

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
6:00 P.M. Monday, April 24, 2023
City Hall, Council Chambers

- A. CALL TO ORDER**
- B. ROLL CALL**
- C. APPROVAL OF AGENDA**
- D. UNFINISHED BUSINESS**
None
- E. NEW BUSINESS**
 - 1. Discussion on a Potential Development on the St Paul Regional Water Service (SPRWS) Property, 1958 Rice Street
- F. ADJOURNMENT**

RULES OF CIVILITY FOR THE CITY COUNCIL, BOARDS, COMMISSIONS AND OUR COMMUNITY

Following are rules of civility the City of Maplewood expects of everyone appearing at Council Meetings - elected officials, staff and citizens. It is hoped that by following these simple rules, everyone's opinions can be heard and understood in a reasonable manner. We appreciate the fact that when appearing at Council meetings, it is understood that everyone will follow these principles:

Speak only for yourself, not for other council members or citizens - unless specifically tasked by your colleagues to speak for the group or for citizens in the form of a petition.

Show respect during comments and/or discussions, listen actively and do not interrupt or talk amongst each other.

Be respectful of the process, keeping order and decorum. Do not be critical of council members, staff or others in public.

Be respectful of each other's time keeping remarks brief, to the point and non-repetitive.

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CITY COUNCIL WORKSHOP STAFF REPORT

Meeting Date April 24, 2023

REPORT TO: Melinda Coleman, City Manager

REPORT FROM: Danette Parr, Community Development Director

PRESENTER: Danette Parr, Community Development Director
Michael Martin, Assistant Community Development Director

AGENDA ITEM: Discussion on a Potential Development on the St Paul Regional Water Service (SPRWS) Property, 1958 Rice Street

Action Requested: Motion Discussion Public Hearing

Form of Action: Resolution Ordinance Contract/Agreement Proclamation

Policy Issue:

The Rondo Community Land Trust (CLT) has approached the City regarding their interest in working with partners to acquire and develop the property at 1958 Rice Street. The development group would like to share their concept for the site in the hopes of receiving initial City Council feedback to determine if additional resources should be utilized to move forward with next steps.

Recommended Action:

This item is for discussion purposes and no action is required.

Fiscal Impact:

Is There a Fiscal Impact? No Yes, the true or estimated cost is \$0.00

 Financing source(s): Adopted Budget Budget Modification New Revenue Source
 Use of Reserves Other: N/A

Strategic Plan Relevance:

Community Inclusiveness Financial & Asset Mgmt Environmental Stewardship
 Integrated Communication Operational Effectiveness Targeted Redevelopment

The City of Maplewood has participated in numerous discussions related to the Rice-Larpenteur corridor and future development in the area. The CLT concept will allow for further discussion and feedback from the Council related to 1958 Rice Street (location of the Rice Street Community Gardens). If the Council supports the concept, the CLT will be asking for a resolution of support in the future to potentially secure grant funding to assist with predevelopment work.

Background:

The 13.26 acre site located at 1958 Rice Street is owned by the Saint Paul Regional Water Services (SPRWS) and is the current location of the Rice Street Community Gardens. Originally,

the SPRWS purchased the site for an expansion project, however, has now determined that the site will no longer be needed and they are looking to sell the property.

In 2018, the City worked with the Rice Larpenteur Alliance partners to create the Rice-Larpenteur Vision Plan. As a part of that plan, the site at the corner of Rice Street and Roselawn Avenue was envisioned as a mixed-use development area made-up of the following components:

- Mixed used residential multi-story buildings.
- Public open spaces connected to residential developments.
- Mixed commercial buildings with shared parking opportunities along Rice Street.
- Extension of the Trout Brook Regional trail north to connect into the Rice Street Garden site.

In addition to the Rice-Larpenteur Vision Plan, the Council workshop will also discuss:

- Current Comprehensive Plan designation for the site and implications of considering modifications to that range of density.
- Investments that have been made in the area and future anticipated investments.
- Conceptual layout and potential elevations to reflect the CLT vision.

Attachments:

1. Background material from the Rondo Community Land Trust

Program Design and Concept

Rondo Community Land Trust (CLT) is a community-based affordable housing land trust operating in Saint Paul and Suburban Ramsey County. The mission of Rondo CLT is to strengthen and preserve communities by providing and advocating for permanently affordable, sustainable housing for families and individuals with low to moderate incomes.

Rondo CLT is proposing the acquisition and development of 1958 Rice Street, Maplewood, MN. Rondo CLT will be the landowner and will work with partners to develop and implement the community vision set forth in the Rice Larpenteur Alliance Vision plan.

The initial program design includes:

- Retaining the Rice Street Community Garden: is currently home to the Rice Street Gardens. The urban farm/garden has been operating on the site for 8 years and is home to over 260 local gardens (70 percent immigrant families). Preserving the gardens has become a priority for the community.
- Affordable Home Ownership: Project Partner TC Habitat for Humanity will develop approximately 28 affordable, owner-occupied townhome units. These units will be developed by TC Habitat within its traditional volunteer-based development model, with some expansion of general and sub-contracting to accelerate the delivery process. These units will be made affordable for households with incomes between \$42,000 and 80% of Area Median Income, through a variety of funding sources that have yet to be secured. TC Habitat will undertake significant marketing efforts to drive sales of these units to existing residents in the area.
- Affordable Multi-Family (Building 1 and 2): Rondo CLT is currently interviewing development partners. Our goal will be to maximize the number of affordable units on the site. Initially projections 100-145 units of affordable units in two separate buildings. The development team anticipates purchasing 1930 Rice Street as part of the site assembly.

Development partners, Rondo CLT and Twin Cities Habitat for Humanity were recruited by the Rice Street Gardens and RLA to participate in the redevelopment because of their stated commitments to affordable housing, building community wealth through shared equity ownership, and commitment to building the quality of life, health, and economic prosperity for local communities. All partners are dedicated to building a project that meets the stated needs of residents and future tenants; the community will be involved in the design of the redevelopment, the open space, and pedestrian environment.

Sources and Uses

Feasibility & Predevelopment

Sources

Met Council Predevelopment	200,000*
Ramsey County Critical Corridors	50,000*
MPCA	40,000
LISC	7,500**
Total Sources	297,500

Uses

Feasibility/Concept Planning	50,000
Geotechnical	26,000
Appraisal	5,000
Survey	12,000
Site & Stormwater Design	70,500
Phase 1 & Phase 2	44,000
Legal Fees	20,000
Capital Campaign	20,000
Community Engagement	20,000
Contingency.	30,000
Total Uses	297,500

Land Acquisition

Sources

LISC CAT FUND	850,000***
Met Council LCDA	1,500,000
Rice Street Gardens	350,000
Total Sources	2,500,000

Uses

Acquisition	2,500,000
Total Uses	2,500,000

*Applied For

**Secured

** 5-year loan, up to \$2.5M

Project Feasibility

Feasibility Risk Factors:

- Due to topographic, wet land, soil challenges, and competing goals, substantial predevelopment expenses will be incurred to understand the buildable area and finalize a site plan.
- The site is not located in a QCT which makes it difficult (not impossible) to receive 4% tax credits.
- Market rate housing is not feasible on this site. It's not identified in the community plan and the rents will not support it.
- Given the high purchase price, and limited buildable area on the site, the team will need to acquire the lot on the corner of Rice and Roselawn (1930 Rice) to maximize the number of units on the site and achieve the most affordable rents possible.
- Affordable multi-family units will take several years to secure financing (this is not unique to the site but a challenge and risk to building affordable housing).
- City of Maplewood 25, Met Council 15 minimum per acre

Strengths of Program & Partnership:

- Rondo CLT will facilitate and manage a development process to achieve the multiple goals set forth in the RLA Vision.
- TC Habitat is a strong development partner with dedication to the site and extensive development experience.
- Rondo CLT has identified acquisition and predevelopment sources and uses. The funding schedule should allow for RCLT to complete predevelopments and close by Q1 of 2025.
- Land Trust ownership will reduce the cost of development (barring the land cost and some predevelopment costs) lower the risk for development partners and ensuring affordability goals can be achieved and housing will remain affordable in perpetuity. The land leases will require the housing to remain affordable upon sale.
- Financial feasibility will be determined through applications to with funders. However, the concept and program align strongly with goals set forth in multiple funding sources including Ramsey County, Met Council, and multiple private, community, and intermediary goals including but not limited to affordable housing, supporting community driven development, strong community process, affordable homeownership, higher density near transit.
- Rice Street Gardens has raised \$330,000 to secure a partnership in the redevelopment. This demonstrates substantial community support and viability of the partnership.
- Dedicated public sources such as TIF can increase the speed and help the project meet its goals.

Acquisition and Predevelopment Timeline

Item	Deadline
Submit application to Ramsey County Corridors, Predevelopment	4/4/2023
Prepare materials for City Council	4/10/2023
Present to City Council	4/24/2023
Submit application to Metropolitan Council Predevelopment	4/21/2023
Mutually agreeable LOI signed	5/1/2023
Negotiate PA + Create LLC	5/15/2023
Sign PA aka Effective Date	5/31/2023
Order Title Commitment	6/2/2023
Meet with Partners (and schedule future meetings to get to goal of MOU date)	6/7/2023
Title Commitment Due	6/10/2023
Obtain Documents from seller	6/15/2023
Submit application to MPCA for Phase 1 & Phase 2	6/15/2023
Identify pathway to confirm buildable area of the site	6/18/2023
Procure Survey Proposal	6/18/2023
Procure Geotechnical Proposal	6/18/2023
Procure Site Planning Proposals	6/18/2023
Find out if MPCA funding is received	6/22/2023
Select and sign Survey and Geotechnical Contracts	6/26/2023
Procure Environmental Phase I application privately or proceed with MPCA	6/29/2023
MOU with partners complete	6/30/2023
Sign Site Plan Proposal	6/30/2023
Determine whether/when appraisal will be needed (i.e. financing options for land acquisition) and add procure/order/receive to timeline if needed	7/7/2023
Environmental Phase I Complete	7/20/2023
Partners submit Final Pro Formas	7/25/2023
Final Site Plan	7/25/2023
Zoning Letter	7/25/2023
Order Phase II	7/27/2023
Submit LCDA Application to Metropolitan Council	8/4/2023
Title Objections	8/29/2023
Phase II Complete	9/7/2023
Initial Due Diligence Expires	9/28/2023
Earnest Money Deposited	10/1/2023
Financing & Design Contingency Expires	7/27/2024
Settlement Statement	1/20/2025
CLOSE	1/23/2025

Development Team & Partners

Master Developer

Rondo Community Land Trust

Rondo Community Land Trust (CLT) is a community-based affordable housing land trust operating in St. Paul and Suburban Ramsey County. The mission of Rondo CLT is to strengthen and preserve communities by providing and advocating for permanently affordable, sustainable housing for families and individuals with low to moderate incomes. Rondo CLT owns 94 units of affordable land trust housing, 23,000 square feet of commercial real estate. Rondo CLT recently developed Selby Milton Victoria, two mixed use affordable housing and commercial properties on Selby Avenue in Saint Paul.

Affordable Homeownership

Habitat for Humanity

TC Habitat has been involved in numerous development partnerships as well as performing its own moderate scale development and construction projects. TC Habitat has partnered with Aeon Homes, Project for Pride in Living, PRG, City of Lakes Community Land Trust, Sherman Associates, Shelter Corp., Washington Co HRA, and others to provide townhome and condominium units within larger developments encompassing both affordable rental and market rate condominium and townhome development. We have also developed vacant land for our own purposes, including multi-building twin- and townhome projects in Prior Lake, Chaska, and St Paul. Additionally, we have purchased and built out many twin- and townhome projects including in Woodbury, Ramsey, and Minneapolis.

Additional Partners:

Community Amenity

Rice Street Gardens

Community Stakeholders & Liaison

Rice Larpenteur Alliance

Attorney

Rebecca Heltzer, Heltzer Law

Development Consultants

Platform CRE