

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

REPORT TO THE COMMISSIONERS

DATE: SEPTEMBER 24, 2025

**REGARDING: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO
DAYTON'S BLUFF NEIGHBORHOOD HOUSING SERVICES AND
AUTHORIZATION TO AMEND THE DEVELOPMENT AGREEMENT FOR
THE VILLAGE ON RIVOLI PROJECT, DISTRICT 5, WARD 2**

Requested Board Action

The specific actions requested of the Board are:

1. Approval of the sale and conveyance of HRA-owned property to Dayton's Bluff Neighborhood Housing Services (DBNHS) intended for redevelopment as Phase IV of the Village on Rivoli Project.
2. Authorization to amend the development agreement with DBNHS in order to carry out the development of Phase IV.

Background

In June of 2004, the HRA entered into a development agreement for the redevelopment of several properties in the Railroad Island neighborhood (RRI), which included parcels in the planned Village on Rivoli area. DBNHS has been working with the City, HRA, Minnesota Housing Finance Agency (MHFA), HUD, Pollution Control Agency, District 5 and the RRI Task Force to fund cleanup, redevelopment and planning efforts in RRI for over 20 years. Redevelopment of the Village on Rivoli site was a phase of development in RRI that was never completed due to the economic downturn in the mid to late 2000s; however, much of the site cleanup and grading was completed prior to that time. DBNHS worked for several years to secure funding for infrastructure and construction. The project began in the spring of 2016 after DBNHS acquired seven parcels from the HRA.

On April 27, 2016, by Resolution 16-133, the HRA approved the sale and conveyance of seven lots for the construction of seven single family homes, the entrance into an updated development

agreement that contemplated the build-out of the Village on Rivoli development plan, and the allocation of subsidy in the amount of \$463,442. On September 13, 2017, by Resolution 17-275, the HRA approved the sale and conveyance of an additional 5 parcels for the construction of five single family homes and the amendment of the development agreement. During this time, the City, on behalf of DBNHS, secured a Livable Communities Development Account pass-through grant in the amount of \$975,000 for infrastructure construction and, in cooperation with Urban Roots, an orchard was established.

On December 9, 2020, by Resolution 20-279, the HRA approved the sale and conveyance of five lots for the construction of nine single family homes (four lots were previously owned by DBNHS) and an outlot, and the entrance into a development agreement that contemplated the build-out of the Village on Rivoli development plan in accordance with the 2016 Board resolution (the “2020 Development Agreement”).

To date, twenty-one single family homes have been constructed and sold to owner-occupants, street and stormwater infrastructure has been constructed, the pocket neighborhood has been platted, and the bike/pedestrian trail has been graded. The pocket neighborhood will contain an additional 17 single family units, which will be constructed in phases. The next phase of development will include 8 homes located and described as follows:

422 Rivoli Drive	Lot 1, Block 4, Rivoli Bluff
426 Rivoli Drive	Lot 2, Block 4, Rivoli Bluff
430 Rivoli Drive	Lot 3, Block 4, Rivoli Bluff
434 Rivoli Drive	Lot 4, Block 4, Rivoli Bluff
423 Rivoli Circle	Lot 6, Block 5, Rivoli Bluff
427 Rivoli Circle	Lot 7, Block 5, Rivoli Bluff
431 Rivoli Circle	Lot 8, Block 5, Rivoli Bluff
435 Rivoli Circle	Lot 9, Block 5, Rivoli Bluff

DBNHS has secured funding through Minnesota Housing Finance Agency (MHFA) and will be contributing CDBG funds previously allocated to DBNHS through the CIB process for their East Side Home Ownership Initiative. In order to proceed, the HRA will need to convey its interest in the aforementioned eight parcels to DBNHS and amend the 2020 Development Agreement. Newly

constructed homes will be sold to owner occupants; four homes will be sold to households at or below 80% of AMI and four will be sold to households at or below 115% of AMI.

Budget Action

There is no budget action associated with this item.

Future Action

Future Board action will include amendments to the Development Agreement and authorization to convey the remaining nine parcels for development.

Financing Structure

In 2024, DBNHS secured CDBG funding for their East Side Homeownership Initiative for use as gap financing for the construction of four single family homes at the Village on Rivoli. In addition, DBNHS received a grant from Minnesota Housing Finance Agency for this project; the balance of project financing will come from a construction loan and pre-paid site remediation and infrastructure costs.

Sources

DBNHS Construction Loan/Sales Price	\$ 2,080,000
Pre-Paid Site Remediation & Infrastructure	\$ 698,240
DBNHS CDBG Subgrant	\$ 225,000
MHFA Grant	\$ 2,053,380
Total	\$ 5,056,620

Uses

Acquisition Costs	\$ 48,000
Site Remediation & Infrastructure	\$ 912,240
Construction	\$ 2,885,200
Contingency	\$ 201,960
Professional Fees/Soft Costs	\$ 376 780
Total	\$ 5,056,620

PED Credit Committee Review

Credit Committee review is not a condition of property sales.

Compliance

The project is required to comply with Affirmative Action, Vendor Outreach, HUD Section 3, Sustainable Building Ordinance, Labor Standards, and Two Bid Policy.

Green/Sustainable Development

The project will comply with the Sustainable Building Ordinance.

Environmental Impact Disclosure

The Village on Rivoli site has been through several stages of remediation in cooperation with the Minnesota Pollution Control Agency and the site is suitable for residential development. No further disclosures are required. In addition, the site has undergone the required Environmental Reviews and plans adhere to any applicable requirements.

Historic Preservation

The project area is vacant land and is not located within a historic district.

Public Purpose/Comprehensive Plan Conformance:

The Village on Rivoli will return vacant, publicly owned property to the tax rolls and increase homeownership options within Railroad Island and the Payne-Phalen neighborhood.

The Housing Chapter of the Comprehensive Plan lists the following strategies:

Strategy 1: Build upon Saint Paul's Strengths in the Evolving Metropolitan Housing Market

- 1.1 Increase housing choices across the city to support economically diverse neighborhoods.

Strategy 3: Ensure the Availability of Affordable Housing Across the City.

The Railroad Island Plan lists the following goals:

- 3: Encourage new housing in the community with city grants and revolving funds
- 4: Preserve the affordability of housing in the area by creating new ownership opportunities for a range of income levels.

Statement of Chair (for Public Hearing)

Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of certain Parcels of land located in Payne-Phalen, District 5, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on Saturday, September 13, 2025. The Affidavit of Publication of the Notice of Public Hearing will be made part of these proceedings.

The HRA proposes to convey the following property in District 5, Payne-Phalen to Dayton's Bluff Neighborhood Housing Services for \$1 each:

That part of Lot 1, Block 4, Rivoli Bluff, except that part overlying Lot 27, Block 9, Warren and Winslows Addition and except that part overlying the East Half of vacated Rivoli Street lying between the extensions across it of the north line and the south line of Lot 27, Block 9, Warren and Winslows Addition (422 Rivoli Drive – this property is jointly owned by the HRA and DBNHS).

Lot 2, Block 4, Rivoli Bluff, except that part of overlying Lot 27, Block 9, Warren and Winslows Addition (426 Rivoli Drive – this property is jointly owned by the HRA and DBNHS).

Lot 3, Block 4, Rivoli Bluff, except that part overlying Lot 27, Block 9, Warren and Winslows Addition (430 Rivoli Drive – this property is jointly owned by the HRA and DBNHS).

Lot 4, Block 4, Rivoli Bluff, except that part overlying Lot 27, Block 9, Warren and Winslows Addition (434 Rivoli Drive – this property is jointly owned by the HRA and DBNHS).

Lot 6, Block 5, Rivoli Bluff (423 Rivoli Circle).

Lot 7, Block 5, Rivoli Bluff (427 Rivoli Circle).

Lot 8, Block 5, Rivoli Bluff (431 Rivoli Circle)

Lot 9, Block 5, Rivoli Bluff (435 Rivoli Circle)

All being Registered land as is evidenced by Certificate of Title No. 649539, Ramsey County, Minnesota.

Recommendation:

The Interim Executive Director of the HRA recommends approval of the actions outlined in this report.

Sponsored by: Commissioner Noecker

Staff: Sarah Zorn (651-266-6570)

Attachments

- **Map**
- **Public Purpose**
- **District 5 Profile**