

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

REPORT TO THE COMMISSIONERS

DATE: MAY 13, 2026

REGARDING: RESOLUTION GIVING PRELIMINARY APPROVAL OF CONDUIT MULTIFAMILY HOUSING REVENUE BONDS; 365 WINTHROP STREET S., AFTON VIEW APARTMENTS PROJECT, DISTRICT 1, WARD 7

Requested Board Action

The purpose of this report is to request the Housing and Redevelopment Authority (HRA) Board of Commissioners approve a resolution giving preliminary approval of conduit multifamily housing revenue bonds for the Afton View Apartments project.

Background

The Afton View Apartments is comprised of 286 units, across two existing 3-story multifamily buildings with 143 units each located at 365 Winthrop Street South. The buildings are approximately 131,436 square feet each, for a total residential footprint of 262,872 square feet. The property includes office space and an on-site daycare that are 2,640 square feet and 5,242 square feet, respectively.

Afton View Apartments was built in 1971 and is for sale by the current owner. Tareen Development Partners (the “Developer”) is requesting up to \$20,500,000 in conduit revenue bonds to acquire, rehabilitate, and preserve affordability of the property. The proposed rehabilitation includes, but not limited to, work to the building envelope, partial roof replacement, in-unit kitchen cabinetry and countertop replacement, in-unit flooring replacement, mechanical systems update, and common area improvements.

Below is a description of unit types, rents, and income restrictions based on the proposed new financing.

Unit Type	# of Units	Rent Limit	Income Limit
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1BR	44*	60%	50%*
1BR	4	60%	60%
2BR	168*	60%	50%*
2BR	10	60%	60%
3BR	56*	60%	50%*
3BR	4	60%	60%

**Project-based voucher units*

All 286 units will be affordable at 60% of AMI for 40 years. An existing Home Assistance Payment (HAP) contract will extend the usage of project-based vouchers until 2043 for 268 units. Per current HUD guidelines, the Property will be eligible to apply to renew the HAP contract once the original contract expires.

To acquire the property, the Developer went through a competitive selection bidding and would not be able to acquire with a closing contingent on financing. The property acquisition must take place prior to the financial closing on any potential bond issuance and tax credit equity. Therefore, the Developer is requesting a preliminary approval of the bonds to preserve the tax credit basis and financial feasibility. The preliminary approval authorizes the reimbursement from the proceeds of the Bonds for acquisition and thereby preserves the acquisition as part of tax credit basis.

The developer has agreed to submit, for staff approval, a written communication plan outlining how communication with residents, as well as broader community engagement, will be managed throughout the acquisition, rehabilitation, and ongoing operation of the project.

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

A request for a public hearing and final approval to issue bonds, as well as a waiver of the developer fee will be brought to the HRA Board at a later date.

Financing Structure

The Developer is requesting up to \$20,500,000 in conduit revenue bonds and will use tax credit equity and a deferred developer fee to fund the project. Final financing structure will be reported at time of final approval request. The total development cost is estimated to be \$46,000,000.

PED Credit Committee Review

N/A – Credit Committee review will be required prior to the future HRA Board public hearing.

Compliance

The Applicant has signed the 1st compliance letter regarding this project. The project will comply with the following programs and/or requirements: Vendor Outreach Program, Affirmative Action, Labor Standards, Project Labor Agreement, Sustainable Building Policy, Two Bid Policy, and Compliance Agreement for Conduit Bonds.

Any request to waive a compliance requirement will be subject to a separate HRA resolution

Green/Sustainable Development

The Sustainable Building Ordinance will be applicable to this project.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance:

The Project meets the following goals established by the City's 2040 Comprehensive Plan:

- Housing Policy H-2: Address housing deficiencies and encourage reinvestment in residential properties by supporting maintenance and rehabilitation programs for property owners.
- Housing Policy H-39: Promote preservation of existing income-restricted affordable housing units to ensure continued affordability of those units.
- Housing Policy H-42: Pursue public and private funding sources, including local sources, for affordable housing preservation and production.

Statement of Chairman (for Public Hearing)

N/A

Recommendation:

The Executive Director recommends approval of the resolution giving preliminary approval of conduit multifamily housing revenue bonds for the Afton View Apartments Project, for the purpose of using bond proceeds to reimburse acquisition costs accrued in the sales transaction of property.

Sponsored by: Chair Johnson

Staff: Hannah Chong, 651-266-6552

Attachments

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