



RAMSEY COUNTY

Ramsey County Board Workshop:

Affordable Housing Opportunities and Resource Alignment

Economic Growth and Community Investment (EGCI) Service Team
Community and Economic Development Department

December 3, 2019

Estimated start: 10:15 a.m.

220 Courthouse, Large Conference Room

Agenda

1. Introduction - Johanna Berg, Deputy County Manager, EGCI
2. Presentation - Kari Collins, Community and Economic Development
- Max Holdhusen, Health and Wellness
3. Discussion and next steps

Affordable Housing Opportunities and Resource Alignment

December 3, 2019 Board Workshop

Sponsors

Johanna Berg, Deputy County Manager, Economic
Growth and Community Investment

Presenters

Kari Collins
Director of Community &
Economic Development

Max Holdhusen
Interim Manager of
Housing Stability

Affordable Housing Identified as a Priority

- **February 26, 2019** - Affordable Housing Workshop
- **March 12, 2019** - Economic Development Workshop
- **May 6, 2019** - Bridge Funding Request to Board to Support funding for Vision Plan
- **April 9, 2019 & July 23, 2019** - Riverfront Properties Workshops
- **August 30, 2019** - RFQ Developed and Released for Economic Competitiveness & Inclusion Vision Plan that divides deliverables between two major pillars (Economic Assessment/Housing Needs Assessment)
- Vision plan will include: In-depth assessment of housing needs, focusing on establishing inventory of housing options, and the identification of key opportunities and barriers associated with developing and accessing housing county-wide.
- **September 17, 2019** – Commissioner led discussion on next steps for affordable housing
- Vision Plan Team to begin early **2020**.

Review of Existing Programs & Initiatives

Housing Continuum



Current County Programs Have Restrictions on Use - CDBG

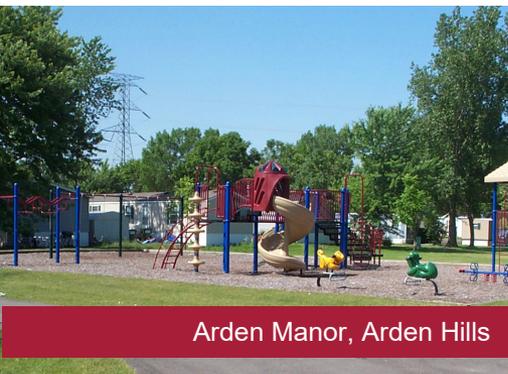
Community Development Block Grant (CDBG)

Uses:

- Housing
- Infrastructure Improvements in eligible low/mod areas
- Job Creation, Business Loans
- Public service activities (subject to spending cap)

Restrictions:

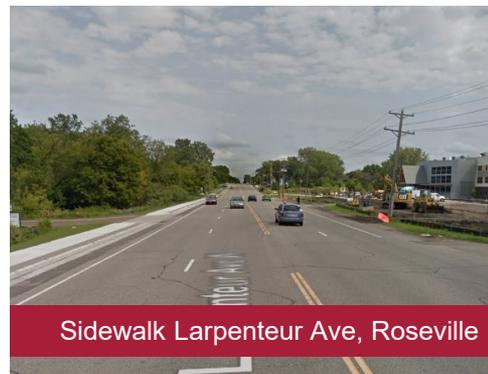
- No new construction of housing.
- No construction of buildings for the general conduct of government.
- No purchasing furniture.
- No ongoing maintenance or operations of roadways or public infrastructure.



Arden Manor, Arden Hills



Siena Green Apartments, Roseville



Sidewalk Larpenteur Ave, Roseville

Current County Programs Have Restrictions on Use - HOME

HOME (HOME Investment Partnerships Program)

Uses:

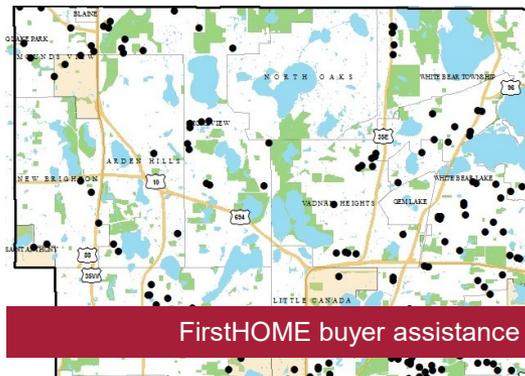
- Site acquisition or improvement, including, demolition of dilapidated housing to make way for HOME-assisted development
- Down payment assistance for income eligible first-time home buyers
- Rehabilitation of single-family home for resale to low income household

Restrictions:

- Not be used for homeless shelters
- Not provide reserve accounts for rental projects
- Not pay for the acquisition of property owned by the County



Family Service Center, Maplewood



FirstHOME buyer assistance



Landings at Silver Creek, St Anthony

Counties & Cities Must Partner to Advance Affordable Housing Supply & Services

- *Minnesota Housing Partnership helps to define the role of Counties and Cities in Housing Supply
- Counties Identified as a necessary “Funder” at 30%, 31%-50%, and 51% - 60% of Area Median Income
- Counties identified across all areas of affordable housing from supply to services (Capital Funder, Service Funder, and Rental Assistance/Operating Funder)

*Minnesota Housing Partnership Housing Continuum Attached

Ramsey County Has Not Levied Under Existing HRA Levy Authority

County Program Comparison	Ramsey	Anoka	Dakota	Hennepin	Washington
Economic Gardening (CEO Next)	✓	✓	✓	✓	✓
Community Development Block Grant (CDBG)	✓	✓	✓	✓	✓
HOME Funds	✓	✓	✓	✓	✓
GreaterMSP	✓	✓	✓	✓	✓
Property Assessed Clean Energy (PACE)	✓	✓	✓	✓	✓
Environmental Response Funds	✓		✓	✓	
Open To Business	✓	✓	✓	✓	✓
Transit Oriented Development				✓	
Predevelopment/Redevelopment Finance Fund			✓	✓	✓
Corridor Planning Fund	✓			✓	
Business District Initiative Grant				✓	
Affordable Housing Gap Financing/Incentive Fund			✓	✓	✓
Lead Program				✓	
County Owned Affordable/Senior Housing		✓	✓		✓
30% AMI/Supportive Housing				✓	
Levy?		✓	✓	✓	✓
Source of Levy	HRA	HRA	CDA	HRA/Gen Levy/CIP	CDA

CED Suggested Approach – Activate HRA Levy

- Why activate the HRA Levy?
 - Housing agencies rely on Counties to participate across the housing continuum.
 - Levy authority in place for most of suburban Ramsey County.
 - Easier to activate an existing authority that exists. An Economic Development Authority would require all cities across the County to opt-in (e.g. EDA's).
 - Ramsey County is a fully developed County meaning redevelopment funds can be used to facilitate development county-wide.
 - HRA allows for the County to develop housing programming that responds to the housing crisis.

Housing & Redevelopment Authorities Have Broad Range of Use

Ramsey County has an existing Housing & Redevelopment Authority Levy Authority. Sources of funds collected through an HRA Levy are restricted as follows (per League of MN Cities):

- Housing: *“HRAs may do all things necessary and convenient to acquire, construct and operate housing projects and housing development projects.”*
- Redevelopment: *“HRA powers regarding redevelopment are described under the powers to create and operate “redevelopment projects.” That term means, generally, any work or undertaking to acquire property in order to remove, prevent or reduce blight or blighting factors; construct utilities and site improvements essential to the preparation of sites for uses in accordance with the redevelopment plan; sell or lease land for uses in accordance with the redevelopment plan; prepare a redevelopment plan; or conduct an “urban renewal project,” which itself is broadly defined to include any undertaking for the elimination or prevention of blighted or deteriorating areas.”*

Ramsey County HRA By the Numbers

HRA Rules:

- HRA's can levy a maximum of 0.0185% of the estimated market value of taxable property in the area of operation.
- Cities with HRAs created prior to June 8, 1971 could request exemption from the County's area of operation.
- Communities that may be eligible to prove exemption include: St. Paul, North St. Paul, New Brighton and White Bear Lake.

Estimated Taxes Collected:

- County-wide estimated maximum Payable 2021 levy is **\$10,576,119.**
- Estimated maximum Payable 2021 levy without exempt cities is **\$4,286,675.**

HRA Levy Timeline – *2021 Approach* (*Most Aggressive*)

- July, 2020 – Communities that are eligible to request exemption from the County HRA Levy would need to do so by **July 1, 2020** for 2021 tax collection.
- 2021 - First HRA Levy taxes collected

CED Concerns:

- Vision Plan Incomplete and Disrupts Messaging Around Vision Plan Intent
- Compressed Engagement Process
- Levy layered on Existing 2020-2021 Budget
- Staff Capacity

HRA Levy Timeline – *2022 Approach*

(Staff Recommended)

- December 2020 – Vision Plan Complete and Resource Recommendations are Identified
- 1st Quarter 2021 – Vision Plan Presentations to Community & City Councils
- July, 2021 – Communities that are eligible to request exemption from the County HRA Levy would need to do so by **July 1, 2021** for 2022 tax collection.
- 2022 - First HRA Levy taxes collected

CED Notes:

- Vision Plan Complete
- Stakeholder/Community Engagement Process Complete
- Staffing assessment/resource needs better identified
- 2022 – 2023 budget process includes HRA levy consideration

Economic Development Authorities (EDA) - Most Flexible In Use, Require Full Opt-In

- Economic Development Authorities require special legislation and for all communities in the County to **opt-in**.
- Per League of MN Cities: *“The net result is that EDAs generally have similar powers to HRAs, except that the purposes extend beyond housing and redevelopment to include the broader goals of economic development.”*
- EDA’s have greatest flexibility of funds.
- EDA a long-term strategy once HRA levy is in tact, and Vision Plan is complete.
- Messaging to communities will be that the County is looking at legislation to expand opportunities for use of funds versus layering a new levy authority on top of existing authorities.

CED Levy Timing Recommendations

Short-Term

- Complete 2020 Vision Plan & Develop Program Recommendations/Assess Staff Capacity
- Partner with “Exempt Communities” to complement programming/services being offered and to achieve consensus by July 2021
- Review HRA Levy Impact within Ramsey County 2022-2023 Budget

Long-Term

- Seek EDA Special Legislation (as early as 2022) Following Successful Creation of a County-Wide HRA



RAMSEY COUNTY

*A county of excellence working with
you to enhance our quality of life.*

Kari Collins

Director of Economic Development

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Max Holdhusen

Interim Manager of Housing Stability

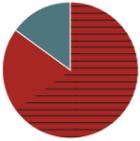
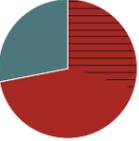
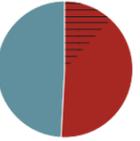
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AFFORDABLE HOUSING CONTINUUM



1 Renter & owner households in the Twin Cities region, based on Met Council staff analysis of U.S. Census Bureau, 2012-2016 American Community Survey (PUMS). 2 Because population & cost burden are based on 2012-2016 data, income limits are for FY2016.

INCOME ²	LESS THAN 30% AREA MEDIAN INCOME \$25,750 AND BELOW	31% - 50% AREA MEDIAN INCOME \$25,751 - \$42,900	51% - 60% AREA MEDIAN INCOME \$42,901 - \$51,480	61% - 80% AREA MEDIAN INCOME \$51,481 - \$65,700
HOUSING CONTINUUM	Low market rental Naturally occurring affordable housing Workforce housing			
	Public (subsidized) Housing		Homeownership assistance	
	Section 8 Vouchers		Market Rental and Homeownership	
	Streets	Shelters	Supportive Housing	
POPULATION ¹	124,667 total households Homeless People with disabilities People with service needs People exiting incarceration	125,094 total households Working poor People with episodic housing crises and service needs	64,244 households Working poor People with episodic housing crises and service needs	109,257 total households People who are accessing market housing but are limited by locational choice
COST BURDEN ¹	 <p>87% of households (108,068) are cost burdened, with 67% (84,069) paying more than half of their income on housing</p>	 <p>73% of households (91,372) are cost burdened, with 30% (37,095) paying more than half of their income on housing</p>	 <p>51% of households (32,914) are cost burdened; 12% (7,447) severely cost burdened</p>	 <p>35% of households (38,006) are cost burdened, with 6% (6,715) severely cost burdened, paying more than half of their income on housing</p>
STRATEGIES	<p>Harm reduction / Housing First (Red)</p> <p>Permanent supportive housing (Red)</p> <p>Transitional housing (Red)</p> <p>Rapid rehousing (Red)</p> <p>Rental subsidies needed (Dark Red)</p> <p>Reduce cost burdens (Dark Red)</p> <p>Low-income housing tax credit (Teal)</p> <p>Inclusionary housing (Teal)</p> <p>Tenant protections (Teal)</p> <p>Preservation (Teal)</p> <p>Production (Teal)</p> <p>Tax-increment financing (TIF) (Green)</p> <p>Local Housing Trust Funds (Green)</p> <p>NOAH Equity Fund (Green)</p>			
FUNDERS	CAPITAL FUNDERS: Cities, counties, MN Housing Finance Agency (MN Housing), U.S. Dept of Housing & Urban Development (HUD), Metropolitan Council, low-income housing tax credits, equity investors, Federal Home Loan Bank SERVICE FUNDERS: Counties, Dept of Human Services (DHS), foundations RENTAL ASSISTANCE AND OPERATING FUNDERS: Public Housing Authorities, DHS, counties, MN Housing			CAPITAL FUNDERS: Private banking systems, equity investors, MN Housing (homeownership)
SYSTEMS	State Plan to Prevent and End Homelessness Continuum of Care Coordinated Entry County safety nets Detox Jail		Homeownership counseling Downpayment assistance	
PARTNERS	Service providers (Red line) Nonprofit developers (Teal line)	Landlords / owners (Teal line) For-profit affordable housing developers (Teal line)	For-profit developers (Green line)	