



# The Land of Lakes, Loans and Community Leaders:





MY KIND OF TOWN



# NeighborWorks® Organizations of the Twin Cities

Photos by David Piihal



**F**ive NeighborWorks® organizations are located in the Minneapolis-St. Paul area. Together, they impact their communities in a big way.

The services they offer range from first-time homebuyer assistance to postpurchase counseling and financial-literacy training. Each organization tailors its services to the needs of its specific community.

These organizations together have served more than 1,000 families within the past year. During fiscal year 2000 alone, they generated direct total investment in their communities that reached nearly \$30 million.

A collective staff of 32, among the five organizations, made their accomplishments possible. The organizations include:

- Community NHS (St. Paul)
- Dayton's Bluff NHS (St. Paul)
- Northside NHS (Minneapolis)
- Southside NHS (Minneapolis)
- Twin Cities NHS (St. Paul)

These organizations prove that “little can become much” when nurtured through strong partnerships among residents, businesses, financial leaders and public officials.

**Community NHS** of St. Paul, formerly known as West Side NHS, was incorporated in 1980 and has provided services city-wide since 1984. Primary services include first-mortgage programs; full-cycle homebuyer counseling; housing-improvement loans; acquisition, rehab and sale of homes; and loan servicing for other organizations. The primary service area for the organization is the city of St. Paul.

**Dayton's Bluff NHS** of St. Paul was incorporated in 1980 and



has provided services in the Dayton's Bluff neighborhood and St. Paul's Eastside since 1981. Primary services include owner-occupied rehab lending and construction management, home-ownership education counseling, financial-entry assistance, purchase-rehab-resale, and new construction.

**Northside NHS** of Minneapolis was incorporated in 1980 to provide services in the Near Northside, Willard Hay, Hawthorne and Jordan neighborhoods. Primary services include rehab and sale, homebuyer and post-purchase workshops, purchase-with-rehab lending, home-improvement financing, and Full-Cycle Lending<sup>SM</sup> services in the NeighborWorks<sup>®</sup> Campaign for Home Ownership. NHS has expanded several times and now serves the Cleveland and Harrison neighborhoods.

**Southside NHS** of Minneapolis was founded in 1976 with a mission of providing affordable housing and

community-development services in response to neighborhood need. SNHS programs include advocacy, community organizing, homebuyer education, counseling, financing, home inspections, planning, home repair, rehab consultation, and construction management.

To date, SNHS has invested directly or as intermediary more than \$40 million and serviced nearly 1,500 families in 11 neighborhoods throughout south Minneapolis. The neighborhoods are Bancroft, Bryant, Central, Corcoran, King-Field, Longfellow, Lyndale, Phillips, Powderhorn Park, Regina, and Whittier.

**Twin Cities NHS** of St. Paul was incorporated in 1976 as a provider of professional and technical assistance to the network of NHS organizations in the Twin Cities. The principal service originally was resource development, but, over time, services have expanded to include financial management, employee benefit administration, program fund development, and insurance purchasing and administration. ■

*For more details, please visit [www.nw.org](http://www.nw.org).*

# Affordable Housing Makes the



Dayton's Bluff shows off the architectural detail of its houses.  
Photos by David Plihal

**D**ayton's Bluff Neighborhood Housing Services (DBNHS) in St. Paul, Minnesota, is one of several partners that have worked to improve student mobility by upgrading the housing stock immediately surrounding Dayton's Bluff Elementary School. With more than 50-percent annual student turnover, the school is one of three in the city selected to participate in a special initiative called "Achievement Plus (A+)."

The A+ initiative targets educational reform and is multi-faceted. It –

- ▶ Supports and encourages parental involvement;
- ▶ Provides before- and after-school programs;
- ▶ Gives access to health and social services; and
- ▶ Improves and stabilizes housing stock.

It is widely known among educators that frequent student moves hurt their academic performance. Although student mobility can have numerous causes, inadequate housing is a primary reason. The majority of the A+ schools' students walk to school and belong to very-low-income families.

"Our goal is to reduce student mobility," said Jim Erchul, executive director of DBNHS, "which would enhance



# Grade in Dayton's Bluff

student achievement. Certainly, getting some houses fixed up was part of the solution.”

## **To improve mobility, DBNHS has done the following:**

- ▶ Targeted its housing rehabilitation loan and grant programs to households within walking distance of the school;
- ▶ Built seven new houses and rehabbed two vacant houses within the school's attendance area, which have been sold; and
- ▶ Planned two additional new houses in conjunction with six to 12 rental duplexes or townhomes.

Rehabilitation of owner-occupied houses will continue at the same level. However, DBNHS will also provide rehab financing to rehabilitate at least 30 additional owner-occupied units in the A+ school's primary attendance area through 2001. DBNHS believes that a multiyear housing-stabilization effort can significantly reduce student mobility at the A+ school.

In support of its A+ school housing-development activities, DBNHS received a special \$550,000 grant from the Minnesota Housing Finance Agency (MHFA). One of

the components of the award, known as the Minnesota Urban and Rural Homesteading Program, enables DBNHS to acquire, rehab and sell five vacant houses to “first-time, at-risk homebuyers” with children in the Dayton's Bluff A+ Elementary School. In return for a 0 percent down payment and 0 percent loan, parents volunteer at the school and adhere to a neighborhood covenant.

“At first it was hard to find families to participate,” said Erchul, “but now we have 25 signed up. We have even seen the 0-percent program reunite a large family that was living in two different places.”

Since Dayton's Bluff NHS was founded in 1980, it has invested millions of dollars to improve or buy and rehab hundreds of Dayton's Bluff homes. DBNHS also helps build new homes in the area, as well as providing financing and planning assistance for improvements to commercial structures. ■

*To read more about the relationship between student mobility in schools and affordable housing, see the February 2001 American School Board Journal article, “Investing in Family Capital” at [www.asbj.com](http://www.asbj.com).*

## Community Activism in the Blood: Clarissa Walker of South Minneapolis

BY DAVID PLIHAL

Clarissa Walker holds forth with an out-of-town visitor in her memento-cluttered basement office at the Sabathani Community Center in south Minneapolis. She is Sabathani's program director, with responsibility for programs on affordable housing; a food shelf; clothing, furniture and appliance donations; income tax services, and more.

A phone call, one of many, interrupts, and Walker patiently explains what the caller should do in applying for food stamps. Even the visitor feels confident the caller will get the aid after Walker has finished explaining the process.

Outside Walker's office, a roomful of neighborhood residents waits for their turn at gifts of bulk food—cheese, butter, dry goods. They come in and are served respectfully and, usually, with a personal greeting by one of the center's employees. They are asked how their children are faring, if they are taking their medication, if anyone has seen so-and-so.

The Sabathani Community Center is a bustling place at the heart of its community, with services ranging from clothing giveaways to an Asian community liaison office. It is here that Walker spends her days and, as she has for 32 years, gives back to her community.

The center serves a diverse and growing population. Its services reach an area spanning some 640 square blocks, where languages and cultures reflect Native Americans as well as immigrants from Somalia, Laos and Central America.

Born in Kansas City, Walker came to Minneapolis in 1955, where she worked at a local hospital. Being "naturally nosy," she says, and interested in the health and workings of her immediate neighborhood, Walker got involved in a parents' group at the local school. Walker found she was a natural organizer and activist. She trod the community sidewalks, taking notes and rectifying what problems she could.

In 1968, she was hired to work with youth and families in the Southside and established a food and clothing shop, along with a youth center. The need was evident after riots had affected the metropolitan area.



Walker bought a house in disrepair on the block where she had been living. She applied for loans to fix it up and found that she did not make enough to qualify with a bank. HUD, on the other hand, told her she made too much. She realized such a Catch-22 situation was a problem in need of a solution. In 1972, hearing about Neighborhood Housing Services programs, Walker attended meetings on the NHS model.

"I could not believe what I heard about banking and services at those meetings," Walker says.

She was so impressed, in fact, that she immediately organized her community. The neighborhood eventually was chosen as an NHS site and Walker, in 1976, became the first president of the newly minted Southside NHS.

When Bill Whiteside, Neighborhood Reinvestment's founding executive director, came to visit the neighborhood, he met Walker and invited her to address a congressional committee. As a congressional witness, she was present at the 1978 birth of Neighborhood Reinvestment Corporation.

Walker later would be elected to the board of directors of Neighborhood Housing Services of America. At an NHSA meeting in Colorado, she met Dorothy Richardson, the Pittsburgh activist whose partnership-based, Neighborhood Housing Services organization became the model for the national NeighborWorks® network. In 1994, Walker was honored with a Dorothy Richardson Award for her own community activism.

In a tribute of another kind, Walker's activism has passed to a new generation. In November 2000, her daughter, Neva, was elected to the Minnesota state legislature. Her south Minneapolis district surrounds the Sabathani Community Center. Neva Walker is the first African-American woman in the legislature, and her mother is obviously very proud.

"I know Neva is of the community," Clarissa Walker said. "That's why she got my support." ■

*David Plihal (dplihal@nw.org) is a publishing project manager at Neighborhood Reinvestment.*



Moon Pod, acrylic, 24" x 48"  
Artist: Teresa M. Cox



## It's an Art: Creative Spirits Help Rebuild Communities

BY ALLAN MARTIN

Painters, potters, poets and playwrights, as well as other artists, contribute greatly to American society. Their efforts help make our communities more livable and our lives more enriched.

Taken together, American nonprofit arts' organizations offer 50 million performances a year and generate 1.3 million jobs, according to Chris Velasco of Minneapolis's Artspace Projects Inc. They contribute \$37 billion a year to the national economy.

Despite these contributions, and a passion for what they do, many artists have a difficult time finding appropriate places to work and live. Primarily self-employed, often with fluctuating incomes, many are hard-pressed to qualify for mortgages or pay high rents.

Their work often calls for spaces with rare qualities, such as "floating" shock-absorbing floors for dancing and high ceilings to accommodate large canvases and to admit a maximum of natural light. Ideal residential space is often an open design, with few walls, so the space can double for rehearsals and studios. Large common areas need to be nearby for galleries and performances.

The ideal property is an older, commercial structure, either abandoned or underutilized. Zoning variances are often required. Building codes may need to be reviewed. Nearby residents and business owners may be skeptical. Financing can be a challenge. A prospective developer in



these cases must build bridges with many different people and entities.

### The Challenge in Minneapolis

By the late 1970s in Minneapolis, attracted by low rents, high ceilings and light-filled warehouses, artists had largely reclaimed the city's historic Warehouse District. Other creative businesses, such as architects and graphic designers, had joined them. Then, cafes and shops, too, began competing for space, along with more-expensive residential lofts, marketed to the next wave of urban pioneers. Rising rents soon threatened to force out the original artists.

In response, the Minnesota Art Commission, in 1979, created Artspace Projects Inc. to be an advocate for reliable housing for artists, as well as studio, rehearsal, concert, business and commercial space. For 10 years, Artspace focused on maintaining a list of affordable live/work spaces.

Then in the late '80s, Artspace took on its first development project. It renovated the Northern Warehouse, a six-story, brick warehouse in downtown St. Paul into cooperative



All photos courtesy Artspace

housing. Demand for units in the turn-of-the-century building was so great that the space was leased in full on the first day of operation in 1989. The first two floors were for galleries and arts organizations; the top four were transformed into 52 studio residences for artists and their families. The building has remained full since it was opened. Using financing that included affordable housing tax credits, the 1,750-square-foot units (on average) now rent for \$656 a month, compared to a market rate of \$1,440 for smaller units nearby. Commercial tenants pay market rate, thereby helping keep residential rents low.

### Building on the Model

Building on its first success, Artspace took on two more live/work buildings in St. Paul, the Frogtown Family Lofts, near the state capitol,

and the Tilsner Building, a warehouse next door to its first project.

The Frogtown project transformed an abandoned printing press factory into 36 homes for artists, many with children, who took advantage of the two-level units (with work space downstairs, bedrooms upstairs) and playgrounds on the premises. Here too, an open design allowed units to function in multiple roles as studio and rehearsal space. The artists/residents contributed to the community at-large by establishing a community garden program that has helped make the neighborhood more inviting.

Artspace's first Minneapolis project was the Traffic Zone Center for Visual Arts. Located in the historic Warehouse District, the project transformed a beautiful 19th-century building, originally known as the National Biscuit Company Bakery,



into two dozen studios for mid-career artists. In this project, residential space was not included.

In South Minneapolis, the Calhoun Building project converted an aging, underused office building into an arts incubator, where performance and display space, access to audiences, and fund-raising opportunities are shared by a wide range of artists.

### Moving Beyond Minneapolis

Across the country, other notable Artspace developments include a former Pontiac automobile dealership in Pittsburgh, Pennsylvania, that is now a 37-unit co-op. It boasts a unique design feature, a concrete ramp for moving cars to the roof, that was incorporated into some of the most desirable loft spaces in the building.

In Portland, Oregon, the Everett

Station Lofts in the Pearl District offer residential units at ground level, which also serve as show rooms every “First Thursday” of the month when an open house draws 10,000 people to a part of the city that was once a virtual ghost town.

In Reno, Nevada, the Riverside Hotel, once a temporary residence for those obtaining divorce decrees, is now a 35-unit community of artists, including fashion designers and art educators.

Other successful projects have been completed in Galveston, Texas, and Duluth, Minnesota. Projects are underway in the Garfield Park section of Chicago; Seattle, Washington; Urbana, Ohio; and San Francisco, as well as in Alaska, Arizona, Colorado, Connecticut, Florida, Maine, New York, North and South Dakota, Texas, Wisconsin and Wyoming.

### Artspace Today

As Artspace develops its projects, it helps rebuild communities by recycling structures, revitalizing local economies, and adding beauty and interest to once-distressed neighborhoods.

In 1997, for example, Artspace

took ownership of the Hennepin Center for the Arts, one of the oldest and most beautiful buildings in downtown Minneapolis. The eight-story, former Masonic Temple now is home to 18 arts organizations.

With relocation and renovation of the city’s 1910 Shubert Theater, and a connecting atrium to the Hennepin Center—all part of a \$30-million project—the resulting Minnesota Shubert Performing Arts and Education Center will add a major cultural destination in the city’s Hennepin Theater District.

Artspace’s first major new-construction project is being planned on Route 1 in Prince George’s County, Maryland, outside Washington, D.C., as part of an \$80-million art district. Plans include space for a theater, art gallery and African-American history museum in the district. The project will include 150 residential units for artists. ■

*Among other duties as assigned, Allan Martin ([amartin@nw.org](mailto:amartin@nw.org)) is senior operations manager/assistant treasurer of the Neighborhood Reinvestment Corporation.*

# House Talks Among the Hmong

BY DAN RYAN



Pao Yang  
Courtesy of  
Twin Cities NHS

Over the past decade in the Twin Cities, surging numbers of racial minorities and Latinos have changed the face of many neighborhoods. In St. Paul schools, for example, students now speak some 57 languages; 40 percent speak a language other than English at home.

Among the most notable immigrants are Hmong refugees from Laos—some 10,000 according to the Census—who moved from California and other states.

“We like to think we’re the Mecca of the Hmong,” says Lee Pao Xiong of St. Paul, a member of the President’s Commission on Asian Americans and Pacific Islanders.

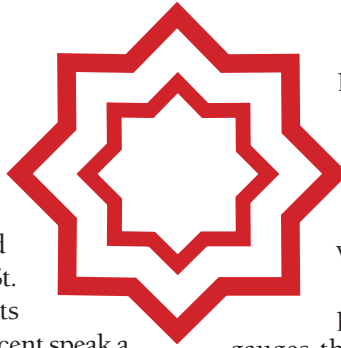
As a whole, the new immigrants have challenged schools, health care providers, the criminal justice system, landlords and social service agencies. Some, such as Community Neighborhood Housing Services of St. Paul, have moved creatively in response.

Community NHS, for example, recently hired Pao Yang, who is fluent in English and Hmong, as a home-ownership counselor. It thus became the only organization in the Twin Cities providing Hmong-language, home-ownership counseling and education services.

## Hmong-Language Workshops

Once a month, Yang, who has two years’ experience in the mortgage industry, conducts a three-day, nine-hour homebuyer workshop in Hmong. He also conducts monthly “house talks,” two-hour sessions where Hmong-speaking residents can discuss a range of housing topics. Monthly topics include refinancing, first-time mortgages, homeowners insurance and home improvement. More topics are planned.

Yang also conducts home-ownership workshops at a number of community organizations and translates NHS marketing materials into Hmong. Community



NHS offers these workshops and seminars in English as well, for its diverse client base.

“It’s exciting to learn about different cultures,” Yang says, “and to work with people who are different.”

As a counselor, Yang checks prospective buyers’ qualification and gauges their buying capacity. He also advises families against home ownership when they are not ready. “I tell them,” Yang says, “Why don’t you wait to see if your income is going to stabilize or even increase?”

## More-Savvy Homebuyers

A few years ago, Yang says, many Hmong families were buying overpriced homes or rundown houses with expensive repair needs, all through lack of experience. With Hmong-language services, these trends have greatly improved, he says.

But, still, the slumping economy has hit the Hmong community hard. With a high percentage employed in manufacturing and other at-risk jobs, many are experiencing, or fear, layoffs.

“I keep getting calls from current homeowners,” Yang says. “I’ve just been laid off, they say, ‘what am I supposed to do about house payments?’ Either they try to work out a repayment plan, or they have to sell their homes and rent. “But the price of renting is going up at the same time,” Yang says.

Community NHS programs include first mortgages, purchase-with-rehab loans, refinance-with-rehab loans, home-improvement loans, homebuyer education, counseling and technical assistance. Its neighborhood focus is on St. Paul’s West Side, Frogtown, and parts of the East Side. NHS’s primary clients are households with incomes below the metropolitan median, whose credit histories block them from loans through conventional lenders. ■

*Dan Ryan is development director for the Twin Cities NHS, St. Paul, Minnesota.*