



STPAUL.GOV

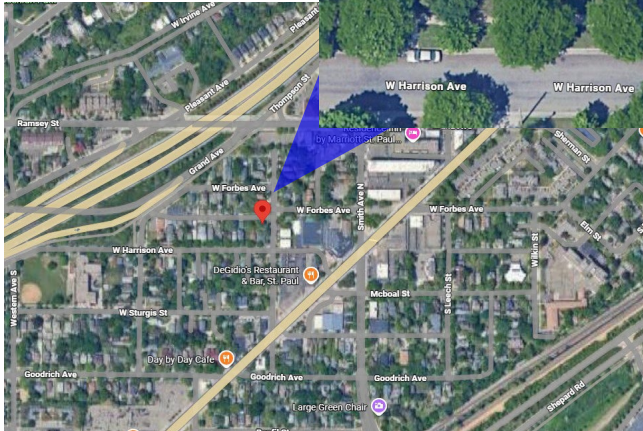
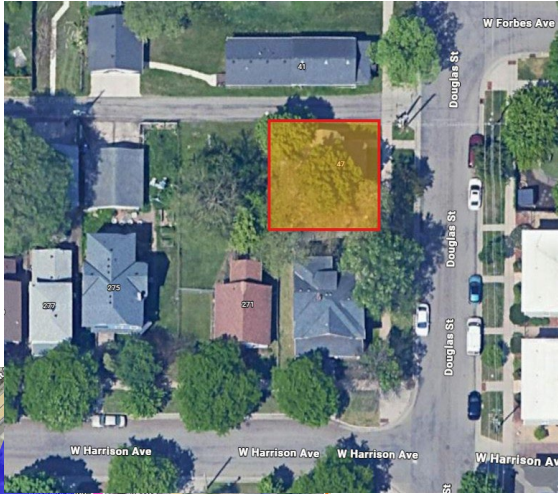
Approving additional funding for redevelopment of 47 Douglas Street

CITY OF SAINT PAUL



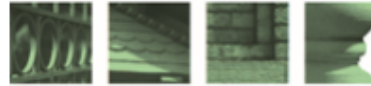
Project Location

- 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





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 by 80% 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



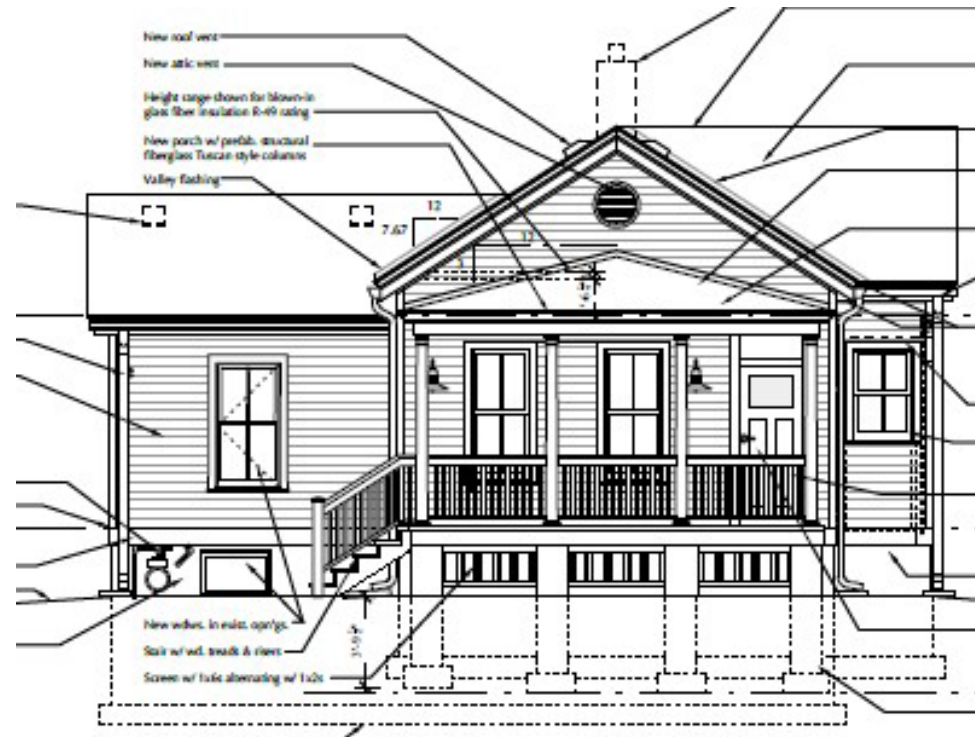
47 Douglas Street – Inspiring Communities



Existing house
East elevation
(Douglas)



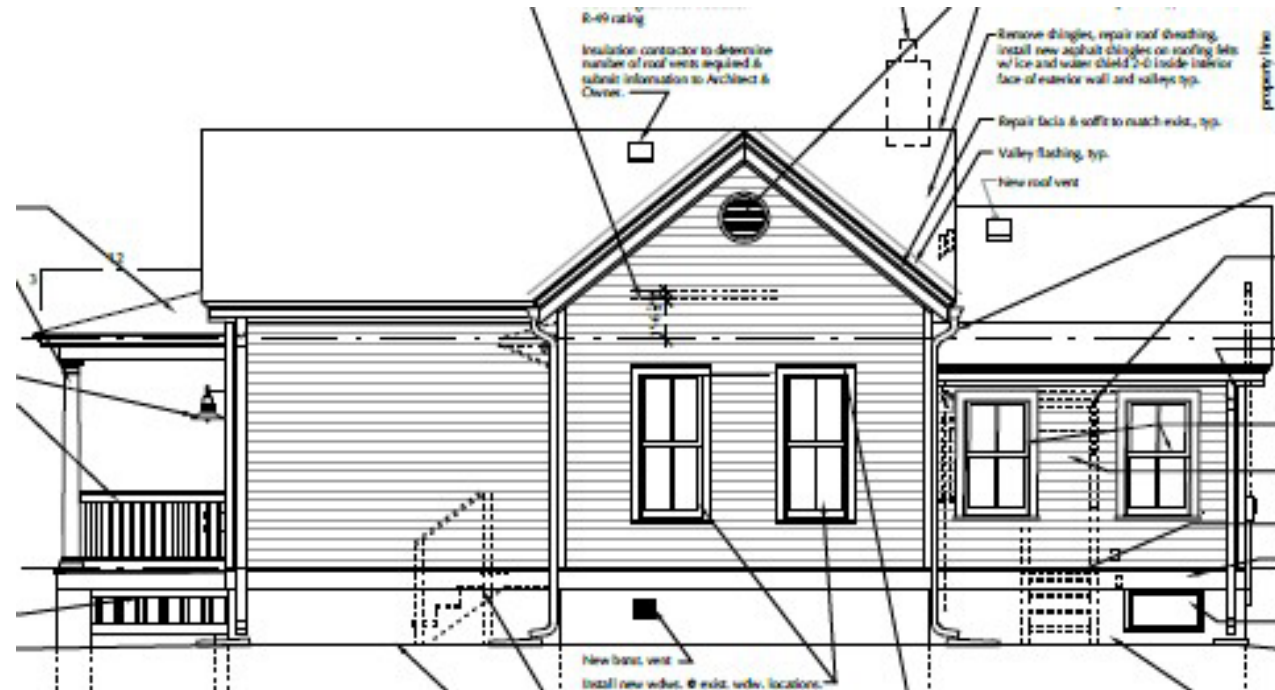
47 Douglas Street – Inspiring Communities



East (Douglas)
elevation



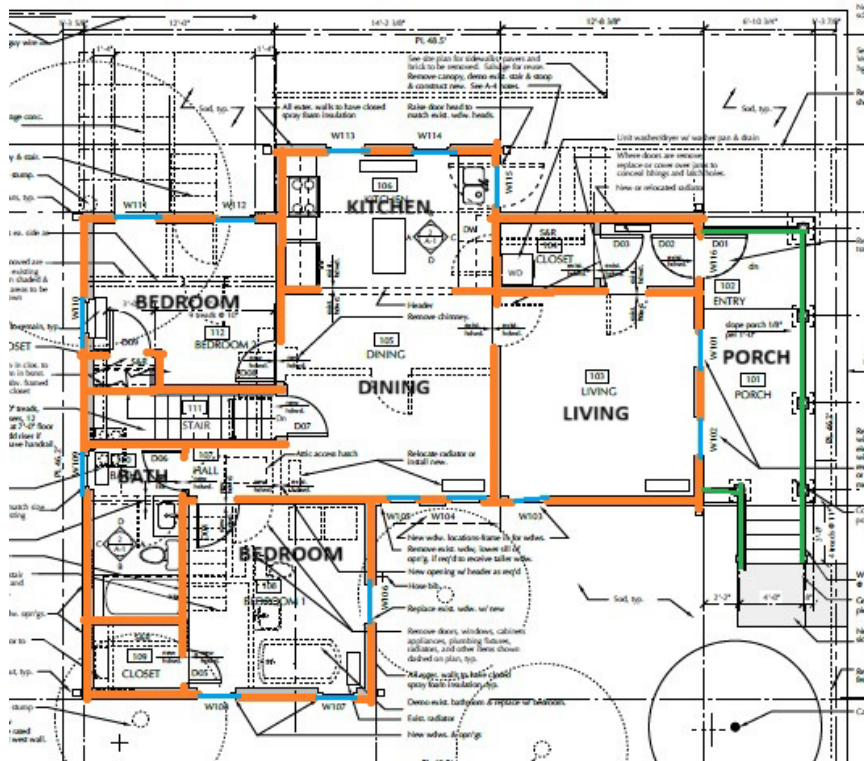
47 Douglas Street – Inspiring Communities



North
elevation



47 Douglas Street – Inspiring Communities



Floor plan



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



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
Land acquisition	\$ 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

- 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



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



Joe Musolf
Principal Project Manager
Dept of Planning and Economic Development
651-266-6594
joe.musolf@ci.stpaul.mn.us