

March 12, 2024

Senator Found Hawj
Assistant Majority Leader, 67, DFL
95 University Avenue W., Minnesota Senate Bldg. Room 3231
St. Paul, MN 55155

Representative Liz Lee
Assistant Majority Leader, District 67A
539 State Office Building
St. Paul, MN 55155

RE: Letter of Support for The Heights Redevelopment

Dear Mr. Hawj and Ms. Lee,

The American Federation of Labor and Congress of Industrial Organizations Housing Investment Trust (the “Trust”) strongly supports The Heights redevelopment situated in the Greater East Side of Saint Paul, Minnesota. This ambitious project, approved by the City of Saint Paul in June 2022, is poised to bring about a significant transformation of the former Hillcrest Golf Course. The redevelopment aims to create 1000 new housing units alongside living wage jobs, fostering a vibrant community. The project’s housing component includes strong sponsorship from key players, including Sherman Associates, JO Companies, and Twin Cities Habitat for Humanity. Together with the local building trades, they are collaboratively working towards the development critical affordable homeownership and rental housing opportunities. Additionally, these efforts will contribute to the equally important creation of family-supporting union jobs.

The Trust is interested in providing construction and permanent financing for the components within the designated 25-acre area dedicated to affordable homeownership, workforce housing, affordable rentals, and senior rental housing. These efforts include providing deeply affordable units for families below 30% of the Area Median Income (AMI). The **sponsor’s funding request from the State plays a crucial role in bridging the gap between construction costs and the goal of delivering affordable housing** to the community. We take pride in collaborating with various stakeholders, including **local building trades, the Port Authority of Saint Paul, the City of Saint Paul, Ramsey County, and both State and federal agencies.**

With over \$6.5 billion in net assets as of January 31, 2024, the Trust provides capital for new construction, substantial rehabilitation, and preservation of affordable and market-rate multifamily projects nationwide, using 100% union labor. The Trust focuses its investments on housing projects that provide competitive returns to our union and public pension fund investors, create union construction jobs, and strengthen communities.

The Trust has extensive experience working in Minnesota, **having invested \$1.9 billion in 111 projects in the state, with 81 projects totaling \$1.5 billion in the Twin Cities.** The Trust also has experience with the development team, having **partnered with Sherman Associates to finance the creation or rehabilitation of 2,009 units of multifamily housing in Minnesota since 2010, 67% of which is affordable.** We have the experience and capacity to work with the development team to finance this impactful redevelopment.

Despite our interest in being involved, at this time this letter does not constitute a commitment from the Trust to provide financing for the Project. Any commitment must follow a deliberative process which would articulate the general terms and conditions upon which the Trust would consider providing financing. The actual terms and conditions of any commitment issued by the Trust would be dependent upon the results of the Trust's review and analysis of the underwriting and due diligence for a particular phase of the Project, as well as Trust Investment Committee approval. Any such commitment would be in writing and clearly identified as a commitment.

Thank you for your consideration of the funding request for The Heights redevelopment as it seeks to leverage private capital, non-profit fundraising, and public support to bring much needed housing to St. Paul. Together, we aim to realize the vision of accessible housing and sustainable employment opportunities.

Best Regards,

A handwritten signature in black ink, appearing to read "Chang Suh", written in a cursive style.

Chang Suh
Chief Executive Officer and Chief Investment Officer



EAST SIDE
FUNDERS GROUP

April 8, 2024

To: Chair Representative Michael Howard
Housing Finance Policy Committee

Dear Chair Howard and Members of the Committee:

On behalf of East Side Funder Group (ESFG), I am writing to express our support for the creation of SF4055/HF4278 requesting support for the development of 1,046 homes here at the Heights development.

The ESFG is a collaboration of partners who bring resources and investments to learn, identify, influence and align around opportunities to increase economic vitality for residents on the East Side of Saint Paul, particularly the Dayton's Bluff and Payne-Phalen neighborhoods. The Heights is a key redevelopment site for the Ramsey County, the City of Saint Paul, and the East Side. The vision for the Heights aligns with our objective to increased economic vitality. ESFG funded and supported community engagement for the site to ensure resident and local community member feedback was engrained in the project plans.

We are supportive of the proposals from Sherman & Associates, JO Companies and Twin City Habitat for Humanity because the proposal is in line with community housing priorities including affordable rental, workforce housing, and homeownership opportunities. Thank you for your time. Please contact me with any questions at 612-310-3715.

Sincerely,

Erin Heelan

Erin Heelan, East Side Funders Group



April 8, 2024

Chair Michael Howard
Members of the House Housing Finance and Policy Committee

The Minnesota Homeownership Center supports funding for The Heights Affordable Housing Partnership to increase access to affordable housing, including affordable homeownership, on the Greater East Side of St. Paul. We encourage your support of HF 4278.

The Center believes that owning a home is the foundation for personal and community success. For over 30 years, we've worked to educate buyers on the complicated process of owning and sustaining a home. We've carried out this work by partnering with community-based organizations throughout the state to offer unbiased homebuyer education, advising, and foreclosure prevention services.

In our role as an intermediary, we also engage in other efforts to drive equitable access to homeownership, like monitoring and advocating on behalf of consumers. In our work, access to affordable inventory, coupled with rising interest rates, have been escalated in recent years as key challenges and barriers for first-generation homebuyers, including households of color.

The redevelopment at The Heights creates an unprecedented opportunity to create a multi-cultural, mixed-income neighborhood in a part of the state that has never seen this degree of investment. The construction of 147 units by Twin Cities Habitat for Humanity will be a game-changing boost to affordable homeownership production. Furthermore, the proposed mix of housing types and the economic development emphasis will offer comprehensive community based resources in a neighborhood setting.

Thank you for your efforts in working to ensure more affordable homeownership and wealth-building opportunities for Minnesotans.

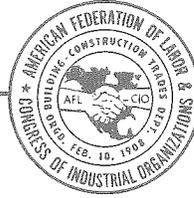
In partnership,

A handwritten signature in black ink that reads "Julie Gugin". The signature is fluid and cursive, with the first name being more prominent.

Julie Gugin, President & CEO Minnesota Homeownership Center

Saint Paul

Building and Construction Trades



Council

Support for HF4278 – The Heights Housing Development

Dear Members of the Housing Finance and Policy Committee:

I am writing to express the strong support of the Saint Paul Building and Construction Trades Council for the Heights Affordable Housing Legislation. This crucial piece of legislation not only aims to provide affordable housing solutions but also serves as a significant job creator in our community.

The proposed Heights 112-acre redevelopment project is expected to generate over 1000 living wage jobs through the construction of new commercial development facilities. These employment opportunities will be facilitated by the Saint Paul Port Authority over the next 6 to 10 years, offering a platform for small and diverse businesses and contractors to thrive.

The development plans encompass a diverse mix of housing solutions carefully designed to create a sustainable and culturally vibrant community. The housing options will include affordable homeownership, and market-rate, affordable, and senior rental housing, catering to a range of income levels. Notably, a portion of the housing will be deeply affordable, targeting individuals at 30% of the Area Median Income (AMI).

The investment in the Heights project is significant, with an estimated leverage of \$430 million in private equity, non-profit fundraising, and public sector contributions from the City of Saint Paul, Ramsey County, Metropolitan Council, and state and federal entities. This collaborative effort underscores the commitment to making affordable housing accessible and addressing the housing needs of our community.

The construction phase for the Heights project is scheduled to span from 2024 to 2028, presenting a window of opportunity for economic growth and community development. We believe that this project not only addresses the critical need for affordable housing but also stimulates economic activity and employment opportunities in our region.

We urge you to support the Heights Affordable Housing Legislation and join us in shaping a more inclusive and vibrant community for all residents. Together, we can make a meaningful impact and create a legacy of sustainable, affordable housing solutions.

Thank you for your attention and consideration.

Sincerely,

Saint Paul Building and Construction Trades Council

April 5, 2024

Rep. Michael Howard, Chair, House Housing Finance and Policy Committee
473 State Office Building
St. Paul, MN 55155

Re: H.F. 4278- Affordable Housing at The Heights

Dear Chair Howard and Committee Members:

On behalf of the St. Paul Area Chamber and its members, I write to offer our strong support for H.F. 4278, which will provide Housing Infrastructure Bonds (HIB) to help deliver affordable housing at The Heights.

The Heights is an exciting opportunity for the City of Saint Paul, bringing over 1,000 new homes, 1,000 new jobs, and 20 acres of parks, trails, and greenspace in a single redevelopment. The project also has robust sustainability goals and aims to be one of the first Net Zero communities in the country.

The state support requested in this bill will help defray the costs of land and infrastructure and pay for the predesign, design and construction of affordable housing. These state resources will provide a match to the \$400 million in private capital, City of Saint Paul, Ramsey County, and federal investment resources committed to the project.

The development team behind this project has a bold vision for affordable housing at The Heights, featuring multi-family, twin homes, townhomes, and single-family options. JO Companies will construct a 199-unit multifamily building featuring studio, one-, two- and three-bedroom units, ranging from 30-60% AMI. Sherman Associates will deliver 700 units across five buildings, a mixture of market-rate workforce housing and low-income housing tax credit options, with a significant portion of the units at 50-60% AMI. Finally, Twin Cities Habitat for Humanity will bring 140 mid-density affordable homeownership units to the site.

The redevelopment at The Heights is truly a once in a generation opportunity to bring good-paying jobs and diverse affordable housing options to Saint Paul's East



Side. We ask that you support this legislation to provide state resources to close the funding gap and make these positive outcomes a reality.

Sincerely,

A handwritten signature in black ink that reads "Brenda L. Kyle". The signature is written in a cursive style with a large initial 'B' and 'K'.

B Kyle
President and CEO
St. Paul Area Chamber