

# Listening House

## Subordination Request

June 26, 2024



**SAINT PAUL**  
MINNESOTA

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## Background

- Listening House has been operating as a daytime drop-in shelter since 1983 out of rented space
- In 2022, Listening House purchased a vacant restaurant located at 421 East 7<sup>th</sup> Street
- Acquisition, demo, and construction costs total \$2.8 Million
- In July of 2022, HRA approved a \$1.4 million TIF loan with forgivable terms





## Background

- Demo and construction is complete and the facility has been in operation since November 2023.
- Ability to be open weekends and into the evening is resulting in guest visits doubling from the previous location





## Background

- Listening House acquired the adjacent lots and plans on adding a courtyard and addition, Phase Two of the project.
- In 2023, Listening House received a State appropriation of \$2,950,000 for Phase Two. The State grant requires all other financing be subordinate.
- At the time of signing the TIF loan agreement, the HRA was subordinate to a \$600,000 loan from Sunrise Banks but that has since been satisfied.





## Requested Action next HRA meeting

- Recommending the authorization and approval of a subordination of the \$1,400,000 TIF loan to Listening House
- This will place the TIF loan in second position behind the State appropriation and allow them to access the \$2,950,000 for Phase Two
- The State grant will default if the facility is not in operation for the “useful life,” which is 37.5 years



**Questions?**