

Housing and Redevelopment Authority Resolution

H2023-008

Sponsor: Community & Economic Development

Meeting Date: 6/6/2023

Title: Allocate Housing Redevelopment Authority Levy Towards 2023
Housing Development Projects

File Number: 2023-185

Background and Rationale:

Ramsey County has an urgent and evident need for affordable housing, especially for individuals and families with household incomes less than 30% of the area median income (AMI). According to Ramsey County's Economic Competitiveness and Inclusion (ECI) Plan, the county has a deficit of 15,000 units affordable to those at 30% AMI or below. The lack of affordable housing supply leads to greater housing instability for residents and exacerbates the county's ongoing homelessness crisis.

On June 22, 2021, the Housing Redevelopment Authority (HRA) approved the area of operation for the HRA levy, which includes the entire county except the city of North Saint Paul. The levy was approved as part of the 2022-2023 county budget on December 21, 2021. As determined by state statute, HRA levy funding can be used for the preservation and development of affordable housing, redevelopment activities or blight removal. Ramsey County will obligate \$7,200,000 of the 2023 HRA levy to further strategies in the ECI Plan related to affordable rental housing and owner-occupied housing. \$1,500,000 of the \$7,200,000 was obligated towards wealth creation initiatives, including the First Home down payment assistance program. \$5,700,000 remains for projects recommended from the 2023 Housing Development Solicitations and future solicitations.

To obligate HRA levy funds for this use, private, non-profit and governmental developers were encouraged to apply to the competitive 2023 Housing Development Solicitation that opened on February 14, 2023 and closed March 14, 2023. The 2023 Housing Development Solicitation was modeled after Ramsey County's 2022 Inclusive Housing Development Solicitation and the existing process for obligating funding from the U.S. Department of Housing and Urban Development (HUD). Ramsey County marketed the solicitation on the Ramsey County website, through the Community & Economic Development (CED) newsletter and direct outreach to partner organizations and municipalities.

Twenty-seven eligible applications were received, staff reviewed and scored each application. Eleven projects totaling \$4,075,000 are recommended for HRA levy awards and will be funded with unallocated HRA funds and wealth creation initiative dollars. \$2,000,000 of HRA levy funding remains available for future housing development solicitations in 2023.

One project, Twin Cities Habitat for Humanity's Single Family Acquisition project, from the 2022 Inclusive Development Solicitation award will be reallocated because the developer decided not to pursue the specific project. Those funds were made available in the 2022 Critical Corridors Solicitation and were designated to the approved Lochner Apartments project by Schafer Richardson on November 22, 2022. Previously \$500,000 was transferred per Resolution H2022-012. This request reallocates the remaining \$300,000 and \$187,000 from 2022 wealth creation initiatives to fully fund the previously approved Lochner project.

All projects will be funded in a manner consistent with federal and local regulations and requirements in a form approved by Finance and the County Attorney's Office. A declaration will be recorded against each property's title that requires rental affordability for 30 years. Affordability will be monitored through an annual compliance review to ensure that property owners are maintaining rental limits at 30% AMI.

The following projects are recommended for HRA levy funding:

2023 Obligations from the 2023 Housing Development Solicitation

Little Canada Senior, Lupe Development (Little Canada)	\$750,000
Rice Street, Reuter Walton (Little Canada)	\$600,000
833 University Rehab, Model Cities (Saint Paul)	\$490,936
City of Roseville Land Trust Project (Roseville)	\$400,000
Dunedin Hi-Rise, Saint Paul Public Housing Authority (Saint Paul)	\$350,000
Hamline Hi-Rise, Saint Paul Public Housing Authority (Saint Paul)	\$300,000
Ravoux Hi-Rise, Saint Paul Public Housing Authority (Saint Paul)	\$250,000
Iowa Hi-Rise, Saint Paul Public Housing Authority (Saint Paul)	\$250,000
Single Family Rehabilitation, Slipstream Inc. (Suburban Countywide)	\$200,000
Mary Hall, AEON (Saint Paul)	\$109,064

Subtotal: \$3,700,000

2023 Obligations to be funded from wealth generation initiatives allocation

Homebuyer Initiated Program, Rondo Community Land Trust (Saint Paul)	\$375,000
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Subtotal: \$375,000

Total: \$4,075,000

2022 Inclusive Housing Development Solicitation Reallocations

Scattered Site Acquisition, Twin Cities Habitat for Humanity (Countywide)	\$300,000
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Additional information on each project can be found in the attachment titled "Narrative Project Descriptions."

Recommendation:

The Ramsey County Housing and Redevelopment Authority resolved to:

1. Approve recommended projects and funding sources and amounts for the preservation and construction of affordable housing.
2. Authorize the County Manager to enter into the necessary loan or other agreements and execute amendments to loan or other agreements in a manner consistent with local regulations and requirements, in a form approved by the County Attorney's Office.
3. Authorize the County Manager to establish a project account number for Housing Development Solicitation Project in Community & Economic Development.

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

Aye: - 7: Frethem, MatasCastillo, McGuire, Moran, Ortega, Reinhardt, and Xiong

By: 

Mee Cheng, Chief Clerk - County Board