
Sponsor: Community & Economic Development

Meeting Date: 6/6/2023

Title: Obligation of American Rescue Plan Act Funding Towards 2023
Affordable Housing Development

File Number: 2023-186

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 August 17, 2021, the Ramsey County Board of Commissioners obligated \$20 million of the American Rescue Plan Act (ARPA) allocation and an additional \$17 million of ARPA on May 17, 2022, totaling \$37 million towards affordable housing as envisioned in the ECI Plan. On December 21, 2021 and May 17, 2022 the Ramsey County Board obligated a portion of the ARPA allocation towards specific housing development projects in an amount totaling \$20,800,000 million. An additional \$6,750,000 of the allocation was obligated to housing development projects in a board action on December 20, 2023. And \$1,850,000 is earmarked for administrative and planning expenses. Since awarded, three approved projects totaling \$6,800,000 were cancelled by the developers, which left \$14,400,000 for the 2023 Housing Development Solicitation. 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, 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 on March 14, 2023. The 2023 Housing Development Solicitation was modeled after Ramsey County's previous 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.

Ramsey County received twenty-seven applications, which were evaluated using the competitive solicitation's scoring criteria. CED staff recommends advancing eight awards for funding consideration at this time. Projects will be funded in a manner consistent with ARPA and other applicable federal, state, 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 units at 30% AMI.

Cancelled Projects from Previous Solicitations

Ridgewood Apartments, AEON (Saint Paul)	\$1,800,000
Gallery Building, Reuter Walton (Saint Paul)	\$1,500,000

Woodale Apartments, Reuter Walton (Mounds View)	\$3,500,000
Total	\$6,800,000

The \$6,800,000 was added to the remaining \$7,600,000 and made available through the competitive 2023 Housing Development Solicitation. The following projects totaling \$14,400,000 are recommended for ARPA funding:

Obligation from the 2023 Housing Development Solicitation

Gladstone Village II, JB Vang (Maplewood)	\$2,748,031
Laurel Flats, Outlaw Development (Saint Paul)	\$957,970
CB Ford II, Commonbond (Saint Paul)	\$2,400,000
Mary Hall, AEON (Saint Paul)	\$2,390,936
Panorama, Presbyterian Homes (Saint Paul)	\$2,500,000
Treehouse, Trellis (Saint Paul)	\$375,000
Magnolia Flats, Outlaw Development (Saint Paul)	\$1,740,000
Project for Pride in Living East 7th (Saint Paul)	\$1,288,063
Total	\$14,400,000

Additional information for each project can be found in the Narrative Project Descriptions attachment.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the obligation of American Rescue Plan Act Funding for 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 other agreements and execute amendments to loan or other agreements in a manner consistent with the American Rescue Plan Act regulations and requirements, federal, state and local regulations and requirements, in a form approved by the County Attorney's Office.

A motion to approve was made by Commissioner Reinhardt, seconded by Commissioner Xiong. Motion passed.

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

By: 
Mee Cheng, Chief Clerk - County Board