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**CITY OF SAINT PAUL**

**652 Sherburne Avenue**

**Spending Plan TIF Loan Extension Request**

**January 7, 2026**



## Project Overview & Request

- Location: 652 Sherburne Avenue, District 7, Ward 1
- Developer: Model Cities
- Rehabilitation of a vacant building
- Total of 6 units
- 100% Affordable at 30% of AMI
- Rental-to-ownership
- Request: Extend maturity date of Spending Plan TIF Loan from December 31, 2025, to June 30, 2026





## Unit Mix

Unit Type	# of Units	Rent Limit	Income Limit
1BR	1	30%	30%
2BR	3	30%	30%
4BR	2	30%	30%



## Background

- The HRA acquired 650 and 652 Sherburne and the adjacent lot, 648 Sherburne, in March 2018
- An RFP was issued in September 2020
- The Sherburne Collective was selected as tentative developer
- Ultimately, Model Cities became the Developer, in partnership with Rondo Community Land Trust
- Financing closed in May 2024 and permitting issues caused construction delays until August 2024



# About Model Cities and Rondo Community Land Trust



ModelCities

- Model Cities is a community-based non-profit whose mission is to promote social and economic prosperity opportunities for families
- Services: supportive housing, financial education, business support, and community development
- Most recently developed the BROWNStone Lofts on University Avenue



RONDO  
Community Land Trust

- Rondo CLT is a non-profit community based affordable housing and commercial land trust operating in Saint Paul and Ramsey County
- Mission: to provide affordable homeownership and rental opportunities for low and moderate-income households, preserve housing affordability, support neighborhood stability, expand business opportunities and contribute to the community



## Project Structure

- The land was conveyed to Rondo CLT, while Model Cities leases the land and owns the building improvements
- Units will initially be leased to qualifying tenants for 5 years
- In the 6<sup>th</sup> year, the ownership of the property will transition to a community/occupant ownership model, such as a land trust or residential cooperative
- Once all units are transitioned to ownership, the lease between Rondo CLT and Model Cities will be terminated. The property will remain in the community land trust.
- Sales price must be affordable to families at 30% of AMI



## Current Financing

	Ramsey County ARPA	Spending Plan TIF	CDBG
Lender	Ramsey County	City of Saint Paul HRA	City of Saint Paul
Lien Position	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>
Principal	\$1,683,303	\$386,279	\$949,500
Interest	0%	0%	0%
Maturity Date	May 14, 2054	December 31, 2025	Date of the sale of the final unit





## Spending Plan TIF Loan Terms

- Loan was originated to be forgiven in full if three conditions are met by maturity date:
  - All Affordable Units are leased to Extremely Low-Income tenants; and
  - A jobs report is submitted to the HRA; and
  - A certificate of occupancy is submitted to the HRA.





## Request

- The Developer, Model Cities, is requesting an extension to fulfill these three requirements
- Extend maturity date of Spending Plan TIF Loan from December 31, 2025, to June 30, 2026



# **Anticipated Timeline**

**Construction finish – Q1 2026**

**Secure Certificate of Occupancy – Q1 2026**

**Lease up of all units – June 2026**

# Questions?



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