

## Request for Board Action Details

<b>File #:</b>	2021-320	<b>Status:</b>	Passed
<b>Type:</b>	Policy Item	<b>In control:</b>	Board of Commissioners
<b>On agenda:</b>	6/22/2021	<b>Final action:</b>	6/22/2021
<b>Title:</b>	Housing and Redevelopment Authority Area of Operation		
<b>Sponsors:</b>	Community & Economic Development		
<b>Indexes:</b>			
<b>Code sections:</b>			
<b>Attachments:</b>	1. City of Saint Paul - Resolution, 2. City of Saint Paul HRA - Resolution, 3. Map of Ramsey County Housing and Redevelopment Authority Area of Operation, 4. Resolution		

Date	Ver.	Action By	Action	Result
6/22/2021	1	Board of Commissioners	approved	Pass

**Sponsor:** Community & Economic Development

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

### Recommendation

Approve the Ramsey County Housing and Redevelopment Authority area of operation countywide, excluding North Saint Paul.

### 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 included activating a Housing and Redevelopment Authority (HRA) special benefit tax levy on properties in Ramsey County to address the longstanding housing crisis that has been exacerbated due to the COVID-19 pandemic and the subsequent economic downturn. Pursuant to Minnesota Statutes § 469.033, subd. 6, the HRA special benefit tax may be up to 0.0185 percent of estimated market value of taxable property, real and personal, in the county.

A countywide HRA special benefit tax levy in Ramsey County could raise up to \$11.1 million a year to fund affordable housing and redevelopment projects. The proposed HRA special benefit tax 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 Ramsey County HRA may exercise all of its powers within its area of operation, which pursuant to Pursuant to Minnesota Statutes § 469.002, subd.8, and Minnesota Statutes § 469.004, subd. 1, is defined as all of Ramsey County. The county's HRA powers include the authority to levy a special benefit tax within its

area of operation (see, Minn. Stat. § § 469.007, subd. 1, 469.033, subd. 6.) Because the cities of Saint Paul and North St. Paul have had an active HRA levy authority on or before June 30, 1971, each city 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).

On April 13, 2021, the Ramsey County Board of Commissioners approved a resolution that sought support from the cities of Saint Paul and North St. Paul to pass a resolution allowing for the exercise of the Ramsey County's Housing and Redevelopment Authority's powers within the cities' area of operation concurrent with the exercise of the same powers by HRAs of the cities of Saint Paul and North St. Paul, in order to create a housing and redevelopment project fund. With these cities consenting to the concurrent exercise of HRA powers, the fund will be used to support housing and redevelopment projects throughout the county, including within the cities of Saint Paul and North St. Paul.

On May 26, 2021, the City of Saint Paul City Council and the Saint Paul Housing and Redevelopment Authority Board of Commissioners approved a Resolution acknowledging the authority of the Ramsey County HRA to exercise its powers within the City of Saint Paul's Housing and Redevelopment Authority's area of operation and at the same time as the City's the Housing and Redevelopment Authority with no alteration, limit, or impairment to the exercise of the powers by the Saint Paul's HRA, and consenting to the same. The Saint Paul Resolution stipulated that fifty percent of any tax levied by the County HRA will be spent on projects located in the City of Saint Paul. The Saint Paul Resolution further acknowledged that the City's consent would continue until revoked by subsequent resolution of the Saint Paul HRA. In response to feedback from local partners county-wide, and in alignment with policies around other funding tools like the Environmental Response Fund, Ramsey County CED will make every effort to distribute HRA levy resources "50-50" balancing HRA levy investment across the City of Saint Paul and suburban Ramsey County.

As of June 1, 2021, the City of North Saint Paul has not yet taken up an action regarding the County's HRA area of operation in the City of North Saint Paul.

**County Goals** (Check those advanced by Action)

☒ Well-being      ☒ Prosperity      ☒ Opportunity      ☒ Accountability

**Racial Equity Impact**

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.

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.

Activating the HRA levy was a specific Recommended Action within the Economic Competitiveness and Inclusion Plan. Most Black, Latinx, Asian, and Indigenous cost-burdened four-person households are earning less than \$51,700, which equates to 50% of the area median income (AMI). Black, Latinx, Asian, and Indigenous renters are more likely to be cost-burdened than white renters. Ramsey County's biggest need is affordable rental units at 30% AMI, plus a need for more rental units with two or more bedrooms<sup>5</sup>. Additionally, the Economic Competitiveness and Inclusion Plan recommends that Ramsey County consider investing in opportunities along the full housing continuum including building generational wealth in communities that have experienced historic wealth extraction.

### Community Participation Level and Impact

Significant engagement informed the strategies and actions within the Economic Competitiveness and Inclusion Vision Plan. The plan was informed and developed through engagement of residents, businesses, community leaders, a steering committee, and the Ramsey County Board of Commissioners, all of whom helped shape the development of an implementable plan that outlines economic and community objectives (and subsequently future budgets) over the next five years.

The engagement, however, does not stop with what needs to be done. CED staff will continue to work with the community, housing leaders, and city partners on the How. The implementation of these actions will take trust, and co-creation to ensure successful delivery. Implementation councils is being suggested to help steer the direction of the Economic Competitiveness based actions of the Plan.

CED is in a unique climate of transformative energy and are eager to partner with the community to determine how best to build out HRA programming that will help residents locate full housing options in every corner of the County.

Access to the Economic Competitiveness and Inclusion Vision Plan can be found here:

<https://www.ramseycounty.us/your-government/projects-initiatives/economic-development-initiatives/economic-competitiveness-inclusion-plan>

Additional information pertaining to the HRA levy can be found here:

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/railroad-housing-authorities/proposed-housing-redevelopment-authority-hra-levy>

☒ Inform      ☒ Consult      ☒ Involve      ☒ Collaborate      ☒ Empower

### Fiscal Impact

An HRA levy in Ramsey County could raise up to \$11.1 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.

### County Manager Comments

Ramsey County is the only metropolitan county that does not levy from affordable housing and redevelopment projects through its Housing and Redevelopment Authority. A countywide levy would allow greater effectiveness in deploying HRA funds and ensure all current and future residents equitable access to HRA programs, projects and initiatives.

### Last Previous Action

On April 13, 2021, the Ramsey County Board of Commissioners approved the request to the cities of Saint Paul and North St. Paul to pass a resolution allowing for the exercise of the Ramsey County's Housing and Redevelopment Authority's powers within the cities' area of operation concurrent with the exercise of the same powers by HRAs of the cities of Saint Paul and North St. Paul in order to create and support housing and redevelopment projects within their communities. (Resolution B2021-086)

### Attachments

1. City of Saint Paul Resolution
2. City of Saint Paul Housing and Redevelopment Authority (HRA) Resolution
3. Map of Ramsey County Housing and Redevelopment Authority Area of Operation