

St. Louis Stamping Lofts
St. Louis, Missouri

Photo by
St. Louis Equity Fund

Far from Plain Vanilla

*St. Louis Housing Project to Anchor Urban Farm,
Business Incubator Complex*

By Joseph Poduska

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“It’s not your typical LIHTC project,” says developer Craig Heller of North River Development LLC, referring to St. Louis Stamping Lofts near downtown St. Louis, Mo.

Indeed the new supportive housing project, which contains 56 studio apartments targeted to low-income individuals with special needs, including formerly homeless individuals, military veterans, and ex-offenders, is part of something that the nation – and perhaps the world – has never seen before.

The \$9.8 million “Stamping Lofts,” funded with federal and state low-income housing and historic tax credits, is just the first phase of a larger innovative development called FarmWorks that will also include:

- An urban farm with indoor and outdoor growing spaces utilizing sustainable growing processes, producing fruits, vegetables, fish, chickens, goats, and bees;
- A business incubator with low-cost warehouse space and office space for start-up green businesses. The facility will process food from the farm and distribute it locally to various customers including grocery stores, restaurants, and a nonprofit that supplies food to the city’s food “deserts”; and,
- An educational facility offering classes and tours for local schools and the public.

Residents of Stamping Lofts will receive training in growing, processing, and distributing food at the urban farm and green business incubator to acquire the skills for subsequent job opportunities at the farm, the incubator, or other local businesses. Two local nonprofits, Gateway Greening and St. Patrick Center, will conduct the training of residents and provide job placement services.

Another Heller development entity, LoftWorks, will start construction of the second phase this summer.

Historic Background, Civic Mission

Construction of Stamping Lofts began in February of 2012 and was completed in December. As of May 2013, two-thirds of the apartments were leased.

Just blocks north of the city’s famous Gateway Arch, Stamping Lofts was created from the renovation and

adaptive re-use of a vacant, four-story brick historic building. The 38,500-square-foot structure is part of a complex of six industrial buildings – constructed during 1871-1913 and on the National Register of Historic Places – that was originally used by the St. Louis Stamping Company, which manufactured domestic stamped tinware and granite ironware. The Hammond Sheet Metal Company, a wholesale supplier of sheet metal ductwork, occupied the buildings from 1902 until 2005.

The Stamping Lofts is in an industrial area that has been in decline for decades. The city was very interested in revitalizing the area, as well as providing additional permanent housing for homeless persons, many of whom have lived in the neighborhood.

St. Louis Mayor Francis G. Slay and his administration provided strong support for the Stamping Lofts project. According to Bill Siedhoff, Director of the Department of Human Services, Stamping Lofts is integral to the city’s “housing first” strategy – of producing permanent housing for the homeless – that has added 700 units of supportive housing since 2001. Since 2011, homelessness in St. Louis has been reduced by 30% to

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Source and Uses Summary

PERMANENT SOURCES

9% LIHTC Equity (St. Louis Equity Fund, Pinnacle Entertainment)	\$6,224,378
Federal Historic Tax Credit Equity (St. Louis Equity Fund, Pinnacle Entertainment)	\$1,294,400
State Historic Tax Credit Equity	\$1,485,315
State Housing Tax Credit Equity	\$696,930
General Partner equity	\$133,121
Total Sources	\$9,834,144

USES

Acquisition Costs	\$450,000
Construction Costs	\$5,791,682
Professional Fees	\$1,143,000
Financing Fees	\$280,375
Contingency	\$543,203
Furniture, Fixtures & Equipment	\$480,000
Reserves	\$767,150
Other	\$378,734
Total Uses	\$9,834,144

Stamping Lofts, continued from page 5

1,423 persons. One example of the success of the city's housing strategy has been to provide housing for 61 homeless persons who just a year ago lived in tents along the Mississippi River, two blocks from Stamping Lofts. "That encampment no longer exists," says Siedhoff. "We have basically relocated everyone and what's replacing it are places like FarmWorks."

Biggest Obstacle, Funding Sources

Heller said the biggest obstacle to getting Stamping Lofts started was obtaining an allocation of 9% federal low-income housing tax credits from the Missouri Housing Development Commission (MHDC). In Missouri there is stiff perennial competition for this resource.

To make sure that MHDC could place his tax credit application in context – understanding that this project would not be just an isolated building in a distressed area but rather part of a greater plan – Heller and his development team made formal presentations to the staff and some commissioners of MHDC. Heller also

spoke with officials at the state departments of agriculture and corrections.

In 2011, MHDC approved an allocation of \$750,000 in federal housing tax credits for Stamping Lofts.

Nearly all the funding for the project is from equity generated by federal and state housing and historic tax credits.

The St. Louis Equity Fund (SLEF) and Pinnacle Entertainment, the limited partner investors, provided \$7.5 million in equity in exchange for receiving federal housing and historic tax credits. SLEF also took the state housing tax credits, while the state historic tax credits were placed with Commerce Bank. Pricing for the federal housing credits was 83 cents per dollar of tax credit.

Pinnacle Entertainment is the owner of Lumière Place Casino and Hotels, which is located near the Stamping Lofts. Pinnacle made its \$2 million tax credit investment as part of a redevelopment agreement with the city, to help spur new development in the neighborhood.

The mission of the St. Louis Equity Fund (SLEF) is to invest in housing tax credits that finance affordable housing in St. Louis while providing a solid and safe return to its investors. According to President and CEO John J. Wuest, in addition to providing affordable housing SLEF was interested in the Stamping Lofts project because the area near the casino and hotel needs redevelopment. "We thought this would serve as a good catalyst to encourage development and create a facility – FarmWorks – that would serve a population that needs to be served," he said.

Property Features

The 56 apartments at Stamping Lofts average about 400 square feet. Each has furniture, a TV, kitchen appliances, and other necessities. St. Patrick Center refers prospective tenants and provides supportive services for residents. St. Patrick Center caseworkers and staff use space on the building's first floor, which also contains a laundry area, staffed front desk, meeting room, and eight of the apartments.

All of the apartments are LIHTC units, restricted to individuals making 60% or less of the area median income (AMI). The gross monthly rent is \$473. The St. Louis Housing Authority is providing federal project-based Housing Choice Vouchers for 28 units. **TCA**

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