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**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL**

Update on Housing Projects Under Agreement

February 12, 2025

Types of Agreements



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Types of Agreements

- **Tentative Developer Status (TDS)** is awarded by the HRA following an RFP/RFQ process. TDS indicates tentative approval of the developer and the proposed project.
- During TDS period, the HRA will not contract with any other entity, allowing the awarded developer time to complete due diligence items or conditions required for development.
 - From the HRA Disposition Policy: *Typical conditions may include the following: completion of design and architectural drawings of the project, market study, utility plans, environmental investigations, and preparation of remediation plans, securing of financing, and negotiation of development agreement with staff, which agreement is subject to HRA Board approval.*
- Designation is typically for two years and may be extended for 6 months by the HRA Executive Director. Further extensions must be approved by the HRA Board.
- The TDS is advantageous for a developer seeking funding from other partners, as it indicates the developer has site control.



Types of Agreements

- A **Development Agreement** is signed when:
 - Predevelopment requirements have been met
 - TDS requirements have been met
 - Full funding of the project is committed
- Once the **Development Agreement** is approved:
 - Closing
 - Construction
 - Operation of the building
 - Compliance

Projects under Tentative Developer Status



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Current Tentative Developer Awards



Hamm's Brewery
(JB Vang Partners, Inc.)



1036 Marshall Avenue
(Rondo Community Land Trust)



1570 White Bear Avenue
(GloryVille, LLC)



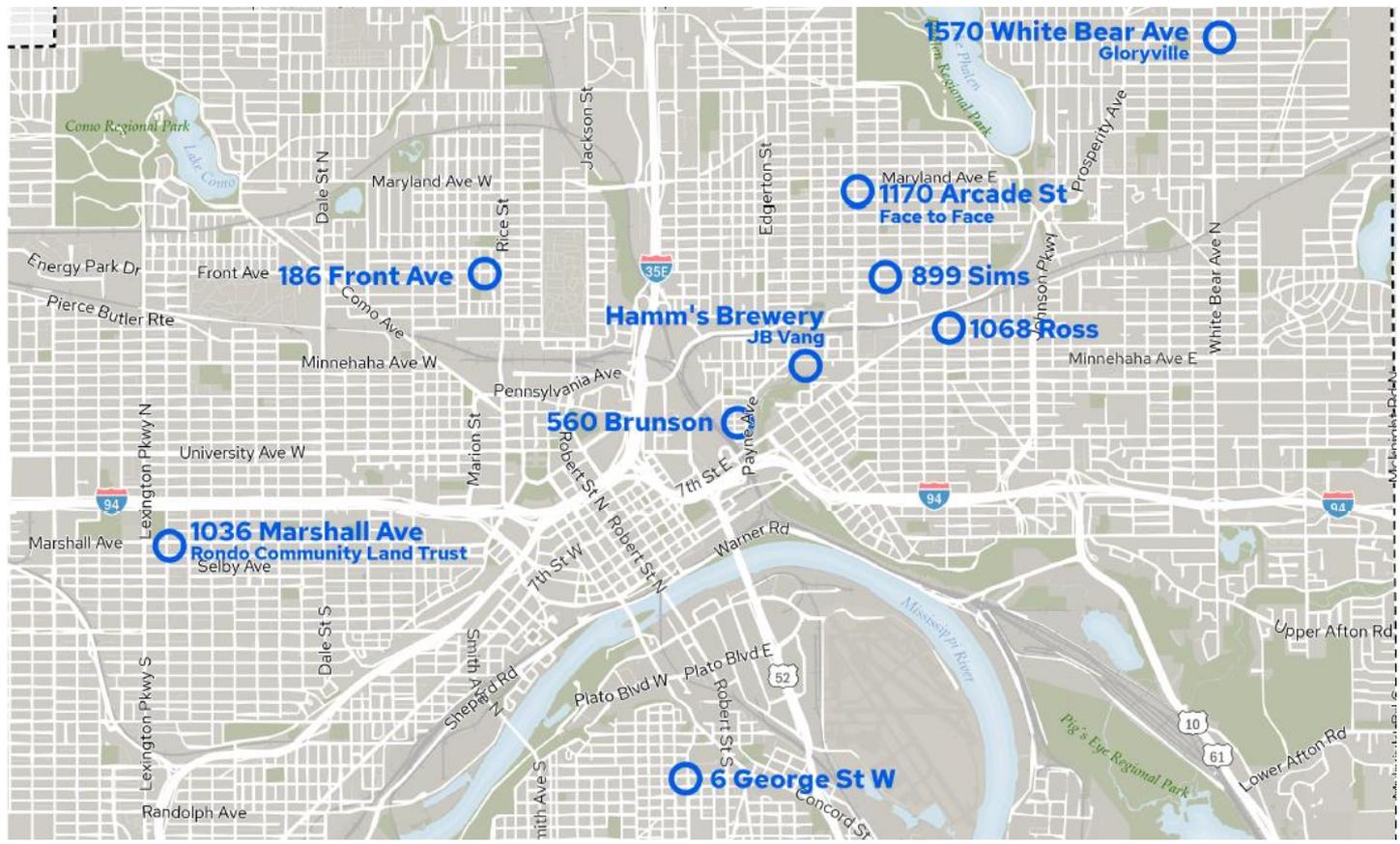
1170 Arcade Street
(Face to Face Health & Counseling Services)



Small Scale Development
(AKA Inspiring Communities
RFP #7)



Current Tentative Developer Awards





Hamm's Brewery Property

Hamm's Brewery – JB Vang

- TDS awarded **January 11, 2023**
- Adaptive reuse, creating 89 affordable apartments and a commercial marketplace (West End)
- New construction of 120 affordable apartments (East End)
- Current TDS expires **June 30, 2025**
- **East End total development cost: \$59,970,925**
- **West End total development cost: \$144,237,394**





Status Update

- **Progress toward closing since designation:**
 - Awarded \$2,275,000 from the Met Council (pre-dev, LCDA, TBRA)
 - Awarded \$500,000 from 2024 Ramsey County Critical Corridors program
 - Completed series of four community meetings
 - Schematic design drawings completed for East and West End buildings
 - Application submitted for the listing of the Hamm's Brewing Company Historic District on the National Register of Historic Places
 - Phase I and II environmental testing in process
 - 2024 MHFA application for the East End building was submitted but not funded, will apply again in July 2025
- **Activities to be completed 2025/2026**
 - Site plan review process
 - Zoning approvals
 - Building permits approval
 - Finalize sources and uses
 - Negotiate final terms and conditions of a development agreement with HRA



1036 Marshall – Rondo Community Land Trust

- TDS awarded **April 26, 2023**
- New construction of 6 townhome/single family units affordable to families earning 80% AMI or less
- Upon completion, all units will be placed in the land trust and remain affordable in perpetuity.
- Current TDS expires **March 31, 2025**
- **Total development cost: \$5,019,000**





1036 Marshall Avenue

Progress toward closing since award:

- Rondo CLT has identified additional funds that will reduce the development gap subsidy request from the City/HRA
 - Awarded \$760,169 from the Met Council Affordable Homeownership Grant Program
- Site plan review, environmental review underway, designs being finalized
- Will come to HRA soon for funding approval

Sources		Uses	
Homebuyer 1 st Mortgage	\$1,715,280	Acquisition - Land	\$3,006
MHFA DPA/ rebates/other	\$103,720	Soil Correction/ Remediation	\$500,000
Expected request for City/HRA funds	\$2,000,000	Construction	\$3,633,500
RCLT funds for affordability	\$1,200,000	Soft Costs	\$482,949
		Developer Fee	\$410,545
TOTAL DEVELOPMENT COST	\$5,019,000		\$5,019,000



1570 White Bear – Gloria Wong

- **TDS awarded May 10, 2023**
- Construction of mixed-use building
 - 87 units of affordable housing
 - 29,420 square foot grocery store
- **Current TDS expires June 30, 2025**
- **Total development cost: \$49,556,024**





1570 White Bear Avenue

Housing - Assumed Sources		Housing - Estimated Uses	
MHFA First Mortgage	\$8,755,000	Acquisition or Refinance	\$1,012,288
GP Equity	\$100	New Construction	\$25,873,217
Syndication Proceeds	\$11,873,389	Contractor Fees	\$2,003,004
Deferred Loan Request	\$11,081,567	Contingency	\$1,393,811
Energy Rebate	\$50,000	Environmental Abatement	\$2,160,000
IRA 45L Syndication Proceeds	\$182,700	Professional Fees	\$1,746,150
TBRA Environmental Remediation	\$1,000,000	Developer Fees	\$4,442,179
Ramsey County Affordable Housing	\$1,500,000	Syndicator Fees	\$65,000
ERF Environmental Remediation	\$225,000	Financing Costs	\$1,932,629
Ramsey County Site Assessment Grant	\$24,100	Reserves and Non-Mortgageable	\$781,000
Ramsey County Critical Corridors	\$500,000		
Ramsey County EDD	\$432,152		
Expected ask for City/HRA funding	\$2,500,000		
Met Council LCDA Pre-Dev	\$500,000		
LISC Predevelopment	\$200,000		
Deferred Developer Fee	\$1,000,000		
Remaining Funding TBD	\$1,360,271		
TOTAL DEVELOPMENT COST	\$41,409,278		\$41,409,278



Sources and Uses - Commercial

Commercial - Assumed Sources		Commercial - Estimated Uses	
First Mortgage	\$1,800,000	Land	\$187,712
New Market Tax Credits	\$2,500,000	Construction	\$6,745,073
GP/Developer Equity	\$200,000	Professional Fees	\$1,734,411
Program Related Investments	\$1,500,000	Developer Fee	\$250,000
Tenant Improvement Contributor	\$707,016	Const Rep/Consultant Fees	\$157,821
Energy Rebate	\$50,000	Financing Fees	\$424,752
Met Council LCDA	\$1,000,000		
Expected ask for City/HRA funds	\$1,500,000		
Deferred Developer Fee	\$250,000		
TOTAL DEVELOPMENT COST	\$9,507,106		\$9,507,106



Status Update

- **Activities completed to date:**
 - Engagement meetings with stakeholders in the communities
 - Diligence process for site survey, geotechnical study, structural analysis, and environment assessments
 - Plans for the commercial marketplace
 - Schematic designs
 - Applications to funding partners
 - Identify commercial management partners
 - Finalize a formal scope of work with architectural/engineering plans and specifications.

- **Activities to be completed in 2025 and 2026:**
 - Site review process
 - Finalize a detailed development budget
 - Building permit approvals
 - Zoning approvals
 - Submit a financing plan acceptable to HRA
 - Negotiate final terms and conditions of a development agreement with HRA



1170 Arcade – Face to Face

- TDS awarded **June 28, 2023**
- Four-story, mixed-use development
- 20 affordable housing units (at 30% AMI) and 6,000 square feet of office space for Face to Face services.
- Current TDS expires **June 30, 2025**
- **Current estimated total development cost: \$13M**





Funding Sources

Committed Sources

- \$432,152 from 2023 Ramsey County Emerging and Diverse Developer program

Potential Sources

- Foundations
- MHFA – (applying in July)
- City/HRA Funds
- Owner Equity
- Private Lender
- Individual Donors (capital campaign to launch later this year)





Status Update

- **Progress toward closing since award:**
 - Hired Landon Group as development consultant
 - Applying for pre-development, development funds, and MHFA Consolidated RFP this summer
 - Developing a capital campaign to launch later this year
 - Engaged in pre-development activities, including grant applications and fundraising (this work will extend through 2025 and necessitate a tentative developer status extension)
 - Construction could commence in late 2026 or early 2027 contingent on securing MHFA funding.

Projects under Development Agreement



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Habitat at The Heights – Phase 1

- **Habitat for Humanity**
- 74 residences available for ownership, with a variety of housing options including single-family homes, twin homes, and townhomes.
- Home sale goals:
 - 25% to households at or below 60% AMI
 - 50% to households between 60% and 80% AMI
 - 25% to households between 80% and 100% AMI
- Construction began following closing in June 2024 and is well underway thanks to efforts related to the Carter Work Project, which took place in October 2024.
- Construction will continue through 2026
- Habitat anticipates selling their first homes as they are completed later this summer.



Sources		Uses	
Pay Go TIF	\$5,478,091	Acquisition	\$3,055,000
Spending Plan TIF	\$4,200,000	Construction	\$50,400,632
Xcel Rebate	\$2,336,860	Soft Costs	\$5,526,915
1st Mortgage Proceeds/Home Sales	\$19,696,284	Developer fee	\$4,587,404
TCHFH Fundraising	\$2,000,054		
Down Paym't Assistance	\$1,460,000		
Homebuyer Closing Costs	\$219,000		
State/Fed Application requests	\$28,179,662		
TOTAL DEVELOPMENT COST	\$63,569,951		\$63,569,951



892 7th Street East

Sources		Uses	
Private 1 st Mortgage	\$ 2,606,000	Acquisition	\$ 577,605
Syndication Proceeds	\$19,418,807	Construction	\$26,204,646
St. Paul ARPA	\$ 7,108,636	Environmental Costs	\$195,845
St. Paul Temp TIF	\$ 684,569	Soft Costs	\$ 1,928,626
Ramsey Cty ARPA	\$ 1,288,063	Financing fees	\$ 1,302,778
Ramsey County ERF	\$ 34,670	Dev. Fee	\$ 2,720,000
Met Council Pre-Dev TOD	\$ 75,000	Investor Fees	\$ 75,000
Met Council TBRA	\$ 24,900	Replacement Reserves	\$ 449,089
Met Council TOD	\$ 975,000		
DEED Clean-up	\$ 138,944		
Sale Tax & Energy Rebates	\$ 614,000		
Deferred Developer Fee	\$ 485,000		
TOTAL DEVELOPMENT COST	\$33,453,589		\$33,453,589

- **Project for Pride in Living**
- 60 units of new construction
- Financing closed December 2024
- Construction expected to be complete Spring 2026





The Harken – 2260 Bohland Avenue

- **Common Bond Communities**
- 60 units of senior housing for households with incomes at or below 30% and 50% AMI
- Financing closed December 2024
- Construction began December 2024
- Anticipated completion spring 2026



Sources		Uses	
First Mortgage	\$3,120,000	Acquisition	\$1,180,000
LIHTC Tax Credit Equity	\$6,915,888	Construction	\$15,972,682
City ARPA	\$4,900,000	Soft Costs	\$1,761,775
MHFA ERA2	\$4,165,000	Financing Costs	\$5,693,695
Sales Tax Rebate	\$477,737	Financing Const.	\$1,608,873
Energy Rebate	\$26,459	Dev. Fee	\$2,000,000
Ramsey County ARPA	\$2,400,000	Replacement reserves	435,775
Deferred Developer Fee	\$236,609		
Met Council LCDA	\$575,000		
TOTAL DEVELOPMENT COST	\$22,816,693		\$22,816,693



Landmark Towers – 345 St. Peter Street

- **Sherman Associates**
- Office to residential housing conversion.
- 187 market rate apartment units
- Construction began December 2023
- Pre-leasing now, grand opening in April/May

Sources		Uses	
Construction Loan	\$37,320,000	Acquisition	\$8,325,000
Pay Go TIF	\$8,175,000	Construction	\$63,915,000
Temp TIF	\$3,825,000	Interim Costs	\$6,234,467
Deferred Developer Fee	\$3,411,818	Soft Costs	\$5,693,695
State Historic Tax Credits	\$14,156,870	Financing Const.	\$951,999
Federal Tax Credits	\$13,513,376	Dev. Fee	\$7,950,757
Equity	\$15,890,439	Replacement reserves	\$3,211,584
TOTAL DEVELOPMENT COST	\$96,292,502		\$96,292,502





Mary Hall – 438 Dorothy Day Place

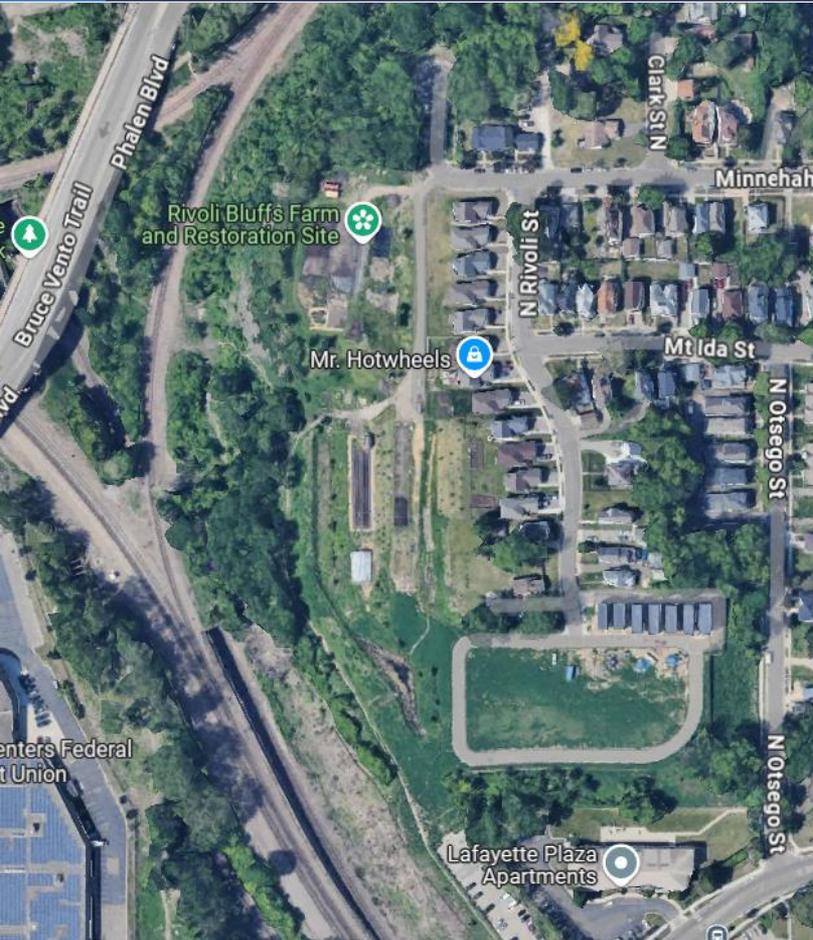
- **AEON**
- 88 units of permanent supportive housing in efficiencies and 1-bedroom units.
- Financing closed and construction began December 2024
- Construction began December 2024
- Completion and lease up spring 2026



Sources		Uses	
General Partner Cash	\$100	Acquisition	\$1,010,000
Syndication Proceeds	\$7,095,609	Rehab	\$18,097,374
Federal Historic Proceeds	\$3,955,930	Contractor Fees	\$1,907,444
Sales Tax Rebate	\$170,000	Contingency	\$2,000,444
Energy Rebates	\$50,000	Professional Fees	\$1,336,657
MHFA Housing Infrastructure Bonds	\$11,218,573	Developer Fees	\$1,881,000
Met Council- LHIA	\$1,159,382	Syndicator Fees	\$64,500
Saint Paul HRA-Pooled TIF	\$2,159,382	Financing Costs	\$534,711
County GO Bonds	\$1,485,310	Reserves	\$7,902,689
County ARPA 2023	\$2,390,936		
County Levy	\$435,132		
Solar ITC	\$36,464		
Rethos SHTC Loan	\$4,578,000		
TOTAL DEVELOPMENT COST	\$34,734,818		\$34,734,818



Village on Rivoli



- Phased construction of 38 single family homes by **Dayton's Bluff Neighborhood Housing Services**
- 21 units complete and sold to owner occupants between 80% - 115% of AMI
- Anticipate next phase of construction (8 homes) to begin summer 2025
- Large Community Garden operated by Urban Roots
- **Total Development Cost: \$4.4M (Phase I and II - 12 homes)**
 - Sources include: \$975,000 LCDA grant for site prep and \$463,442 HRA and STAR
- **Total Development Cost: \$5.5M (Phase III - 9 homes)**
 - Sources include: \$212,220 CDBG and \$290,260 STAR. Other sources include MHFA grants and New Market Tax Credits



652 Sherburne Avenue



- **Model Cities**
- 6 units, with plans to convert from rental to ownership under Rondo Community Land Trust
- Financing closed May 2024
- Construction expected to be complete June 2025

Sources		Uses	
LISC Predevelopment	\$5,000	Acquisition	\$1
Met Council TOD	\$48,401	Rehab	\$2,010,000
Ramsey County ARPA	\$1,683,303	Contractor Fees	\$251,000
CDBG	\$949,500	Contingency	\$240,000
Temporary TIF	\$386,279	Environmental Abatement	\$40,000
Sales Tax Rebate	\$3,500	Professional Fees	\$222,482
Energy Rebates	\$4000	Developer Fee	\$200,000
		Financing Fee	\$10,000
		Reserves	\$106,500
TOTAL DEVELOPMENT COST	\$3,079,983		\$3,079,983



Kimball Court – 545 Snelling Avenue

- **Beacon Interfaith Housing Collaborative**
- Rehabilitation and expansion of existing building, resulting in 98 units of supportive housing
- Financial closing expected February 2025
- Construction Completion: Spring 2026



Sources		Uses	
MHFA Housing Infrastructure Bonds MF (HIB)	\$7,902,000	Acquisition	\$853,594
Flexible Financing Cap Costs (FFCC)	\$1,901,000	New Construction	\$7,215,486
City of St. Paul ARPA	\$3,350,000	Rehabilitation	\$3,763,348
Ramsey County ARPA	\$2,941,152	Contractor Fees	\$1,509,739
Met Council LCDA	\$1,500,000	Contingency	\$874,200
Met Council TBRA	\$147,700	Environmental Abatement	\$111,293
Ramsey County ERF	\$136,500	Professional Fees	\$1,694,645
Ramsey GO Bonds	\$307,848	Developer Fees	\$1,103,836
Sales Tax Rebate	\$226,438	Financing Costs	\$278,281
Energy Rebates	\$8,000	Reserves and Non-Mortgageable	\$1,016,216
Existing HOME Loan	\$501,130	Assumed Debt	\$501,130
TOTAL DEVELOPMENT COST	\$18,921,768		\$18,921,768

Inspiring Communities and Small-Scale Projects



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Inspiring Communities and Small-Scale Projects

- RFP 7 approved by HRA on July 13, 2022
- 12 properties offered through a competitive RFP in August 2022
- 19 units in flight across 11 properties with 7 developers
- Development gap: up to \$200K per unit
- Affordability gap: \$25K – 90K depending on buyer income and property type (need-based)





Inspiring Communities and Small-Scale Projects

Under Construction/ Development Agreement

- 965 Marion (duplex)
- 695 Cook (duplex)
- 1195 Bush (duplex)
- 810 Atlantic (duplex)
- 729 Burr (single family)
- 930 York (single family)
- Reaney/Minnehaha (3 single family + ADU)





Challenges

Preference for affordable and deeply affordable units and limited funds to fill the gap

Multiple projects competing for MHFA funding

Limited funds from other public partners

Gap increase due to rise in interest rates and construction costs

Often working with inexperienced developers



Questions?

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