

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: May 13, 2015

**REGARDING: DESIGNATION OF RONDO COMMUNITY LAND TRUST/COMMUNITY
HOUSING DEVELOPMENT CORPORATION AS TENTATIVE DEVELOPER FOR THE HRA-OWNED
PROPERTIES AT 838, 840 AND 940 SELBY AVENUE. (WARD 1, DISTRICT 8)**

Requested Board Action

The purpose of this report is to request the Saint Paul Housing and Redevelopment Authority (HRA) Board of Commissioners to approve Rondo Community Land Trust (“Rondo CLT”), in partnership with Community Housing Development Corporation (CHDC) (together “Rondo CLT/CHDC” or “Developer”), as Tentative Developer for HRA-owned parcels located at 838, 840, and 940 Selby Avenue. Approval of this action grants Tentative Developer Status under the terms and conditions contained in the attached Resolution (**Attachment A**).

Background

Selby Avenue is one of the most exciting emerging commercial areas in Saint Paul. Years of substantive public investment has seen a recent, substantial increase in private investment. Selby from Dale Street to Western Avenue is now one of the most vibrant and vital economic nodes in Saint Paul. Selby from Fairview Avenue to Lexington Avenue has experienced an innovative and inspiring mix of private investments. Selby from Lexington to Dale has recently seen some of the same kind of private investment but there are also some sites of potential opportunity. The HRA-owned properties along this segment of Selby are such sites of opportunity (**Attachment B**).

Rondo CLT expressed interest in these HRA-owned parcels, and members of their development team met with members of PED’s economic development and housing staff sharing their development concept for the properties. In accordance with the HRA Policy and Procedures for Disposition of HRA Owned Real Estate (adopted by the HRA Board on June 11, 2003), the Notification of Proposals Received by HRA was posted on the city website on March 11, 2015

and notices were sent to the Early Notification System list. Interested parties were given 45 days to submit alternative proposals. No proposals were received.

PED staff has reviewed and discussed the Rondo CLT/CHDC proposal and supports granting Tentative Developer Status. The Developer proposes creating 30 to 33 units of affordable housing targeting seniors, and approximately 4,860 to 8,100 square feet of commercial space (the “Project”). The Project addresses a number of priorities of the Summit-University (District 8) District Council Area Plan. It will preserve the quality of the neighborhood, reflects the desires of the residents, gives priority to commercial development on vacant lots, promotes life-cycle housing, fosters minority business start-ups, retentions, and expansions from the community, and includes design elements that will enhance the Selby Avenue streetscape.

Budget Action

PED Staff is seeking a Tentative Developer Status designation only. There is no budget action at this time.

Future Action

Before the end of the 18-month Tentative Developer Status period, if successful, a full Development Agreement will be drafted for HRA approval at a public hearing. PED Staff and the Developer will work closely with key stakeholders, including the HRA and Summit-University (District 8) Council on the continued development and refinement of the Proposal.

Financing Structure

The HRA’s policy is to sell property at its appraised fair-market value. Any write-down of this value will be considered a public subsidy.

PED Credit Committee Review – N/A

Compliance

Within 10 days of the approval granting Tentative Developer Status to Rondo CLT/CHDC, a signed letter acknowledging receipt of the following City/HRA compliance documents

(“Compliance Documents”) that will or may be applicable for this Project will be due from the Developer:

- Vendor Outreach Program (separately signed by applicant)
- Two Bid Policy
- Affirmative Action
- Labor Standards
- Living Wage
- Business Subsidy
- Project Labor Agreement
- Compliance Agreement for Conduit Bonds and Host Approval

A second compliance letter, outlining the specific compliance requirements that will apply to the Project, will be required before seeking approval of the full Development Agreement 18 months from now.

Green/Sustainable Development

The Developer has conducted a preliminary meeting with PED Sustainable Building Policy staff.

Environmental Impact Disclosure – N/A

Historic Preservation – N/A

Public Purpose/Comprehensive Plan Conformance

Redevelopment of the Site will add considerable value to the city’s tax base, provide additional life-cycle housing and neighborhood commercial space, and enhance the streetscape along this key segment of Selby Avenue. The project is consistent with the City of Saint Paul’s Comprehensive Plan and the Summit-University District 8 Area Plan.

Recommendation:

Staff recommends approval of the attached HRA Board resolution designating Rondo Community Land Trust/Community Housing Development Corporation as Tentative Developer for the HRA-owned properties located at 838, 840, 940 Selby Avenue, for a period of 18 months pursuant to the following terms and conditions set forth in the resolution. This recommendation is based on the following:

- The Rondo CLT/CHDC Team has the experience and capacity to successfully undertake the development of the Site.
- The Rondo CLT/CHDC Team has a proposal that will fit well with the surrounding area uses, is consistent with existing plans for the area, and will contribute to and enhance the area.
- The Rondo CLT/CHDC Team has demonstrated a commitment to seeking and incorporating community input to its proposal.

Sponsored by: Commissioner Thao

Staff: Ross Currier

Attachments

- **Attachment B – Site Map of the Locations**
- **Attachment C – Background on the Developer**
- **Attachment D – Concept Plans**
- **Attachment E – Letters of Support**