

Healthy Futures Fund*

ROLLING HILLS APARTMENTS St. Paul, MN

PROJECT SUMMARY

Renovation of 108 high-quality affordable apartments

Rolling Hills Apartments is a six-building complex, consisting of nine studio, 27 one-, 69 two-, and three three-bedroom units for a total of 108 affordable apartments.

An additional seventh structure - the new 4,000 square-foot two-story community building - was part of the rehabilitation and houses an exam room, which service provider Westside Community Health Services uses to administer customized healthcare services for residents.

BACKGROUND

Originally constructed in 1964, Rolling Hills Apartments, a six-building complex in St. Paul, Minnesota, was situated in a neighborhood targeted by the city for revitalization through its Neighborhood Stabilization Program. Due to its age, its owners recognized the need for renovation in order to continue to offer high-quality affordable housing to low- and moderate-income individuals and families.

The challenge for its co-sponsors, Lutheran Social Services of Minnesota and Richard Pakonen, was to complete the renovation without relocating its tenants, a large portion of which were refugees. Because of the buildings' history of low rent and partnerships with several non-profit community organizations, it had become a welcome option for a diverse demographic of immigrants. Minnesota receives approximately 1,500 refugees every year.

LISC'S HEALTHY FUTURES FUND

LISC has joined forces with Morgan Stanley and the Kresge Foundation to launch the Healthy Futures Fund, an initiative to support development of Federally Qualified Health Centers (FQHCs) in underserved areas and affordable housing that incorporates health programs for low-income residents. The fund utilizes Low Income Housing Tax Credit equity and New Markets Tax Credit enhanced loan capital to drive economic development that helps improve health outcomes. National Equity Fund invested \$9.5 million in LIHTC equity in Rolling Hills Apartments.

LISC's HFF financing is a custom product featuring non-traditional terms: a below-market interest rate; lower than standard origination fees and debt service coverage ratios; longer than standard interest-only payment period and amortization periods; and higher than standard loan-to-value ratios.



KEY DETAILS

BASICS

Tax Credit Equity: **\$9.5 million**
Total Development Cost: **\$15 million**
Project Type: **Family**

STAKEHOLDERS

Sponsor/Developer
Lutheran Social Services of Minnesota
Richard Pakonen

Limited Partnership
HR-St. Paul Apartments, LP

Permanent Lenders
Sunrise Banks
City of St. Paul, MN
Minnesota Housing Finance Agency
Family Housing Fund
Lake Energy Investments, Inc.

IMPACT

- 108 total units
- 9 studio, 27-1 br, 69-2 br, 3-3 br

	Year 1	Ongoing
Jobs Created*	132	32
Community Impact* (in millions)	\$8.5	\$2.6

*Based on a model created by the National Home Builders Association to estimate economic benefits.

Learn more at www.healthyfuturesfund.org.

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