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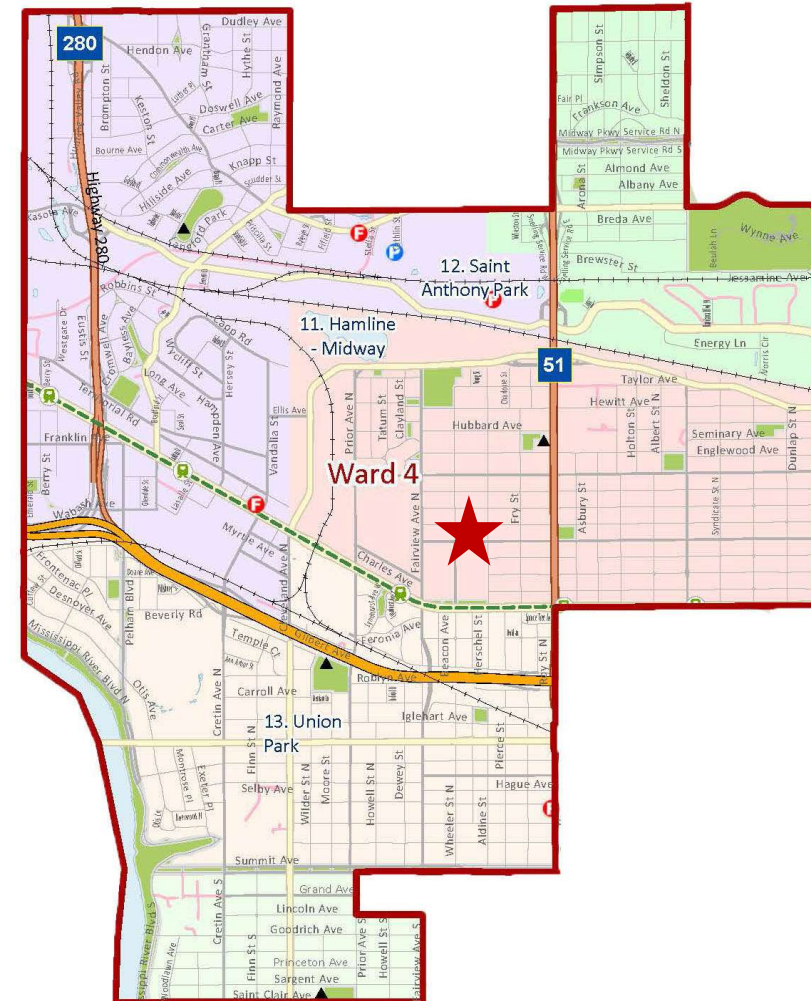
Briefing on 1749 Thomas Ave

Photo credit to Edina Realty



Intro to 1749 Thomas Ave

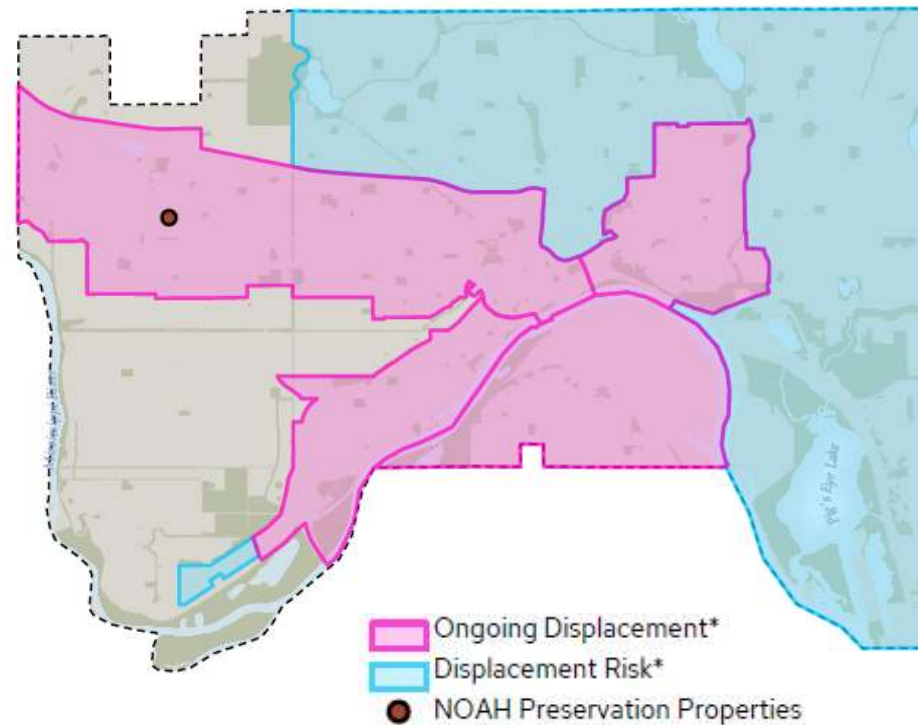
- Proposal by Kali Terry of New Verticals Development LLC & Life Juices
- 7-unit building (all 1BRs) in Hamline-Midway
- Proposed \$315,000 loan as part of \$846,850 total development cost
- First mortgage of \$468,000 from Midwest Minnesota Community Development Corp (6.83%, 15-years)
- Developer contributing \$61,000 in equity (7% of project cost)
- Affordability protections at 50% AMI rent & income limits for 20 years
- Steady cash flow – Y1 debt coverage service ratio (DCR) at 1.13 with consistent moderate increases Y2-20





1749 Thomas Ave location

- The property is in an area of ongoing displacement
- Areas of ongoing displacement & displacement risk were identified and defined by the city's 2023 Anti-Displacement "Existing Conditions Analysis and Engagement Findings"*





Property profile

- 7 units
- 1BR units, 750 sq ft
- Fully occupied
- Built in 1958
- Parking spaces in rear
- Coin laundry

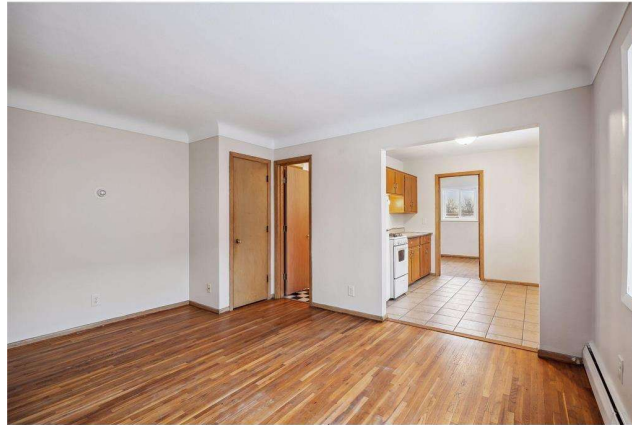


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1749 Thomas Ave rent & income limits

- All 7 units (100%) will be preserved at 50% AMI (rent and income restrictions) for 20 years
- Current tenants' incomes are exempt/grandfathered in

Household Gross Annual Income Limits for 50% AMI

# of persons	1	2	3	4	5	6	7
Income limit	\$43,500	\$49,700	\$55,900	\$62,100	\$67,100	\$72,050	\$77,050

Monthly Rent & Utilities Limits for 50% AMI

# of bedrooms	Studio	1	2	3	4	5	6
Rent limit	\$1,087	\$1,165	\$1,397	\$1,615	\$1,801	\$1,988	\$2,173



Kali Terry's background

- Real estate experience
 - Career start as carpenter & framer
 - LISC Developers of Color 2021 cohort
 - ULI Real Estate Diversity Initiative 2022 cohort
 - Currently owns 17 units of safe, clean, affordable housing in MPLS & STP
- Current City-funded projects
 - 1195 Bush Ave (Inspiring Communities)
 - Life Juices (STAR)
- Partnerships
 - Radas Health
 - Midwest Minnesota Community Development Corporation (senior lender)



Photo credit to Ashley Lauren & Minnesota Spokesman Recorder



Financing plan – sources and uses

Sources	Uses	Amount	Lien
MMCDC First Mortgage	Acquisition	\$468,000	1st
Saint Paul Gap Loan	Acquisition	\$315,000	2nd
Developer Equity	Acquisition, repairs, HRA origination fee	\$61,000	N/a
Ramsey County site assessment grant	Environmental site assessment	\$2,850	N/a

Total Development Cost (TDC): \$846,850



Financing plan – loan profiles

<i>*proposed terms*</i>	MMCDC First Mortgage	Saint Paul NOAH Loan
Amount	\$468,000	\$315,000
Interest Rate	6.83% fixed	0%
Term	15 years	20 years
Amortization	25 years	N/a
Payments	Monthly principal & interest, principal due at maturity	Deferred for duration of term
Funding	Single advance	
Maturity	August 2039	August 2044
Collateral	1st mortgage on real estate	2nd mortgage on real estate



Thank you! Questions?

Photo credit to Edina Realty