



STPAUL.GOV

Approving additional funding for redevelopment of 47 Douglas Street

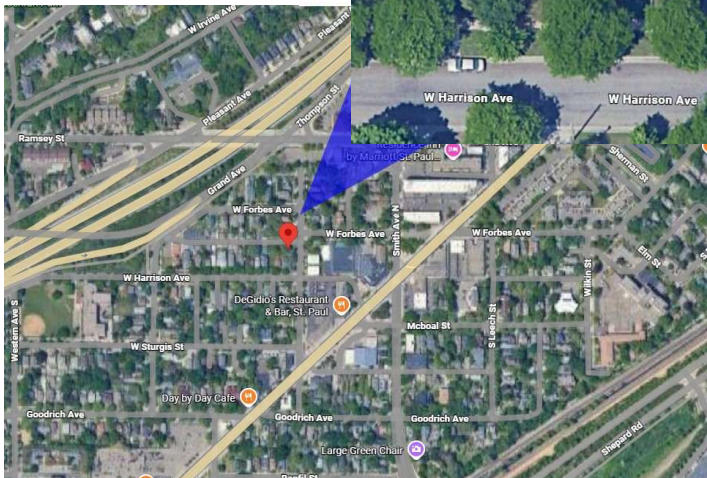
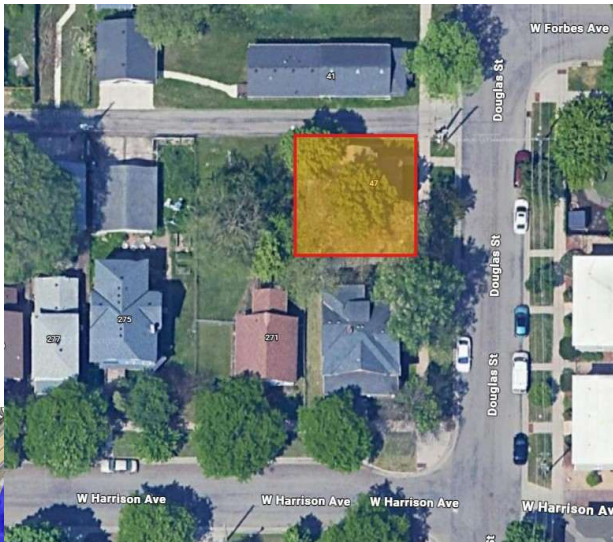
CITY OF SAINT PAUL



47 Douglas Street – Inspiring Communities

Project Location

- 47 Douglas St (on Douglas St between Harrison and Forbes)
- Ward 2, District 9
- District Council: West 7th Fort Road Federation
- Area sometimes called Little Bohemia



Slide 2

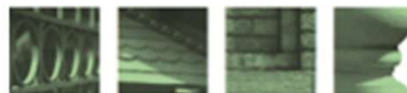
DL1

I consolidated the location slides-- double check everything is correct.

Daniela Lorenz, 2026-07-01T17:03:47.764



Project Summary



HISTORIC SAINT PAUL

- In 2020, HRA received the proposal from Historic Saint Paul to complete a rehab project
- The project includes:
 - Single-family house for owner-occupancy | DL1 20% AMI max income household
 - 2 bedrooms, 1 bathroom
 - Rehabilitation plans are consistent with NRHP standards
- Historic Saint Paul
 - Local, non-profit preservation and history advocacy
 - Preservation-friendly small-scale residential and commercial development experience

Slide 3

DL1

[@Joe Musolf] can you add the affordability info here too. Thanks!

Daniela Lorenz, 2026-07-01T20:30:02.674

JM1 0

good suggestion. done

Joe Musolf, 2026-07-01T20:49:35.075

JL1 1

[@Joe Musolf] it doesn't have to go on this slide, but where would you cover why additional subsidy is needed?

Jimmy Loyd, 2026-07-02T16:38:14.880

JM1 2

I added another slide

Joe Musolf, 2026-07-02T17:14:55.725



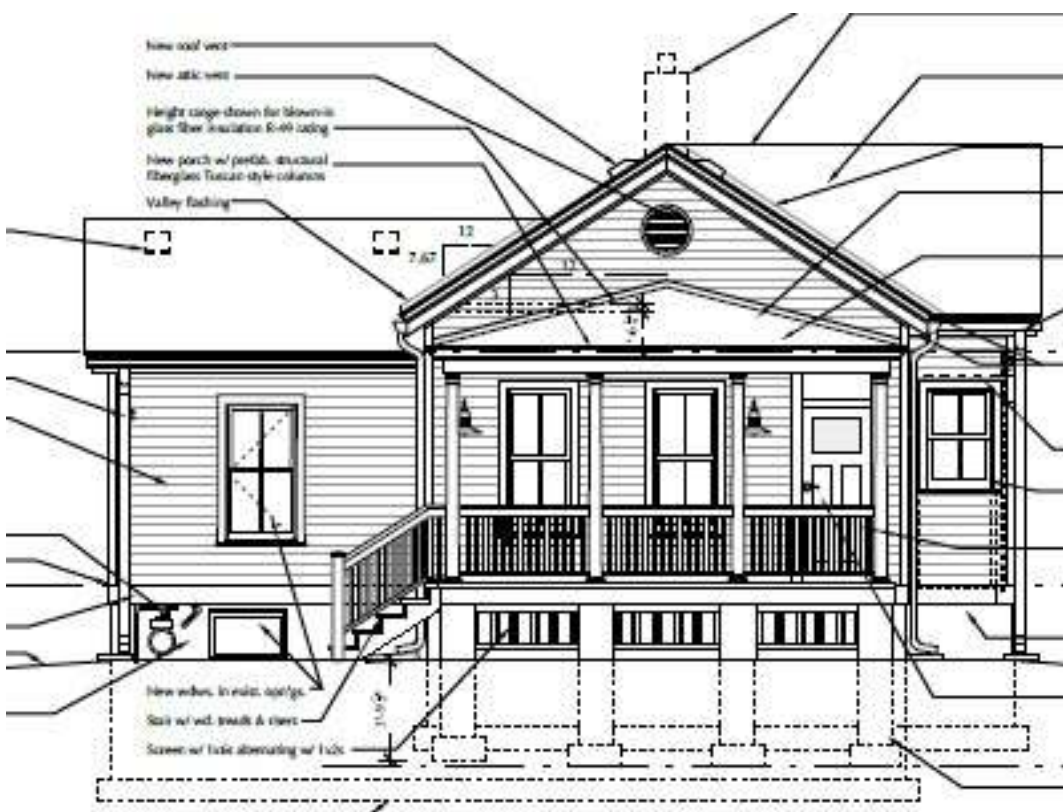
47 Douglas Street – Inspiring Communities



Existing house
East elevation
(Douglas)



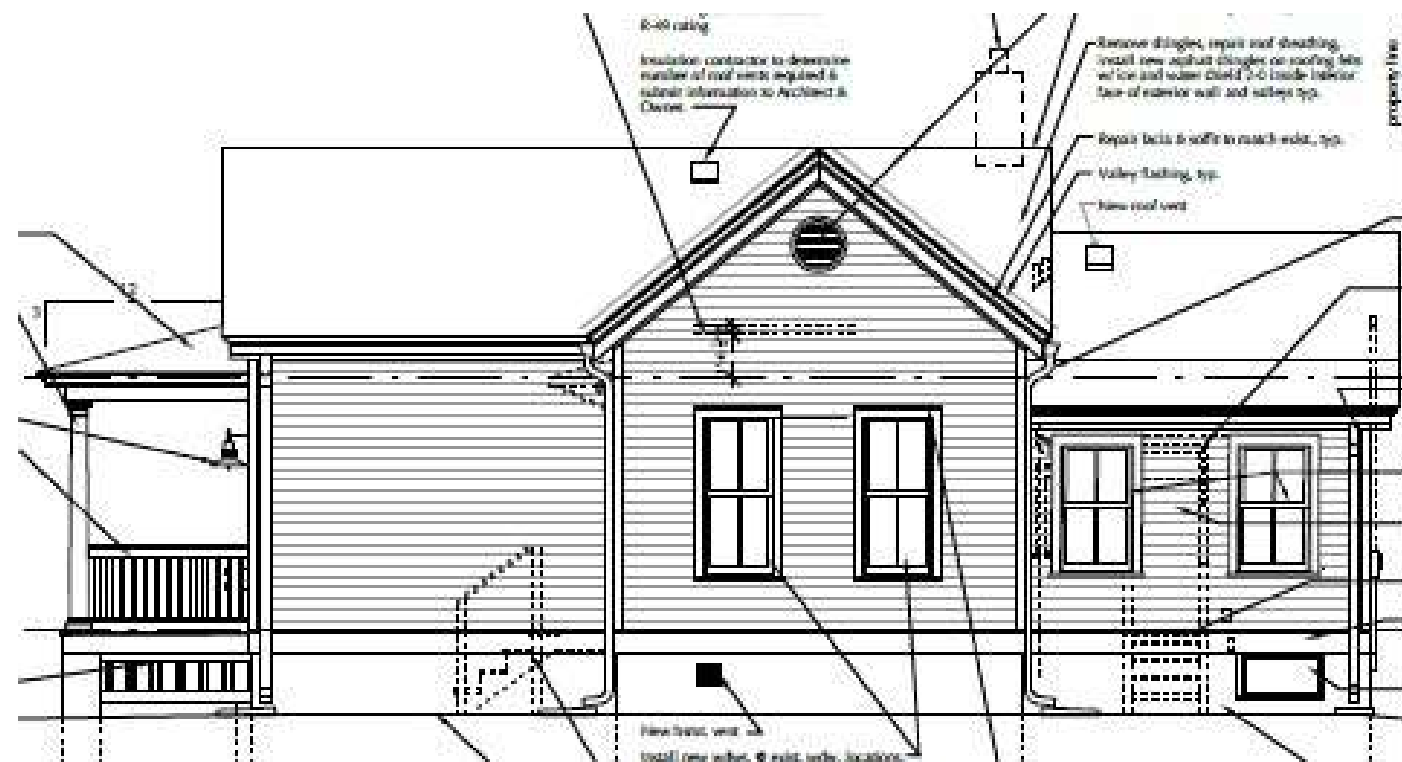
47 Douglas Street – Inspiring Communities



East (Douglas)
elevation



47 Douglas Street – Inspiring Communities



North
elevation





Previous HRA actions

- June 9, 2021: HRA approved sale of property and a \$130,000 development subsidy
- April 7, 2022: HRA approved an additional \$95,000 development subsidy for a total of \$225,000

Slide 8

DL1

Fine to leave it out of the written presentation but be ready to explain the reason for the additional subsidy and how we determined the ask was reasonable.

Daniela Lorenz, 2026-07-01T22:07:31.528

JM1 0

I added another slide with the additional information

Joe Musolf, 2026-07-02T17:14:05.646



Current request

- Since that time, the project has been delayed due to HSP's loss of commitments from two different general contractors. HSP also transitioned through a leadership change. The delay has resulted in increased construction costs. But, HSP has offset much of the increase with additional commitment from MHFA Impact Fund.
- **HSP is requesting an additional \$29,961 development subsidy for a total development subsidy of \$254,961**



Development Cost

	Current ask 7/22/26	Previously approved by HRA 4/27/22
Landacquisition	\$ 1	\$ 1
Hard construction cost	\$ 471,080	\$ 410,710
Soft costs	\$ 73,880	\$ 56,900
Developer fee	\$ 50,000	\$ 30,000
Total Development Cost	\$ 594,961	\$ 520,001
<i>Estimated Sales Price</i>	<i>(\$ 235,000)</i>	<i>(\$ 230,000)</i>
Total Development Gap	\$ 359,961	\$ 290,001
MN Housing CHIF	\$ 105,000	\$ 65,000
HRA gross subsidy	\$ 254,961	\$ 225,001



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: CDBG

HRA will provide up to \$5,000 downpayment assistance to buyer

- HRA funds, 0% interest, deferred, forgivable over 5 years



Project Labor Agreement

DL1

- HRA's investment in this project will exceed \$250,000. Therefore, City Council procedure of project labor agreements is applicable
- A written "Notice and Request for Recommendation on the Use of a PLA" was sent to interested parties
- No recommendations were received
- Consistent with standard practice and previous precedents, staff recommends non-use of PLA
- City Council must take an action on PLA decision

MM2

Slide 12

DL1

Melanie-- let us know how you want to proceed with the PLA piece. HRA is not the decision maker here but I don't want to ignore that it is an outstanding question.

Daniela Lorenz, 2026-07-01T22:09:18.769

JM1 0

I will ask John Kennedy to assist me with preparing the appropriate City Council Resolution and I will try to set this up to be on the 8/5/26 City Council agenda to correspond with this HRA action on the same day.

Joe Musolf, 2026-07-02T17:16:47.197

MM1 1

It would be good to note somehow that our 'standard process' was followed (that part was important to both Chair Johnson and CP Noecker), and that we have recommended that a PLA does not apply in previous similar situations when no recommendations or comments were received after public notice was given.

Melanie McMahon, 2026-07-06T14:44:55.344

JM1 2

thanks for the suggestion. done.

Joe Musolf, 2026-07-06T15:15:43.657

MM2

I think this could be changed to instead note that the recommended non-use of a PLA for this project would be approved via a resolution at City Council (again, noting that's the standard process we've done in the past and are following again here). Also, probably not put it as bold. Thanks!

Melanie McMahon, 2026-07-06T14:46:19.765

JM2 0

no longer bold

Joe Musolf, 2026-07-06T15:16:22.627



HRA Board action

- Reconfirm authorization to enter into a development agreement
- Authorize gross development gap contribution in the amount of \$254,961

Futured related actions

- City Council will consider approval of a CDBG budget change for this project at an upcoming meeting
- In conjunction with these actions, the City Council must ratify decision for non-use of PLA

Slide 13

DL1 [@Joe Musolf] – I reorganized this a bit just to be clear what the HRA is approving vs City Council.

Will there also be an AO at City Council for this? If yes, we can note that here as well.

Daniela Lorenz, 2026-07-01T22:11:40.637

DL2 [@Joe Musolf]--added this. Feel free to edit as needed. Thanks!

Daniela Lorenz, 2026-07-09T14:39:45.442

JM2 0 yes thanks for this suggested insertion

Joe Musolf, 2026-07-09T15:04:43.121



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