



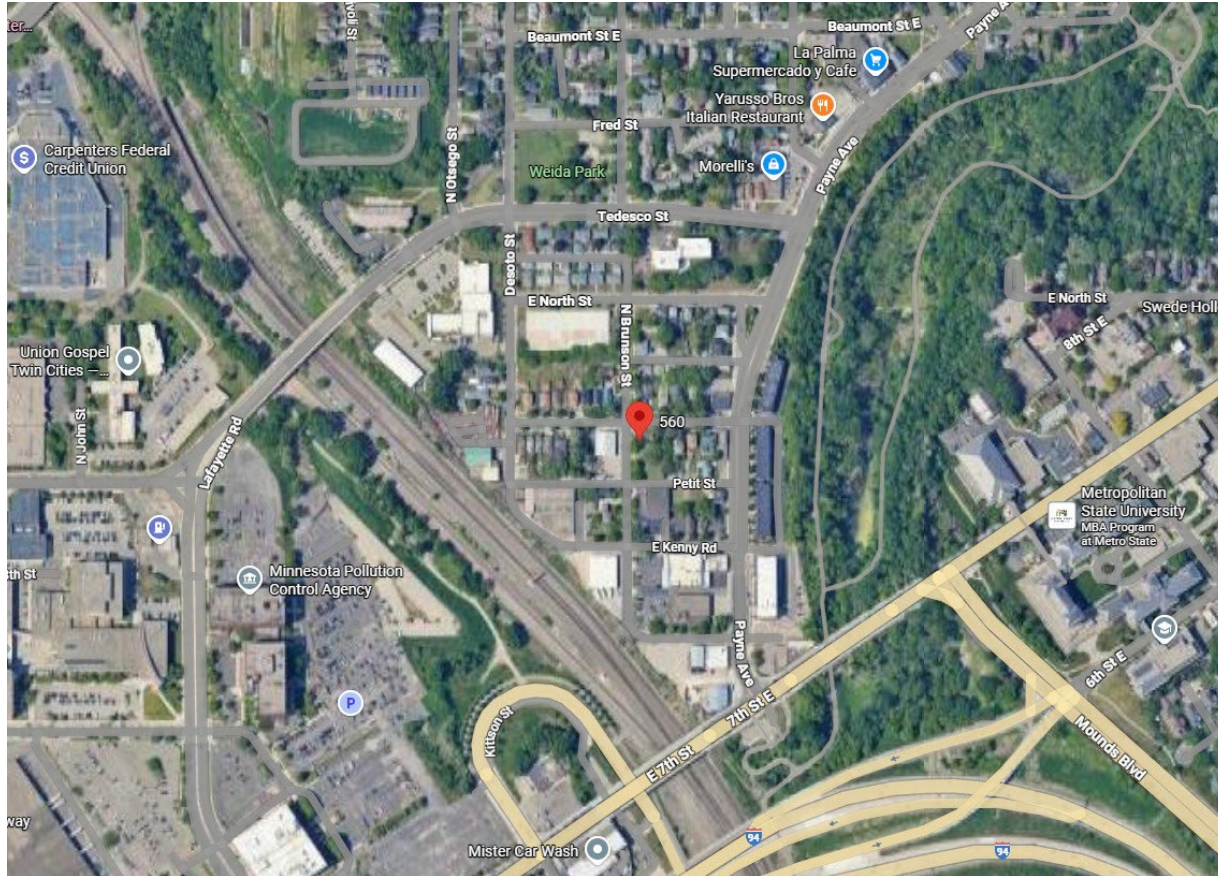
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Approving additional dollars for
development of 560 Brunson Street



560 Brunson Street – Inspiring Communities



Railroad Island

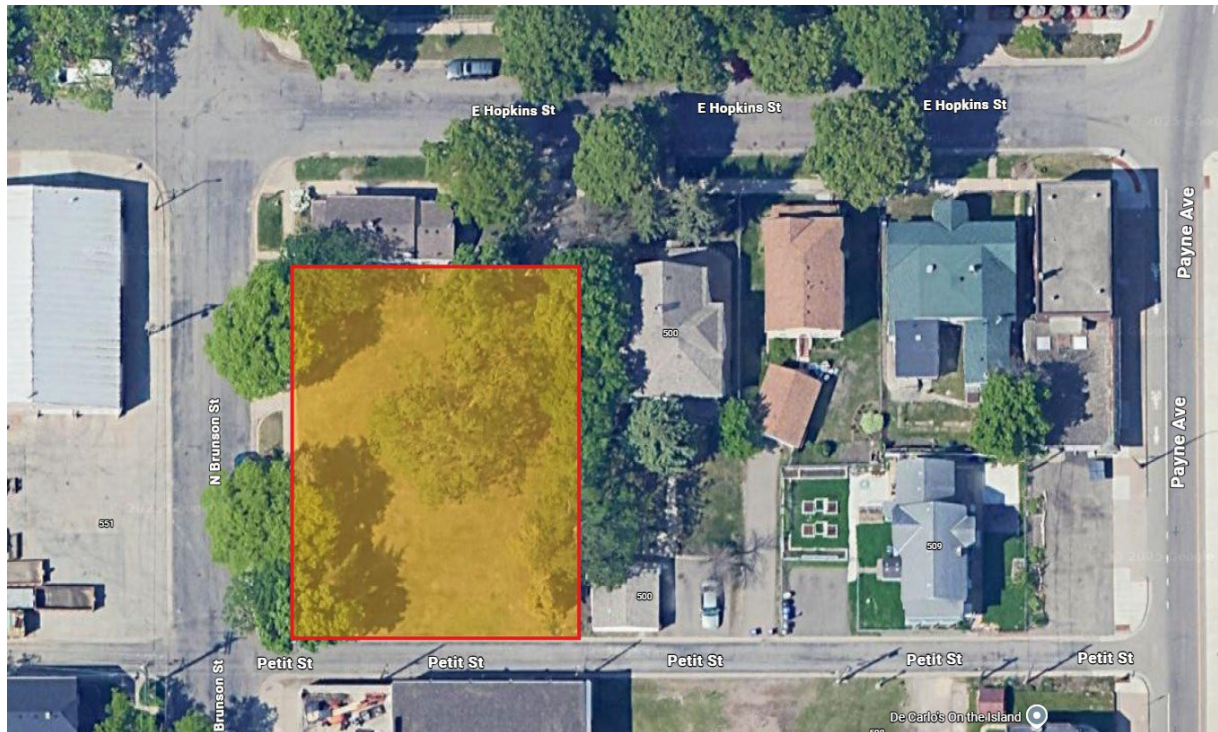
Ward 2

District 5

Payne-Phalen



560 Brunson Street – Inspiring Communities



NE corner
of
Brunson St
and
Petit St



Project Summary

- As part of the awards from Inspiring Communities RFP 7, HRA authorized the sale of this lot to Amani and a gross development subsidy of \$1,145,059 (HRA RES PH24-144)
- Amani Construction & Development
 - Local, women & BIPOC owned residential developer and builder
 - 10+ years of experience in affordable and market-rate residential
- 4 townhouses for ownership
 - Each with 3 bedrooms, 2.5 bath, approx. 1,575 s.f. + 2-car garage
 - One structure
 - Sales restricted to households with income at or below 80% AMI





Property History

- HRA acquired the property in 2010
 - Part of a “pooled purchase” of 15 properties from Fannie Mae
 - Single-family house; vacant due to foreclosure
 - \$15,250 federal NSP2 funds
- HRA demolition in 2011
- HRA investment to-date: \$80,993
 - Including: acquisition, transaction costs, demolition, holding (lawn, snow), asbestos and lead testing, survey, geotechnical investigation



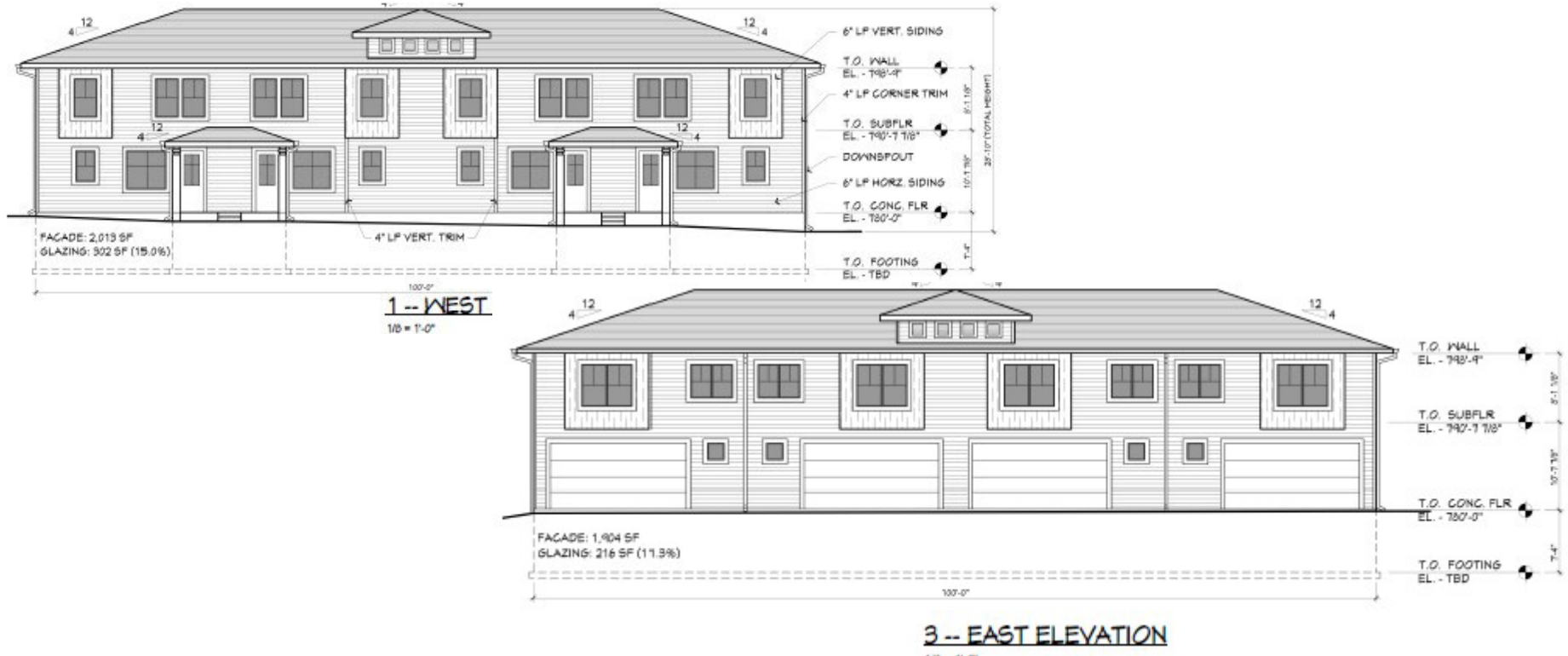
560 Brunson Street – Inspiring Communities



Demolished House

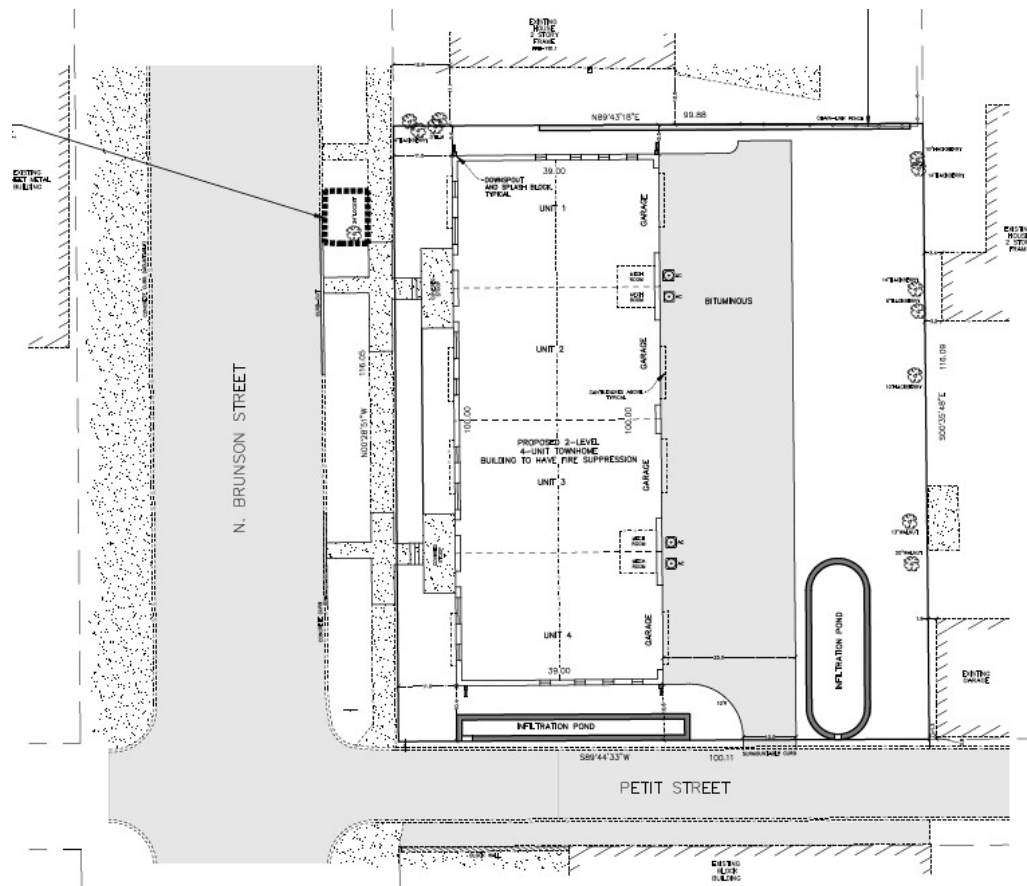


4 Ownership Townhomes





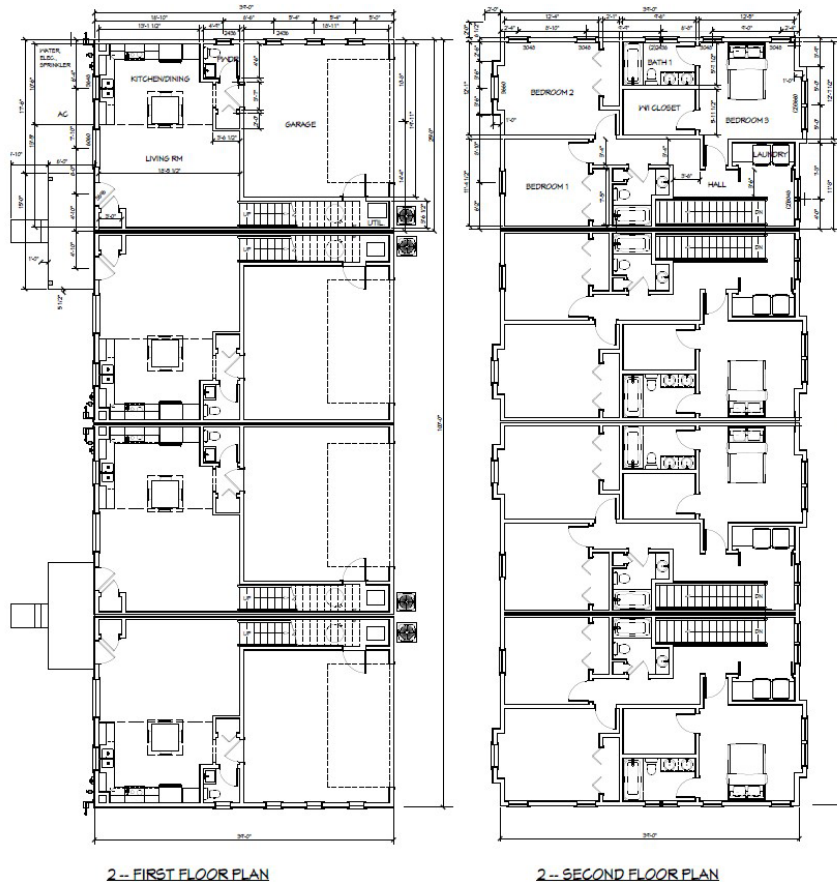
560 Brunson Street – Inspiring Communities



Site Plan



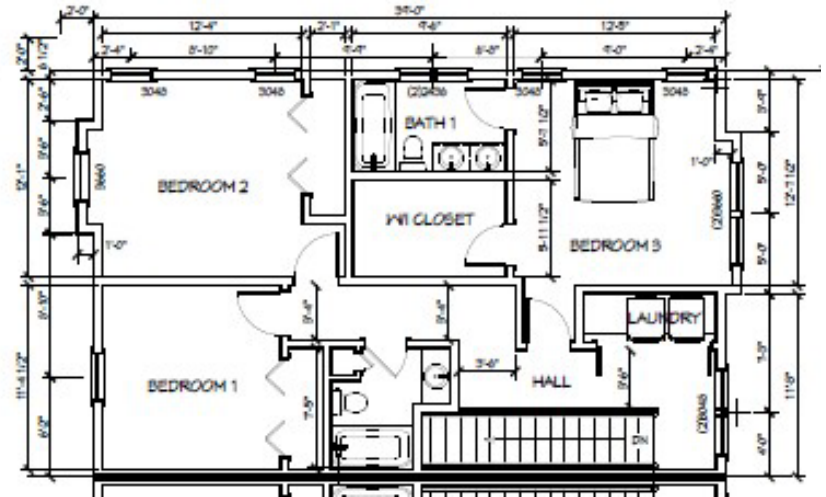
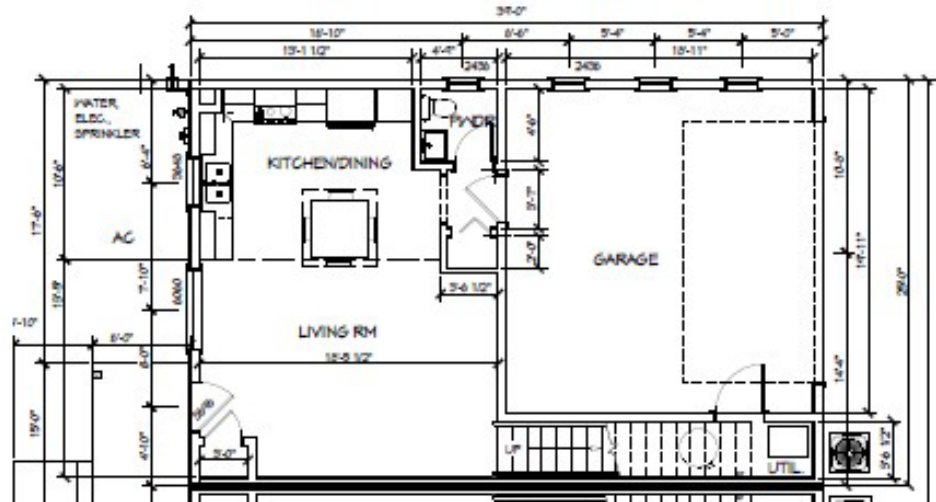
560 Brunson Street – Inspiring Communities



Floor Plans



560 Brunson Street - Inspiring Communities



Typical Unit Plan



development cost

	current	HRA 6/12/24
land acquisition	\$ 96,500	\$ 96,500
hard construction cost	\$ 1,851,069	\$ 1,827,654
soft costs	\$ 354,075	\$ 290,177
developer fee	\$ 210,728	\$ 210,728
Total Development Cost	\$ 2,512,372	\$ 2,425,059
<i>Estimated Sales Price</i>	<i>(\$ 1,280,000)</i>	<i>(\$ 1,280,000)</i>
Total Development Gap	\$ 1,232,372	\$ 1,145,059
HRA land contribution	\$ 96,500	\$ 96,500
HRA cash contribution	\$ 1,135,872	\$ 1,048,559
 HRA gross subsidy	 \$ 1,232,372	 \$ 1,145,059
HRA gross subsidy per unit	\$ 308,093	\$ 286,265



Inspiring Communities Finance Structure

Development gap loan terms

- HRA finances the cost of the land
- Note and mortgage for Total Development Gap
- 0% interest
- Forgiven upon sale to an eligible end buyer
- Source of development gap funds: Housing Trust Fund + Mn Housing CHIF



Inspiring Communities Finance Structure (cont.)

Affordability gap loan terms

HRA will provide up to \$40,000 downpayment assistance to each buyer (*4 x up to \$40,000 = up to \$160,000*)

- First \$5,000: HRA funds, 0% interest, deferred, forgivable over 5 years
- Next \$22,500: CHIF funds, 0% interest, deferred, due at year 30
- Next \$12,500: HRA funds, 0% interest, deferred, forgivable over 30 years
- Forgiven upon sale to an eligible end buyer



HRA Board Action

- Reconfirm authorization to enter into a development agreement
- Authorize gross development gap contribution (land + cash) in the amount of \$1,232,372 (\$308,093/unit)

The new requested subsidy is \$87,313 increase from previously approved (\$21,828/unit)



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