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CITY OF SAINT PAUL

2025 Low Income Housing Tax Credit Reservation

August 14, 2024



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 for a minimum period of 30 years (“Credits”)
- The Minneapolis/Saint Paul Finance Board is a suballocator of tax credits
- The HRA Board is authorized to administer, reserve and allocate credits for projects in Saint Paul



Background

- Projected allocation of credits for Saint Paul in 2025 is \$984,219
- RFP notice publication for 2025 credits: May 20, 2024
- RFP deadline for submission of applications: July 8, 2024
- Staff received 2 applications:
 - East 7th (PPL – 892 East 7th Street): \$984,219 requested
 - The Aragon (Beacon Interfaith – 510 White Bear Avenue): \$2,261,2584 requested



Projects: East 7th

Project Name:	East 7 th
Address:	892 East 7 th Street
Developer:	Project for Pride in Living (PPL)
Owner:	Project for Pride in Living (PPL)
Project Type:	New construction
Total Units	60
Zoning District	T3 - Traditional Neighborhood District
Eminent Domain	None
Project Cost	\$31,541,769
City Financing to be requested:	\$2,393,205
2025 Housing Tax Credit requested:	\$984,219
2025 Housing Tax Credit recommended:	\$984,219



Projects: The Aragon

Project Name:	The Aragon
Address:	510 White Bear Avenue
Developer:	Beacon Interfaith Housing Collaborative
Owner:	Beacon Interfaith Housing Collaborative
Project Type:	New Construction
Total Units	56
Zoning District	H2 Residential Zoning District
Eminent Domain	none
Project Cost	\$25,490,268
City Financing to be requested:	\$0
2025 Housing Tax Credit requested:	\$2,261,584
2025 Housing Tax Credit recommended:	\$0



Scoring

Criteria	Description	East 7th	The Aragon
A1	Percentage 30% AMI (up to 10 points)	10	10
A2	Percentage 50% AMI (up to 6 points)	6	6
A3	Homelessness (up to 25 points)	12	
C1	Healthy Communities, Wealth and Community Building (up to 8 points)	7	2
C2	Neighborhood Support (1 point)	1	1
C4	Non-Profit Status (2 points)	2	2
C5	Non-Smoking policy (1 point)	1	1
D1	Larger-sized Family Housing Units (up to 15 points)	15	15
D2	Transit (up to 3 points)	3	3
D4	Equity and Cultural Integration (up to 10 points)	10	10
D5	Tenant Selection Plan (up to 4 points)	4	4
F2	Intermediary costs/Soft costs (up to 4 points)	3	2
F3	Prior 9% HTC Commitment (10 points)	10	
F4	Long term affordability (up to 7 points)	7	7
	TOTAL	91	63



Recommendation

Approval of the reservation of the 2015 LIHTC in the amount of \$984,219 for the East 7th PPL project



East 7th Project Overview: 60 units new construction

- New construction
- 60 units (affordable to families at 30%-60% AMI)
- 1-bedroom to 5-bedroom units
- Supportive housing to single adults
- Financing includes:
 - ARPA (Saint Paul and Ramsey County)
 - City of Saint Paul Temp TIF
 - LIHTC
 - Metropolitan Council Predevelopment grant
 - HRA
 - MHFA first mortgage
 - DEED development grant





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