



INSPIRING COMMUNITIES PROGRAM

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



The PED Single-Family Team

- Part of the Housing Division of PED (11th floor City Hall Annex)
- Report directly to Interim Housing Director Jules Atangana
- Team members:
 - Joe Musolf, Principal Project Manager
 - Sarah Zorn, Principal Project Manager (50%)
 - Claire Pettry-Benner, Senior Project Manager
 - Maryan Abdi, Project Manager



Inspiring Communities Program (2013 – present)

1. History (*how did we get here?*)
2. Current Activity (*what are we doing today?*)
3. Outcomes (*what have we accomplished?*)
4. Future (*where should we go next?*)

INSPIRING COMMUNITIES

1. History
2. Current Activity
3. Outcomes
4. Future

History of Inspiring Communities

- **2006 – 2007:** Invest Saint Paul Initiative
 - \$15 million STAR bonds
 - "to strengthen and revitalize neighborhoods challenged by recent economic downturns and persistent disinvestment..."
 - Reduce number of vacant houses
 - Rehab, strengthen the housing stock
- **2007 – 2008:** National foreclosure crisis
- **2009 – 2013:** Neighborhood Stabilization Program
 - 5 grants totaling \$31.4 million
 - First Look acquisition program
 - Rehabs first, then redevelopment of demo'ed
 - HRA as developer

INSPIRING COMMUNITIES

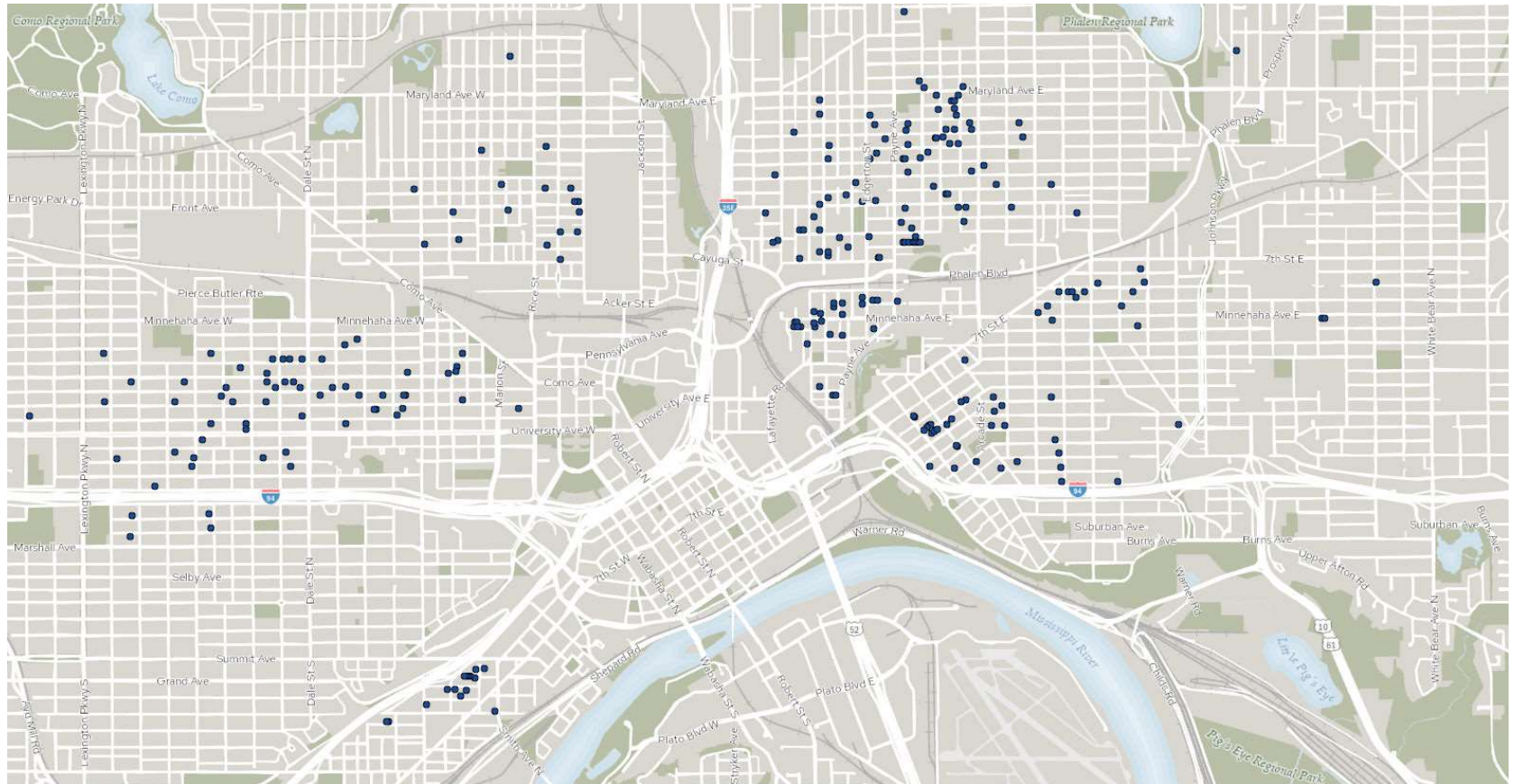
1. **History**
2. Current Activity
3. Outcomes
4. Future

History of Inspiring Communities

- **2013:** Pause, assess, adjust
 - Two significant changes:
 - Ceased acquisition activity
 - Moved to a developer partnership model
 - Inspiring Communities program branding



Completed Projects





Completed Projects





Completed Projects





Completed Projects



INSPIRING COMMUNITIES

1. History
2. **Current Activity**
3. Outcomes
4. Future



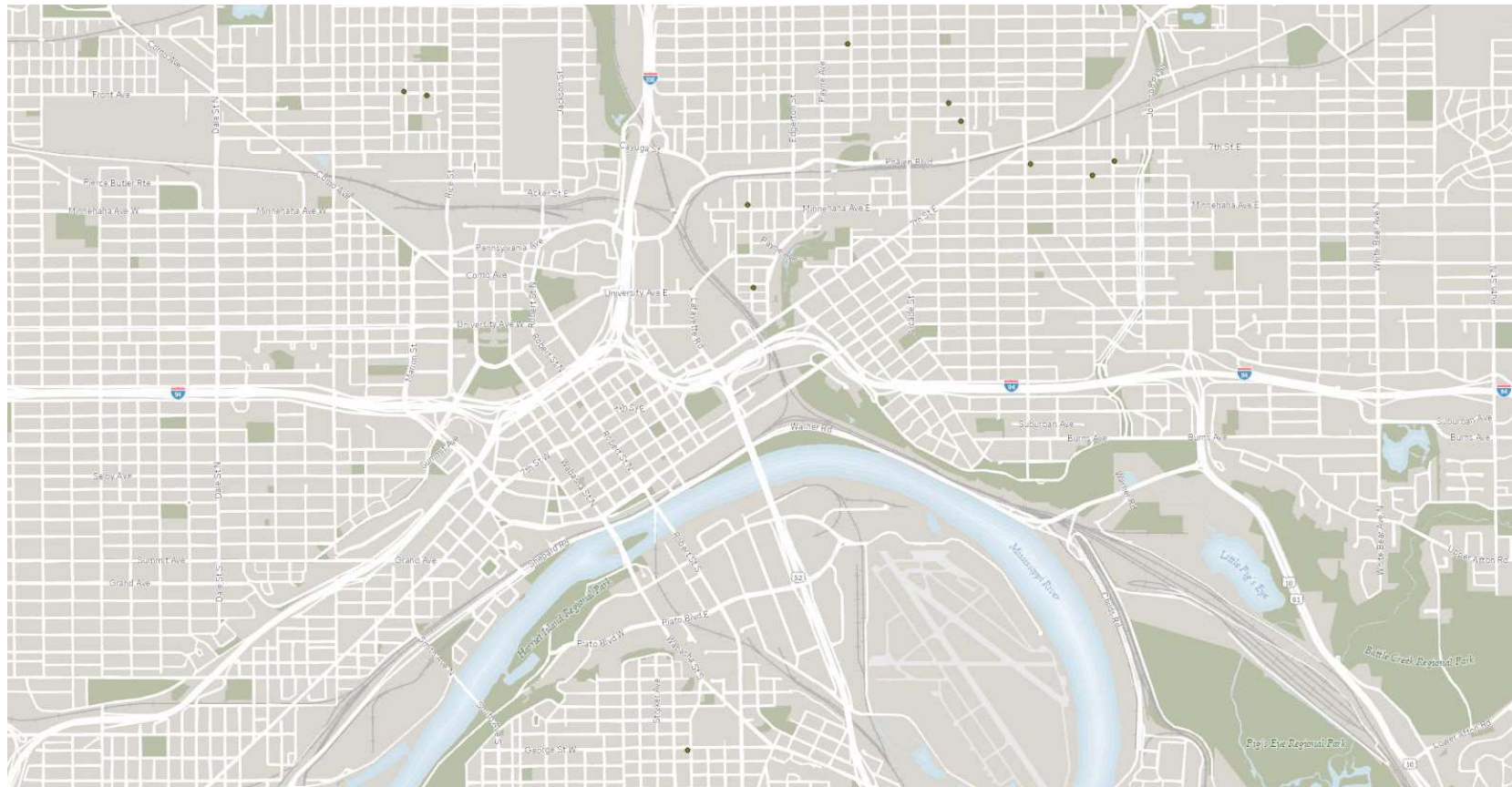
RFP 7

- Overall RFP plan approved by HRA on July 13, 2022 (RES 22-1072)
- We offered 12 properties and availability of subsidy funds through a competitive Request for Proposals on August 8, 2022
- 19 units at 11 properties with 6 developers
- \$4.5 million
 - Local: Housing Trust Fund
 - State: Minnesota Housing CHIF
 - Federal: NSP and CDBG

Development Gap	Affordability Gap
up to \$200k per unit	\$25k - \$90k depending on buyer income and property type (need-based)



Inspiring Communities – RFP 7



INSPIRING COMMUNITIES

1. History
2. **Current Activity**
3. Outcomes
4. Future

1195 Bush Avenue (District 4, Ward 6)

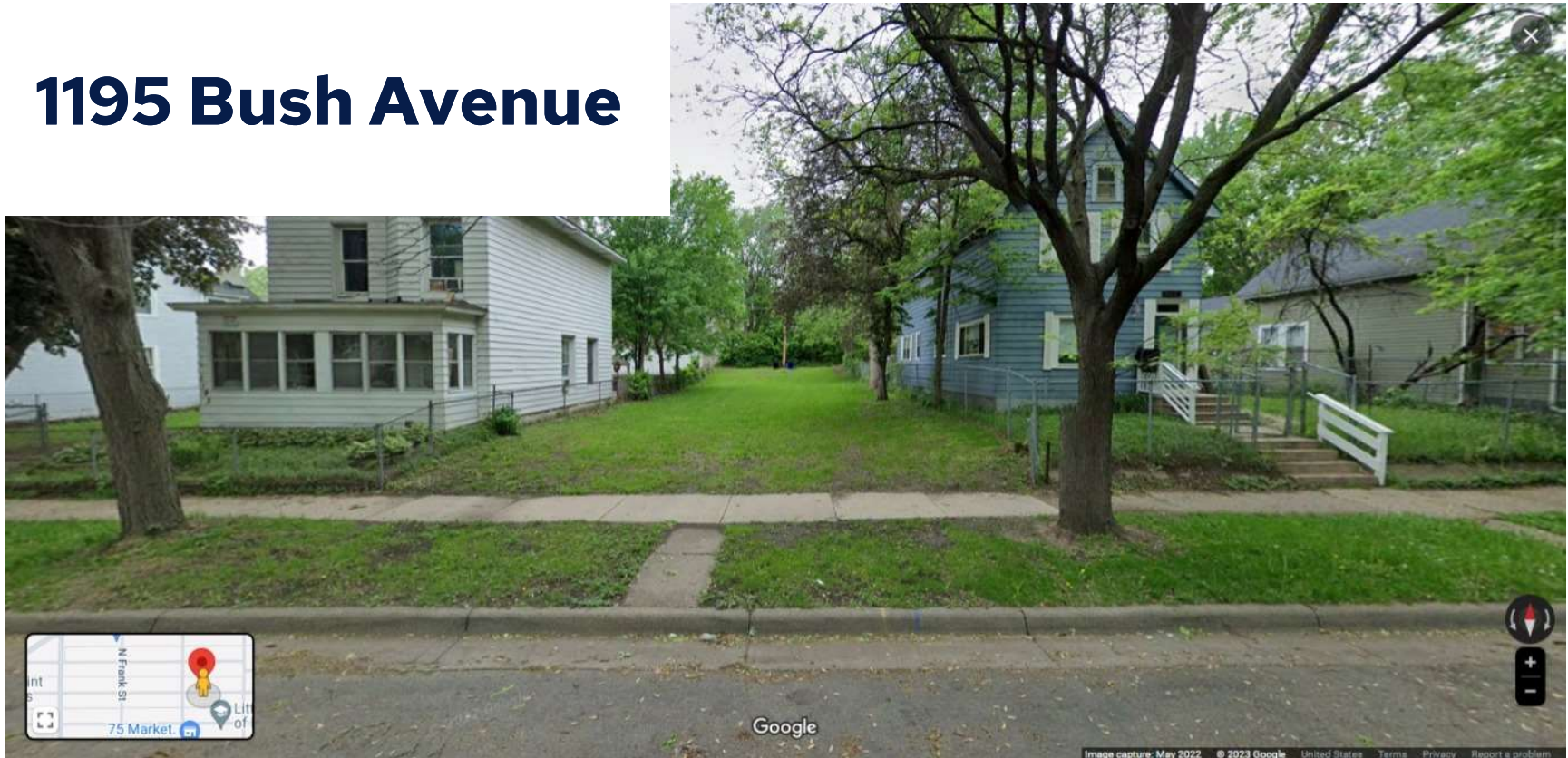
Two-story up-down duplex; both units 3 bed, 1 bath; 2-car garage; 80% AMI max household income; Owner-occupied duplex

land	\$35,500
construction costs	\$613,550
soft costs	\$94,806
developer fee	\$69,000
<i>total development cost</i>	\$812,856
estimated sale price	\$432,000
total development gap (TDG)	\$380,856
TDG minus land cost	\$345,356

plus affordability gap up to \$90k

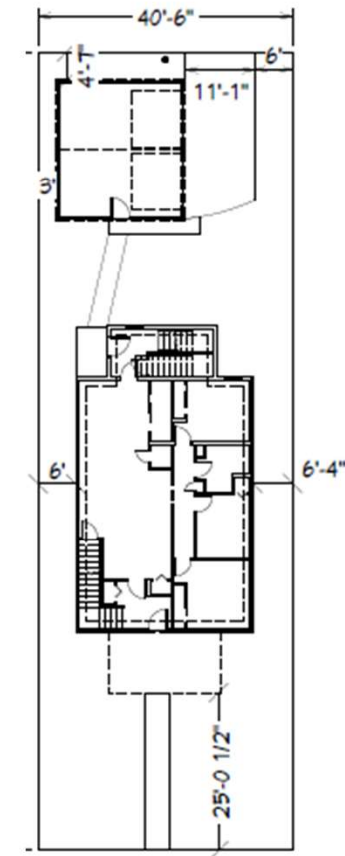


1195 Bush Avenue





1195 Bush Avenue



INSPIRING COMMUNITIES

1. History
2. Current Activity
3. **Outcomes**
4. Future

Outcomes

- Affordable, safe, low-maintenance housing, back on the tax rolls
- Re-established distressed market
- Economic stimulus
- Neighborhood stabilization
- Developer development
- Owner-occupied duplexes

INSPIRING COMMUNITIES

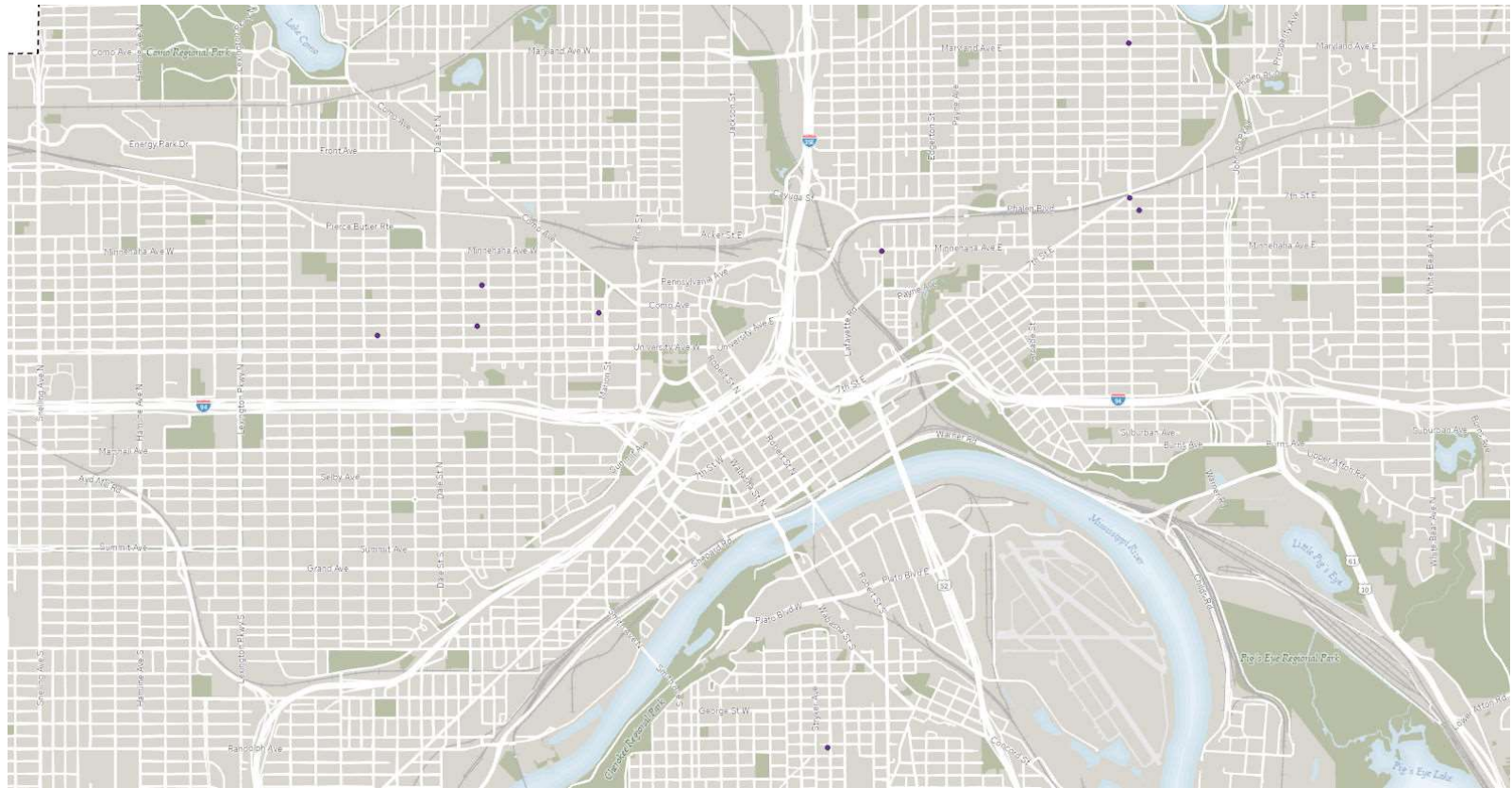
1. History
2. Current Activity
3. Outcomes
4. **Future**

RFP 8?

- 8 vacant IC-scale residential properties in our inventory possibly ready for redevelopment
 - Substandard size
 - Temporary community garden use
 - Topography challenges



Inspiring Communities – RFP 8?



INSPIRING COMMUNITIES

1. History
2. Current Activity
3. Outcomes
4. **Future**

What's Next?

- RFP 8 ?
- Should HRA continue to invest in housing development at this scale
 - If so, HRA acquire properties again?
 - Ramsey County tax-forfeit partnership?
 - Or, a developer-driven program
 - Development gap
 - Construction financing