

Request for Board Action Details

File #: 2022-482

Type: Administrative Item **Status:** Passed

In control: Housing and Redevelopment Authority

On agenda: 9/20/2022 **Final action:** 9/20/2022

Title: Obligation of Housing and Redevelopment Authority Levy Towards Inclusive Housing Development

Sponsors: Community & Economic Development

Indexes:

Code sections:

Attachments: 1. Narrative Project Description, 2. Resolution

Date	Ver.	Action By	Action	Result
9/20/2022	1	Housing and Redevelopment Authority	approved	Pass

Sponsor: Community & Economic Development

Title

Obligation of Housing and Redevelopment Authority Levy Towards Inclusive Housing Development

Recommendation

1. Approve Housing and Redevelopment Authority levy funds towards the Project for Pride in Living's Restoring Waters affordable housing development project in the amount of \$1,366,767.
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 local regulations and requirements, in a form approved by the County Attorney's Office.

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 June 22, 2021, the Housing Redevelopment Authority (HRA) approved the area of operation for the HRA levy. The levy was approved as part of the 2022-23 county budget on December 21, 2021. As determined by state statute, HRA levy funding can be used for the preservation and development of affordable housing, redevelopment activities or blight removal.

To obligate HRA levy funds for this use developers were encouraged to apply to the competitive Inclusive Housing Development Solicitation that opened on February 14, 2022 and closed March 14, 2022. The Inclusive Housing Development Solicitation was modeled after Ramsey County's existing process for obligating funding from the U.S. Department of Housing and Urban Development. Ramsey County marketed the solicitation on the Ramsey County website, through the Community & Economic Development newsletter and direct outreach to partner organizations. Thirty-seven eligible applications were received, staff received and scored each application. The following project is additionally recommended for HRA Levy funding as it

was the next highest scoring project in the Inclusive Housing Development Solicitation that was not funded through an alternative source and the project is able to demonstrate its readiness and immediate closing.

2022 Obligations from the Inclusive Housing Development Solicitation:

Restoring Waters, Project for Pride in Living \$1,366,767

Restoring Waters and all previously approved projects are funded in a manner consistent with federal and local regulations and requirements in a form approved by Finance and the County Attorney's Office. A declaration will be recorded against the property's title that requires rental affordability for at least 30 years. Affordability will be monitored through an annual compliance review to ensure that the property owner is maintaining rental limits at 30% AML. Community & Economic Development staff already monitor affordability with Housing and Urban Development funded projects.

County Goals (Check those advanced by Action)

☒ Well-being

☒ Prosperity

☒ Opportunity

☐ Accountability

Racial Equity Impact

HRA levy funds will be used to implement eligible strategies from the ECI Plan by investing in projects and programs that specifically aim to reduce racial disparities in housing. These strategies include increasing the supply of deeply affordable rental housing, the preservation of naturally occurring affordable housing, and increasing homeownership opportunities for residents of color.

Ramsey County has large racial disparities between residents of color and white residents in the housing sector. These disparities include a disproportionate number of African American and American Indian residents experiencing homelessness compared to white residents. Generally, residents of color are more likely to rent than own their home and be cost-burdened by housing costs compared to white residents.

Community Participation Level and Impact

Community & Economic Development implemented a robust community engagement process in the creation of the ECI Plan and the approval of the HRA levy. This included engagement with residents, businesses, community organizations, other governmental agencies, elected officials, and local municipalities. Community was informed about the competitive solicitation process. Additional engagement with housing organizations that directly serve residents facing housing instability and homelessness occurred during the planning stage of the Deeply Affordable Housing Initiative.

☒ Inform

☐ Consult

☐ Involve

☐ Collaborate

☐ Empower

Fiscal Impact

The project recommended for award has a total funding amount of \$1,366,767. The project was selected through the competitive Inclusive Housing Development Solicitation. Project for Pride in Living's Restoring Waters development will be the last project recommended for funding from the 2022 Inclusive Housing Development Solicitation.

On May 17, 2022, the HRA approved a total funding amount of \$7,000,000 of HRA levy and the Ramsey County Board of Commissioners approved funding of \$12,816,697 of American Rescue Plan Act and \$2,629,251 of General Obligation Bonds towards inclusive housing development.

Last Previous Action

On May 17, 2022, the Housing Redevelopment Authority approved and committed \$7,000,000 of the HRA levy towards inclusive housing development (Resolution H2022-008).

On May 17, 2022, the Ramsey County Board and committed \$12,816,697 of American Rescue Plan Act funds towards inclusive housing development (Resolution B2022-124) and approved and committed \$2,629,251 of

general obligation bonds towards inclusive housing development (Resolution B2022-128).

Attachments

1. Narrative Project Description