

THE CDBG-R SUBSTANTIAL AMENDMENT

TEMPLATE - REVISED

Jurisdiction(s): Louisville/Jefferson County Metro Government Jurisdiction Web Address: <ul style="list-style-type: none">• www.louisvilleky.gov	CDBG-R Contact Person: Adria Johnson, Executive Administrator Louisville/Jefferson County Metro Government, Department of Housing and Family Services 745 West Main Street, Suite 450 Louisville, KY 40202 Phone: 502-574-5972 Fax: 502-574-4336 Email: Adria.Johnson@louisvilleky.gov
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ENSURING RESPONSIBLE SPENDING OF RECOVERY ACT FUNDS

Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation’s infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. HUD strongly urges grantees to use CDBG-R funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.

A. SPREADSHEET FOR REPORTING PROPOSED CDBG-R ACTIVITIES

Grantees must provide information concerning CDBG-R assisted activities in an electronic spreadsheet provided by HUD. The information that must be reported in the spreadsheet includes activity name, activity description, CDBG-R dollar amount budgeted, eligibility category, national objective citation, additional Recovery Act funds for the activity received from other programs, and total activity budget. An electronic copy of the spreadsheet and the format is available on HUD’s recovery website at <http://www.hud.gov/recovery>.

B. CDBG-R INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

- (1) Activity Name: (Grantees should follow the same order that activities are listed in the Spreadsheet for Reporting Proposed CDBG-R Activities – this will allow HUD to easily match activity narratives with the information provided in the spreadsheet.)

The activity to be undertaken with CDBG-R funds is the construction of a grocery store in the Park DuValle neighborhood. This activity includes site preparation, infrastructure improvements, and construction for a necessary basic service for residents in the nationally-recognized redeveloped neighborhood. There is a documented high demand for such a service. Building this new grocery store will stimulate the local economy by filling some of its jobs with neighborhood residents and by allowing people to spend their money in their neighborhood, keeping those dollars in the local economy.

The activity cost includes \$732,667 for site preparation, \$904,667 for infrastructure improvements, and \$2,988,867 for construction, for a total investment of \$4.6 million. With the CDBG-R allocation in the amount of \$3,184,833, this project will leverage \$1.4 million in private investment.

- (2) Activity Narrative:

In addition to the Spreadsheet for Reporting Proposed CDBG-R Activities, grantees must provide a narrative for each activity describing how the use of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of ARRA. The grantee's narrative must also state how CDBG-R funds will be used in a manner that maximizes job creation and economic benefit in relation to the CDBG-R funds obligated, and will address the Recovery Act, by:

- Preserving and creating jobs and promoting economic recovery;
- Assisting those most impacted by the recession;
- Providing investment needed to increase economic efficiency;
- Investing in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
- Minimizing or avoiding reductions in essential services; or
- Fostering energy independence.

Please see Attachment B-2 for activity narrative.

- (3) Jobs Created: (Report the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction, and temporary jobs)).

The construction of a grocery store in the Park DuValle neighborhood will create 95 construction jobs and 70 permanent jobs.

- (4) Additional Activity Information: (A description of how the activity will promote energy conservation, smart growth, green building technologies, or reduced pollution emissions, if applicable.)

The Park DuValle neighborhood, a redevelopment of 125 acres that once housed two major public housing developments, has turned into a model of smart growth. Louisville Metro acquired additional acreage to make the town center more attractive for development. The site, a former greenhouse and plant nursery, was acquired and remediated at the city's cost. By providing a grocery store in an area with high demand, residents will no longer have to drive long distances to get a necessary basic service. This project will be Energy Star compliant, resulting in a building that conserves energy and emits fewer fossil fuels and greenhouse gases than older, less efficient counterparts.

- (5) Responsible Organization: (Contact information for the organization that will implement the CDBG-R activity, including its name, location, and administrator contact information)

The developer is:
ENDEAVOUR
770 N. Milwaukee St.
Milwaukee, WI 53202
414-431-0021
randy@endevinc.com
DUNS # 830978297

Administrator:

Randall P. Roth
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414-431-0021
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C. PUBLIC COMMENT

Provide a summary of public comments received to the proposed CDBG-R Substantial Amendment.

Note: A Proposed CDBG-R Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 7 calendar days for public comment.

The Substantial Amendment for CDBG-R was published on Louisville/Jefferson County Metro Government's website from May 29th, 2009 through June 4th, 2009.

Response:

No public comments were received on Louisville/Jefferson County Metro Government's Substantial Amendment of its 2008 Action Plan for CDBG-R funding.

CDBG-R
Activity Data Spreadsheet

Jurisdiction/Grantee Name: Louisville/Jefferson County Metro Government		CDBG-R Fomula Grant Amount: \$3,184,833				Date: June 5, 2009	
Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Park DuValle Grocery Store	Site preparation; infrastructure improvements; and construction of a new grocery store in the Park DuValle neighborhood, where there is a documented high demand for a critical basic service in this redeveloped neighborhood.	570.203 (b)	570.208(a)(4)	\$3,184,833		\$1,441,367	\$4,626,200
	Louisville Metro will be making an economic development forgivable loan to ENDEAVOUR for the construction of a building to be used for a grocery at the site, which has already acquired and remediated by the city. Cost breakdown: Site Prep - \$732,667; Construction - \$2,988,867; Infrastructure - \$904,667 = total investment of \$4.6 million.						
	Although not part of this project, there are 3 acres of developable retail sites that Metro anticipates will create an additional 30,000 sq ft of much needed basic services and amenities (restaurants, pharmacy, dry cleaners) in this underserved area. This would leverage an additional private investment estimated at \$6.6 million once an anchor tenant grocery store is announced.						0
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Attachment B – (2) Activity Narrative - Revised

This CDBG-R request, in the amount of \$3,184,833, is for Louisville/Jefferson County Metro Government (Louisville Metro) located in Kentucky. The proposed use is construction of a grocery store for the Park DuValle neighborhood.

Park DuValle is a redeveloped neighborhood that was once home to two major public housing developments, which had Louisville's highest crime and poverty rates. In 1995, the Housing Authority of Louisville and the City of Louisville were awarded a Department of Housing and Urban Development Hope VI grant for a \$200 million revitalization of this 125-acre neighborhood.

Part of Louisville's commitment ten years ago with this major revitalization project was to create new retail services, including a grocery store for the neighborhood. Residents of the area felt they were missing some essential neighborhood services. And, with the housing project now complete, retailers and potential investors are beginning to see the opportunity for new businesses.

Park DuValle has turned into a model of smart growth and diversity. It was featured on the cover of U.S. HUD's 2000 Annual Report, and it won the 2000 American Institute of Architects' Honor Award for Regional Urban Design. Park DuValle was built on the principles of New Urbanism, which create a coherent, pedestrian-friendly neighborhood with homes that are closely integrated with recreation, retail and civic spaces and where residents can easily walk or ride bikes. Homes have yards and porches, which encourage a sense of community and responsibility, and a town center is a central part of the design to be a node for retail services.

Neighborhood residents, regardless of income, should have access to the essential goods and services that make a neighborhood viable.

Louisville Metro wants to make good on the promise of access to goods and services, and a grocery is key to the vitality and livability of any neighborhood. Louisville Metro has been working to locate a grocery to a specific site for many years, and it has acquired additional acreage to make the town center more attractive for development. The site, a former greenhouse and plant nursery, was acquired and remediated at the city's cost of approximately \$600,000.

After conducting a Retail Market Analysis and a DrillDown Cash Economy Study, Louisville Metro has nearly completed an agreement with a developer to bring a grocery and additional retail services to this site. Both sets of marketing consultants looked at this Park DuValle location, noting both that a grocery is necessary for the surrounding neighborhood, and there is a market demand for this basic service. Strategy 5, which conducted the Retail Market Study, used Urban Land Institute's thresholds to determine that a grocery-anchored Neighborhood Shopping Center, which typically services a three-mile radius trade area and a minimum of 3,000 - 4,000 residents, would be supported in this area. Social Compact reported in their DrillDown study that the larger area around Park DuValle experiences an estimated \$10 million in annual "leakage" in grocery expenditures, indicating that residents are spending more on groceries elsewhere than the revenue of grocery stores in the same area.

Not only will the grocery serve the neighborhood, many of the jobs created by the store will be filled by neighborhood residents. The \$4.6 million, 27,000-square-foot development is projected to create 95 construction jobs and 70 permanent jobs thus promoting economic recovery by creating construction jobs, and when the grocery is open, new permanent jobs.

Currently residents travel several miles to shop. By locating a grocery nearer to homes this project will foster energy independence by reducing vehicle miles traveled and thus reducing carbon emissions, helping Louisville meet the EPA mandated air quality standards and reduce dependence on foreign oil. In addition to getting people back to work, building a new grocery

will stimulate the local economy by allowing people to spend their money in their neighborhood, keeping those dollars in the local economy. In addition, although not part of this project, there are three acres of developable retail sites that Louisville Metro anticipates will be developed, creating 30,000 square feet of much needed basic retail services, which may include restaurants, pharmacy, dry cleaners, and other businesses in this area. This would result in an additional \$6 million private investment once an anchor tenant (grocery store) is announced.

To address the project's priorities of job creation and long-term economic benefit, KentuckianaWorks, the jurisdiction's Workforce Investment Board, is committed to sponsoring work skills training for community residents to find new employment opportunities, both at the grocery and with other retailers.

The activities that will be undertaken with the CDBG-R funding will be site preparation, infrastructure, and construction of a minimum 17,000 square foot grocery store and 10,000 square feet of additional, connected retail space along with an out-lot. Cost estimates for site preparation are \$732,667; infrastructure improvements are \$904,667; and construction of the building is \$2,988,867, for a total investment of \$4.6 million. Allocation of the CDBG-R funds in the amount of \$3,184,833 will leverage \$1.4 million in private investment, and create jobs in an underserved neighborhood. The west Louisville neighborhood has traditionally been burdened with high unemployment rates, and these construction and grocery jobs will give west Louisville residents new job opportunities. No CDBG-R funds will be spent on administration or public services.

Construction on the site is expected to begin early Fall 2009, and a grocery is expected to be open by Spring 2010.

This project will be Energy Star compliant, resulting in a building that will conserve energy and emit fewer fossil fuels and greenhouse gases than older counterparts.

Within a mile of the proposed site, 2000 Census data indicates the area population is 11,387 persons, comprising a total of 4,354 households. The median household income, also based on the 2000 Census, is \$29,563. Funding for the grocery store project has been made available through the American Recovery and Reinvestment Act. This project – because it will start and be completed quickly, create both construction and permanent jobs, result in an energy efficient building, provide a key economic benefit, offer an essential service and serve low to moderate income persons – meets all of the goals of the stimulus act.

With the award of this grant, Louisville Metro will finally furnish the missing piece of redevelopment, adding a long-needed and critical service to Park DuValle’s nationally recognized and award-winning revitalization.

PUBLIC COMMENT:

No public comments were received on this Substantial Amendment to Louisville/Jefferson County Metro Government’s 2008 Action Plan.

For more information, please contact:

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