
Sponsor: Community & Economic Development

Meeting Date: 12/21/2021

Title: Obligation of American Rescue Plan Act Funding Towards
Deeply Affordable Housing Projects

File Number: 2021-682

Background and Rationale:

Ramsey County has a large and documented need for affordable housing, especially for those making 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 August 17, 2021, the Ramsey County Board of Commissioners obligated \$20 million of the county's American Rescue Plan Act (ARPA) allocation towards affordable housing as envisioned in the ECI Plan. The transformational investment allows Ramsey County to participate in the funding and development of deeply affordable housing at a new level.

To obligate ARPA funds for this use, developers and property owners were encouraged to apply to a competitive solicitation that opened on November 5, 2021 and closed November 16, 2021. The solicitation process was modeled after Ramsey County's 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 newsletter and direct outreach to partner organizations. Eight applications were received, and staff reviewed for completeness, eligibility, impact and financial readiness. After review, four projects were recommended for initial funding awards. All four projects will serve communities disproportionately impacted by COVID-19 and all four projects are located in 2020 or 2021 qualified census tracts. Projects will be funded in a manner consistent with federal ARPA regulations and requirements in a form approved by 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. Community & Economic Development staff already monitor rental affordability with HUD funded projects.

The following projects are recommended for the obligation of ARPA funds:

- The Villas at Mounds View, MWF Properties, 4889 Old Highway 8, Mounds View, MN 55112
 - o \$1,550,000 to construct 12 units affordable to those making 30% AMI or below within a 120-unit affordable housing development. The request represents 5% of the total development cost (\$30,022,587).
 - o Project Schedule

<u>Activity</u>	<u>Date</u>
Closing on finance	May 2022
Construction	May 2022 - June 2023
Lease up	October 2023

- Lauderdale Senior Housing, Real Estate Equities, 1795 Eustis St, Lauderdale, MN 55112
 - o \$2,950,000 to construct 11 units affordable to those making 30% AMI or below within a 114-unit affordable housing development. The request represents 10% of the total development cost (\$29,593,779).
 - o Project Schedule

<u>Activity</u>	<u>Date</u>
Closing on finance	June 2022
Construction	July 2022 - August 2023
Lease up	August 2023 - March 2024

- Preservation of 652 Sherburne Avenue, Model Cities, 652 Sherburne Avenue, Saint Paul, MN 55104
 - o \$1,683,303 to acquire, rehabilitate and preserve 7 units affordable to those making 30% AMI or below with future opportunities for homeownership. The request represents 75% of the total development cost (\$2,230,802).
 - o Project Schedule

<u>Activity</u>	<u>Date</u>
Closing on finance	February 2022
Construction	February 2022 - February 2023

- Ridgewood Apartments, AEON, 1871/1885 Wilson Ave., St. Paul, MN 55116
 - o \$1,800,000 for acquisition and rehabilitation of a 100-unit residential apartment. 10 units to be affordable to households at 30% AMI. The request represents 12% of the total development cost (\$15,096,433).
 - o Project Schedule

<u>Activity</u>	<u>Date</u>
Closing on finance	January 7, 2022
Construction	January 2022 - December 2022

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve recommended projects and funding amounts for the preservation and construction of deeply affordable housing.
2. Authorize the County Manager to enter into the necessary loan or grant agreements and execute amendments to the loan or grant agreements in a manner consistent with American Rescue Plan Act regulations and requirements in a form approved by the County Attorney’s Office.

A motion to approve was made by Commissioner McDonough, seconded by Commissioner MatasCastillo.

Motion passed.

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

By: 
Mee Cheng, Chief Clerk - County Board