



April 14, 2021

RE: Appeal of Alatus Development LLC to the denial of a site plan for Lexington Station Apartments

City Council President Brendmoen and Members of the Saint Paul City Council,

This moment in our city's history presents a set of challenges unlike anything we've experienced. Perhaps more than ever before, the decisions we make as we begin to emerge from this global crisis will likely set the course for our beloved city for generations.

Even before these compounded crises, our housing crisis has and will continue to hinder nearly all the aspirations we have for our city. With our population at an all-time high, and with two decades of projected growth yet ahead, these challenges demand action.

We need more resources to shelter and support individuals experiencing unsheltered homelessness. We need more deeply affordable units to sustain families living below the poverty line. We need more market rate units to sustain our growth and minimize the push-down effect - where higher income renters who cannot find market rate housing end up occupying much-needed affordable units. We need more opportunities for families to build wealth through home-ownership. Simply stated, we need significantly more opportunities for families and workers at all income levels to live with dignity in our city.

Over these past several years, you and I have worked together closely to field a broad array of strategies in response to these compound needs:

- We have made landmark investments in our Affordable Housing Trust Fund to provide vital resources for new development in our community.
- We are leveraging the enormous potential of our Highland Bridge Site by ensuring a broad array of affordable housing is developed on this landmark site, including half of all affordable units at 30% of area median income.
- We launched our Families First Housing Pilot, a three-year, \$300 monthly rent supplement and ongoing supportive services to help low income families with school-aged children stay stably housed.
- We have redoubled our efforts and investment to support individuals experiencing unsheltered homelessness, connecting individuals to supportive resources, services, and shelter - including the unprecedented measure of transforming city buildings into temporary emergency shelters - while we strive to expand pathways to sustainable, long-term housing options.

We have reimagined city government through the course of the pandemic to launch bold interventions like the Saint Paul Bridge Fund, which provided millions of dollars in one-time grants to support low-income families and small businesses, and our People's Prosperity Guaranteed Income Pilot, providing 150 families with a \$500 monthly cash payment for a period of 18 months. Along with the Families First pilot mentioned above, these are the City of Saint Paul's first known initiatives to offer direct monetary assistance to help low-income families succeed and find pathways to self-sufficiency.

Finally, with the launch of the S.A.F.E. Housing Tenant Protections Ordinance we passed last summer, we are able to support our renter-majority community with a set of policies to promote stable, accessible, fair, and equitable housing practices across our city. This strategy will inevitably prove critical in supporting our ability to emerge with a more resilient and inclusive local economy.

While these investments respond to an array of needs, there are more opportunities to further our housing goals, including exploring the enormous potential of tools that help mitigate displacement, create more density, and leverage community ownership. We should continue to consider all options available to us.

I appreciate your support for the critical investments listed above, as we have worked to balance the myriad and complex needs of our constituents, and look forward to the opportunity to work with you to identify other tools the City can leverage in support of our community. This ongoing partnership will be essential as we look toward our 2022 city budget process, and particularly as we work together to leverage American Rescue Plan funds to chart our path through and beyond the pandemic.

Specifically, I appreciate the robust City Council discussion around the proposed Lexington Station development, and the collective urgency expressed toward our housing goals. As my own family inheritance was gutted when our Rondo neighborhood was uprooted to build I-94, the work of preventing displacement as our city grows could not be more sacred to me. While I do believe we share a common vision for shared prosperity and affordable housing in our city, your April 7, 2021 vote to deny the development application for this project runs contrary to these goals, and stands to create significant challenges to future housing and economic development in our city.

The proposed Lexington Station development would create 3,000 square feet of commercial space and 288 units of much needed housing. It would transform a long-vacant parcel with no viable alternative prospects, through a site plan that conforms to the underlying zoning of the parcel and requires no variances or conditional use permits from the city. No public funding subsidy is proposed.

While the enormity of our vision for affordable and inclusive housing in Saint Paul may make it difficult for any single development proposal to advance all of our goals, we are responsible for advancing housing and economic development opportunities that will be critical for our city's continued growth and vibrancy.

As we have argued together with regard to federal immigration policy, our goals of supporting existing residents and welcoming newcomers are not mutually exclusive, but complimentary: our growing population and expanding tax base provide needed resources to invest in community goals, and those investments sustain our growth by keeping Saint Paul an attractive place to live, work and play. Our long-term comprehensive housing strategy, our fight for density and efficient land use, the tenant protection ordinance we passed together last summer, and the investments we have made through our new Office of

Financial Empowerment, in combination, can guide our way to escaping the zero-sum dynamics which have historically pitted the demands of economic growth against the needs of existing residents and businesses, and to moving critical projects forward while preventing 'perfect' from being the enemy of 'good'.

For all of the reasons stated above, and after weighing the many aspects of this conversation brought forward by the engaged voices of our community, from Planning Commissioners, and from you, the members of the City Council, I cannot support the City Council's action effectively denying the site plan of the proposed Lexington Station development.

Accordingly, and pursuant to Section 6.08 of the Saint Paul City Charter, I hereby veto Resolution # RES 21-632 adopted today by the City Council.

I agree with the desire for this project to include units of deeply affordable housing. To that end, I will encourage the developer to seek Project Based Section 8 funding for Lexington Station at the next available opportunity. While we know these funds are highly competitive, if they choose to apply, I will support the developer's application, and will work to help it succeed.

Thank you for your leadership. I look forward to continuing our work together to guide our community through the compound crises of today, toward an even stronger, more resilient and inclusive future.

Sincerely,



Mayor Melvin Carter
City of Saint Paul