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**CITY OF SAINT PAUL**

# **JACKSON STREET VILLAGE LOAN MODIFICATION REQUEST**

April 16, 2025



# JACKSON STREET VILLAGE PROJECT

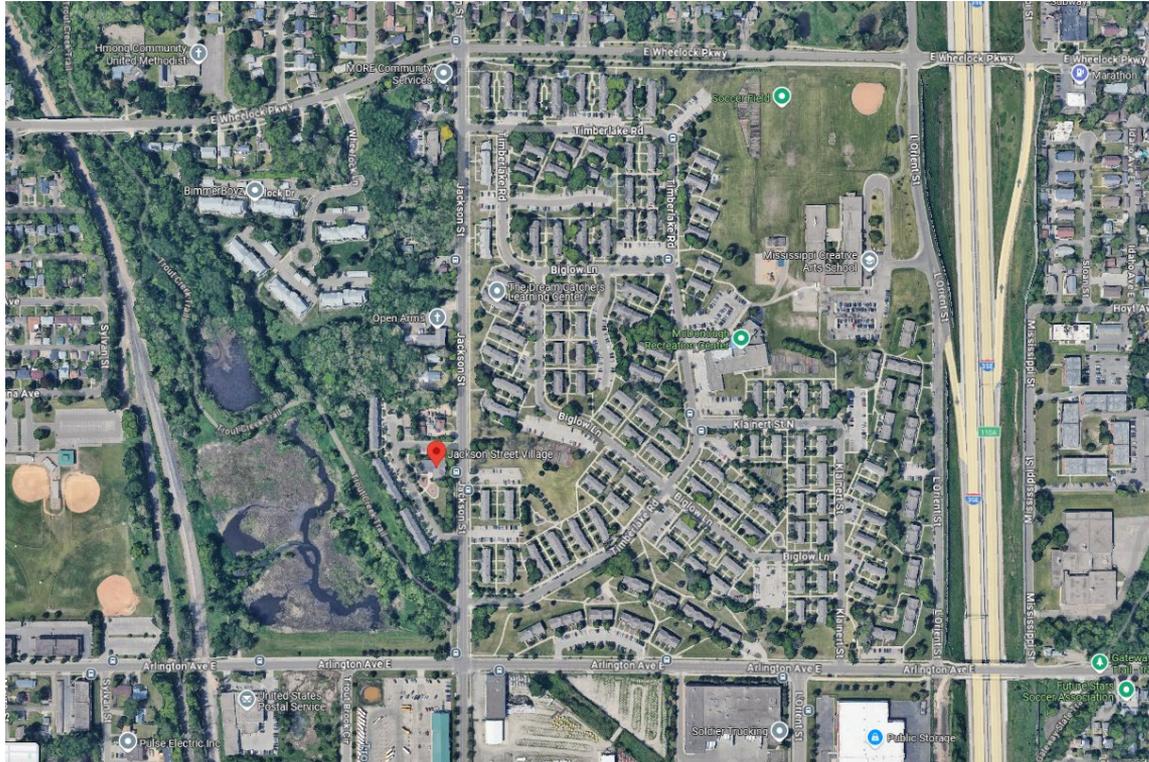
## 1497 Jackson Street

- Constructed in 2002
- Owned by RS Eden
- 25 Units
  - 24 deeply affordable, family-sized townhome units
  - 1 caretaker unit





# Jackson Street Village Project Location





## UNIT MIX AND AFFORDABILITY BREAKDOWN

Units	Bedroom Size	Rent Limit	Income Limit	Project Based Voucher
3	Two Bedroom	50% AMI	30% AMI	Yes
1	Two Bedroom	NA	NA	NA
16	Three Bedroom	50% AMI	30% AMI	Yes
<u>5</u>	Four Bedroom	50% AMI	30% AMI	Yes
25	Total Units			



## BACKGROUND

- At time of construction, HRA provided a \$387,500 HOME loan with a 30-year term at 2% interest. MHFA, Ramsey County and Family Housing Fund also provided loans to the project.
- On June 28, 2023, the HRA approved reduction of the interest rate of the \$387,500 HRA HOME loan from 2% to 0%, extending the term 30 years, and re-subordination, all contingent upon the MHFA approval of a new loan.
- In December of 2024, the MHFA approved a \$6,205,000 loan to support rehabilitation of the project and agreed to forgive previous MHFA loans totaling \$2,251,914 as part of the refinancing.



## 2025 Rehabilitation

Rehabilitation work will include:

- upgrades to the geothermal system
- parking lot replacement
- upgraded landscaping
- replacement of gutters
- siding as needed
- window sashes and screens
- unit doors, flooring, kitchen cabinets, water heaters, appliances as needed
- upgraded site cameras



## LOAN MODIFICATION REQUEST

- RS Eden has requested the HRA modify the \$387,500 HOME loan to be forgivable upon maturity in 2032 and forgive all accrued interest, currently estimated at \$175,553.43, contingent upon closing on the new MHFA rehab financing.
- MHFA will be forgiving \$2,251,914 in debt upon closing, and Ramsey County and the Family Housing Funds will be forgiving accrued interest on their loans.
- The new MHFA \$6,205,000 mortgage will be in first position. The assessed value of the project is \$4,524,900 so there won't be collateral to secure the HOME loan.
- Per the MHFA loan, the affordability period will be extended 50 years with rents limited to 50% of AMI and households paying no more than 30% of their income in rent. There will be 10 units allocated for high priority homeless and 6 for persons with disabilities.



## Sources and Uses of Funds

### Sources of Funds

Sales Tax Rebate	114,811
Energy Rebate	5,000
MHFA ERA 2	6,205,000
Ramsey County SAG	24,896
Deferred Developer Fee	36,934
Roll over Operating Reserve	<u>36,000</u>
<b>Total</b>	<b>6,429,931</b>

### Uses of Funds

Acquisition/Refinance	150,000
Rehabilitation	3,600,832
Contractor Fee	322,821
Contingency	392,365
Professional	573,036
Developer Fee	782,147
Financing Costs	193,730
Reserves	<u>415,000</u>
<b>Total</b>	<b>6,429,931</b>



# Questions?