

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

REPORT TO THE COMMISSIONERS

DATE: JUNE 24, 2026

REGARDING: RESOLUTION APPROVING AND AUTHORIZING RESERVATION OF FUNDS FOR CERTAIN SAINT PAUL PROJECTS APPLYING FOR FUNDING FROM THE MINNESOTA HOUSING FINANCE AGENCY, DISTRICTS 1, 2, 3, 4, 5 AND 8, WARDS 1, 2, 5, 6 and 7

Requested Board Action

HRA approval of commitments to reserve \$16,030,051.85 of HRA funds, and establish purchase prices for HRA-owned land, for the following projects:

1. A maximum reservation of \$4,000,000, and setting a purchase price of \$1, for the Hamm's West End Apartments site located at 694 Minnehaha Avenue E.
2. A maximum reservation of \$2,500,000, and setting a purchase price of \$57,820, for the GloryVille project located at 1570 White Bear Avenue.
3. A maximum reservation of \$5,780,051.85, and setting a purchase price of \$1, for the Face to Face project located at 1170 Arcade Street.
4. A maximum reservation of \$1,000,000 for the Westminster Place and Vista Village projects located at 1342 Westminster Street and 422 Concord Street.
5. A maximum reservation of \$1,350,000 for the Aragon project located at 470 White Bear Avenue.
6. A maximum reservation of \$1,400,000 for the scattered site Ramsey Hill project located in the Cathedral Hill neighborhood.

Background

The Minnesota Housing Finance Agency (MHFA) requires that projects applying for financial assistance as part of the Agency's annual funding solicitation (the "Consolidated RFP") and claiming points under the *Financial Readiness to Proceed/Leveraged Funds* or *Other Contributions* (non-capital contributions such as a land write down) scoring criteria provide evidence of funding commitments and site control letters indicating purchase prices and any intended land write down. Projects without funding commitment and non-capital contributions are

unable to maximize points in the aforementioned categories. Land write-down commitments, as evidenced by established purchase prices, are being proposed for the GloryVille and Face to Face projects (while the purchase price indicated for Hamm's West End Apartments is \$1, land write down points were already received under the Hamm's East End application).

PED staff have identified potential funding sources to be reserved for six projects applying for MHFA funding in July 2026. Once project selections are made by MHFA, staff will determine the appropriate source for each project and will present a recommendation for funding to the HRA at a later date.

Hamm's West End Apartment Project – 694 Minnehaha Ave E

JB Vang's Hamm's West End Apartment project is the renovation of the historic HRA-owned Hamm's Brewery buildings into 70 affordable apartments. The project proposes to serve a range of household sizes and includes 16 1-bedroom units, 18 2-bedroom units, 24 3-bedroom units, and 12 4-bedroom units. Rent levels will range from 30% AMI to 60% AMI providing deeply affordable and family sized units. The total development cost is approximately \$68.8 million, which includes the renovation of open space adjacent to Bruce Vento Trail and Swede Hollow Park. The West End Apartments will be developed alongside the East End Apartments, the new construction of 110 units of family-friendly affordable apartments, which was awarded funding via the Consolidated RFP in 2025. The East End Apartments includes two levels of structured parking, with one level reserved for the use of West End Apartment residents. JB Vang anticipates purchasing the HRA-owned Hamm's site in mid-2027, with East End financial close and construction immediately to follow and construction on the West End to start in early 2028. It is anticipated that the West End Apartment project will leverage \$23,766,150 in low-income affordable housing tax credit equity, \$8,953,180 in State Historic Tax Credits, and \$8,953,180 in Federal Historic Tax Credits, and up to \$10,200,000 in deferred funding from MHFA, and future grant funds from the Metropolitan Council and Ramsey County. The project has already secured a \$200,000 Ramsey County ERF grant and \$2,677,500 in Met Council grants for predevelopment, environmental investigation, cleanup, and affordable housing development.

GloryVille – 1570 White Bear Avenue

GloryVille LLC plans to construct a new four-story building with approximately 69 affordable apartments with unit sizes that include efficiencies, 1-, 2- 3- and 4-bedroom units. The anticipated commercial will be approximately 23,136 square feet and will be positioned directly adjacent to the housing building. The project will have 28 surface and 57 underground parking spaces. Apartments will be affordable to households ranging from 30% AMI to 60% AMI, providing deeply affordable, workforce and family sized units. The purchase price GloryVille offered in response to the RFP was \$1,200,000. The land price of \$57,820 represents a land write down of \$1,142,180, which will help fill the financing gap for the project and leverage MHFA points for non-capital contributions. The total development cost of the housing portion of the GloryVille project is approximately \$32.5 million. It is anticipated the project will leverage \$9,005,546 in low-income affordable housing tax credit equity and \$9,814,534 in deferred funding from MHFA, as well as grants from county and regional agencies. Approximately \$5M has been awarded by the Metropolitan Council and Ramsey County to date. Additionally, the project has secured 7 Housing Supports and 20 HUD Section 811 vouchers.

Face to Face – 1170 Arcade Street

The Face to Face project will include the new construction of a four-story building with 24 affordable apartments with unit sizes that include efficiencies, 1-, and 2-bedroom units. The building will also contain office space and a meeting room. In response to the RFP, the developer, Face to Face, offered to purchase the property for \$1.00. An appraisal indicates a property value of \$81,500. Thus, the sale price of \$1 represents a land write down of \$81,499. The total development cost of the project is approximately \$13.9 million. Committed grant sources include: \$260,000 LCDA pre-development, \$1,250,000 LCDA, \$272,261 TBRA and DEED awards, and \$432,152 from the Ramsey Count Emerging Developer program. It is anticipated the project will leverage \$1.24 million in funding from MHFA, and future funds from Ramsey County. Additionally, the project has been awarded 24 Housing Supports from Ramsey County.

The Aragon – 470 White Bear Avenue

The Aragon project includes the new construction of 53 units of affordable workforce housing. Unit sizes include 12 one-bedroom, 27 two-bedroom, 9 three-bedroom, and 5 four-bedroom units. The developer, Beacon Interfaith, has received a commitment of 21 project-based vouchers from

the Saint Paul Public Housing Agency, which apply a rent and income restriction that ensure residents pay no more than 30% of their income toward housing. The project was awarded 9% low income housing tax credits in 2025 and will need additional credits to round out the amount of credits needed to fund the project. With an award of the needed credits, the project will leverage \$18,911,533 in tax credit equity. Further, the developer intends to apply for funding through MHFA, Ramsey County, and the Metropolitan Council.

Ramsey Hill – Cathedral Hill Neighborhood

The Ramsey Hill project consists of 54 units in 6 buildings located across the Cathedral Hill neighborhood including 432 Dayton, 436 Dayton, 658 Dayton, 232 Marshall, 478 Marshall and 486 Marshall. Unit sizes range from efficiencies to three-bedrooms as follows: 6 efficiencies, 36 one-bedroom, 4 two-bedroom, and 8 three-bedroom units. The developer, Trellis Co., has been awarded 13 project-based vouchers and have existing and pending Housing Supports and Section 811 vouchers, effectively limiting rents in 26 units to 30% of the household's income; the remaining units are limited to households at 50% AMI. Nine units are dedicated to people with disabilities and 4 include permanent supportive housing services. This deeply affordable housing resource is in need of refinancing to maintain affordability in an area of Saint Paul that continues to experience ongoing displacement of lower income residents. Trellis is planning a full rehabilitation of the portfolio, which has not been done since the mid-1990s. These improvements will result in safer and more comfortable housing for the tenants, lower energy costs and emissions, and continued affordability in Cathedral Hill. The developer will submit applications to assume the properties' current debt, reduce interest rates to 0%, and forgive accrued interest. The goal is to refinance this project with bonds and 4% low-income housing tax credits or 9% low-income housing tax credits, which could leverage up to \$12.3 million in tax credit equity. The developer plans to apply for additional funds from Ramsey County and MHFA programs, and to continue pursuing new funding opportunities.

Westminster Place and Vista Village - 1342 Westminster Street and 422 Concord Street

The Westminster Place (WP) and Vista Village (VV) projects, owned by CommonBond Communities, consist of 147 apartment and townhome units affordable to households between 30% to 60% AMI. The properties consist of 68 one-bedroom units and 79 two-bedroom units and

are in need of comprehensive rehabilitation to address critical physical needs including security, as well as deferred maintenance. The total development cost is estimated to be \$50,007,089. It is anticipated the project will leverage \$16.3 million in low-income affordable housing tax credit equity, \$5.9 million in funding from MHFA, \$15.1 million of assumed debt, \$1.5 million in funding from Ramsey County, \$250,000 in TBRA from Metropolitan Council, and Vista Village has received \$3.8 million from HUD's Green and Resilient Retrofit Program.

Budget Action

There is no required budget action at this time.

Future Action

Future HRA actions may include:

1. Authorization of land sales
2. Approval of loan amounts, terms and conditions, and authorization to execute development and/or loan agreements
3. Authorization to issue tax-exempt bonds and low-income housing tax credits
4. Authorization of pass-through loan agreements.

Financing Structure

Preliminary sources and uses of funds are attached; sources and uses will be finalized following underwriting and funding partner commitments.

PED Credit Committee Review

PED Credit Committee review is not a requirement of this action.

Compliance

All projects will be required to meet City compliance requirements as applicable. Projects that receive federal funding will comply with Federal Davis Bacon and Section 3, as applicable.

Green/Sustainable Development

All projects will comply with the Sustainable Building Ordinance as applicable.

Environmental Impact Disclosure

An environmental review will be required on any project containing or receiving federal financial assistance.

Historic Preservation

Historic preservation requirements will be adhered to as applicable.

Public Purpose/Comprehensive Plan Conformance:

The **Hamm's West End Apartments** redevelopment aligns with the goals of the City's 2040 Comprehensive Plan. The Hamm's Brewery Complex was designated as a Mixed-Use Opportunity Site in the City's 2040 Comprehensive Plan, allowing for higher density mixed-use development or employment centers (Policy LU-2). The proposed development will also meet the following goals established in the City's 2040 Comprehensive Plan:

- Policy H-7. Reduce overcrowding within housing units, caused by doubling up of households and inadequate space for large families, through the production of small and family-sized affordable housing options.
- Policy H-15. Accommodate a wide variety of culturally appropriate housing types throughout the city to support residents at all stages of life and levels of ability.
- Policy H-31. Support the development of new affordable housing units throughout the city.
- Policy H-46. Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.
- Policy PR-31. Encourage and support private landowners and developers to create and maintain privately-owned public space (POPS) and green infrastructure, especially as land use intensity and activity levels increase.
- Policy HP-6. Maintain and preserve designated and determined eligible historic and cultural resources.

- Policy HP-9. Prioritize the preservation of properties and districts designated for heritage preservation from destruction or alteration that would compromise the integrity of their character-defining features.
- Policy LU-6. Foster equitable and sustainable economic growth by supporting business, real estate and financial models that keep more money locally, such as locally owned businesses, local-prioritized employment, employee-owned businesses and commercial land trusts.

The proposal is consistent with the 2009 Dayton’s Bluff District Plan, the 2012 Near East Side Roadmap, the 2019 Swede Hollow Master Plan, The Hamm’s Reuse and Vision Strategy and it is consistent with the goals described in the April 2022 community letter to the HRA.

The **GloryVille** proposal conforms to the 2040 Saint Paul Comprehensive Plan (Comp Plan). In Map LU-2 the Comp Plan designates the site’s future land use as Mixed Use with a Neighborhood Node, both of which are furthered by the proposed intensification of the site with multi-family residential and grocery store uses. The Comp Plan also designates this site as an Opportunity Site, which via Policy LU-2 is to be redeveloped as higher-density mixed-use or employment centers, with community services that are completely absent in the surrounding area; the proposal includes higher-density mixed-use and a grocery store in what is largely a fresh food desert. The proposal also furthers Policy LU-6 by supporting a new locally owned grocery store, Policies H-17 and H-31 by providing deeply affordable rental housing, and Policy H-37 by developing affordable housing in an area well-served by public transit. Additionally, the proposal furthers several policies of the Greater East Side (District 2) Plan Summary and the White Bear Avenue Small Area Plan Summary, both of which are adopted as Comp Plan addenda.

The **Face to Face** proposed project would redevelop a long-vacant HRA-owned site near the key commercial intersection of Arcade Street and Maryland Avenue, while creating new affordable housing and increasing the reach of critical health services available to the community. Additionally, the preliminary design of the project suggests a development that aims to provide a high-quality street presence and should enhance and utilize the assets along Arcade Street.

The following goals/policies from the Saint Paul 2040 Comprehensive Plan would be engaged by this redevelopment:

- LU-3: Prioritize equitable public investments relative to areas of concentrated poverty as defined by the Metropolitan Council.
- LU-6(3): Foster equitable and sustainable growth by growing Saint Paul's tax base in order to maintain and expand city services, amenities and infrastructure.
- LU-6(4): Foster equitable and sustainable growth by proactively directing new development to high-priority geographies, such as Neighborhood Nodes, ACP50 Areas and Opportunity Sites.
- LU-31: Invest in Neighborhood Nodes to achieve development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail and services.
- LU-34: Provide for medium-density housing that diversifies housing options, such as townhouses, courtyard apartments, and smaller multi-family developments, compatible with the general scale of urban neighborhoods.
- LU-35: Provide for multi-family housing along arterial and collector streets, and in employment centers to facilitate walking and leverage the use of public transportation.
- H-15: Accommodate a wide variety of culturally appropriate housing types throughout the city to support residents at all stages of life and levels of ability.
- H-16: Increase housing choice across the city to support economically diverse neighborhoods by pursuing policies and practices that maximize housing and locational choices for residents of all income levels.
- H-18: Foster the preservation and production of deeply affordable rental housing (housing affordable to those at 30% or less of AMI), supportive housing and housing for people experiencing homelessness.
- H-31: Support the development of new affordable housing units throughout the city.
- H-37: Encourage the development of affordable housing in areas well-served by transit and/or in proximity to employment centers.

Furthermore, the proposal is consistent with the District 5 Plan (1979) and the Arcade Street Small Area Plan (2007).

The **Aragon** project is consistent with the 2040 Comprehensive Plan. The project will be constructed within close proximity to three designated Neighborhood Nodes: White Bear-Suburban, White Bear Station Area, and Sun Ray Station Area, and the newly opened Gold Line BRT. The proposed development will meet the following goals established in the Plan:

- Policy H-18. Foster the preservation and production of deeply affordable rental housing (housing affordable to those at 30% or less of AMI), supportive housing and housing for people experiencing homelessness.
- Policy H-31. Support the development of new affordable housing units throughout the city.
- Policy H-46. Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.

Additionally, the proposal furthers several policies of the District 1 Plan Summary (2004), the Gold Line Station Area Plan (2015) and the White Bear Avenue Small Area Plan Summary (2001).

The preservation of the **Ramsey Hill** Project is consistent with the 2040 Comprehensive Plan and represents the preservation of deeply affordable units in missing middle-scale housing (4 to 18 units per building). The buildings are either located within or in close proximity to the Selby-Dale or Selby-Western Neighborhood Nodes, with direct access to the downtown job center and multiple transit options. The preservation of these units is aligned with the following goals established in the Plan:

- Policy LU-31: Invest in Neighborhood Nodes to achieve development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail and services.
- Policy LU-34: Provide for medium-density housing that diversifies housing options, such as townhouses, courtyard apartments, and smaller multi-family developments, compatible with the general scale of urban neighborhoods.

- Policy H-18. Foster the preservation and production of deeply affordable rental housing (housing affordable to those at 30% or less of AMI), supportive housing and housing for people experiencing homelessness.
- Policy H-39. Promote preservation of existing income-restricted affordable housing units to ensure continued affordability of those units.

Additionally, the preservation of the Ramsey Hill project is consistent with the Summit-University District 8 Plan Summary (2009), which has been adopted as an addendum to the Comprehensive Plan.

The **Westminster Place and Vista Village** projects are consistent with the 2040 Comprehensive Plan and represent a significant investment in the preservation of deeply affordable, income-restricted units. The proposed rehabilitation project will meet the following goals established in the Plan:

- Policy LU-34: Provide for medium-density housing that diversifies housing options, such as townhouses, courtyard apartments, and smaller multi-family developments, compatible with the general scale of urban neighborhoods.
- Policy H-18. Foster the preservation and production of deeply affordable rental housing (housing affordable to those at 30% or less of AMI), supportive housing and housing for people experiencing homelessness.
- Policy H-39. Promote preservation of existing income-restricted affordable housing units to ensure continued affordability of those units.

Additionally, the project furthers policies in the West Side Community Plan (2013), which has been adopted as an addendum to the Comprehensive Plan.

Recommendation:

The Executive Director of the HRA recommends approval of funding reservations in the amount of \$16,030,051.85, and establishing purchase prices for HRA-owned land, as follows:

1. A maximum reservation of \$4,000,000, for the Hamm’s West End Apartments located at 694 Minnehaha Avenue East and setting an HRA land purchase price of \$1.
2. A maximum reservation of \$2,500,000 and setting an HRA land purchase price of \$57,280, for the GloryVille project at 1570 White Bear Avenue.

3. A maximum reservation of \$5,780,051.85, and setting an HRA land purchase price of \$1, for the Face to Face project located at 1170 Arcade Avenue.
4. A maximum reservation of \$1,350,000 for the Aragon project located at 470 White Bear Avenue.
5. A maximum reservation of \$1,400,000 for the scattered site Ramsey Hill project located in the Cathedral Hill neighborhood.
6. A maximum reservation of \$1,000,000 for the Westminster Place and Vista Village projects located at 1342 Westminster Street and 422 Concord Street respectively.

This resolution will not constitute a binding or enforceable legal agreement; rather, the action taken herein is a reservation of funds that shall not become effective for each respective project until each such respective project receives its applied-for MHFA 2026 Consolidated RFP funding, and thereafter all appropriate formalities are to be followed.

Sponsored by: Commissioner Johnson

Staff: Sarah Zorn, 651-266-6570

Attachments

- **Resolution**
- **Sources and Uses**
- **Neighborhood Profiles**
- **Map**