

## Request for Board Action Details

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**File #:** 2022-026  
**Type:** Administrative Item  
**Status:** Passed  
**In control:** Board of Commissioners  
**On agenda:** 1/18/2022  
**Final action:** 1/18/2022  
**Title:** General Fund Balance Loan for the Homeless Shelter Project  
**Sponsors:** Economic Growth and Community Investment  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. Resolution

Date	Ver.	Action By	Action	Result
1/18/2022	1	Board of Commissioners	approved	Pass

**Sponsor:** Economic Growth and Community Investment

**Title**  
General Fund Balance Loan for the Homeless Shelter Project

**Recommendation**

Approve a loan of up to \$5,200,000 from the county's General Fund balance to meet current cash flow needs of the Homeless Shelter Project.

**Background and Rationale**

With the on-set of the COVID-19 pandemic in early 2020 and the passage of the related Coronavirus Aid Relief and Economic Security (CARES) Act, Ramsey County took extensive action to address the changing needs of the homeless population. In the past, the homeless population was generally served by placing people in congregate shelters where many beds would be in the same room. There were also many encampments that occurred in public areas.

Because of the pandemic there was an urgent need to change how individuals experiencing homelessness were served and to end large encampments and congregate settings where people were living very close to each other. The county used CARES funds to open several homeless shelters with individual rooms for single people, couples, and family units to adhere to the Center for Disease Control (CDC) guidelines on social distancing. This included hotels such as Como Park and Capital Ridge and other facilities such as Luther Seminary, Mary Hall, and the use of the former Bethesda Hospital as a shelter and respite facility. This was a focused investment by Ramsey County for a time limited program to better protecting public health.

These efforts were funded through CARES Act, American Recovery Plan Act (ARPA), Emergency Solutions Grant - Covid (ESG-CV), Community Development Block Grant - Covid (CDBG-CV), other federal funds, state funding from the Minnesota Department of Human Services (DHS) and expected Federal Emergency Management Agency (FEMA) reimbursement. Ramsey County continues to provide 336 beds a day across 3 locations with 101 employees. These efforts are planned through May 2022 and monthly updates will be provided to the Ramsey County Board.

At this time, all funds have been exhausted and Housing Stability is requesting a loan of up to \$5.2 million to continue to fund the program. Housing Stability anticipates receiving approximately \$5 million from FEMA, which can take 6-12 months to receive, plus additional reimbursements from ESG-CV as eligible expenses are incurred. Since Ramsey County is unable to pay vendors at this time, Housing Stability is requesting a loan against these expected future revenue sources.

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

☒ Well-being

☒ Prosperity

☒ Opportunity

☒ Accountability

**Racial Equity Impact**

Large racial disparities exist in the homeless service system. For example, in 2019, 45% of residents in the adult shelter system identified as Black/African American compared to 13% of the total population of the county and 47% of residents in the hotel programs in 2020. By strategically investing in the homeless service system and pathways to permanent housing Ramsey County aims to reduce racial disparities in housing. The Homelessness Planning and Operations Teams track the number of residents by race/ethnicity weekly to make sure referral and exit processes do not contribute to ongoing racial disparities. This emphasizes the importance of the ongoing efforts to engage with community and learn more about how to ensure an equitable response that confronts these longstanding racial disparities in access and outcomes in Ramsey County.

**Community Participation Level and Impact**

No community involvement was done as part of this request.

☒ Inform

☐ Consult

☐ Involve

☐ Collaborate

☐ Empower

**Fiscal Impact**

A loan of up to \$5.2 million is requested to allow Housing Stability to continue providing services through May 2022 as previously planned. This loan, set to be reimbursed by federal funds, will ensure that the county is able to pay vendors on time. The primary source of reimbursement revenue is projected to be from FEMA (\$5 million) and ESG-CV (\$2.6 million).

As with any reimbursement request, there is limited risk with the FEMA and ESG-CV revenue, although all expenses included within the loan are identified as reimbursable via these federal sources. Housing Stability expects to receive the first installment in the next six months, with additional reimbursement to follow on a rolling basis. The ESG-CV funds are expected much sooner, in March or April 2022. Finance and Economic Growth and Community Investment staff will continue to review, monitor and look for additional revenue opportunities and inform the Ramsey County Board of any changes and as the above reimbursements are secured.

**County Manager Comments**

No additional comments.

**Last Previous Action**

On November 16, 2021 the Ramsey County Board approved up to \$5.12 million of American Rescue Plan Act funds to the Homelessness project (B2021-252)

On January 12, 2021 the Ramsey County Board authorized the County Manager to move up to \$20 million of year end funds to the Homeless project account at the close of 2020 (B2021-015)

**Attachments**

None.