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CITY OF SAINT PAUL

2026 Low Income Housing Tax Credit Reservation

October 2025



Background

- The Federal Tax Reform Act of 1986 created the Low-Income Housing Tax Credit Program (the “Credit Program”), which provides a reduction in federal tax liability to owners and investors of qualified low-income housing developments that comply with federally imposed rent and tenant income restrictions
- The Minneapolis/St. Paul Housing Finance Board (the "Joint Board") is a suballocator of tax credits
- The HRA Board is authorized to administer, reserve and allocate credits for projects in St. Paul



Background

- Projected allocation of credits for St. Paul in 2026 is \$1,140,454.00
- RFP notice publication for 2026 credits: June 12, 2025
- RFP deadline for submission of applications: July 24, 2025
- Staff received 3 applications:
 - The Aragon (Beacon Interfaith – 540 White Bear Ave)
 - Highland Bridge Phase III (PPL – Bohland and Cretin Ave)
 - Ramsey Hill (Trellis Co. - 232 Marshall Ave)



Project: The Aragon

Project Name:	The Aragon
Address:	540 White Bear Avenue
Developer:	Beacon Interfaith Housing Collaborative
Owner:	Beacon Interfaith Housing Collaborative or affiliate LP
Project Type:	New Construction
Total Units	53
Zoning District	H2 Residential Zoning District
Eminent Domain	none
Project Cost	\$27,415,982
City Financing to be requested:	\$500,000
2025 Housing Tax Credit requested:	\$2,322,740



Project: Highland Bridge Phase III

Project Name:	Highland Bridge Phase III
Address:	Bohland and Cretin Ave.
Developer:	PPL
Owner:	PPL or affiliate
Project Type:	New Construction
Total Units	59
Zoning District	F4 Residential Mixed High District
Eminent Domain	none
Project Cost	\$26,825,951
City Financing to be requested:	\$3,000,000
2025 Housing Tax Credit requested:	\$2,054,304



Project: Ramsey Hill

Project Name:	Ramsey Hill
Address:	232 Marshall Avenue
Developer:	Trellis Co.
Owner:	Trellis Co. And affiliate
Project Type:	Rehabilitation
Total Units	54
Zoning District	RM2 Medium Density Residential
Eminent Domain	none
Project Cost	\$17,114,812
City Financing to be requested:	\$1,400,000
2025 Housing Tax Credit requested:	\$1,515,000



Scoring

Criteria	Description	The Aragon	Highland Bridge III	Ramsey Hill
A1	Percentage 30% AMI (up to 10 points)	10	10	10
A2	Percentage 50% AMI (up to 6 points)	3	6	3
A3	Homelessness (up to 25 points)	18	18	12
B1	New construction outside of QCT	0	5	0
B4	Rehab that preserves project-based Section 8 assistance	0	0	1
C1	Healthy Communities, Wealth and Community Building (up to 9 points)	7	6	5
C2	Neighborhood Support (1 point)	1	1	1
C4	Non-Profit Status (2 points)	2	2	2
C5	Non-Smoking policy (1 point)	1	1	1
D1	Larger-sized Family Housing Units (up to 15 points)	15	15	0
D2	Transit (up to 3 points)	3	3	3
D4	Equity and Cultural Integration (up to 10 points)	10	0	10
D5	Tenant Selection Plan (up to 4 points)	4	4	3
Eb	Project has and HRA/City debt obligation	0	0	5
F2	Intermediary costs/Soft costs (up to 4 points)	2	2	2
F4	Long term affordability (up to 7 points)	7	7	7
Total		83	80	65



Recommendation

Approval of the reservation of the 2026 LIHTC in the amount of \$1,140,454.00 for the Aragon project



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