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**Sponsor:** Community & Economic Development

**Meeting Date:** 4/13/2021

**Title:** Housing and Redevelopment Authority Area of Operation

**File Number:** 2021-211

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**Background and Rationale:**

On March 23, Ramsey County released its Economic Inclusion and Competitiveness Plan, which was developed with strong input from residents and community stakeholders over the past 18 months. The plan laid out a variety of recommendations to ensure long-term economic growth, equity and inclusion in Ramsey County.

One of the recommendations is to explore the activation of a Housing and Redevelopment Authority (HRA) property tax levy to address the longstanding housing crisis that has been exacerbated due to the COVID-19 pandemic and the subsequent economic downturn.

Many Ramsey County residents live in poverty and struggle to find or afford stable housing. The current market is not building or preserving enough affordable housing to meet the needs of these residents, including seniors, low-wage workers and others who make less than \$25,000 annually. This challenge is anticipated to grow, placing further strain on the housing market and county services for all households.

- Of Ramsey County's 209,000 households, 65,000 pay more than 30% of their income on housing.
- 33,395 people in Ramsey County are currently in mixed-income housing, while 77,330 people are in poverty.
- There is currently a shortage of 15,000+ homes that are affordable for Ramsey County households making between \$30,000-\$50,000 per year and 50,000+ homes that are affordable for households making less than \$30,000 per year.
- If all new construction in Ramsey County was dedicated to affordable housing, it would take 20-50 years to meet the current need and would still require subsidies.

A countywide HRA levy in Ramsey County could raise up to \$11.6 million a year to fund affordable housing and redevelopment projects. The proposed HRA levy would increase annual taxes on a median value residential property by about \$45. Funds collected through the levy would support the preservation and creation of affordable housing developments. This would be done by offering gap financing and land acquisition funds as well as allocating resources to increase the competitiveness of Ramsey County housing projects applying for state grants.

The housing shortage is anticipated to grow across Ramsey County, and proactive measures - not reactive - must be taken countywide to improve our local quality of life. Affordable housing is a smart investment of taxpayer dollars and a long-term solution addressing the root cause of homelessness. Additionally, a regional approach to building housing infrastructure is better aligned with how residents live, work and play in Ramsey County. Housing investment transcends municipal boundaries and functions as critical infrastructure that supports the needs of our residents, workforce and business community.

Both the cities of Saint Paul and North St. Paul have had an active HRA levy authority on or before 1971, and therefore must adopt a resolution authorizing the Ramsey County HRA to exercise the

county's HRA powers within each city at the same time that each city is exercising its own power (pursuant to Minnesota Statutes § 469.012, subd. 3).

This Board Action seeks support from the cities of Saint Paul and North St. Paul to pass a resolution expanding the County HRA's area of operation creating a county-wide levy fund that will create and support housing and redevelopment projects within their communities. Ramsey County is committed to an equitable distribution of funds across our County and will commit to work closely with city partners to ensure a robust array of programming.

**Recommendation:**

The Ramsey County Board of Commissioners resolved to:

Request the cities of Saint Paul and North St. Paul to pass a resolution allowing for the expansion of the Ramsey County's Housing and Redevelopment Authority's area of operation in order to create and support housing and redevelopment projects within their communities.

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

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

By: 

Abby Goldsmith, Deputy Clerk - County Board