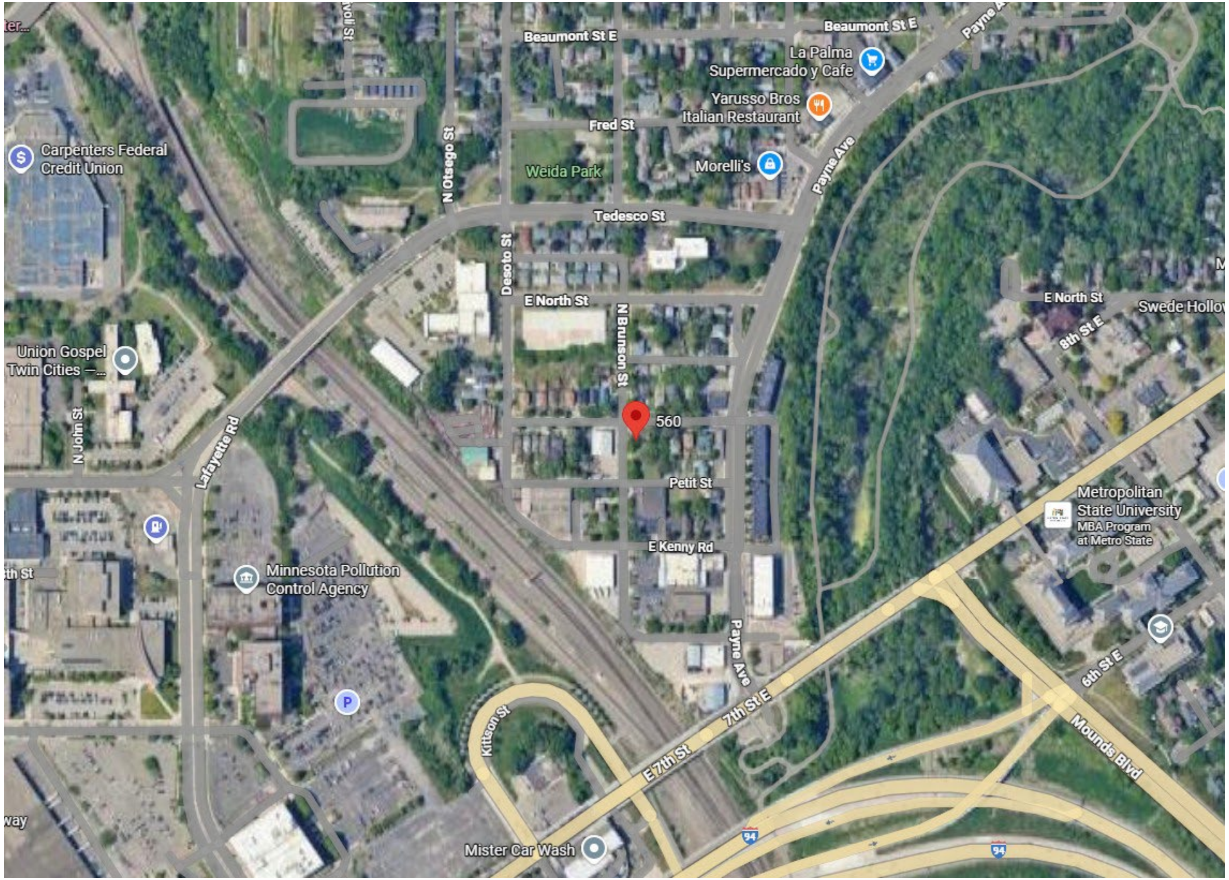
STPAUL.GOV

CITY OF SAINT PAUL

Approving additional dollars for development of 560 Brunson Street

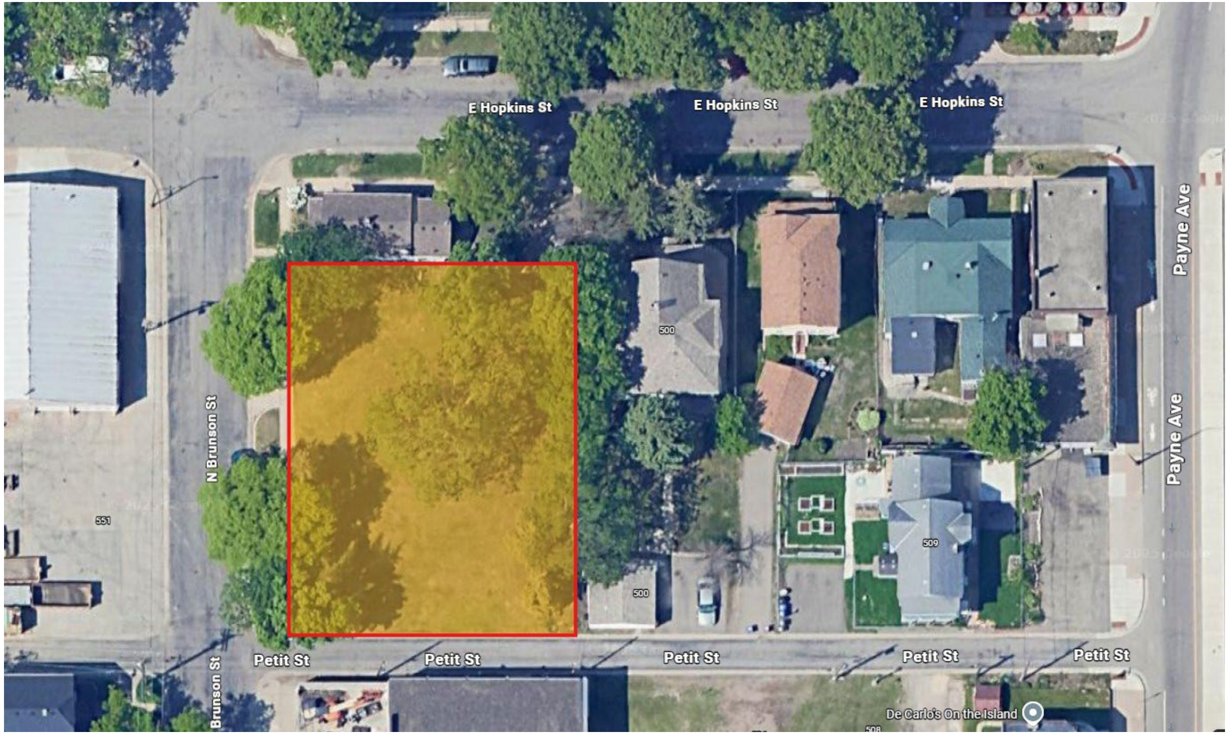
560 Brunson Street – Inspiring Communities



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

AMANI
ELEVATES

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

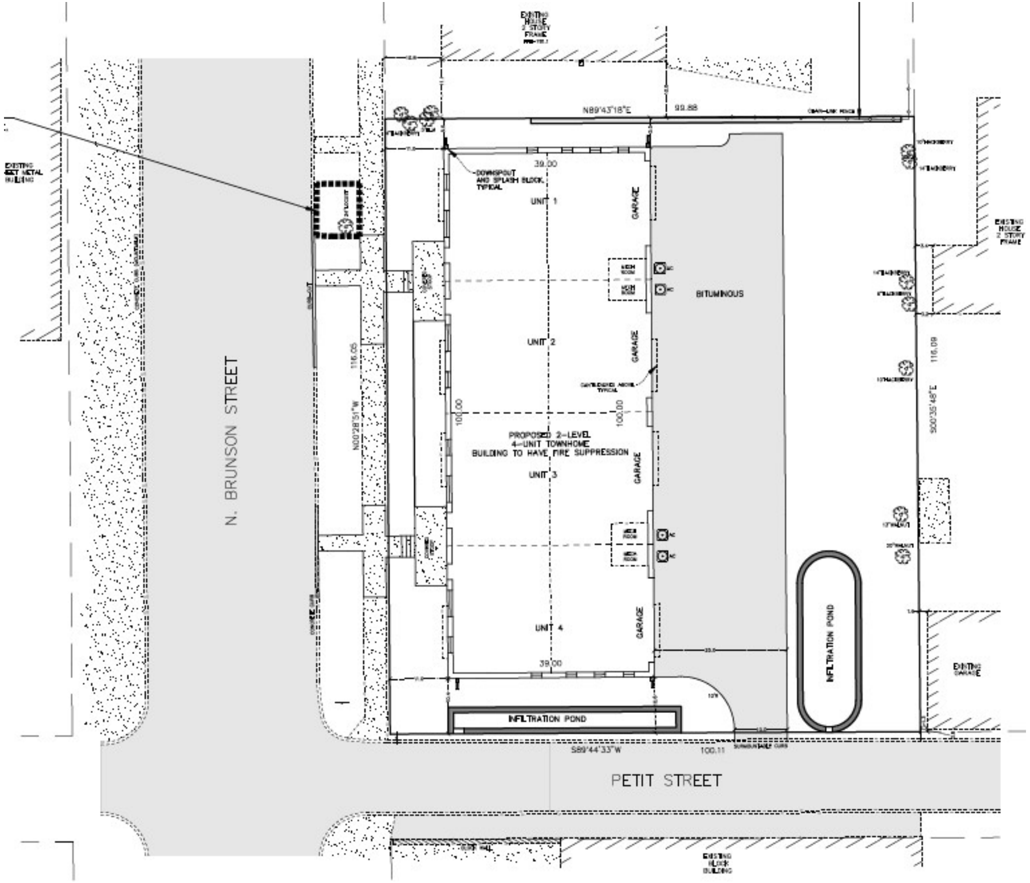
4 Ownership Townhomes

1 -- WEST

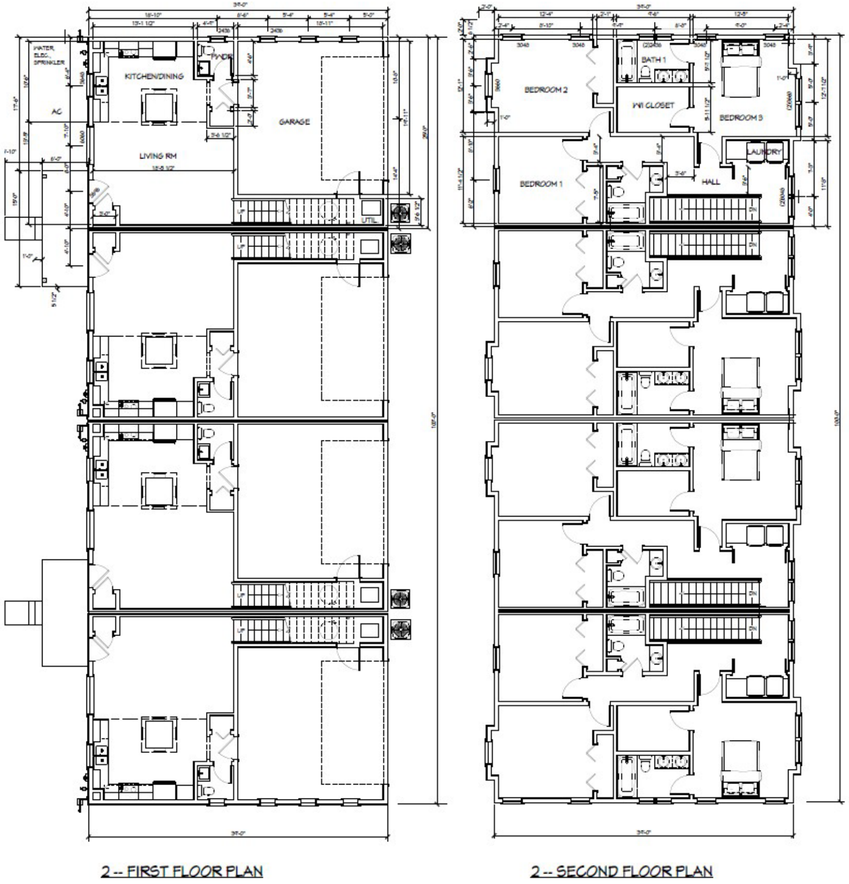
1/8 = 1'-0"

3 -- EAST ELEVATION

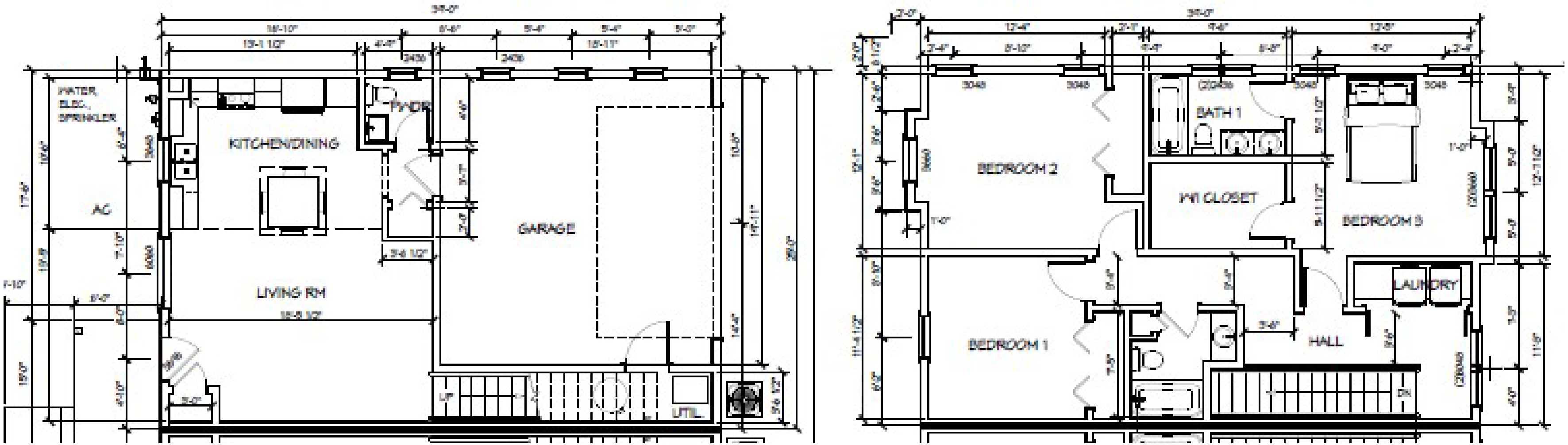
560 Brunson Street – Inspiring Communities



Site Plan


KITCHEN/DINING
LIVING RM
GARAGE
PWDR
AC
UTIL
BEDROOM 2
BEDROOM 1
BATH 1
W/I CLOSET
BEDROOM 3
LAUNDRY
HALL
2 -- FIRST FLOOR PLAN
2 -- SECOND FLOOR PLAN

Floor Plans



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***
Estimated Sales Price	*($ 1,280,000)*	*($ 1,280,000)*
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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