



**City of North St. Paul
City Council
Workshop Meeting Agenda**

**June 6, 2023
5:30 PM**

The City Council Meeting will be conducted on **June 6, 2023** at 5:30 p.m. in the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

The City Council will also be meeting by interactive TV under Minn. Stat. 13D.02.

The **June 6, 2023** Zoom meeting can be accessed via:

<https://tinyurl.com/NSPCityCouncil>

(from a PC, Mac, tablet, iPhone or Android device) or by phone at 1-929-205-6099.

Participants accessing the meeting by phone please use the following meeting ID:
84409094358

You can also watch the meeting on our YouTube channel here:

tinyurl.com/NSPYoutube

- I. Call to Order**
- II. Roll Call**
 - Council Member Cole
 - Council Member Schweer
 - Council Member Wong
 - Council Member Nordby
 - Mayor Monge
- III. Adopt Agenda**
- IV. Topic(s)**
 - A. Ramsey County HRA Levy Discussion
- V. Other Business**
- VI. Adjournment**

The next regularly scheduled City Council Workshop meeting is June 20, 2023.



To	Date
Honorable Mayor Monge and City Council	June 6, 2023
Agenda Placement # IV.A	
Topic(s)	
Subject	
Ramsey County HRA Levy Discussion	
Background/Facts	
Refer to staff report.	
Recommended Action	
N/A. Staff is seeking direction from City Council on whether to participate in the County's HRA levy.	
Attachments	
1. Staff Report 06-06-2023 2. Ramsey County's HRA Levy Presentation 2023-04-18	
Respectfully submitted, Brandy Howe, Community Development Director	

City of North St. Paul

City Council Report

From: Brandy Howe, Community Development Director
 Meeting Date: June 6, 2023
 Agenda Item: Ramsey County HRA Levy Discussion



INTRODUCTION

The Ramsey County Housing and Redevelopment Authority (HRA) was organized on May 4, 1993, by the Ramsey County Board of Commissioners. In 2022, Ramsey County levied \$11.1 million through the HRA to preserve and increase the supply of affordable housing. All communities within Ramsey County are required to participate in the County HRA levy except St. Paul and North St. Paul because both cities operate their own city HRAs prior to 1971. Both cities had the option to “opt in” to the County HRA levy in 2022. St. Paul opted in under an agreement that a minimum of 50% of the funds levied by the county would be spent on programming benefitting St. Paul. The City of North St. Paul chose to opt out for levy programming available in 2022.

DISCUSSION

At staff’s request, Ramsey County Commissioners and Community Development staff provided a presentation to North St. Paul’s City Council at the April 18, 2023 workshop (refer to enclosed presentation slides). Following that meeting, staff requested additional information from the county so that Council can have a full understanding of what potential participation in the HRA would mean for North St. Paul.

What programming will the City of North St. Paul be eligible for if it participates in the HRA levy?

The following programs are funded by the Ramsey County HRA levy: Affordable Housing Projects, Critical Corridors grant program, and wealth generation programming, described below.

1. Affordable Housing Projects

Affordable housing projects covered by the HRA levy include construction of new units and preservation of existing affordable units. The 2022 HRA funded projects are listed below.

City	Project	Project Type	HRA Levy	Total Units	Unit Mix*
Little Canada	Litmore	New Construction	\$1,500,000	60	6 – 30% AMI 54 - >50% AMI
St. Paul	Restoring Waters	New Construction	\$1,366,767	60	60 – 30% AMI
Maplewood	1375 Frost	New Construction	\$1,248,405	40	20 – 30% AMI 20 – 50% AMI
White Bear	The Lochner	New Construction	\$1,000,000	244	10 – 50% AMI 234 – >50% AMI
St. Paul	McDonough	New Construction	\$708,314	7	7 – 30% AMI
St. Paul	Edgerton	Preserved	\$550,000	221	221 – 50% AMI
St. Paul	Seal Hi-Rise	Preserved	\$550,000	144	144 – >50% AMI
Shoreview	Canalbrook	New Construction	\$495,000	6	6 – 80% AMI
St. Paul	Mary Hall	New Construction	\$326,068	88	88 – 30% AMI
St. Paul	7 th Street Gardens	New Construction	\$300,000	220	54 – 30% AMI 166 – >50% AMI
St. Paul	Amani Beacon	New Construction	\$50,000	68	68 – 50% AMI
Award Total			\$7,599,554		
*AMI means area median income					

2. Critical Corridors Grants

Ramsey County's Critical Corridors grant program offers assistance to qualifying public, private and nonprofit organizations for place-based investments along major transportation, commercial and cultural corridors. The goals of the grant program are as follows:

- Boost connectivity between housing, jobs, retail, services and transportation.
- Create more compact, walkable environments.
- Enhance pedestrian access and safety.
- Support vibrant business districts.

The following grants are provided under the Critical Corridors program. Eligible projects or activities seeking Critical Corridor funding must align with the county's Economic Competitiveness & Inclusion Plan and Equitable Development Framework.

- [Pre-Development Planning](#). The grant funds up to \$50,000 per project. Approximately \$100,000 is available for funding annually. Eligible projects include land use plans, market studies, feasibility studies, infrastructure planning/conceptual designs. Selection criteria for this program include:
 - Alignment with the [Economic Competitiveness & Inclusion Plan](#).
 - Intensification of land use, emphasizing pedestrian environment and access to transit.
 - Facilitation of multifamily development, including supportive infrastructure or upzoning.
 - Prevention, reduction, removal, or redevelopment of blighted areas.
 - Improvement of pedestrian or bicycle safety and access.
 - Potential to catalyze development without displacing current residents or businesses.
 - Project readiness and organizational capacity.
 - Parity in overall Housing Redevelopment Authority levy funding between Saint Paul and suburban cities.
- [Commercial Corridor Initiative](#). The grant funds up to \$50,000 per project. Approximately \$100,000 is available for funding annually. Eligible activities include business recruitment, establishing small business incubators, building façade improvements, technical assistance, district-wide marketing, branding, promotion. Selection criteria for this program include:
 - Alignment with the [Economic Competitiveness & Inclusion Plan](#).
 - Improvement of conditions for job creation and entrepreneurship.
 - Improvement of coordination among businesses.
 - Placemaking and improved pedestrian and bicycle access.
 - Demonstrated need for financial assistance.
 - Project readiness and organizational capacity.
 - Support from businesses and property owners.
 - Alignment with city priorities and plans.
- [Development + Infrastructure](#). The maximum grant award is \$500,000 per project. Eligible projects include extraordinary costs of housing, commercial, or mixed-use redevelopment projects as well as public site infrastructure work. Selection criteria for this program include:
 - Project feasibility and readiness.
 - Increase in affordable housing units.
 - Increase in jobs.
 - Increase in property taxes.

- Acts as a catalyst for surrounding redevelopment without displacement of existing residents.
- Intensifies land use emphasizing pedestrian environment and transit service.
- Improves pedestrian safety and access.
- Sustainability impacts.

The majority of land within the City of North St. Paul lies within a “critical corridor” area. If the City participated in the levy, it could be eligible to receive Critical Corridor funding.

Location	Grant	Project	Award
Mounds View	Pre-development	Mounds View Square Redevelopment Concept Plan	\$50,000
New Brighton	Pre-development	Parkin Reduction for a Greener New Brighton	\$29,340
Roseville	Pre-Development	County B Pedestrian Improvement Study	\$25,000
St. Paul	Pre-Development	Amani Beacon Bluff Building	\$50,000
St. Paul	Pre-Development	Creative Enterprise Zone	\$50,000
St. Paul	Pre-Development	East 7 th Street Cultural Corridor	\$25,000
Award Total Pre-Development Planning Grants			\$229,340
New Brighton	Commercial Corridor Initiative	Bringing a Sense of Place to New Brighton	\$32,600
Shoreview	Commercial Corridor Initiative	Lexington Ave Revitalization Plan	\$25,000
Maplewood & Roseville	Commercial Corridor Initiative	Enhancing Public Realm in Rice & Larpenteur	\$50,000
Award Total Commercial Corridor Initiative Grants			\$107,600
St. Paul	Development & Infrastructure	Hillcrest Redevelopment Site	\$500,000
St. Paul	Development & Infrastructure	7 th Street Gardens	\$300,000
St. Paul	Development & Infrastructure	Little Africa Plaza – Water Line	\$103,507
St. Paul	Development & Infrastructure	Plaza del Sol – El Patio de la Plaza	\$90,500
White Bear Lake	Development & Infrastructure	The Lochner	\$1,000,000
Award Total Development & Infrastructure Grants			\$1,494,007
Total All 2022 Critical Corridor Grant Awards			\$2,330,947

3. Wealth Generation Programs

The FirstHome program assists first-time and first-generation homebuyers with low-to-moderate incomes who are purchasing homes. Eligible buyers may purchase a home up to \$372,600 and qualify for loans that can be used for down payment and closing costs. The program is available to first-time buyers and first-generation buyers. First-time homebuyer's gross household income must be at or below 80% Area Median Income (AMI). First-generation homebuyers with 4 or more household members must be at or below 100% AMI. See income chart on the following page for reference as well as North St. Paul income data from the American Community Survey.

**2022 Area Median Income Guidelines - Minneapolis - St. Paul - Bloomington,
MN CDBG - Effective May 2nd, 2022**

Household Size								
AMI %	1	2	3	4	5	6	7	8
30%	\$ 24,650	\$ 28,200	\$ 31,700	\$ 35,200	\$ 38,050	\$ 40,850	\$ 43,650	\$ 46,630
50%	\$ 41,100	\$ 46,950	\$ 52,800	\$ 58,650	\$ 63,350	\$ 68,050	\$ 72,750	\$ 77,450
60%	\$ 49,280	\$ 56,320	\$ 63,360	\$ 70,400	\$ 76,032	\$ 81,664	\$ 87,296	\$ 92,928
80%	\$ 62,600	\$ 71,550	\$ 80,500	\$ 89,400	\$ 96,600	\$ 103,750	\$ 110,900	\$ 118,050
100%	\$ 82,740	\$ 94,560	\$ 106,390	\$ 118,200	\$ 127,656	\$ 137,112	\$ 146,568	\$ 156,024
120%	\$ 100,150	\$ 114,450	\$ 128,745	\$ 143,050	\$ 154,494	\$ 165,938	\$ 177,382	\$ 188,829

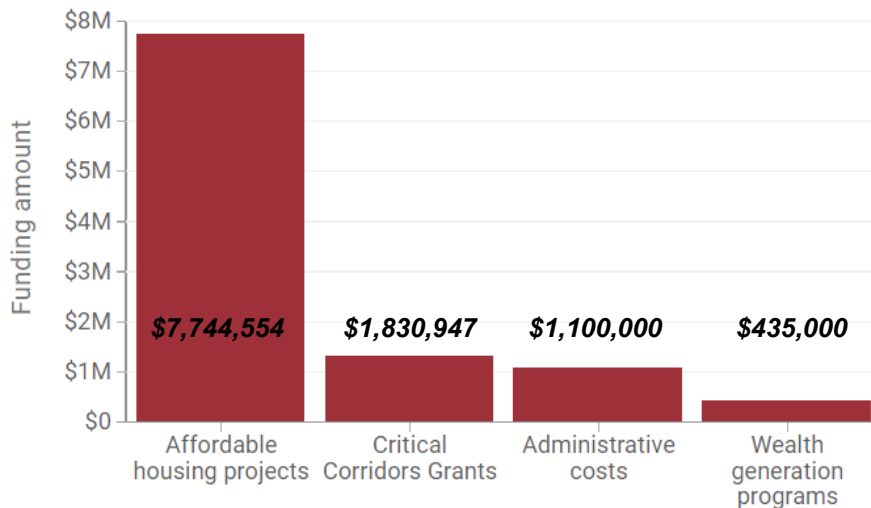
Median Income in North St. Paul

	Value
Median Housing Value (Mortgaged Units)	
Median home value in NSP	\$231,500
Median Household Income	
Median Household Income in NSP	\$71,528
Median Family Income by Family Size	
2-person families	\$81,693
3-person families	\$76,911
4-person families	\$91,000
5-person families	\$158,333
6-person families	\$ -
7+ person families	\$80,481
Source: American Community Survey, 2021	

As indicated above, families and individuals in North St. Paul could benefit from the FirstHome program. Per Ramsey County's presentation on April 18, numerous individuals from North St. Paul have contacted the County inquiring about their eligibility for wealth generation programming. Unfortunately, those individuals are not eligible to participate if they reside or intend to purchase property in the City of North St. Paul.

How is the HRA levy allocated across programs?

Per Ramsey County's annual report, the 2022 HRA levy was spent in four categories: affordable housing projects, Critical Corridor grants, wealth generation programs, administrative costs, and allowance for uncollectibles (not reported below).



How was the \$1.1 million in administrative costs spent?

The bulk of the \$1.1 million spent was on staff. In addition to staff they have costs associated with legal and financial professional services who review/underwrite projects and draft agreements. They also have overhead costs associated with the support we get from Communications, Central Finance, procurement, technology and other centralized staff that help us with CED/HRA program delivery.

What would participation cost the average tax payer?

The median estimated value for a home located in North St. Paul in 2023 is \$273,750. This will result in an estimated increase of \$42 dollars (annually). Please note, this information is based on 2023 data. As of 2023, NSP is estimated at 1.8% of the county levy. The total for 2024 would be \$198,955.

Does North St. Paul have projects that would benefit from HRA participation?

As indicated above, there are likely individuals that would benefit from the wealth generation programs to reduce barriers to first-time homebuying. North St. Paul has a lower median home value than many of the neighboring suburban communities in Ramsey County. North St. Paul will likely have redevelopment projects that are eligible for Critical Corridor Grant funding.

CONCLUSION

At this time, staff seeks City Council direction on whether to bring a resolution of support for participation in the Ramsey County HRA levy to support affordable housing.

ATTACHMENTS

- Ramsey County presentation slides from April 18, 2023.

Community & Economic Development (CED) Housing & Redevelopment Authority (HRA) Levy Recap

April 18, 2023

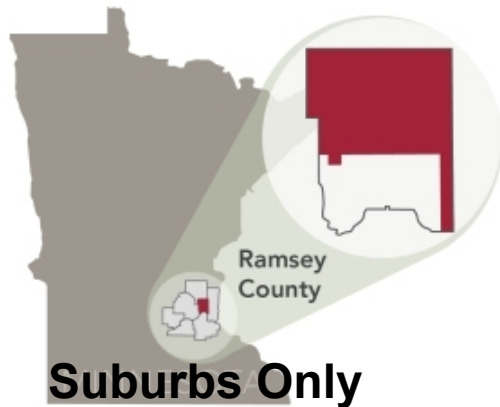
HRA Levy Background

- 2022 – First Year of the countywide levy.
 - Area of Operation excludes North St. Paul
- Investment in housing infrastructure is the priority
- Programming (existing and new) is more responsive and flexible to community needs & priorities
- Decisions no longer driven solely by federal funding rules and/or allocations
- Spending plan is a roadmap but an overlap of programming and final spending will be across all areas
- 50/50 spending parity between Saint Paul and suburbs
- Admin monitored and limited to 10%

Integration with broader CED funding

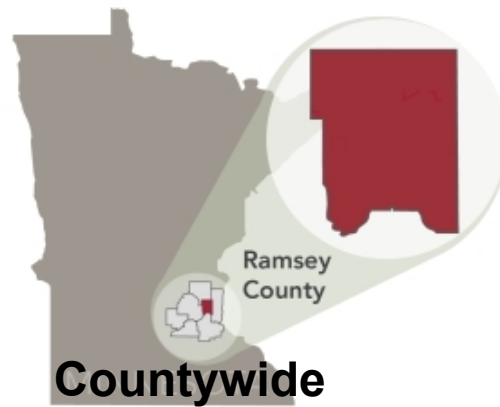
CDBG/HOME

\$2M *
annually



ERF

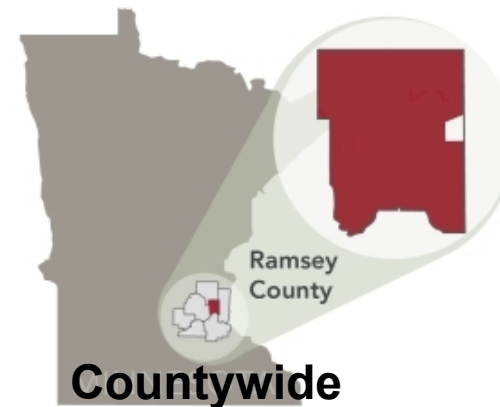
\$900K
annually



**GOAL: Parity between
Suburbs & Saint Paul**

HRA LEVY

\$11.1M
annually

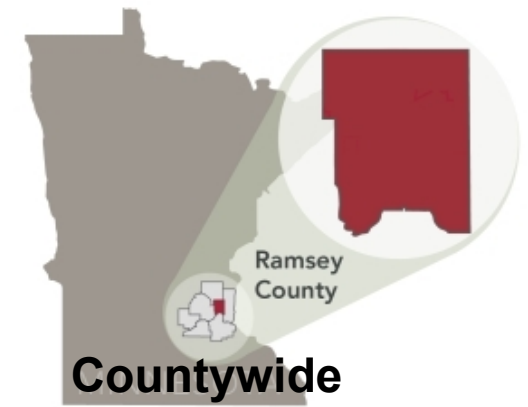


*Excludes North Saint Paul

**GOAL: Parity between
Suburbs & Saint Paul**

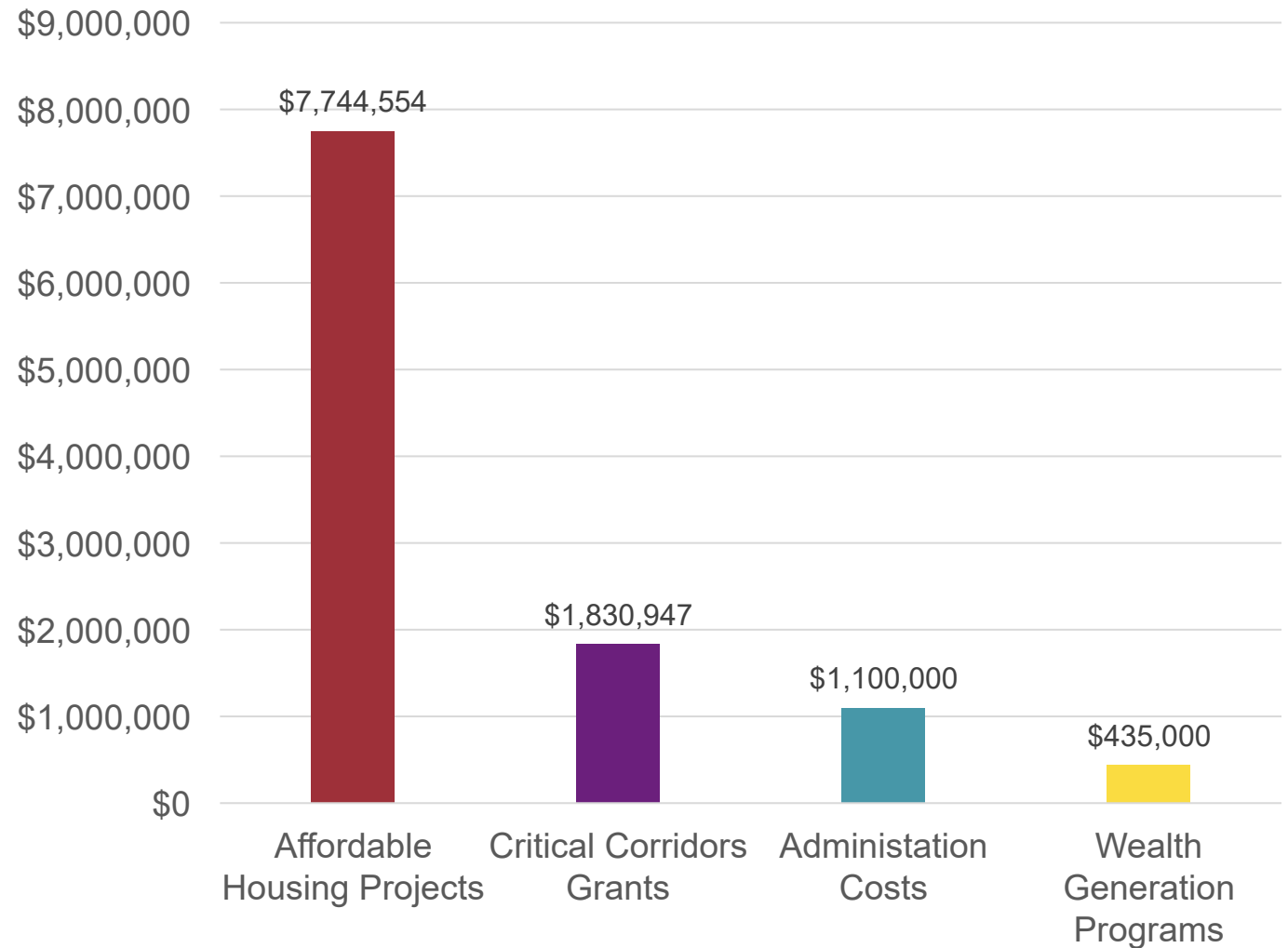
ARPA

\$37M
one-time

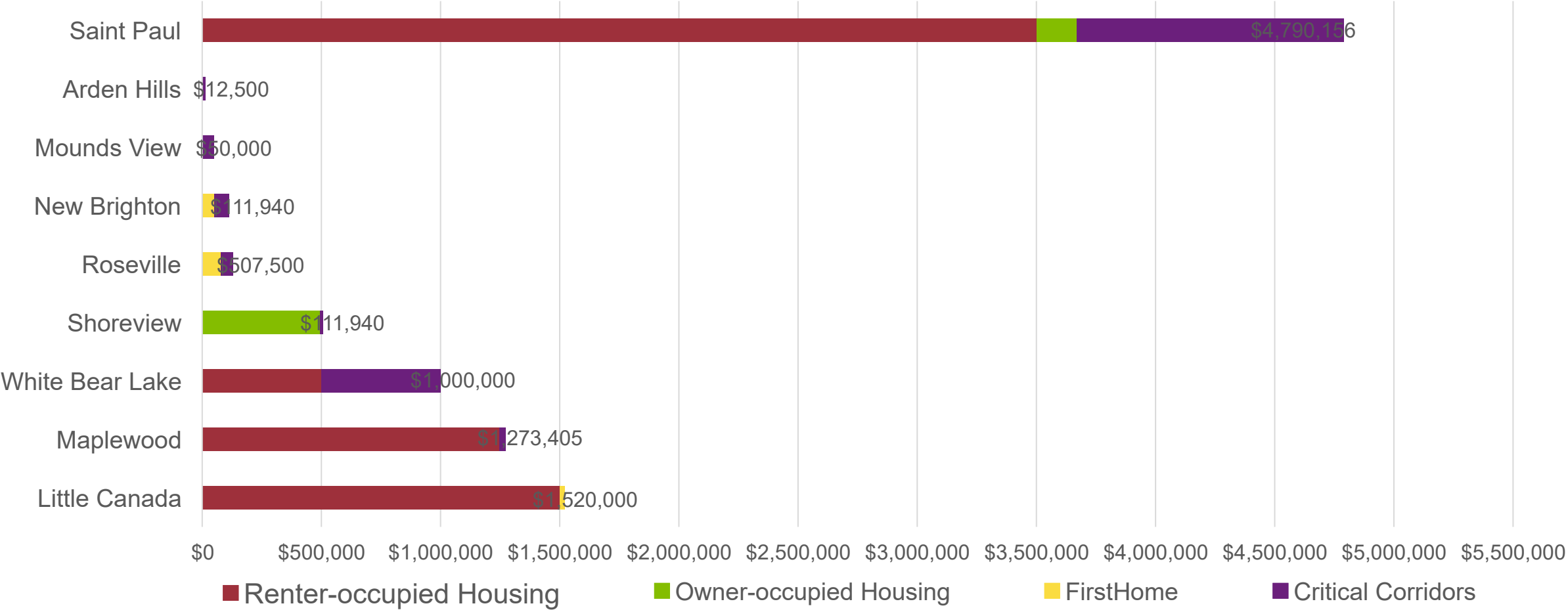


2022 - HRA Levy Spending Highlights

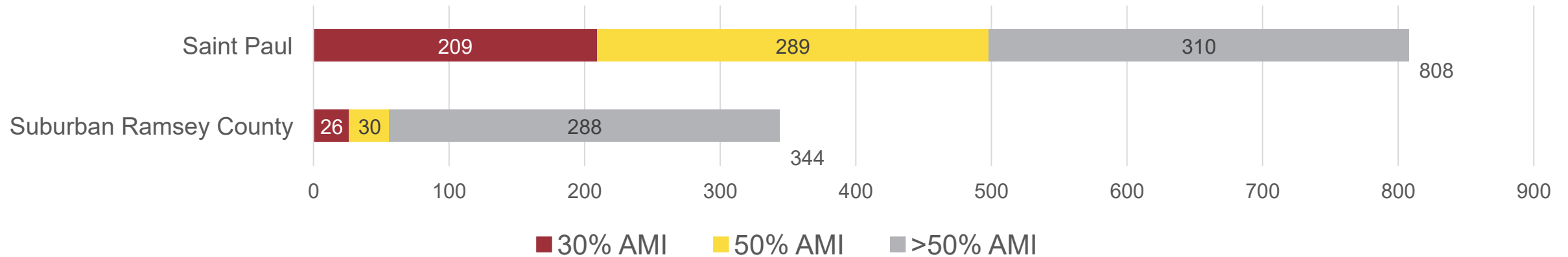
- HRA Levy spend focused on affordable housing infrastructure
 - Increasing supply
 - Deeper affordability levels
- Creation of new flexible and responsive programming
 - Down Payment Assistance
 - Critical Corridors
- Ensuring parity in HRA Levy spending across Saint Paul and Suburbs



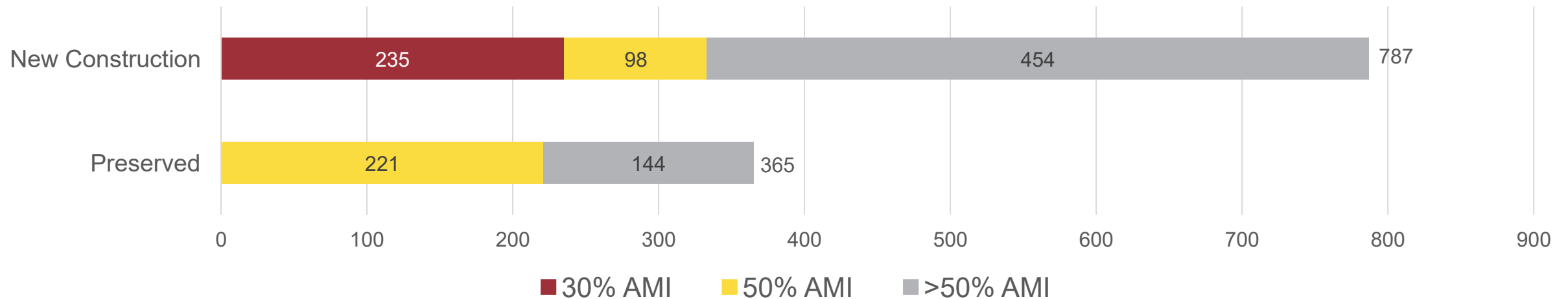
HRA Levy Spending by City



HRA Renter-occupied Housing Units Created and Preserved by Location



HRA Renter-occupied Housing Units Created and Preserved by Type



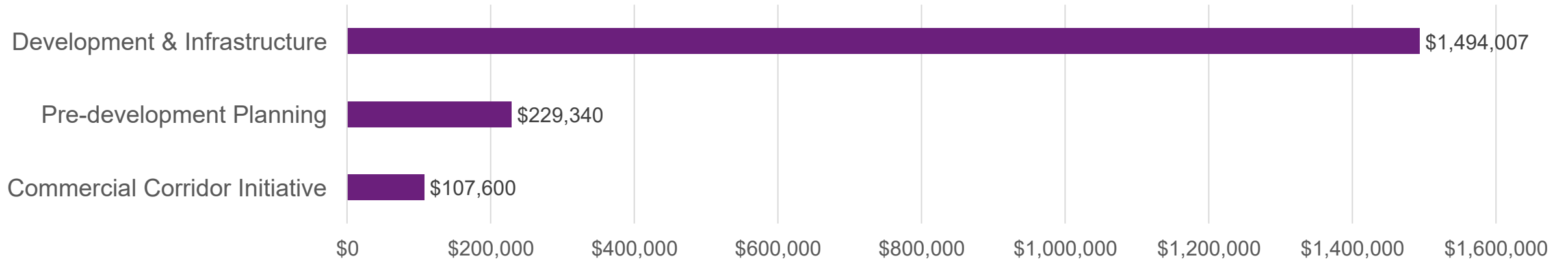
Down Payment Assistance

- Implemented new program criteria in September 2022 that better match the needs of residents and the Ramsey County market
 - New tool for first-generation homebuyers
 - Increased loan amount for first-time homebuyers
 - Increased purchase price limit
 - Eliminated asset limit to encourage wealth generation and savings

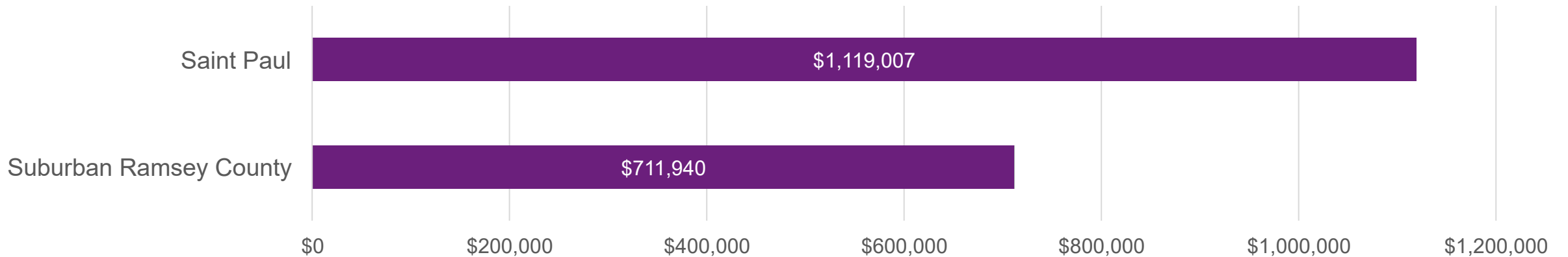
\$182,500	\$147,500	81%
Total loans in 2022 ↑ <i>from \$15,000 in 2021</i>	Loans funded via HRA Levy. Two loans are First Generation homebuyers totaling \$127,500	Total loan dollars went to homebuyers who are racially and/or ethnically diverse or American Indian

- Locations of homebuyer loans: New Brighton, Roseville, Little Canada, White Bear Lake*, North Saint Paul*
* Funded via HOME

Critical Corridors Awards by Grant Type



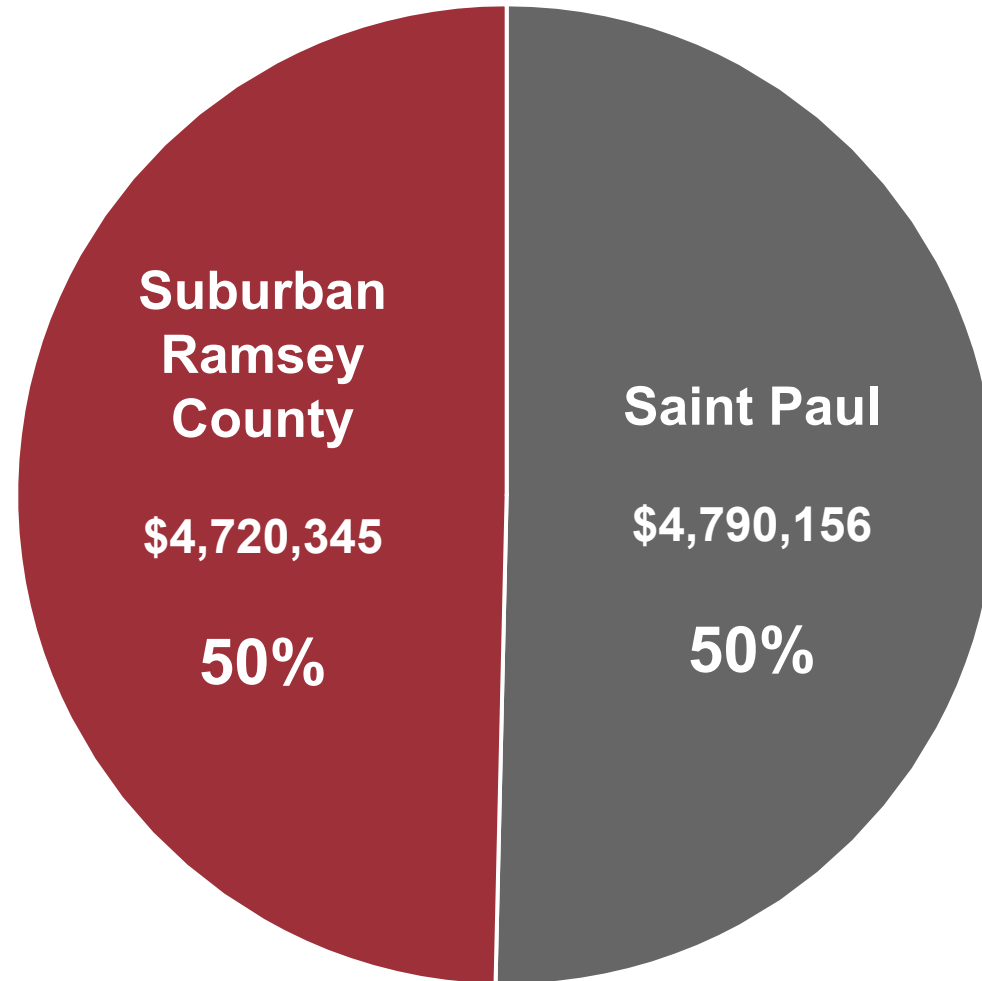
Critical Corridors Awards by Location



HRA Levy Spending Parity

From City of Saint Paul resolution ([RES 21797](#)) May 26, 2021:

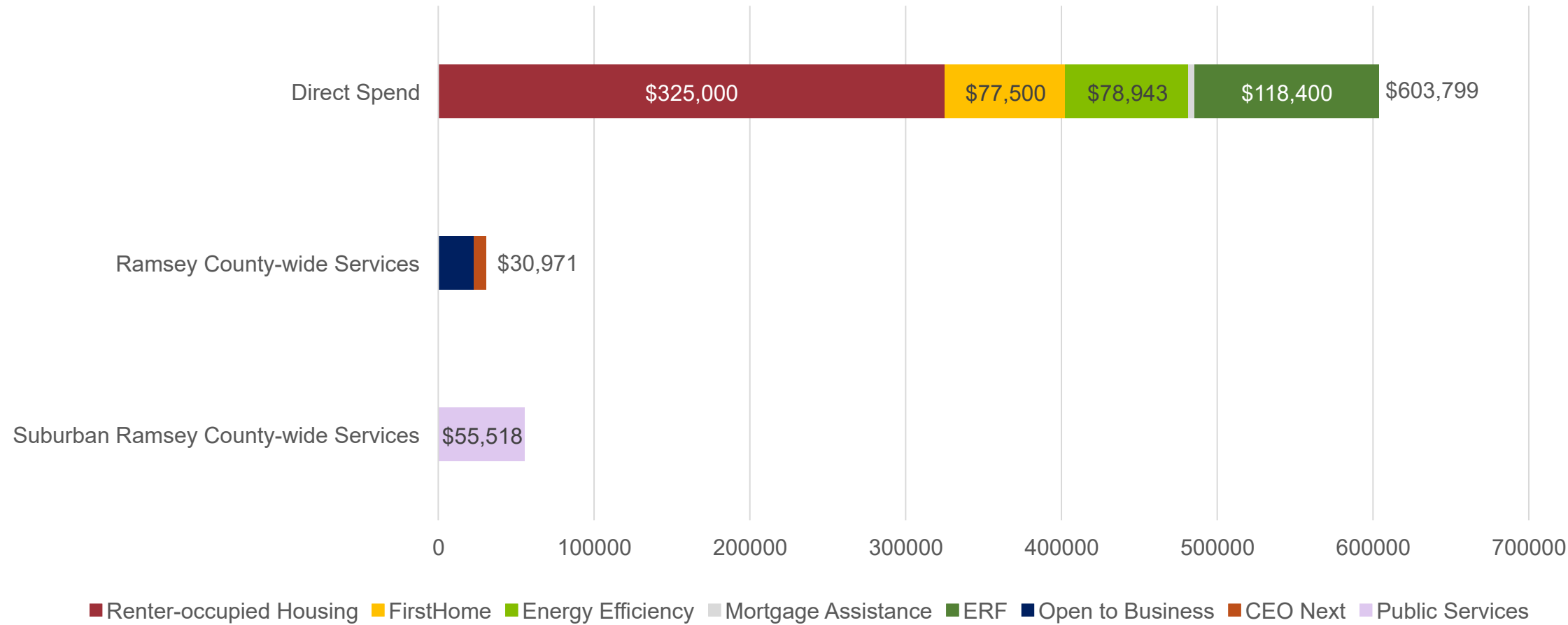
"...The authorization granted herein is given on condition that at least fifty percent (50%) of any tax levied by the County HRA will spent on projects located in the City of Saint Paul"



North Saint Paul Spend Profile 2022



North Saint Paul Spend Profile 2017-2022





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

Questions & Discussion

Acronym Key:

HUD: U.S. Department of Housing & Urban Development; **CDBG:** Community Development Block Grant; **CDBG-CV:** Community Development Block Grant – COVID19 allocation

HOME: Home Investment Partnership Program; **HOME-ARP:** Home Investment Partnership Program – American Rescue Plan allocation

GO Bonds: General Obligation Bonds; **ERF:** Environmental Response Fund; **ECI Plan:** Economic Competitiveness and Inclusion Plan; **ARPA:** American Rescue Plan Act

TFL: Tax Forfeited Land