

ST. PAUL

# Real estate notebook: Construction begins on mixed-use project on Selby that has multiple backers

By Jim Buchta (<http://www.startribune.com/jim-buchta/10644536/>) Star Tribune |

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Construction started this week on an innovative mixed-use development that includes senior rental housing and first-floor commercial space in St. Paul.

The Selby Milton Victoria project is being built on two long-vacant parcels of city-owned land at 852 Selby Av. and 940 Selby Av. The two three-story buildings combined will have 34 units of low-income senior housing and 9,300 square feet of street-level commercial space.

The project is aimed at providing affordable commercial space for small, local and minority-owned businesses using the land-trust model. Land trusts are able to preserve long-term affordability of a space by separating the ownership of the building and the land. In this case, the Rondo Community Land Trust (CLT) will retain ownership of the land and control pricing. This project is being called the first commercial land trust of its kind in the Twin Cities.

Mychael Wright, Golden Thyme Café owner and Rondo CLT Board Member said in a statement that one of the most pressing issues in this part of the city is how can small minority-owned businesses afford space when rapidly rising rents and speculative real estate development threatens to displace them.

“It is unsettling to those of us who care about ensuring that local business owners are not displaced after they have made investments in their community,” Wright said.

The \$13.2 million project is being built using several financing tools including low-income housing tax credits and deferred loans. The financial partners include the U.S. Bancorp Community Development Corporation, the Rondo CLT and the Community Housing Development Corporation.

The commercial space will be funded from the City of St. Paul, Metropolitan Council, Capitol Region Watershed District and Community and Corporate Foundations.

“The model works to address the tough question of how to retain small businesses with limited profit margins,” said Wright. “Market forces often displace these vital businesses when an area becomes more attractive to the private sector.”

Several organizations helped make the project happen, including the Summit-University Planning Council (SUPC), the Community Housing Development Corporation, the Neighborhood Network for Seniors and Neighborhood Development Center.

The development team is using several neighborhood groups for their expertise. Rondo CLT has commissioned Seitu Jones and Ta-Coumba Aiken to do the artwork for the project. The Neighborhood Network for Seniors will provide services for the seniors and BDC Management will manage both the commercial and senior housing in the buildings.

Those apartments will be affordable to those at 30 to 60 percent of the area median income; the affordability of those units will be secured with restrictive covenants.

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