



Board Workshop / Discussion Agenda

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

August 6, 2024 - 10:30 a.m.

Courthouse Room 220

WORKSHOP

1. Investing in the Housing Continuum

[2024-335](#)

Sponsors: Community & Economic Development



Board Workshop / Discussion

Request for Board Action

15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-9200

Item Number: 2024-335

Meeting Date: 8/6/2024

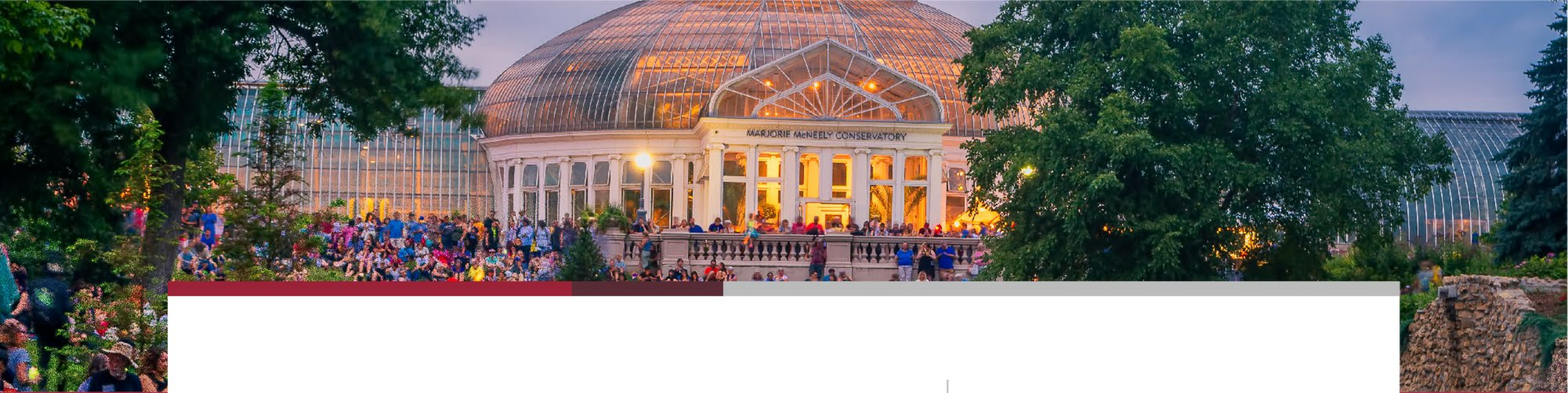
Sponsor: Community & Economic Development

Title

Investing in the Housing Continuum

Attachment

1. Presentation



Investing in the Housing Continuum

*Planning and Implementing Local Affordable
Housing Aid (LAHA)*



Today's Presenters

Opening and Introductions:

- Kari Collins, Deputy County Manager, Economic Growth and Community Investment (EGCI)

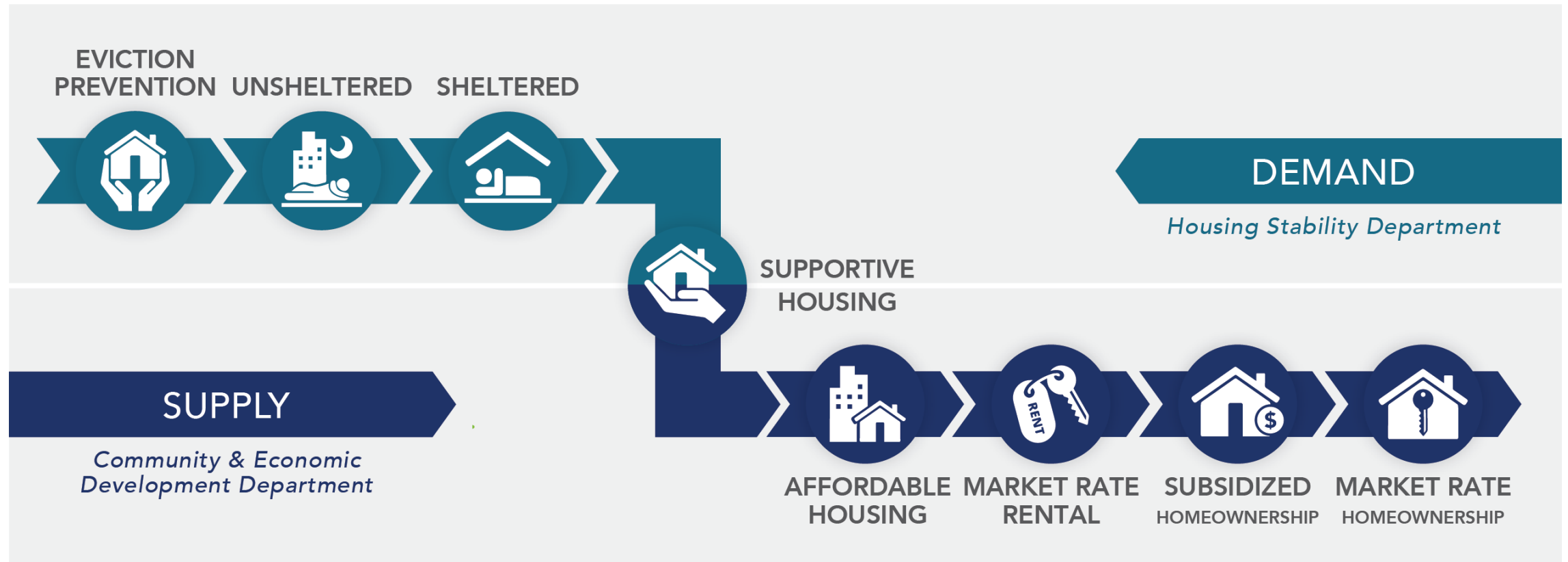
Today's Presenters:

- Keith Lattimore, Director of Housing Stability
- Josh Olson, Director of Community and Economic Development
- Max Holdhusen, Deputy Director of Housing Development

Workshop Goals

- Review Local Affordable Housing Aid (LAHA) aid amounts, annual calendar, and eligible uses.
- Review direction from November 2023 Board Workshop for Housing Stability Department (HSD) and Community & Economic Development (CED).
- Discuss LAHA Planning and Provider/Developer Engagement.
 - Three buckets of need.
- Proposed Use of Funds.

Investing in the Ramsey County Housing Continuum



Local Affordable Housing Aid (LAHA) – 2024 Aid Amount

LAHA is a 0.25% sales tax collected across the seven-county metro area for affordable housing by the Minnesota Department of Revenue.

- Tax started October 1, 2023.
- Aid amounts were posted on July 1, 2024.
 - Will include amount collected between Oct. 1, 2023 – March 1, 2024.

Aid amounts are based on percentage of rent-burdened households in metro area.

- Ramsey County has about 20% of the metro's rent-burdened households.

For 2024 Ramsey County received \$6,011,349 in aid.

- Five-month collection period resulted in less aid than expected.
- If we assume same monthly collection, we can expect approximately \$14 million in 2025.

LAHA- Annual Calendar

- Funding arrives in two parts, twice per year.
 - \$3,005,674 arrived on July 26, 2024.
 - Another \$3,005,674 will arrive in late December 2024.
- EGCI will need board authority to accept funding and create project code for Finance.
 - Opportunity to set broad policy direction.
- Funding that CED uses will come back to board to approve specific projects.

Local Affordable Housing Aid (LAHA)- Eligible Uses

Eligible Uses:

- Financing the supply of affordable housing (single family or multifamily).
 - New construction (up to 80% Area Median Income (AMI)).
 - Rehabilitation (up to 80% AMI).
 - Homeownership Assistance (up to 115% AMI).
- Financial Support for Nonprofit Housing Providers.
- Rental Assistance (up to 80% AMI).
- Shelter Capital and Operations.

Reporting to Minnesota Housing begins in 2025:

- All money must be spent within four years of the receipt of funds.

Proposed Uses of LAHA Funds – November 2023 Workshop

Proposed Use of Funds	November 2023 Workshop	2024 Actual Aid Amount
Support and Stabilize Existing Affordable/Supportive Housing	\$11 million	
Emergency Rental Assistance	\$1 million	
Total Amount of Funding Available (2023 proposal was estimated)	\$12 million	\$6,011,349

Stabilizing Existing Affordable Rental Housing and Supportive Housing



LAHA – 2024 Planning and Engagement

CED met with partner agencies and developers to discuss greatest needs along underfunded areas of the housing continuum. Engagement Partners included:

- ✓ Saint Paul Public Housing Agency
- ✓ Metro HRA
- ✓ Hennepin County
- ✓ Beacon Interfaith
- ✓ Project for Pride in Living
- ✓ AEON
- ✓ Catholic Charities
- ✓ Real Estate Equities
- ✓ Trellis
- ✓ Commonbond Communities
- ✓ Neighborhood Development Alliance (NeDA)

Engagement Findings- What We Learned

Engagement findings can be grouped into three categories of need.

- 1) Supportive housing with ongoing operating deficits.
- 2) Affordable (income-restricted) rental housing with short-term operating deficits.
- 3) Affordable (income-restricted) rental housing with deferred maintenance.

Supportive Housing with Ongoing Deficits

- Supportive housing is income-restricted rental housing with on-site services and other qualifications including history of homelessness or mental health diagnosis.
 - Often operates in a harm reduction model, overlaps with health care continuum.
 - Lower occupancy rate than traditional affordable rental apartments.
 - Does not break even, housing model operates at a loss.
 - One-time investment in maintenance or operations will not fix the deficit.
 - Services, operations are under-resourced.
- Policy Conversation:
 - What is the county's role and responsibility to ensure long-term, stable operations of supportive housing projects/programs?
 - LAHA is an opportunity to provide sustained investment to these projects/programs.

Affordable Housing with Short-Term Deficits

- Rising costs of insurance, security, maintenance and other operating costs contribute to budget deficit.
- Increases in non-payment of rent and vacancy rate are lowering revenue.
- Occupancy rates are lower than expected. Funds needed to re-stabilize occupancy.
- Policy Conversation:
 - Short-term support (1-2 years) will stabilize occupancy and operating costs. Buildings will begin to cash flow as expected after stabilization.

Affordable Housing with Deferred Maintenance

- Affordable rental housing with stable costs and occupancy rates, need flexible funds for deferred maintenance.
 - Units income restricted at 50% Area Median Income (AMI) and 60% AMI
 - Additional funding needed for stable, older developments to upgrade units and mechanical systems/structures.
 - Need is most aligned with existing CED investments in housing rehab and preservation.
- Policy Conversation:
 - Rehab projects are not competitive in Minnesota Housing RFP. An opportunity for the county to fill a need in the housing continuum.

Proposed Use of Funds: Stabilizing Existing Housing Projects

- 1) Multi-year stabilization pilot for supportive housing buildings and providers (2024-2026).
- 2) Short-term stabilization of struggling affordable rental housing (2025).
- 3) Capital repair for stable affordable rental housing (2026).

Housing Stability Program Overview & Recommendations



Homeless Response System



Prevention & Diversion	Outreach and Coordinated Entry	Emergency Shelter	Rapid Rehousing/ Transitional Housing	Permanent Supportive Housing

RARE/BRIEF/ONE-TIME

Community Guidance – Making Rental Assistance Programs Efficient and Effective - Continued

Identify tiers of support to inform sources of prevention funding (e.g. LHPA, LAHA, FHPAP, etc.)

1. **Shelter Diversion** - *As residents seek shelter to avoid being on the street, offer service and direct financial assistance to keep them housed.*
2. **Light Touch** navigation service only.
3. **Short-Term** service and direct financial assistance (up to 6 months).
4. **Medium-Term** service and direct financial assistance (7-24 months).



Highlighting HSD's Prevention Work

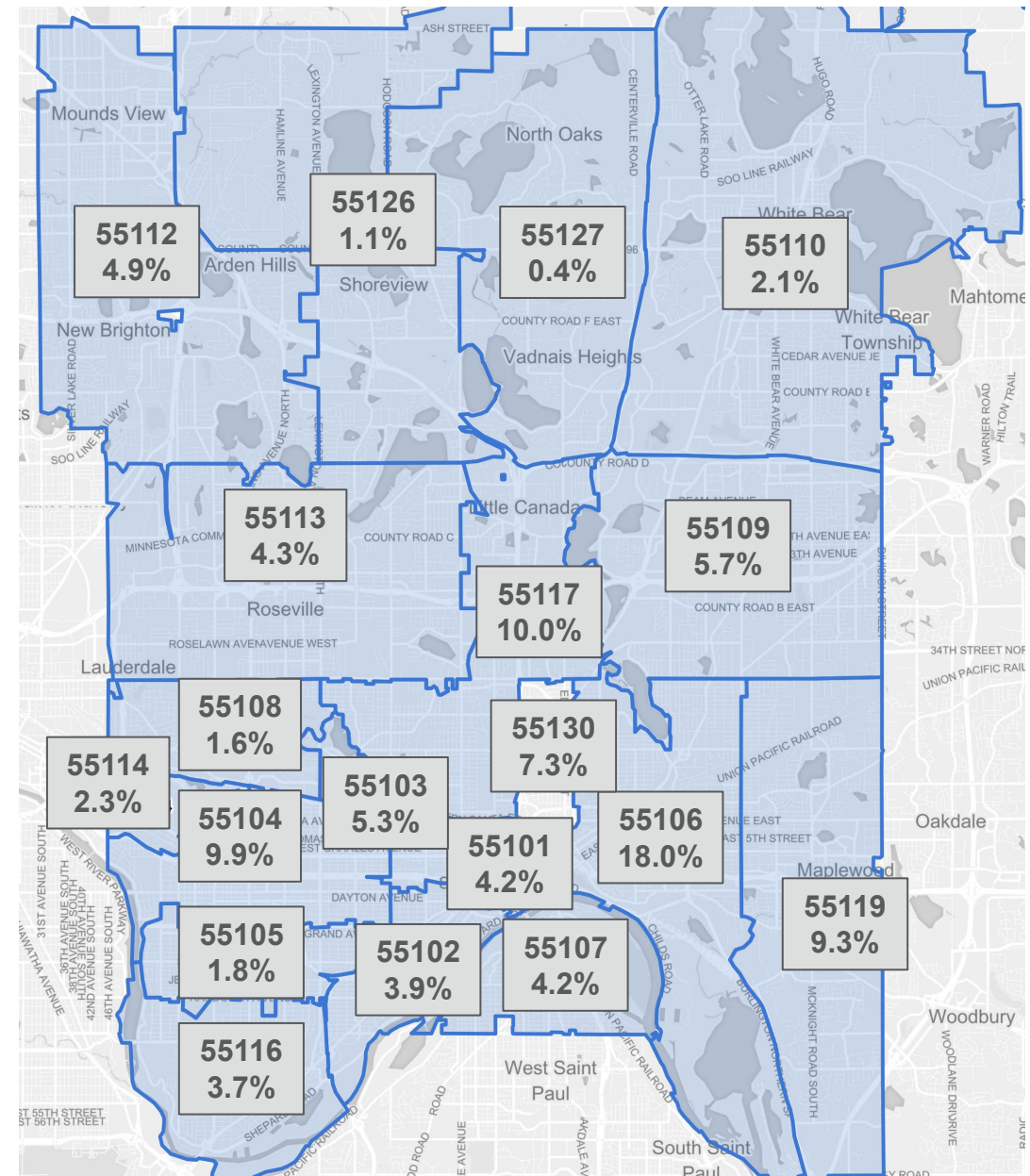
Emergency Rental Assistance, FHPAP,
Shelter Entry & Diversion

Emergency Rental Assistance (ERA) – Recipients by Zip Code

3,450 households were served by COVID-era client-directed ERA* in the previous biennium through Ramsey County and the City of St. Paul.

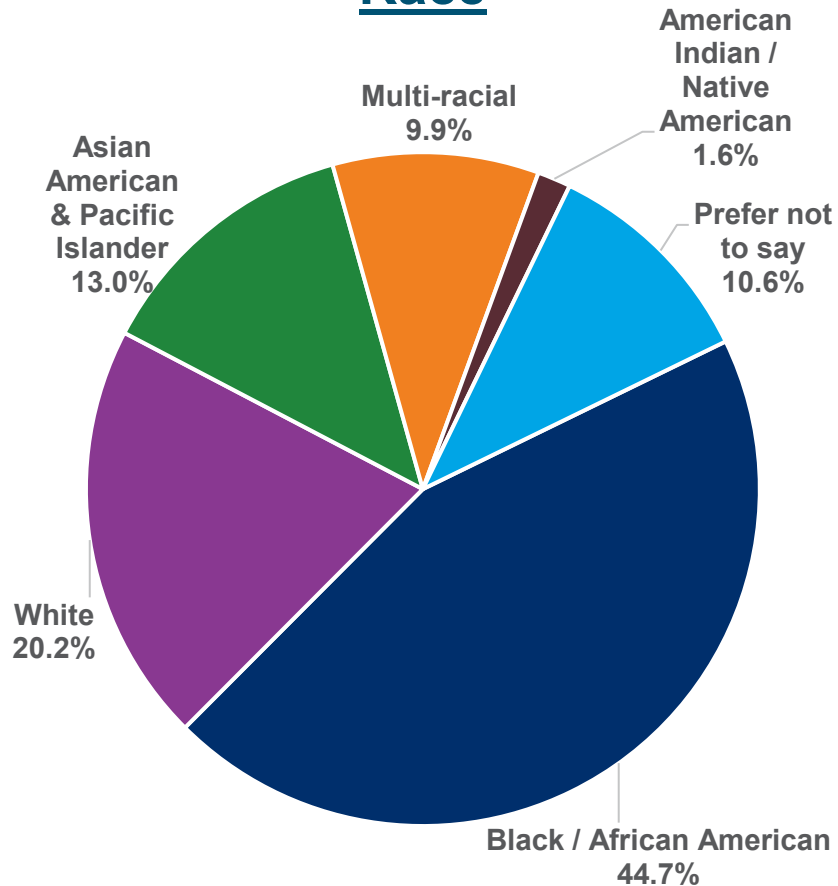
Highest concentrations of usage reflect zipcodes where there is high poverty – 55117, 55106, 55104, 55117

*Data does not include other ERA programming such as the landlord-directed program or Highway to Housing.

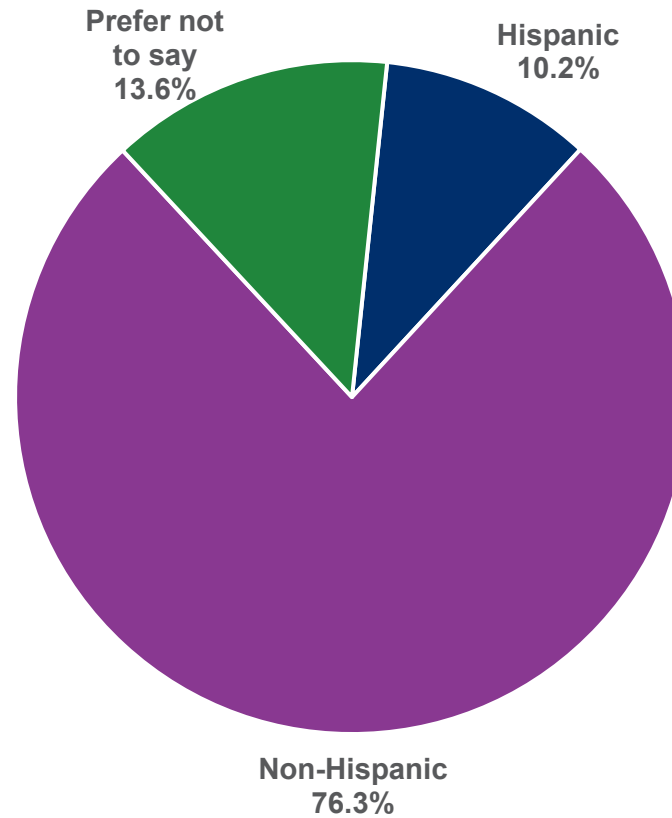


Emergency Rental Assistance (ERA) – Recipient Demographics

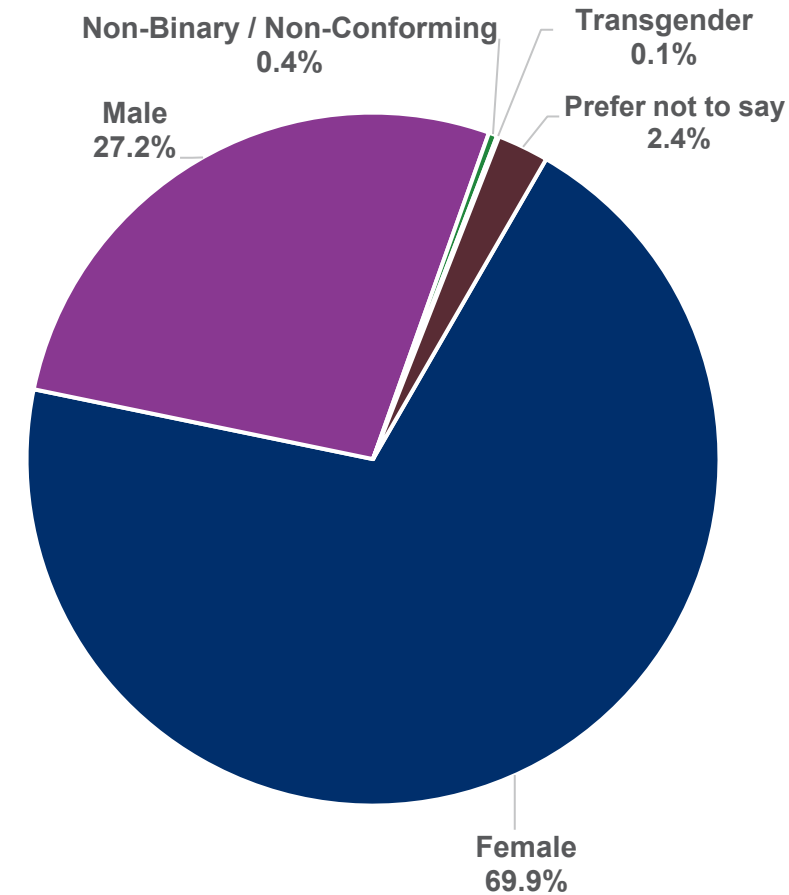
Race



Ethnicity



Gender

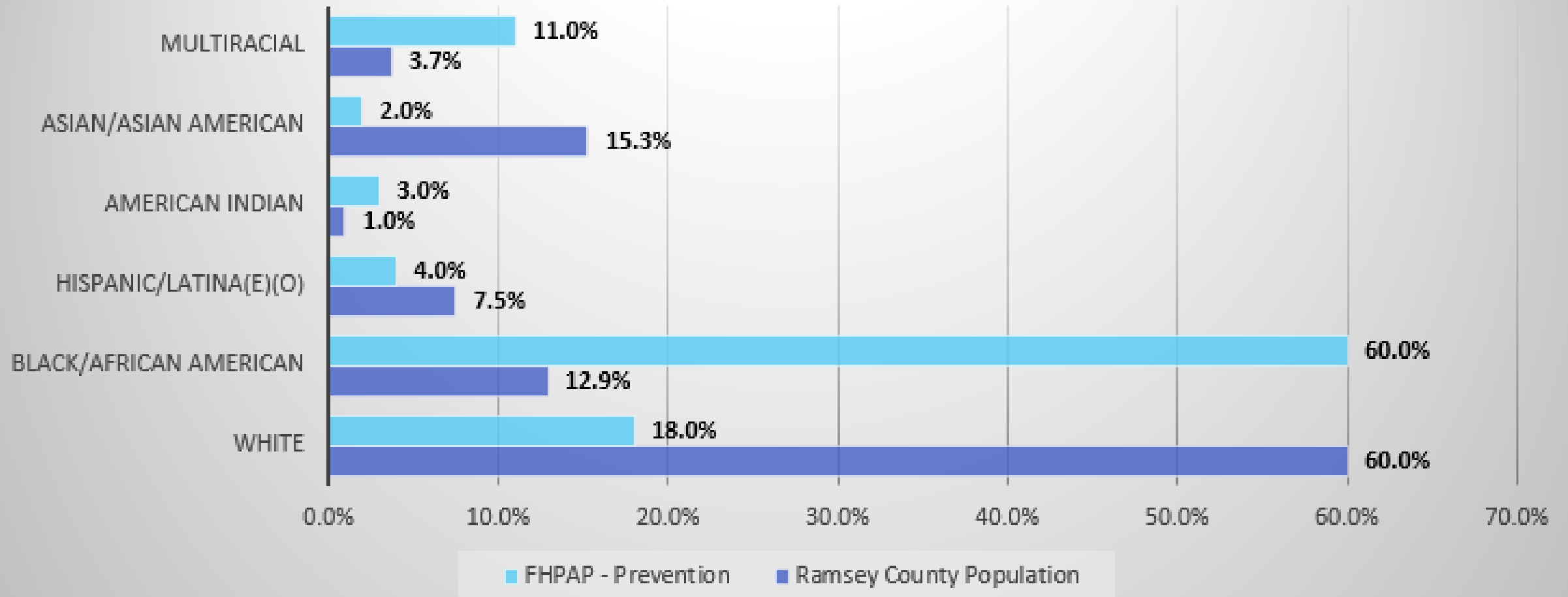




Family Homeless Prevention and Assistance Program (FHPAP)

- Next to EA/EGA, FHPAP is primary source of prevention funding
- Biennial Funding through Minnesota Housing
- Current funding: \$9.8M (10/1/23 – 9/30/25)
- Ramsey contracts with 13 agencies to carry out 4 interventions:
 - Prevention – 70% of funding allocated to 10 prevention projects
 - Rapid Rehousing
 - Coordinated Entry
 - Street Outreach
- Facing a funding cliff for the 25-27 Biennium; expect only \$3-\$3.5M

FHPAP by race compared to the Ramsey County Population



Family Homeless Prevention and Assistance Program (FHPAP)

HOUSEHOLDS SERVED through FHPAP						
2021-2023 Biennium: \$4.7M (24 months)						
	# of Projects	Single Adults	Single Youth	Adult Families	Youth Families	TOTALS
Prevention	6	722	106	1070	125	2023
HOUSEHOLDS SERVED through FHPAP						
2023-2025 Biennium - \$9.8M (9 months into grant period)						
	# of Projects	Single Adults	Single Youth	Adult Families	Youth Families	TOTALS
Prevention	10	305	53	459	49	866

- Between October 1, 2023 and June 30, 2024, **14,473** residents have contacted FHPAP projects seeking financial assistance to prevent or resolve their homelessness.
- A total of 866 households served during this period with \$2.4M



Shelter Entry & Diversion

Make shelter
reservations here.

📞 651-266-1050

✉️ ShelterEntry@ramseycounty.us



Provides a single point of contact and navigation to the best available resources for anyone experiencing homelessness in Ramsey County; shelter reservations for single adults for the coming night; **and diversion services to help single adults identify other resources that could help avoid the need for emergency shelter.**

From April 25 launch through July 31 (70 weekdays with diversion staff):

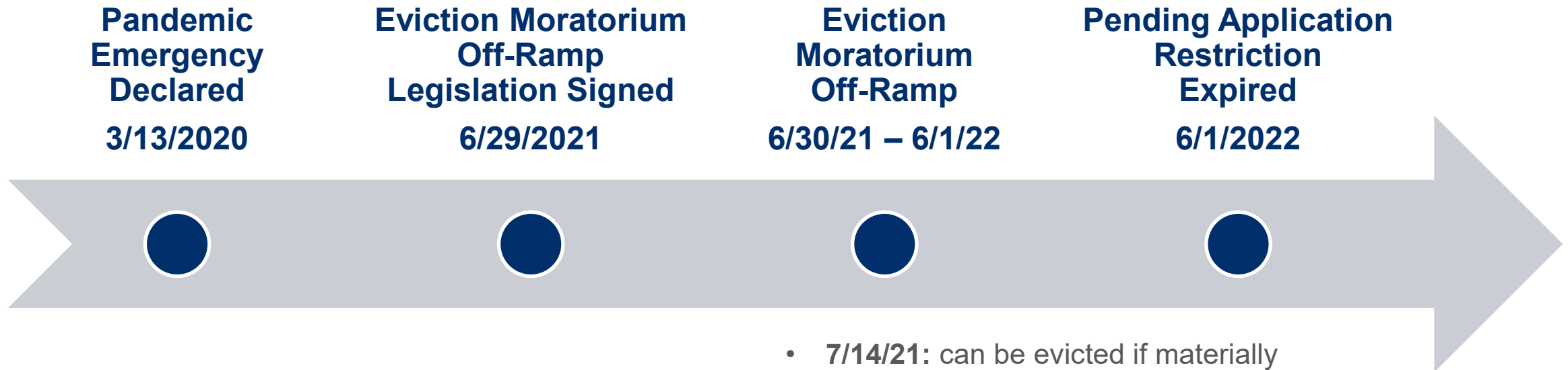
- 272 households served
- 149 successful diversions from immediate emergency shelter need (2.1 per day)
- \$47,719 in direct assistance expended on 58 diversions (\$823 average)
 - \$42,048 in past due rental assistance/deposits/fees for 18 diversions (\$2,336 average)
 - Remaining funds spent on bus tickets, \$50 Visa gift cards, & miscellaneous for 40 diversions (\$142 average)

This program is currently funded by MN DHS Office of Economic Opportunity funds through June 30, 2025.

The background of the slide features a scenic landscape. On the left, a dense forest of trees with yellow and orange autumn foliage covers a hillside. To the right, a wide river flows, reflecting the bright, hazy light of the sun, which is positioned low on the horizon, creating a strong lens flare effect. The sky is a pale blue with wispy white clouds.

Evictions

Pandemic Eviction Moratorium Timeline



- **7/14/21:** can be evicted if materially violated lease.
- **9/12/21:** can be evicted if hadn't paid rent and not eligible for Emergency Rental Assistance (ERA).
- **10/12/21:** all lease termination and eviction protections lifted unless eligible for ERA and had pending application.

Ramsey County Housing Court Data (through March 2024)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Evictions											
Number of Evictions	3021	2870	2746	2638	2408	2416	884	807	3241	3889	765
% initiated by the PHA											
% of filings initiated by the PHA	2.4%	3.4%	2.6%	2.4%	2.7%	3.5%	0.8%	3.2%	3.3%	6.0%	8.4%
Disposition of Cases Filed											
Dismissed	12%	392	482	527	554	577	206	149	1053	1019	180
Eviction	33%	1038	1019	862	840	776	203	109	1134	1549	401
Settled	52%	1650	1420	1525	1351	1605	373	115	1521	2554	570
Closed Administratively	3%	55	94	28	47	51	10	7	46	16	3
Yearly Breakdown of Cases Resulting in Eviction by Disposition											
Non-Payment of Rent	76%	64%	77%	89%	88%	94%	78%	15%	83%	83%	81%
Failure to Vacate	7%	20%	5%	8%	8%	2%	2%	12%	3%	3%	7%
Other	17%	16%	18%	3%	4%	4%	19%	73%	14%	14%	12%
Fail to Appear (FTA) on Eviction Cases											
Number of FTA on Eviction cases	1167	857	989	939	686	794	253	349	1164	1129	329
% of FTA on Eviction cases	39%	30%	36%	36%	28%	33%	29%	43%	36%	38%	43%

Housing Stability Response – Eviction Prevention

Housing Court Collaborative (ongoing)

- Partnership between 3 FHPAP Projects and the Emergency Assistance Unit of Financial Assistance Services (FAS) in Ramsey County
 - Over the last 6 months, saw 658 households in the financial clinic of Housing Court
 - Average amount owed is \$3500.

Emergency Rental Assistance – Housing Court Project (sunset 12/2023)

- \$1.4M provided over a 6 month period to 364 households
- Average amount owed \$3700
- 46% resided in zip codes of high poverty

What the current eviction data tells us:

- PHA % is high, but it is too early to say if that will level out
- The FTA rate is high but not outside the historic rate
- Eviction filings remain high – need additional resources to support residents

Informing Prevention Strategy through Community

The Plan for Rental Assistance: Informing Prevention Resources through Community Conversations



Lived Experience Consultants

Community Providers & Partners

Landlords

- Heading Home Ramsey Prevention Work Group
- FHPAP Advisory Committee
- Regional Kitchen Table
- Landlord Resource Fairs

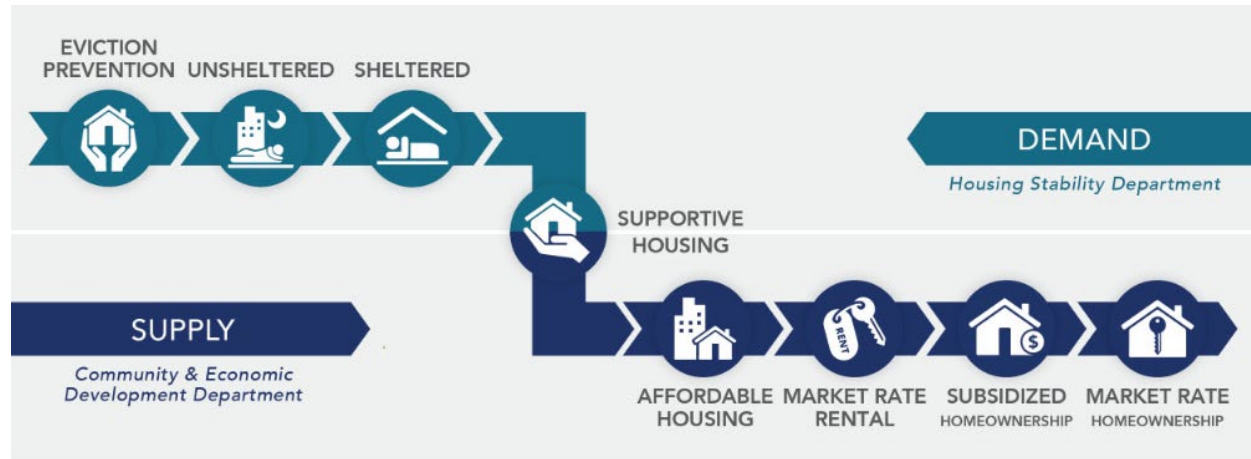
Community Guidance – A Vision for making Rental Assistance Programs Efficient and Effective

Phase 1 – Current Strategy & Accomplishments	Phase 2 – Community Vision
<ul style="list-style-type: none"> • A No Wrong Door Approach <ul style="list-style-type: none"> ○ Partners work collaboratively to coordinate referrals • Ongoing collaboration with Financial Assistance Services (FAS) to develop policy and practice improvements to improve Emergency Assistance access. • Updated Resources and Navigation Tools on HSD webpages • Specialized projects for culturally specific populations, shelter diversion, youth, and families 	<ul style="list-style-type: none"> • A One-Door Approach <ul style="list-style-type: none"> ○ Funding for a centralized system to coordinate all prevention referrals • Move away from a crisis-oriented approach and deepen access to supportive services to improve long-term stability • Build Prevention Unit in Ramsey County HSD to maximize resources

Updated Proposal - LAHA



Updated Recommendations for LAHA - Sales Tax Revenues



<i>Eligible Use</i>	<i>2024 Fund Distribution</i>	<i>Housing Continuum/Responsible Dept.</i>
Emergency Rental Assistance	\$1 Million	Eviction Prevention, HSD
Portfolio Stabilization of Existing Housing	\$5 Million+	Eviction Prevention/ Supportive Housing/ Affordable Housing Preservation, CED
Affordable Housing Creation/ Preservation	Any Unallocated	Supportive Housing/ Affordable Housing Investments, CED

Questions & Discussion

