ADAPTIVE REUSE WITH FHA FINANCING
DELMAR DIVINE

PROPERTY HIGHLIGHTS
• St. Louis, MO
• 150 units
• Market Rate Apartments

ORIGINAL USE
• Built in 1904 as a hospital
• St. Luke’s Hospital is on the National Register of Historic Places

YEAR BUILT
• Anticipated Completion: Fall 2021

FHA ROLE
• 221(d)(4) financing

HIGHLIGHTS
• Located in an Opportunity Zone
• Historic Tax Credits

DESCRIPTION OF PROJECT
• This project was designed to be a catalyst of revitalization for the surrounding neighborhood, while also providing a hub for local nonprofit resources and training.
• 150-unit, 8-story apartment building, part of a mixed-use project that includes apartments, offices, a café and a nonprofit collaborative.
• The first phase of the project will include these apartments and the nonprofit working space. Later phases will include office space and services such as early childhood education.
• Funding is through a public-private partnership that includes FHA insurance on the loan, new market and historic tax credits, and donations toward the nonprofit collaborative.
• St. Luke’s Hospital had been vacant for 7 years prior to this project.
• Experienced and well capitalized sponsor, including local business leader Maxine Clark, founder of the worldwide retail chain Build-a-Bear.

FINANCING STRUCTURE
Sources of funds include:
• FHA 221(d)(4) Substantial Rehabilitation Loan ($21.5 MM)
• City Tax Abatement for 15 years
• Federal and State Historic Tax Credit Equity
• Bridge Loan
• Deferred Developer’s Fee

Total Construction Cost: Approx. $25.7 MM

Scope of Work includes:
• Renovation and adaption of existing historic buildings
• Unit amenities will include: manufactured stone kitchen countertops, a full kitchen appliance package including microwaves, in-unit washer/dryer, and carpet and vinyl plank flooring.
• After rehabilitation, the building will no longer look like a hospital; rather, it will look like a desirable apartment community.