Area (RSA)	Total Housing Units Assisted	Number of Units Occupied by Low/ Mod Households				
B-98-MC-29-0006	St. Louis Convention Headquarters Hotel	759	1,065	1,035	97%							
B-98-MC-29-0006-B	Delmar Link Public Improvements							74%				
B-98-MC-29-0006-B	Assisted Elderly Development							71%				
B-98-MC-29-0006-B	G.L. Vaughn Residences Improvements							78%				
B-98-MC-29-0006-B	Scattered Site Residential Acquisition/Rehab Program			358			251	70%				
B-98-MC-29-0006-B	Residential Acquisition Program			198					65%			
B-98-MC-29-0006-B	Neighborhood Based Commercial								60%			
B-98-MC-29-0006-A	Darst-Webbe Revitalization Phase I								94%			
B-98-MC-29-0006-A	Darst-Webbe Environmental Abatement									Y		
B-98-MC-29-0006-A	Darst-Webbe Revitalization Phase II								94%			
B-98-MC-29-0006-A	Near Southside Public Improvements Phase IV								94%			
NOTE:	Issuance costs set aside											
		759	1,065	1,035	97%		358	251	70%			
									N/A			