

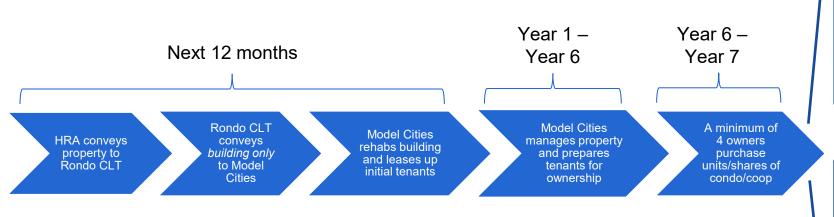


Project Proposal

- Convert 8 vacant residential units into 6 rental units (enlarging two of the units) affordable at 30% Area Median Income (AMI)
- Prepare tenants over a 5-year period to select a community ownership model and purchase either a condo unit or cooperative share in that 5th year
- Unique approach, if successful, would provide a viable path for low-income tenants to transition to ownership and have an opportunity to build wealth
- While a collective of partners are participating in the project, legal and financial agreements will be with two primary entities; Model Cities of Saint Paul, Inc. and Rondo Community Land Trust



Deal Structure



Transition
Success:
Model Cities
purchases
remaining
units/shares
and continues
to market them
for low-income
ownership

Transition Not Successful: All units/shares conveyed to RCLT under land trust model



Finance Structure

Sources	
St. Paul: CDBG	\$949,500
St. Paul: Temporary TIF	\$386,279
St. Paul: Land Write-Down	\$145,000
Ramsey County: ARPA	\$1,683,303
LISC	\$5,000
Sales Tax/Energy Rebates	\$7,500
Met Council grant	\$56,500
TOTAL SOURCES	\$3,233,082

Uses	
Land purchase	\$145,000
Construction (hard) costs	\$2,541,000
Soft costs	\$220,582
Replacement Reserves	\$106,500
Developer Fee	\$200,000
TOTAL COSTS	\$3,233,082



652 Sherburne

- Three 2-bedroom units
- Two 3-bedroom units
- One accessible,
 1-bedroom unit





Next Steps

- Execute the Development Agreement → ~December 2023
- Hold preconstruction compliance conferences → ~December 2023 March 2024
- Coordinate real estate closing ~ March 2024 April 2024
- Construction Begins → ~April 2024 May 2024
- Construction Completed ~October 2024 November 2024

Thank you!

Tara Beard, Housing Director
Planning and Economic Development
<u>Tara.Beard@ci.stpaul.mn.us</u>