

# **Housing and Economic Development**

## **Section F**

### **Introduction**

In 2008, the housing market is experiencing greater turmoil than it has seen in decades. High rates of mortgage foreclosures are negatively impacting families and neighborhoods. Increasing competition for the relatively scarce affordable housing in the county—coupled with the demolition of blighted foreclosed and vacant properties—further heightens housing distress. Turbulence in residential investment and credit markets makes it increasingly difficult and more expensive to preserve and/or build new rental housing. Moreover, several years' worth of single family and ownership units inventory is making it difficult for homeowners, especially seniors, to sell and relocate to more appropriate or more affordable housing.

Ramsey County and the City of Saint Paul play an important role in preserving, expanding and improving the supply of affordable housing throughout the County. Both independently receive federal funding that encourages investment in neighborhoods and communities. The Ramsey County Housing and Redevelopment Authority (HRA) works with other county departments and suburban jurisdictions to address current—as well as ongoing—housing and community development needs.

Most of Ramsey County's suburban housing and community development activities are undertaken through its HRA. Priorities are established annually by the 15 municipalities and include owner-occupied housing rehabilitation/ weatherization, rental rehabilitation and new construction, as well as homeownership and mortgage foreclosure counseling and assistance. Much of this work is accomplished under contracts with private organizations.

The Ramsey County HRA also issues conduit mortgage revenue bonds to help private developers preserve and build affordable housing units. Issuance of bonds depends to a large extent on external market conditions and the availability of other financing.

### **Mortgage Foreclosures and Property Values**

Ramsey County has experienced increases in foreclosures during the past several years. The County is working with local jurisdictions to understand the impact of the foreclosure crisis and to prepare for problems identified. During the 2007 budget hearings, the HRA Board established a pilot program for suburban communities experiencing foreclosures and vacant building issues. The County also contracted with a

consultant to work on foreclosure and vacant property issues along with the City of Saint Paul. Ramsey County staff has regular meetings with City of Saint Paul staff to look more closely at housing issues and determine if other actions are appropriate. In addition, a Ramsey County Foreclosures Task Force has been developed to provide information and recommendations to the County Board.

Of overall importance to the County—and its residents and businesses—is monitoring how the property tax base can be maintained in light of fluctuations in the housing market and recent declines in housing sales.

### **County-Owned Facilities**

Ramsey County is owner of three specialized housing facilities. These three facilities are expressly for people with special needs:

- 1) Lake Owasso Residence serves adults with developmental disabilities. The County has recently replaced the original dormitory buildings on Lake Owasso with smaller cottages.
- 2) The Ramsey Care Center provides intensive support for people with medical needs who cannot care for themselves.
- 3) The Family Service Center was built by Ramsey County in cooperation with the City of Saint Paul in 1999. The Family Service Center, located in Maplewood, provides short-term transitional housing for homeless families.

### **Ramsey County Environmental Response Fund**

The Housing and Redevelopment Authority has been administering the Environmental Response Fund (ERF) Program on behalf of Ramsey County for about the past three and one-half years. Authorizing legislation ended December 31, 2007. The program has been reauthorized as part of the Omnibus Tax Bill. The reinstated authority expires on January 1, 2013. The ERF makes gap funding available to clean-up contaminated property for redevelopment. Much of the clean-up to date has enabled construction of new residential rental properties. More information regarding Ramsey County's Community and Economic Development Program may be found on the web at: [www.co.ramsey.mn.us/cp/ced](http://www.co.ramsey.mn.us/cp/ced)

Ramsey County recognizes the need to transform contaminated property into viable use. Land acquisition and construction costs are rising rapidly and little undeveloped property remains. Re-use of existing sites can increase development costs and can leave owners

with the additional costs of mitigating contamination created by prior land uses. It is Ramsey County's desire to facilitate preservation and enhancement of the property tax base through assisting with brownfields clean-up.

Consistent with the legislative requirements of the ERF, Ramsey County affirms the following priorities for expenditure of ERF funds:

- Development/redevelopment of blighted sites, including orphan sites, that will result in additional jobs at living wages and/or affordable housing; and/or
- Clean-up of public land and green space that will enhance the quality of life in neighborhoods and communities.

Ramsey County municipalities, public and private for profit and not-for-profit agencies and organizations may apply for Ramsey County ERF funds to mitigate capital investment associated with redevelopment of contaminated/polluted property located in Ramsey County. ERF funds are intended as gap financing and applicants should have exhausted funds available from other sources including, but not limited to the Department of Employment and Economic Development, the federal government, the Metropolitan Council and the private sector. Organizations applying for Ramsey County ERF gap financing to mitigate a site must own or demonstrate legal control of the contaminated property and have a pre-approved Response Action Plan from the State of Minnesota.

The Ramsey County Housing and Redevelopment Authority will administer the Ramsey County ERF. Staff will work directly with proposers and in cooperation with municipalities who may be proposing projects in Ramsey County suburban communities. For sites that are located within Saint Paul, Ramsey County HRA staff will work with Saint Paul Planning and Economic Development or the Port Authority staff to provide technical assistance and assure that proposals meet ERF program guidelines. Staff will coordinate review of project proposals and recommendations with other funding agencies. It is the intent that the ERF be used as the fund of last resort.

## **Homelessness**

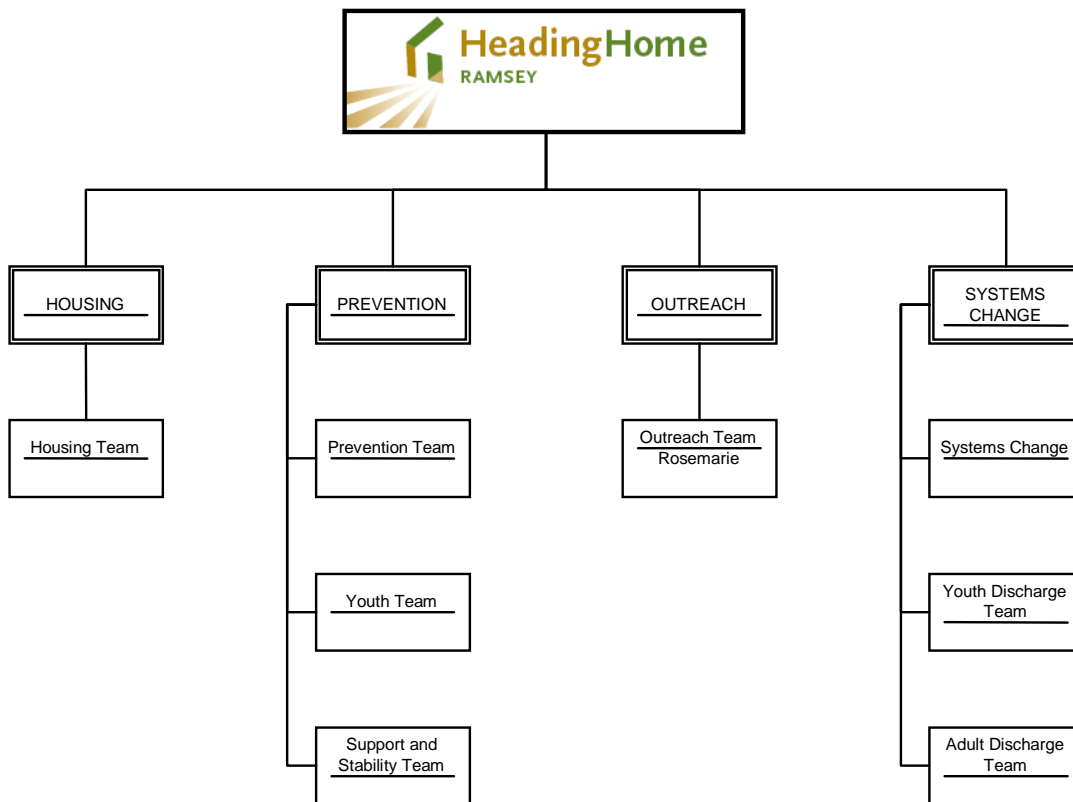
### **Introduction**

Over the past several years, Ramsey County and the City of Saint Paul have joined forces to end homelessness. The Saint Paul/Ramsey County Homeless Advisory Board, comprised of over 70 people, created a blueprint for ending homelessness, joining over 300 cities, counties and regions across the United States that have taken up the same challenge. The plan to end homelessness, which was developed in 2005 and 2006, resulted in a coordination effort entitled *Heading Home Ramsey*. *Heading Home Ramsey* is a part of *Heading Home Minnesota*, the statewide strategy to end homelessness.

Although community plans were developed and presented to the local government leadership in 2005 and 2006, formal action was not taken until 2007. A decision was made in collaboration with the City of St. Paul to hire a coordinator position. On August 7, 2007, the Ramsey County Board of Commissioners authorized a 1.0 full-time position to assist the County, City and community by coordinating the implementation of key strategies to end homelessness. The coordinator was assigned to the County Manager’s Office and was authorized to focus on accomplishing the goals in the Heading Home Ramsey Plan to End Homelessness. The coordinator was hired in January 2008.

There are four key strategies to ending homelessness in Ramsey County: 1) Housing, 2) Prevention, 3) Outreach, and 4) Systems Change. **Figure 1** highlights the strategy areas and the structure of action teams, and team leads, corresponding to these strategies. These action teams have been created to review and recalibrate the existing plans, based on changes that have occurred since the plans were originally developed in 2005 and 2006. Most action teams were formed in June 2008.

**Figure 1**



The Tables on the following two pages represent a high level summary of recommendations from two draft plans: Plan 1: *Ending Long-Term Homelessness*, and Plan 2: *Ending Homelessness*. The numbers referenced in the tables correspond to the recommendation sections in the original two plans.

**Table 1**  
**DRAFT Plan 1: *Ending Long-Term Homelessness***

**Vision:** A more livable community, where shelters are used only for emergency transitions and every family and individual has a permanent place to live.

Strategy	Housing	Prevention	Outreach	Systems Change/ Coordination
<b>Action Teams</b>	<ol style="list-style-type: none"> <li>1. Create Supportive Housing. Create 920 units of permanent supportive housing (housing that includes access to supportive services) by 2010 (1.1, 2.1.1, 2.1.2).</li> <li>2. Expand Housing Opportunities. Create local funding for 500 flexible rental assistance vouchers and advocate for a fully funded federal Housing Choice Voucher Program (1.5.1, 2.1.3, 2.1.4, 2.5.1, 2.5.2, 2.6.2).</li> </ol>	<ol style="list-style-type: none"> <li>3. Prevent Homelessness. Expand the Family Homeless Prevention and Assistance Program and create a network of providers for early identification of at-risk households. Intervene quickly when homelessness strikes to ensure that it does not become a long-term tragedy (1.2, 2.3.1, 2.3.3, 2.4.2).</li> <li>4. Provide effective alternatives for homeless youth (2.6.2).</li> <li>5. Build Support and Stability. Increase training and employment opportunities to increase earned income (1.4.1, 2.2.1, 2.2.2, 2.2.4, 2.2.5).</li> </ol>	<ol style="list-style-type: none"> <li>6. Build on Effective Outreach Models. Criminal justice responses to adult and youth street homelessness are both costly and ineffective. Continue to expand on these programs (2.3.2, 2.3.3).</li> </ol>	<ol style="list-style-type: none"> <li>7. Improve Coordination: Improve the coordination and delivery of housing and services. Improve coordination across systems. Improve cultural and linguistic competence of providers (2.4.3, 2.6.1, 2.6.3, 2.7.3).</li> <li>8. Effective Discharge Planning. Improve discharge planning for those exiting public institutions (2.4.1, 2.4.2).</li> <li>9. Maximize Public and Private Investments. Invest a total of \$130 million dollars between 2006-2010 (1.3.1, 1.3.2, 2.1.5).</li> <li>10. Build a Community-Wide Response. Engage a broad spectrum of support (business, government, faith communities, providers, and community members) to end homelessness (1.5.2, 2.3.2, 2.7.2).</li> </ol>

**Table 2**  
**DRAFT Plan 2: Ending Homelessness**  
**Recommended Action Items Summary**

	<b>Strategy 1: Housing</b>	<b>Strategy 2: Prevention</b>	<b>Strategy 3: Outreach</b>	<b>Strategy 4: Systems Change</b>
<b>Action Items from Plan 1 (2005)</b>	920 units of permanent supportive housing for people experiencing long-term homeless will be developed between 2006 and 2010, with an approximate annual target of 160 units each of the first two years and 200 units each of the last three years (1.1) <b>Equitable distribution of supportive housing throughout Ramsey County by 2008 (1.5.1)</b>	<ul style="list-style-type: none"> <li>- A zero growth-rate in the number of people meeting the definition of long-term homelessness by 2010, based on Wilder surveys (1.2)</li> <li>- <b>Review of eligibility for publicly funded programs for all homeless persons by 2007 (1.4.1)</b></li> </ul>		<ul style="list-style-type: none"> <li>- More than \$130 million will be invested from public and private sources (1.3.1)</li> <li>- Develop a flexible fund mechanism to provide gap funding (1.3.2)</li> <li>- <b>By 2008, there will be active participation in the crafting of solutions to homelessness in Ramsey County by broadly representative organizations (1.5.2)</b></li> <li>- <b>Develop formal protocols for discharge planning by 2008 (1.4.2)</b></li> </ul>
<b>Action Items from Plan 2 (2006)</b>	<ul style="list-style-type: none"> <li>- Develop 920 units of housing by 2010 (2.1.1)</li> <li>- Develop 100 units of housing for youth (&lt;22) (2.1.2)</li> <li>- Expand transitional housing stock (2.1.3)</li> <li>- Address zoning barriers for equitable distribution of affordable housing across city and county (2.1.4)</li> <li>- Develop a locally financed rental assistance voucher system (2.5.1)</li> <li>- Recruitment campaign to finance 500 short-term rental assistance vouchers. (2.5.2)</li> <li>- Expand emergency shelter for youth (2. 6.2)</li> </ul>	<ul style="list-style-type: none"> <li>- Develop collaboration between homeless providers and employment service providers (2.2.1)</li> <li>- Maximize use of the earned income tax credit (2.2.2)</li> <li>- Increase the availability of supported employment and vocational rehabilitation services (2.2.4)</li> <li>- Increase focus on employment and schooling for homeless youth (2.2.5)</li> <li>- Support tenant advocacy and mediation (2.3.1)</li> <li>- Establish a network of providers for early identification of at-risk households (2.3.3)</li> </ul>	<ul style="list-style-type: none"> <li>- Expand outreach staffing to better identify at-risk households (2.3.4)</li> <li>- Improve outreach efforts by workforce development centers (2.2.3)</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure adequate operating and service dollars for supportive housing units (2.1.5)</li> <li>- Develop strategic plan for coping with the demand of family shelter beds that exceed capacity (2.3.2)</li> <li>- Improve cooperation between systems working with homeless youth (2.4.3)</li> <li>- Form youth advisory board (2.6.1)</li> <li>- Improve coordination and planning between private and public agencies (2.6.3)</li> <li>- Form strategic partnerships with culturally specific organizations (2.7.2)</li> <li>- Enhance coordination (2.7.3)</li> <li>- Promote legislative agenda (2.7.4)</li> <li>- Develop an inventory of currently available services (2.7.1.1)</li> <li>- Develop systems for access to this information (2.7.1.2)</li> <li>- Establish a discharge planning task force (2.4.1)</li> <li>- Pilot programs with corrections for better re-entry alternatives (2.4.2)</li> </ul>

Please Note: Items bolded (**B**) are highlighted because the original time specific targets were not achieved as of Jan 2008