HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS **DATE: SEPTEMBER 23, 2026**

REGARDING: RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF CONDUIT MULTIFAMILY HOUSING REVENUE BONDS FOR THE HAMM BUILDING PROJECT LOCATED AT 408 ST. PETER STREET; AND APPROVING THE EXECUTION OF RELATED DOCUMENTS; DISTRICT 17, WARD 2

Requested Board Action

The specific actions requested of the Board are:

1. Authorize and approve the HRA to issue up to $14,000,000 in conduit multifamily housing revenue bonds (the "Bonds") for the Hamm Building office-to-housing conversion project located at 408 St. Peter Street (the "Project") for the benefit of Hamm Partners LLC, PAK Properties, PAK Management Group LLC, Halverson and Blaiser Development Group LLC, Halverson and Blaiser Group Ltd, and/or their affiliated entities (the "Borrower").
2. Authorize and approve the execution of documents related to bond issuance including but not limited to mortgage, note, assignment of leases and rents, declaration of covenants and certificate of affordability.

Background

Built in 1919 as offices for the Hamm's Brewery on the City's East Side, the Hamm Building in downtown Saint Paul is on the National Register of Historic Places. The Borrower acquired the building in 2022 with the intention to rehabilitate the upper floor offices to residential units, which are currently vacant. The basement and ground floor are occupied by retail tenants including Meritage, Loon Cafe, Park Square Theatre, Lucille's Bottle Shop, Anthony Scornavacco Antiques, Landmark Jewelers, and Heimie's Haberdashery. The Borrower will create a new parcel for the basement and ground floor to separate ownership of the retail spaces from the future housing. The Borrower will create 128 new housing units by retrofitting the office spaces to residential units on floors 2 through 6. The project will include 21 studios, 63 one-bedroom units, and 44 two-bedroom units. One hundred percent of housing units will be rent and income restricted at 60% Area Median

Income (AMI) for a minimum of 15 years. Affordability will be secured with a declaration of covenants or similar recorded documentation.

The site is currently zoned B4 Central Business District where multiple-family dwellings are a permitted use. The property tax classification will change from 100% 3A commercial land and building to a combination of 3A and 4D affordable housing. The 4D portion will be based on the proportion of affordable housing units within the overall property, including the retail and restaurant spaces.

Budget Action

This is a conduit bond issue. The Bonds shall not constitute an indebtedness, liability, general or moral obligation, or pledge of the faith or credit or taxing power of the HRA, City of Saint Paul, or any agency or political subdivision thereof, and shall not constitute indebtedness of any of the foregoing within the meaning of any constitutional, statutory, or charter provision, nor be a charge against their respective general assets, credit or taxing powers, and do not grant the owners or holders of the Bonds any right to have the HRA, City of Saint Paul or any agency or political subdivision thereof to levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Principal and interest on the Bonds are payable solely out of the revenues and other sources pledged to the payment thereof as described in the bond documents.

Future Action

The City Council will be considering a companion resolution on this same date for the bond issuance.

Financing Structure

The Bonds will be issued in an amount not to exceed $14,000,000 for the acquisition, construction/conversion, and permanent financing of the Project. Colliers Securities is serving as the underwriters. The Bonds are tax-exempt fixed rate, with an estimated maturity date of November 1, 2044, approximately 18-years from the closing date, with 5 years interest-only and a 40-year amortization schedule. The expected interest rate is 6.22%, with the final rate subject to the market at time of sale. The Bonds will not be rated and will be privately placed with one or

more lenders in minimum denominations of $100,000, consistent with the HRA's conduit bond policy.

The estimated Total Development Cost (TDC) is $49,629,692. Sources and uses are shown below.

Sources	
Tax Exempt Bonds (1st Mortgage)	$13,275,000
Bond Fund Earnings	$220,000
LIHTC	$11,636,432
HTC (state, fed)	$13,053,552
GP/Sponsor Loan (equity)	$8,000,000
Deferred Developer Fee	$3,444,708
Total Sources of Funds	**$49,629,692**

Uses	
Acquisition	$3,833,192
Construction Costs	$34,826,278
Professional Fees/Soft Costs	$2,110,168
Bond Cost of Issuance	$589,375
Developer Fee	$4,142,505
Financing Fees	$183,000
Interest & Reserves	$3,945,174
Total Uses of Funds	**$49,629,692**

PED Credit Committee Review

PED Credit Committee reviewed the Project and proposal for the Bonds during the August 18, 2026 meeting and determined the proposed issuance aligns with the HRA conduit bond policy.

Compliance

The Office of Human Rights and Equal Economic Opportunity (HREEO) and City Attorney's Office (CAO) determined the following compliance areas apply to this bond-only Project:

- Affirmative Action/Equal Economic Opportunity
- Prevailing Wage
- Vendor Outreach Program
- Sustainable Building Policy

PED & HREEO staff held pre-construction meetings with the Project team to discuss construction compliance and Sustainable Building Ordinance requirements.

Green/Sustainable Development

The Project will meet the Sustainable Building Ordinance (SBO) requirements.

Environmental Impact Disclosure

N/A

Historic Preservation

The Project is listed on the National Register of Historic Places and will be subject to state and federal historic preservation requirements. These requirements may include but are not limited to the National Historic Preservation Act of 1966 pertaining to Section 106 and environmental review, Chapter 138 of Minnesota Statutes which establishes the State Historic Preservation Office (SHPO), the Minnesota Field Archaeology Act, and the Minnesota Historic Sites Act.

Public Purpose/Comprehensive Plan Conformance:

- Policy LU-1: Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.
- Policy H-31. Support the development of new affordable housing units throughout the city.
- Policy H-37. Encourage the development of affordable housing in areas well-served by transit and/or in proximity to employment centers.
- Policy H-46. Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.
- Policy HP-6. Maintain and preserve designated and determined eligible historic and cultural resources.
- Policy HP-15. Utilize historic and cultural resources to support neighborhood revitalization and reinvestment, focusing increased density along transit corridors.

Statement of Chair (for Public Hearing)

"Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on September 10, 2026. The Notice of Public Hearing will be made a part of these proceedings.

Is there anyone who wishes to be heard on this item? If not, the Chair will declare this Public Hearing adjourned."

Recommendation:

The Executive Director recommends the following:

- Approval of issuance of up to $14,000,000 in conduit multifamily housing revenue bonds for the benefit of the Borrower to assist in the financing of the office-to-housing conversion of the Hamm Building.
- Authorize the Executive Director or her designees to finalize all documents for execution by the appropriate HRA officers in connection with the Hamm Building bond issuance.

Sponsored by: Commissioner Rebecca Noecker

Staff: Laura Haynssen (266-6597) and Jenny Wolfe (266-6680)

Attachments

- **Map**
- **Neighborhood Profile**