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CITY OF SAINT PAUL

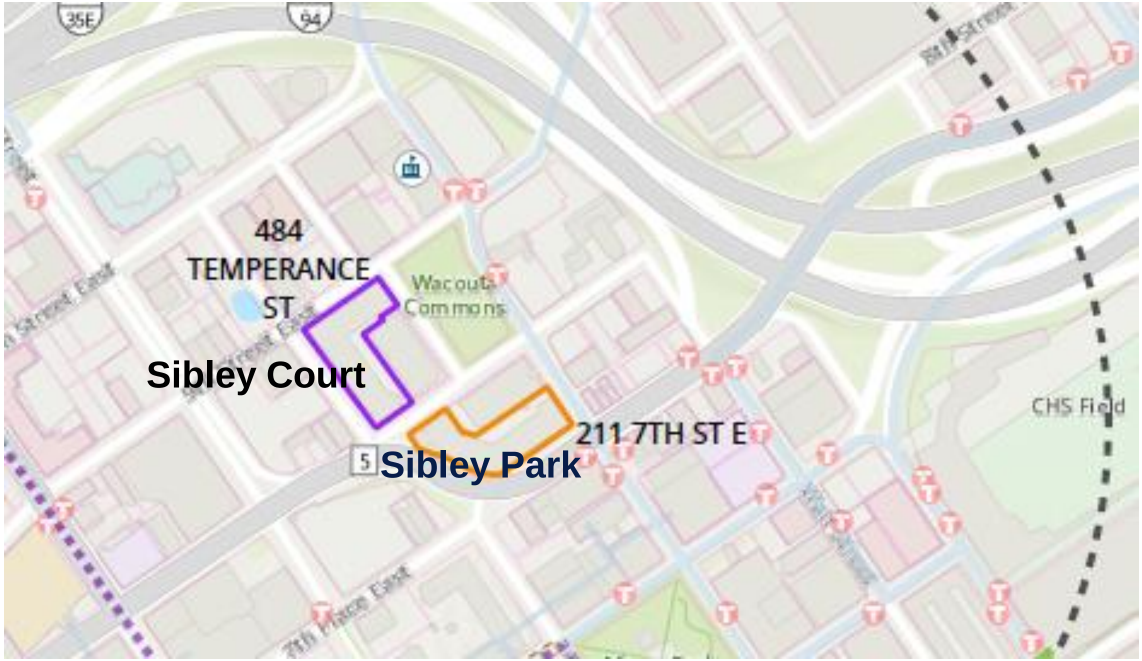
BRIEFING ON HOST APPROVAL FOR SIBLEY PARK AND SIBLEY COURT

June 5, 2024

BACKGROUND

- Sibley Park: 114-unit apartment building located at 211 7th Street East opened in 2002
- Sibley Court: 122-unit apartment building located a 484 Temperance, opened in 2003
- The two projects were originally constructed through HRA action primarily utilizing Low Income Housing Tax Credits (LIHTC), both 4% and 9%; and tax increment financing
- Over 60% of the units are restricted to households with incomes at or below 60% Area Median Income ($74,520 for a family of four)
- In 2019, Orbach Affordable Housing Services (OAHS) stepped into the partnership;

PROJECT MAP


484
TEMPERANCE
ST
Sibley Court
Wacouta
Commons
211 7TH ST E
Sibley Park
CHS Field
35E
94
5

PROPOSED PROJECT AND REQUEST

- OAHS is requesting up to $45,000,000 in conduit financing with Volume Cap bonds that bring automatic 4% LIHTC to acquire and rehabilitate the two buildings to preserve affordable units in Lowertown and extend the restrictive period until 2054 (from 2031/2032)
- The total project cost is ~$88 million with nearly $24 million in rehab costs including unit improvements, common area upgrades, new windows and roofs, and new mechanicals.
- The unit mix and affordable metrics are shown on the following slide

UNIT MIX AND AFFORDABILITY BREAKDOWN

Unit Type	Total # of Units	Affordability Level						Total # of Units	
		30% AMI		60% AMI		80% AMI			
		Sibley Park	Sibley Court	Sibley Park	Sibley Court	Sibley Park	Sibley Court	Sibley Park	Sibley Court
0 BR/Studio	34	0	0	20	14	0	0	20	14
1 BR	83	0	0	39	44	0	0	39	44
2 BR	95	16	14	11	14	18	22	45	50
3 BR	24	8	10	0	0	2	4	10	14
	236	24	24	70	72	20	26	114	122
		21.1%	19.7%	61.4%	59.0%	17.5%	21.3%		

HOST APPROVAL

- Saint Paul is reserving our available Volume Cap through 2026 and supports utilizing alternative methods to ensure the preservation of these affordable units in Lowertown
- OAHS has arranged, through bond counsel, for the City of Mounds View to apply to the State for an allocation of Volume Cap bonds to be issued for the project. The City would provide the automatic 4% LIHTC to the project.
    - The estimated equity generated from the LIHTC is just over $26 million
- The balance of sources include, but are not limited to, a seller loan, assumed deferred debt* and deferred developer fee

*Includes $500,000 City Loan for Sibley Park, future action will include a request to assign/assume the loan by the new entity and extend the maturity date (from June 15, 2042, to December 31, 2043)

HOST APPROVAL

- A conduit borrower cannot access tax-exempt financing without a conduit issuer (governmental issuer)
- The conduit issuer must either have jurisdiction over the area in which the project is located or receive Host Approval
  - The City of Mounds View does not have jurisdiction for this Project
- Therefore, the City/St. Paul HRA needs to provide “Host Approval” before the conduit bond issuance could proceed
- **This type of approval is critical to ensure we meet our affordable housing needs throughout the city**
- The HRA will receive a closing fee of $3,500 if the bonds are issued for the Project.

HOST APPROVAL PUBLIC HEARING

- The City Council will be presented with a resolution, following a public hearing, **on June 12**, authorizing Host Approval for the City of Mounds View to issue conduit revenue bonds utilizing State Volume Cap for the Sibley Court and Sibley Park Projects
- The application will be submitted to the State by the end of June and notice of an allocation would be sent in early July
- The Project will be required to follow city compliance as outlined on the following slide

COMPLIANCE REQUIRED FOR CONDUIT REVENUE BONDS

- The following compliance requirements are triggered :
  - Affirmative Action/Equal Employment Opportunity (AA/EEO) – Requiring all contractors/subs to have goals for project hours for minorities and women; and to file an affirmative action program registration to diversify and implement fair employment practices with its workforce
  - Prevailing wages on construction labor requiring onsite workers whose duties are physical or manual to be paid weekly minimum prevailing rates including fringe benefits
  - Vendor Outreach Program – project-specific goals for purchasing goods and services from certified Small, Women-Owned and Minority-Owned businesses

Questions?

Erin Mathern, legal counsel to OAHS and Craig Theis, with the financing team are present to answer any questions

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