
Sponsor: Community & Economic Development

Meeting Date: 8/17/2021

Title: American Rescue Plan Act Funds for the Advancement of the Ramsey County Economic Competitiveness & Inclusion Plan

File Number: 2021-436

Background and Rationale:

The American Rescue Plan Act (ARPA) of 2021 was signed into law on March 11, 2021. The relief package provides funding in several areas such as state and local aid, education, rental assistance, transit, stimulus payments for individuals, and other provisions. In addition, ARPA provides \$350 billion in additional funding for state and local governments. Eligible uses of ARPA funding include the main tenants of the county's Economic Competitiveness and Inclusion Plan (ECI) including increasing housing supply along the affordability continuum and strengthening the small business ecosystem. ARPA funds may be used to address the negative economic impacts created and/or exacerbated by the COVID-19 pandemic in accordance with federal law, rules and guidance.

On March 23, 2021, Ramsey County released its ECI Plan, which was developed with strong input from residents and community stakeholders during the preceding 18 months. The ECI Plan laid out a variety of recommendations to ensure long-term economic growth, equity, and inclusion in Ramsey County. Many of the recommendations outlined in the Plan are aimed at addressing the longstanding housing crisis and economic inequities that have been exacerbated due to the COVID-19 pandemic and subsequent economic downturn. Accomplishing the ECI Plan's recommendations in the areas of housing and redevelopment was anticipated to be funded primarily through the activation of a Housing and Redevelopment Authority (HRA) property tax levy. The activation of the HRA levy is planned to commence in 2022. This request establishes an Affordable Housing Investment Fund that seeds and accelerates foundational resources and programming ahead of future HRA levy funding.

At the April 20, 2021 Ramsey County board workshop, the County Manager identified and tiered the county's approach to ARPA investments. Affordable Housing Supply was identified in Tier Five. Leveraging the transformational funding through ARPA ahead of the HRA levy activation ensures Ramsey County can boldly and more proactively address the housing crisis and economic inequities in the county. A phased investment model demonstrates the county participation in projects in the development pipeline while also allowing internal capacity and program development to be advanced to ensure the level of transformational change communicated via the strategic direction previously presented to the board at the April 20 workshop.

Advancing Housing Supply Along the Continuum with ARPA Funds

This request of \$20M is the first expected allocation requested for affordable housing development. Community and Economic Development (CED) department hopes to dedicate up to an additional \$17 million once the county is in receipt of its full ARPA allocation:

- \$20M in 2021 for housing development in 2021 and 2022.
- \$17M in 2022 is for housing development in 2022-2025.

ARPA funding will be used to progress the strategies and actions laid out in Ramsey County's ECI Plan and consistently with the ARPA funding requirements. Ramsey County will participate in

projects primarily as a funding partner. This includes, but is not limited to:

- The preservation of the existing affordable housing supply across the county, including “Naturally Occurring Affordable Housing.”
- The construction of multi-family rental housing that is affordable to those that make less than 30% of the Area Median Income (AMI).
- The construction and preservation of permanent supportive housing units for residents to bridge out of homelessness.
- Equitable housing redevelopment projects that progress county goals of racial equity, climate resiliency and mitigation, and innovative strategies for community wealth-building.
- Develop climate mitigation and resiliency requirements for multi-family investments and encourage developers to partner with utility providers, non-profits and governmental partners to reduce greenhouse gas emissions and operating costs.

Administrative and planning costs, including staff salaries and indirect costs are not expected to exceed 5%, or \$1,000,000 of the initial \$20M budgeted amount.

Strengthening the county’s post-pandemic small business environment was identified in Tier Four of the county’s approach to ARPA investments. A companion board action pertaining to the support of the small business ecosystem is anticipated as a subsequent request assuming availability of resources.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve \$20,000,000 of the American Rescue Plan Act funding for Affordable Housing Investment for years 2021-2025 to increase housing infrastructure in accordance with federal guidance.
2. Establish a \$20,000,000 Affordable Housing Investment Fund for years 2021-2025 through funding from the American Rescue Plan Act to increase housing infrastructure in accordance with federal requirements.
3. Authorize the County Manager to enter into agreements and contracts and execute amendments to agreements and contracts in accordance with the County’s procurement policies and procedures provided the amounts are within the limits of the grant funding.
4. Authorize the County Manager to establish a project account for Affordable Housing Investment Fund and transfer related expenses and revenue, including any previously incurred expenses and recognized revenue.
5. Prioritize the Affordable Housing Investment Fund for any unspent American Rescue Plan Act funds should funds remain following remaining tiered investments.

A motion to approve was made by Commissioner McDonough, seconded by Commissioner Ortega. Motion passed.

Aye: - 7: Carter, Frethem, MatasCastillo, McDonough, McGuire, Ortega, and Reinhardt

By: 

 Mee Cheng, Chief Clerk - County Board