



STPAUL.GOV

CITY OF SAINT PAUL

652 Sherburne Avenue



Project Proposal

- Convert 8 vacant residential units into 6 rental units (enlarging two of the units) affordable at 30% Area Median Income (AMI)
- Prepare tenants over a 5-year period to select a community ownership model and purchase either a condo unit or cooperative share in that 5th year
- Unique approach, if successful, would provide a viable path for low-income tenants to transition to ownership and have an opportunity to build wealth
- While a collective of partners are participating in the project, legal and financial agreements will be with two primary entities; Model Cities of Saint Paul, Inc. and Rondo Community Land Trust



Deal Structure

Next 12 months

Year 1 –
Year 6

Year 6 –
Year 7

HRA conveys
property to
Rondo CLT

Rondo CLT
conveys
building only
to Model
Cities

Model Cities
rehab building
and leases up
initial tenants

Model Cities
manages property
and prepares
tenants for
ownership

A minimum of
4 owners
purchase
units/shares of
condo/coop

**Transition
Success:**
Model Cities
purchases
remaining
units/shares
and continues
to market them
for low-income
ownership

**Transition Not
Successful:**
All units/shares
conveyed to
RCLT under
land trust
model



Finance Structure

Sources	
St. Paul: CDBG	\$949,500
St. Paul: Temporary TIF	\$386,279
St. Paul: Land Write-Down	\$145,000
Ramsey County: ARPA	\$1,683,303
LISC	\$5,000
Sales Tax/Energy Rebates	\$7,500
Met Council grant	\$56,500
TOTAL SOURCES	\$3,233,082

Uses	
Land purchase	\$145,000
Construction (hard) costs	\$2,541,000
Soft costs	\$220,582
Replacement Reserves	\$106,500
Developer Fee	\$200,000
TOTAL COSTS	\$3,233,082



652 Sherburne

- Three 2-bedroom units
- Two 3-bedroom units
- One accessible,
1-bedroom unit





Next Steps

- Execute the Development Agreement ➡ ~December 2023
- Hold preconstruction compliance conferences ➡ ~December 2023 – March 2024
- Coordinate real estate closing ➡ ~March 2024 – April 2024
- Construction Begins ➡ ~April 2024 – May 2024
- Construction Completed ➡ ~October 2024 – November 2024

Thank you!

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