

# Economic Competitiveness & Inclusion

## Ramsey County, MN

HRA Update | July 7, 2020



# Meeting Agenda

**01** Introductions

**02** Economic Plan Update (Center for Economic Inclusion)

**03** Housing Analysis (Fourth Economy)

**04** County Land/Tax Analysis (Urban3)

**05** Next Steps

# Ramsey County Economic Competitiveness and Inclusion Plan

# Why Develop an Economic Plan?

Ramsey County is embarking on the development of an Economic Competitiveness and Inclusion Vision Plan to better position the county - through its community and economic development programs and services - for growth and fulfill its vision of building a community in which all are valued and thrive.

# What's Different About This Plan?

The Plan will seek to:

- Leverage existing efforts, not reinvent the wheel
- Focus on collaboration and a new way of partnering
- Emphasize affordable housing development
- Center efforts around equity and economic inclusion

# Project Team



**Economic Competitiveness & Inclusion Plan**

Housing Analysis  
Economic Analysis  
Implementation



**Equitable Development**

Community Engagement  
Strategic Advisory  
Equity Framework

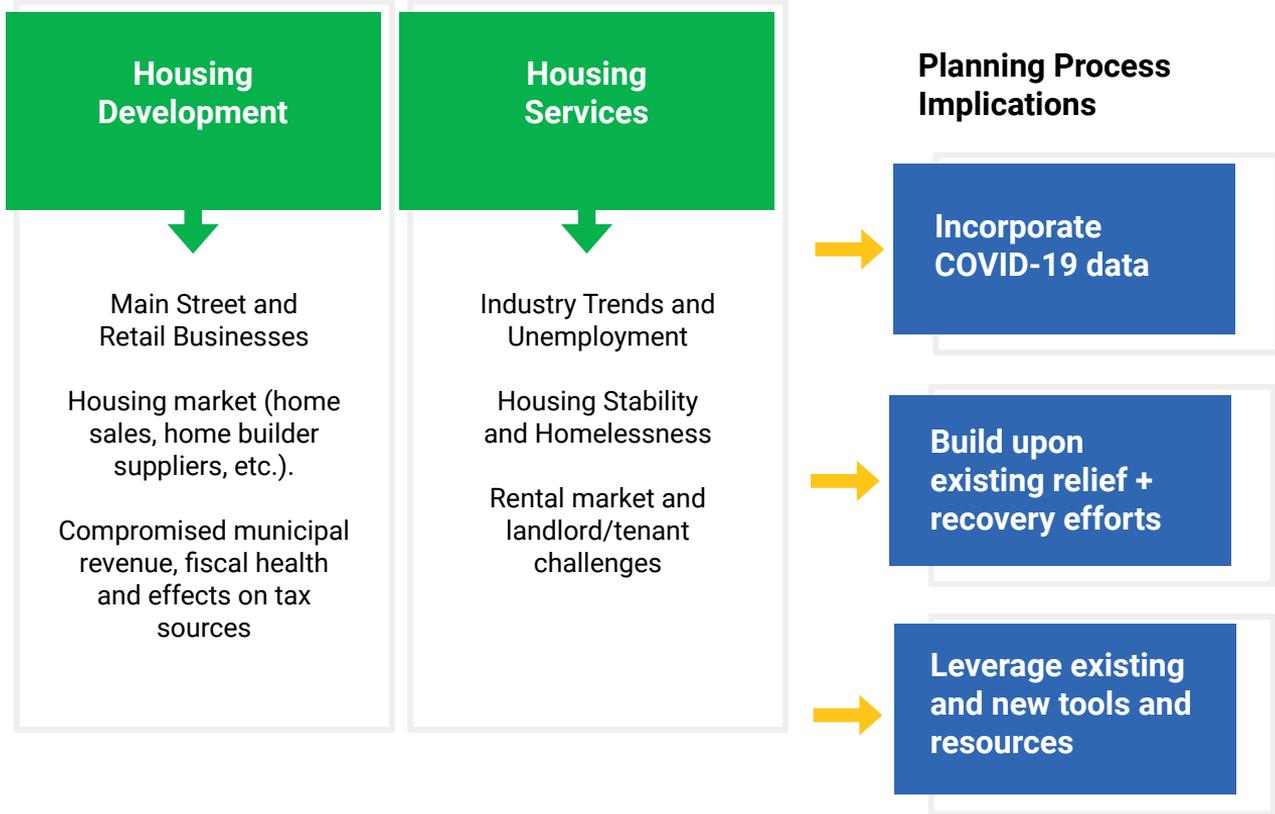
# URBAN3

**Fiscal Health Analysis**

Property Value Analysis  
Comparative Analysis

# Ramsey County Post-COVID Recovery

The Plan will build off of and support existing efforts around housing services, support and development in light of recent economic disruption



# Centering Equity and Inclusion

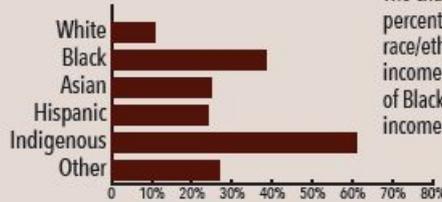
The Plan will also work to make the linkage between Ramsey County's housing challenges and racial disparities and advocate for the policies and programs needed to address them.

## Less than 30% AMI \$30,000 and below

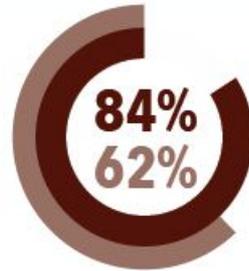
for a four-person household

**33,900**  
total households

Homeless | People with disabilities | People with service needs | People exiting incarceration



The chart to the left shows the percentage of households by race/ethnicity who fall in this income tier. For instance, 38% of Black households fall in this income tier.



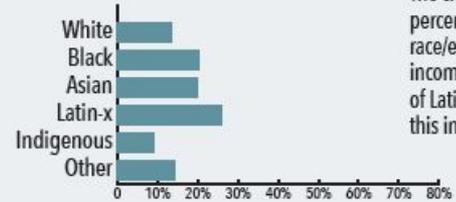
- 84% of households at this income tier are cost-burdened
- 62% are severely cost-burdened

## 30% to 50% AMI \$30,001 - \$50,000

for a four-person household

**32,100**  
total households

Working poor | People with episodic housing crises and service needs



The chart to the left shows the percentage of households by race/ethnicity who fall in this income tier. For instance, 26% of Latin-x households fall in this income tier.



- 72% of households at this income tier are cost-burdened
- 62% are severely cost-burdened



# Planning Process Update

# Stakeholder Groups

## Steering Committee

Providing feedback, strategic direction and support for the analysis, engagement, and implementation phases of the planning process.

## Working Groups

Serving as advisors to guide analysis and strategic thinking of four focus areas:

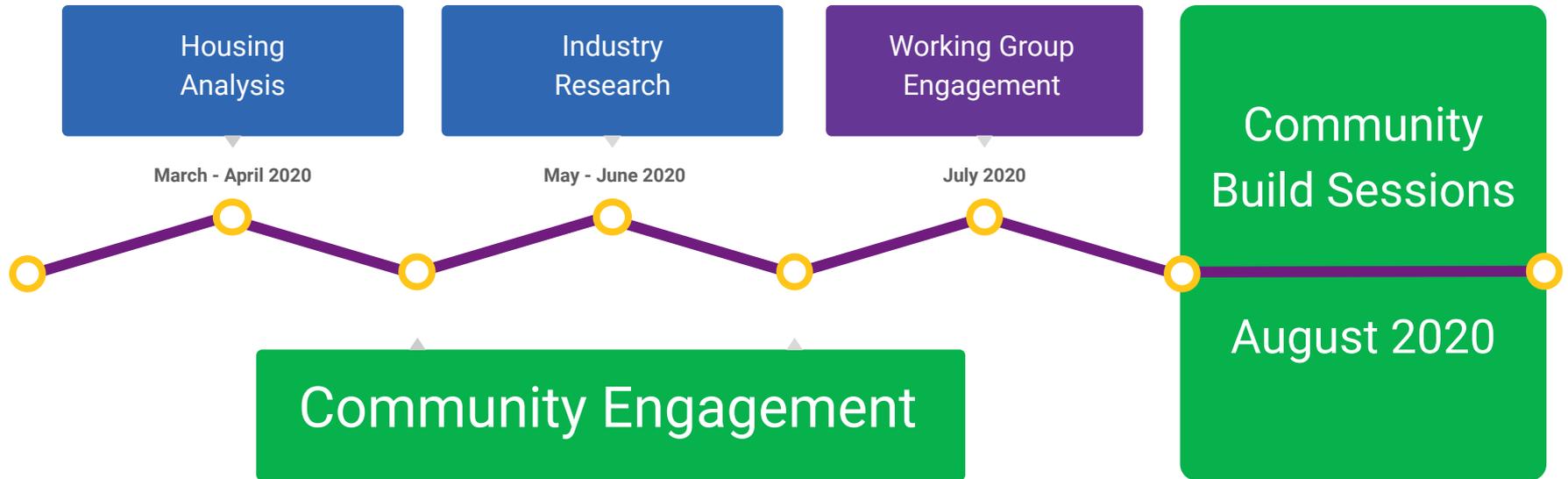
- *Job and Industry*
- *Community Wealth*
- *Housing Development*
- *Quality of Place*

## Local Community

Including civic and private leaders, grassroots organizations, resident - adding context across our four areas of focus; helping to identify issues and prioritize solutions

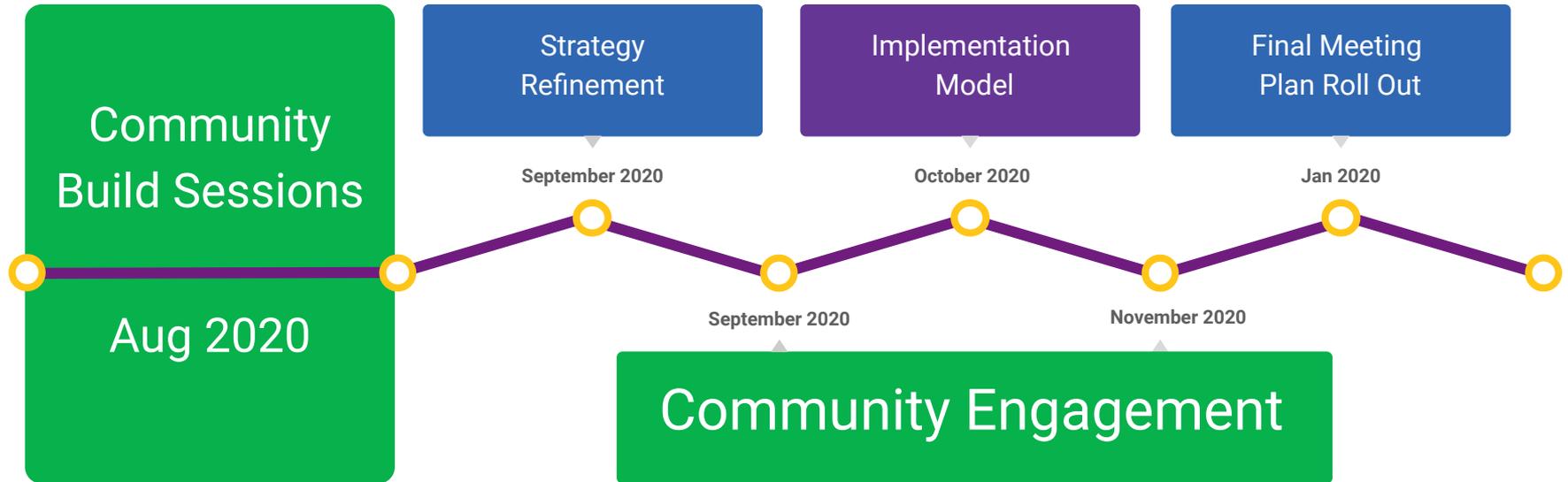
# Our Timeline

*(Challenges and Opportunities)*



# Our Timeline

*(Strategy and Implementation)*





# Ramsey County Housing Analysis

# Overview of Housing Scope

## I. Existing Program and Data Review

- A. Housing Studies Review
- B. Housing Programs and Resources
- C. Local Housing Data

## II. Housing Needs Assessment

- A. Housing Type Profile of the County
- B. Affordability Gaps across renters and homeowners
- C. Housing Production and Vacancy
- D. Market Inefficiencies and Barriers to Development

## III. Benchmarking



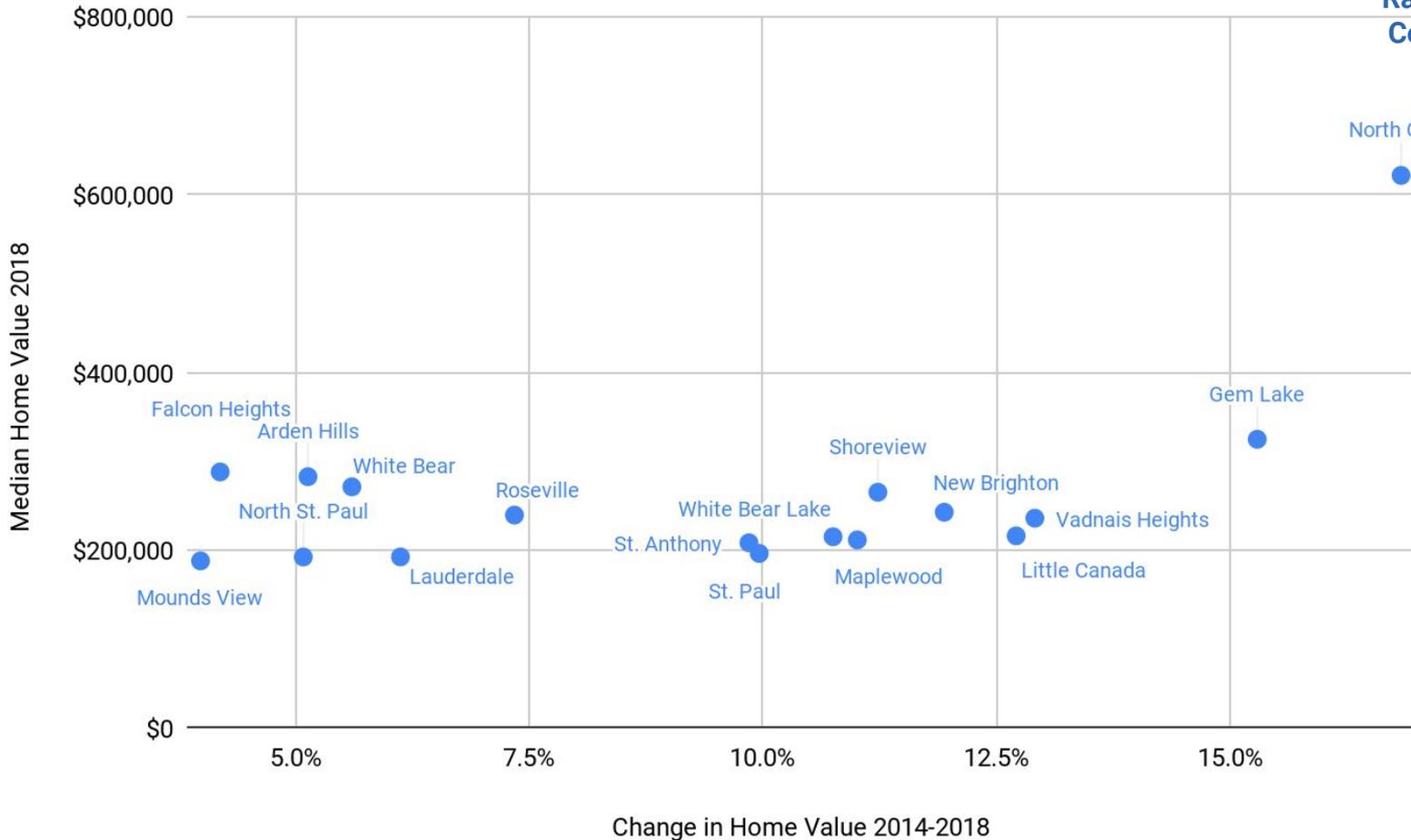
**Pre COVID-19 housing trends show rents across Ramsey County increasing by 8 - 10 percent or more.**

**Home values are also increasing but not as rapidly.**

# Home Values Across the County



Ramsey  
County

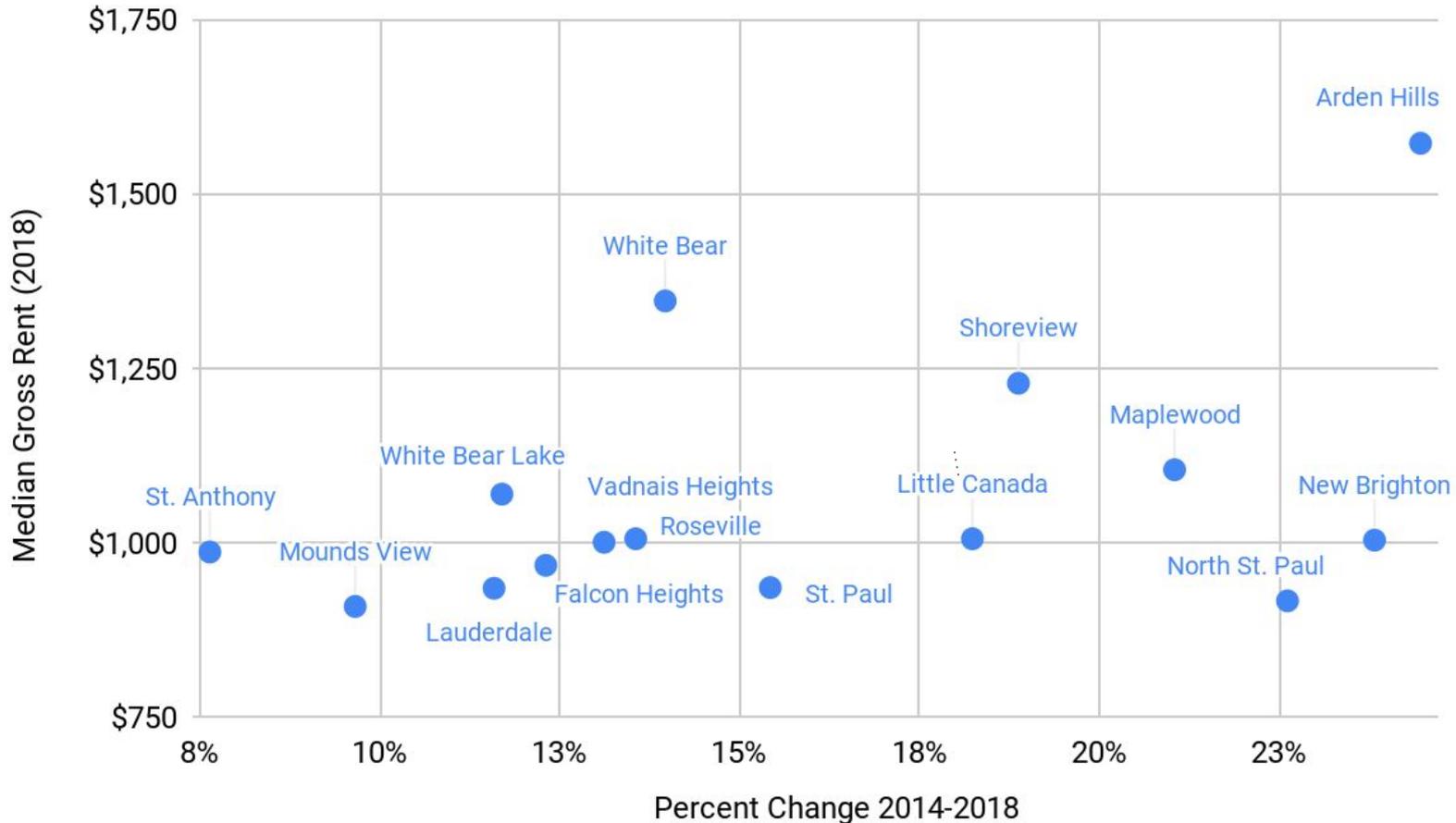


Source:  
US Census  
Bureau  
2014-2018  
ACS  
estimates

# Rental Cost by Selected Areas



Ramsey  
County



**Note: Excludes  
North Oaks and  
Gem Lake**

Source:  
US Census  
Bureau  
2014-2018 ACS  
estimates



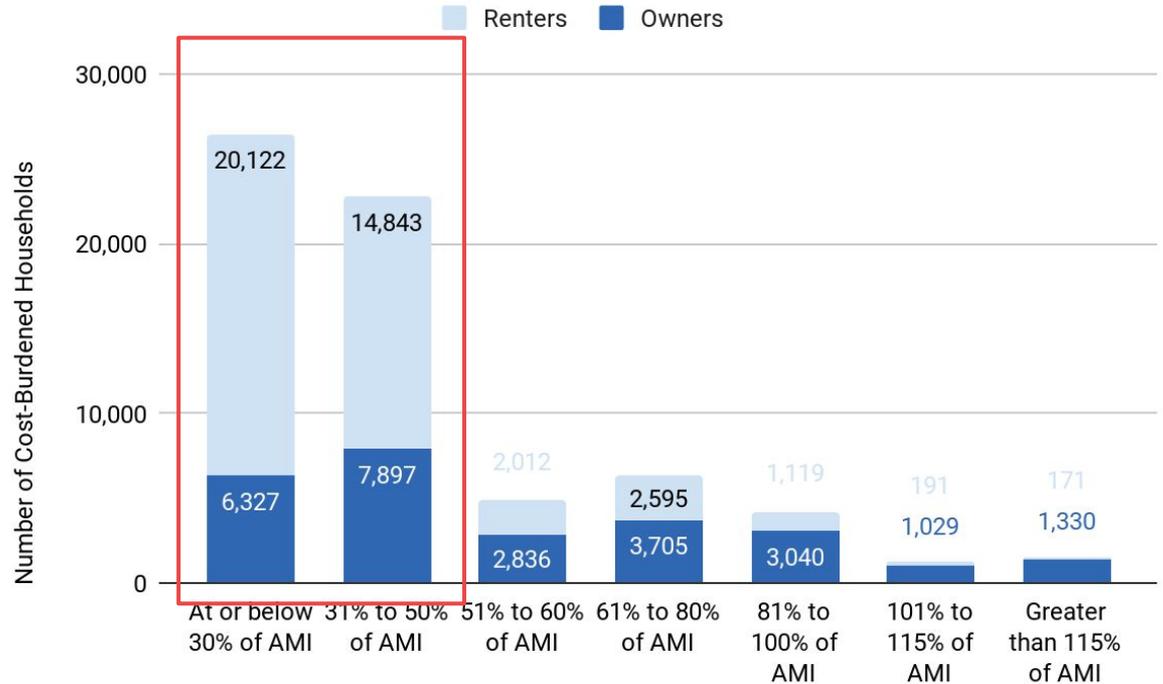
**Most minority cost-burdened households are earning < 50% AMI, with minority renters more likely to be cost-burdened**

# Cost-Burdened Households by AMI Levels

Ramsey County has more than **67,000** cost-burdened households/

Most of these are renters earning less than 50% of AMI.

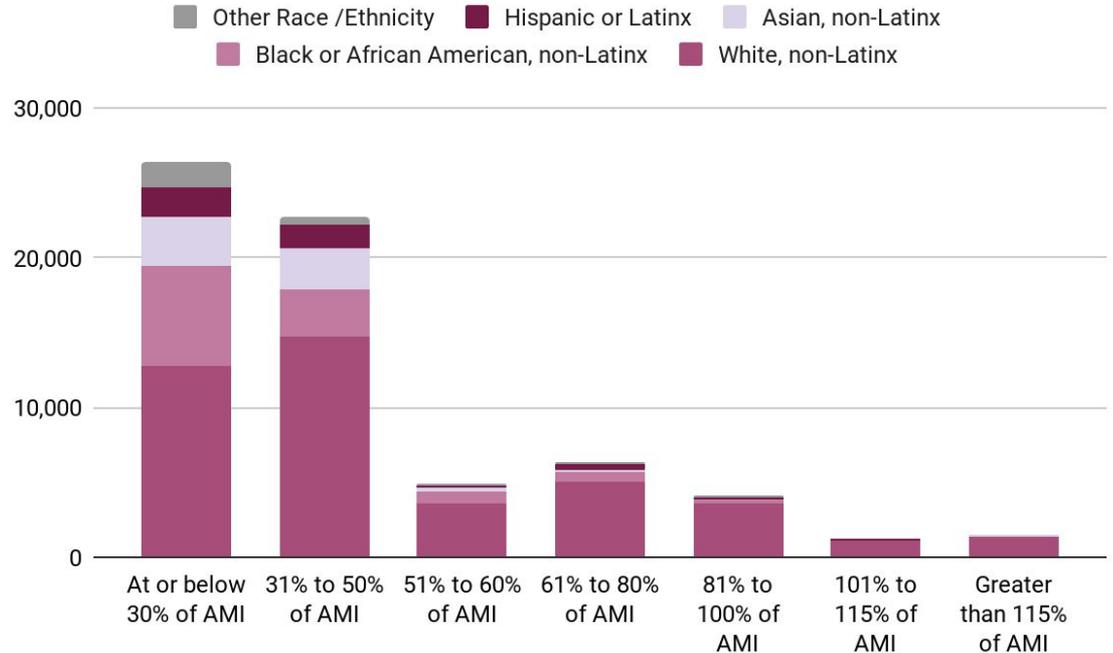
Above 50% of AMI, the number of cost-burdened owners exceeds the number of cost-burdened renters.



# Cost-Burdened Households by Race and Ethnicity

Minority households that are cost-burdened are overwhelmingly earning 50% AMI or lower.

The majority of cost-burdened households are white, but minority households are more likely to be cost-burdened (e.g. 48% of African American households outside Saint Paul are cost-burdened, but they account for only 4 percent of the cost-burdened households in Ramsey County.)



# Income Disparities Drive Unequal Housing Opportunity

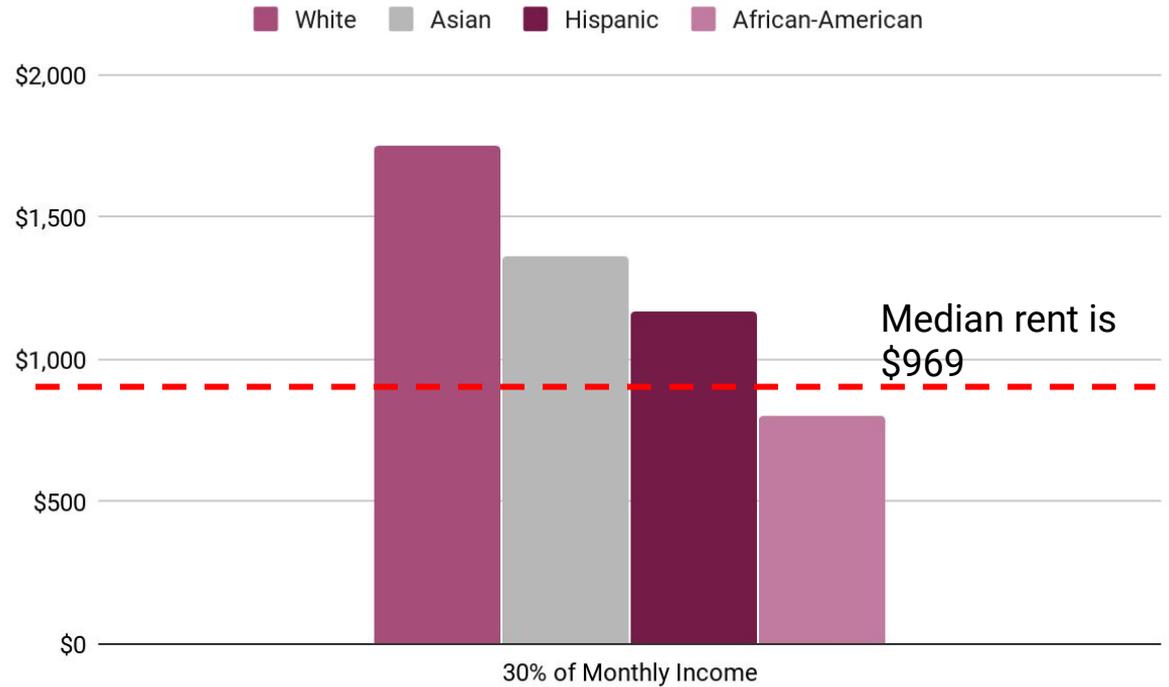


What this means for housing is that the median White household can afford **\$1,753** per month in housing costs compared to:

**\$1,361** for Asian households

**\$1,165** for Hispanic households

**\$802** for African-American households



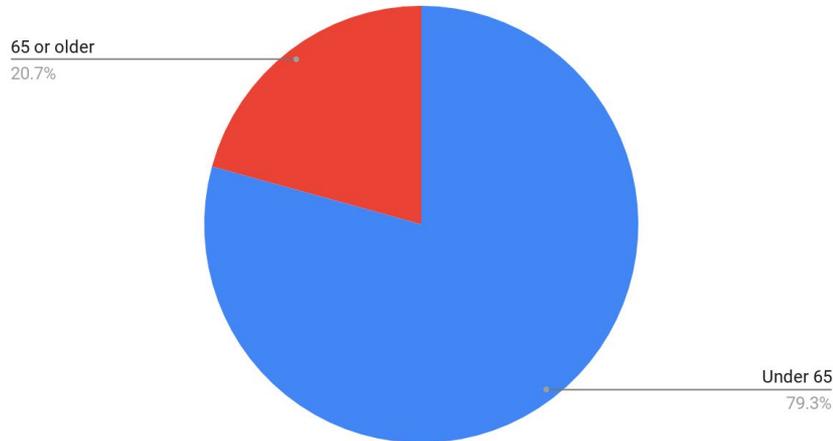


**Ramsey County's biggest need is affordable rental units at 30% AMI (an overall gap of 15,000 units at this price point), plus a need for more 2BR+ units**

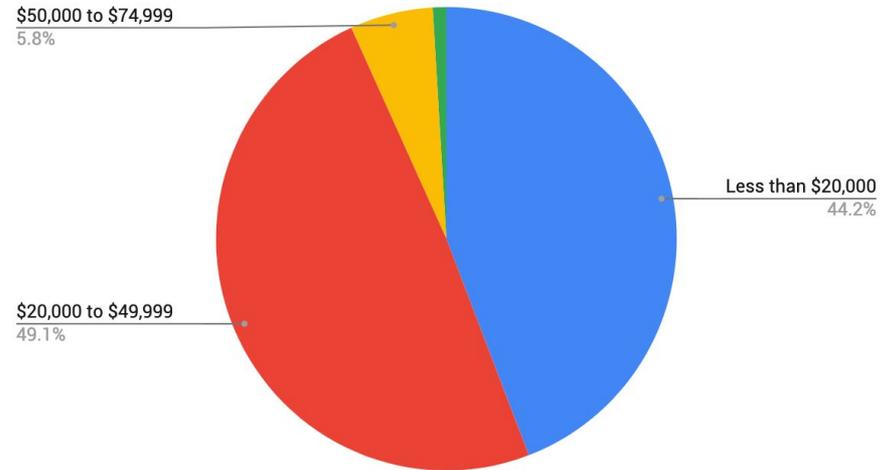
# Renter Cost Burdens

40,440 renters in Ramsey County paid more than 30% of their income towards rent between 2014-2018, 32,055 are under 65; 37,702 make less than \$50,000

Cost Burdened Renters by Age



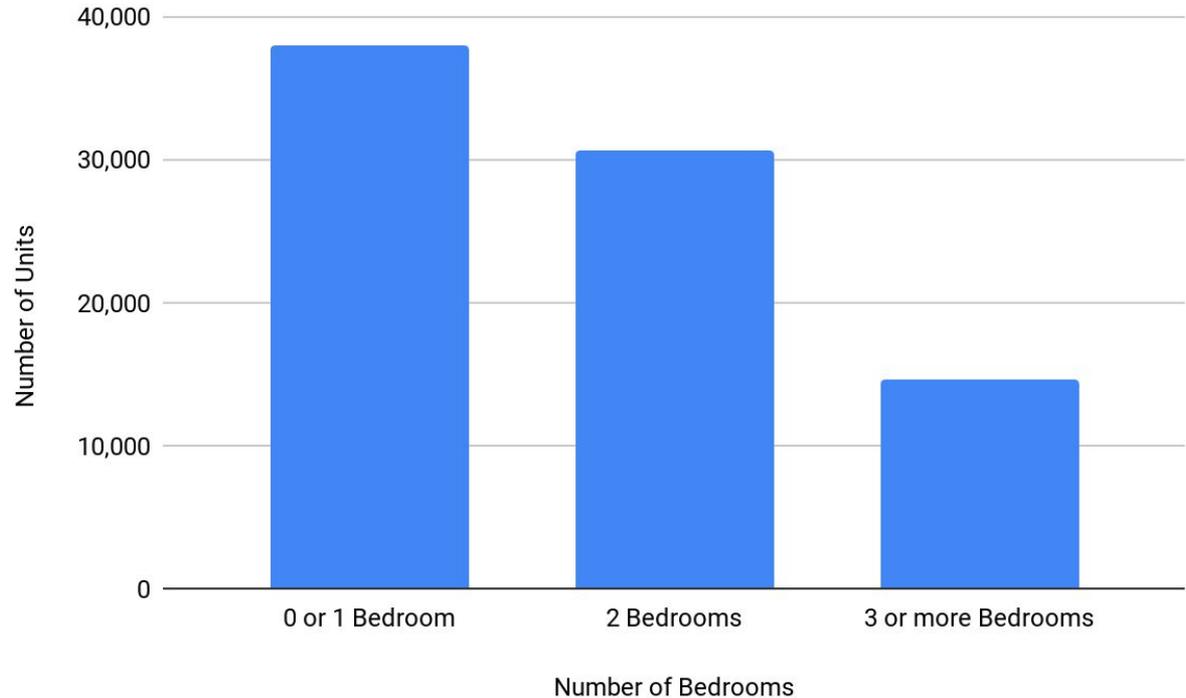
Cost Burdened Renters by Income



# Supply of rental units by bedrooms

Most of the rental units are smaller

Fewer than 15,000 units have 3 or more bedrooms regardless of affordability





# Monthly rents by bedrooms

Most of the larger units (2 or more bedrooms) rent for \$750 or more per month.

Larger renter households face higher costs and greater need for subsidy.



	Max Housing Cost
Less than \$25,000	\$625
\$25,000 to \$49,999	\$1,250
\$50,000 to \$74,999	\$1,875
\$75,000 and above	\$1,875

Source: US Census Bureau | 2014-2018 ACS estimates



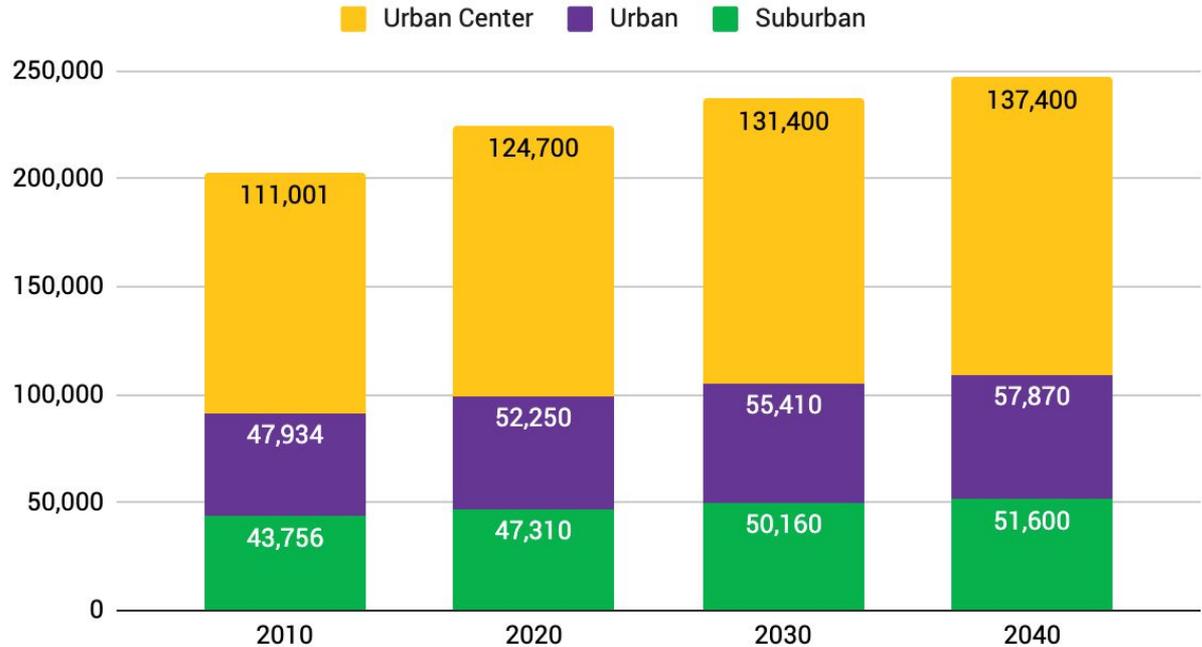
# **Affordable housing production is not keeping pace with the County's current and future needs**

# Household Forecast

The Metropolitan Council projects that the 7-county regional population will grow from 550,620 in 2020 to 595,950 in 2040.

Projected 22,610 new households to Ramsey County, for a total of 246,870 households

*What impact will the current health and economic crisis have?*

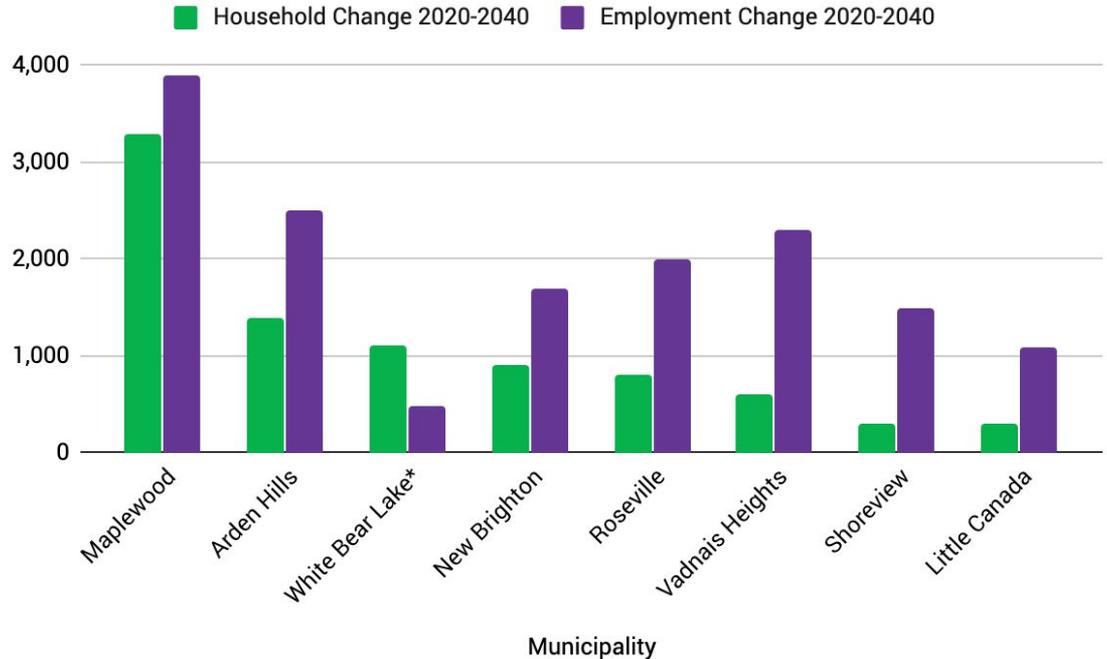


# Higher Growth Communities

Communities with higher employment growth may need more affordable housing or transit service to support the job growth

These communities will have a higher housing costs making housing less affordable

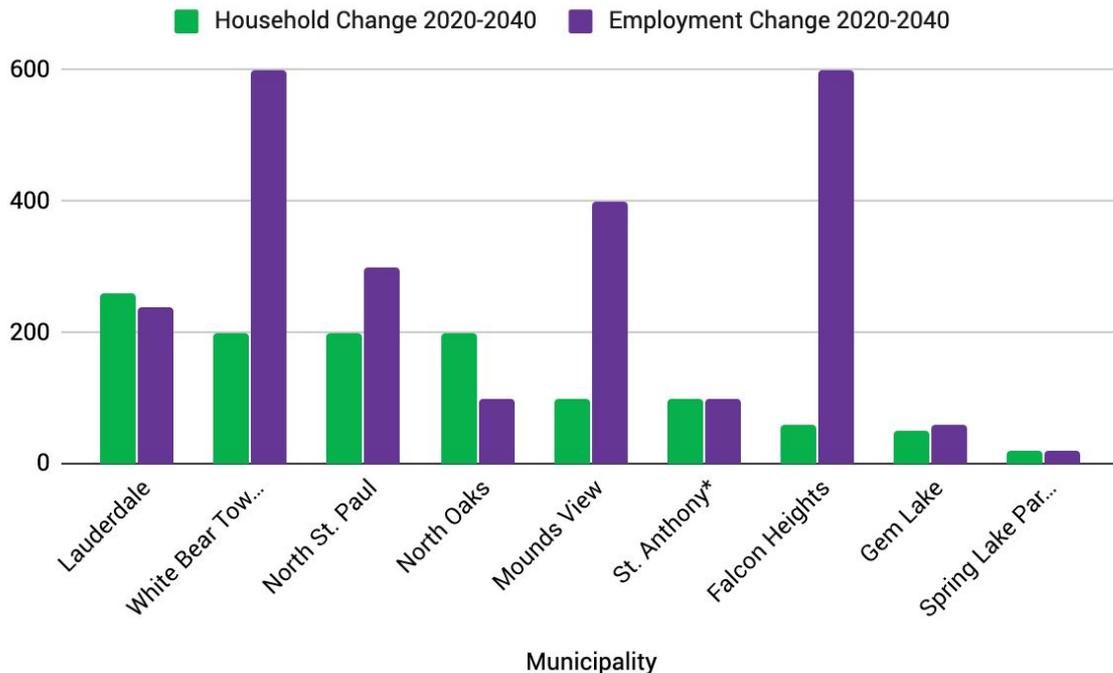
Saint Paul is expected to add 12,700 households and 18,800 jobs by 2040



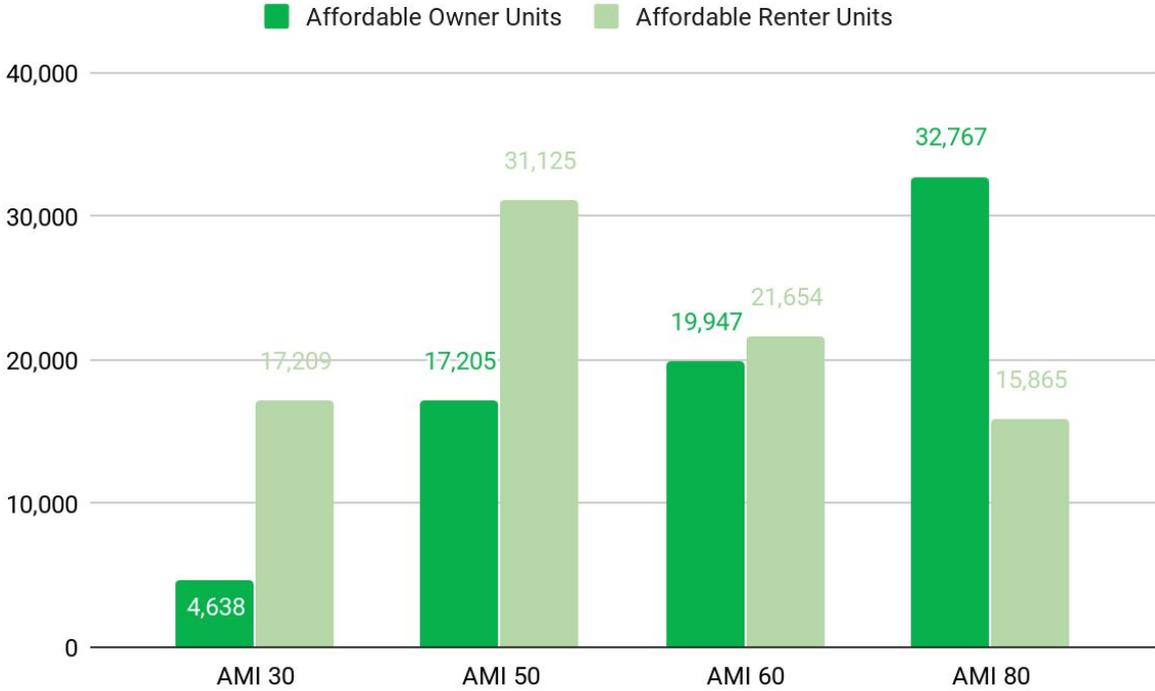
# Lower Growth Communities

Communities with higher employment growth may need more affordable housing or transit service to support the job growth

These communities will have a lower housing costs and may already have more NOAH units



# Total Affordable Units in Ramsey County (2018)



# Affordability of Units by AMI Levels (2018)

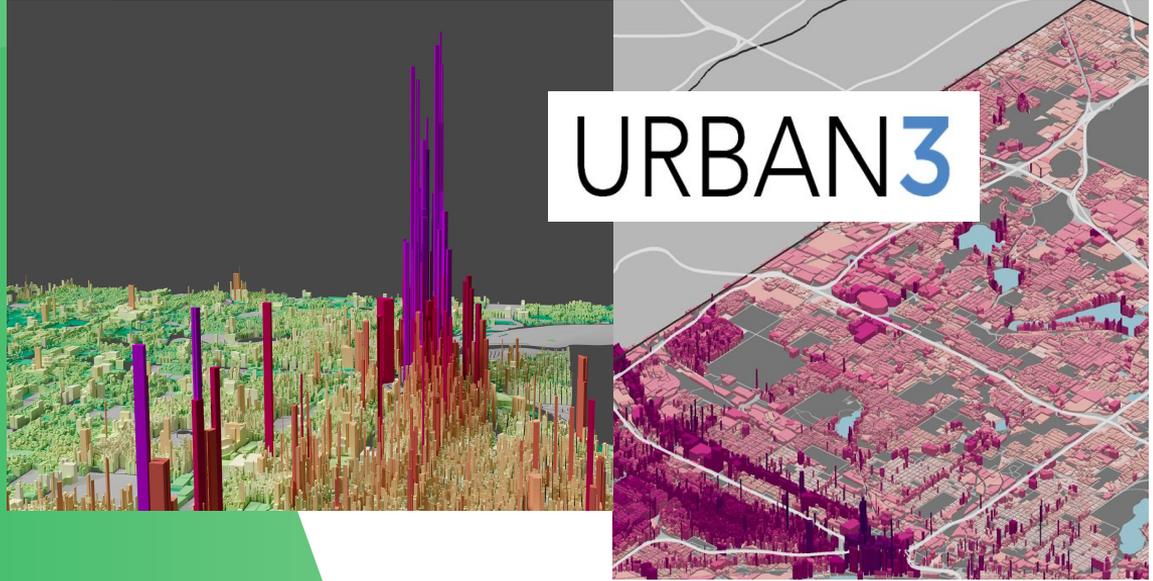
There is an existing gap or need for more units - or more subsidies - for household at or below 30% of the AMI.

Based on projected growth, Ramsey county could add 6,000 households earning less than \$65,700 (80% AMI) by 2030

	Number of Households	Number of All Housing Units	Housing Surplus (Gap)
Affordable at or below 30% of Area Median Income	36,979	21,847	(15,132)
Affordable at 31-50% of Area Median Income	31,422	48,330	16,908
Affordable at 51-60% of Area Median Income	13,406	41,601	28,195
Affordable at 61-80% of Area Median Income	20,714	48,632	27,918



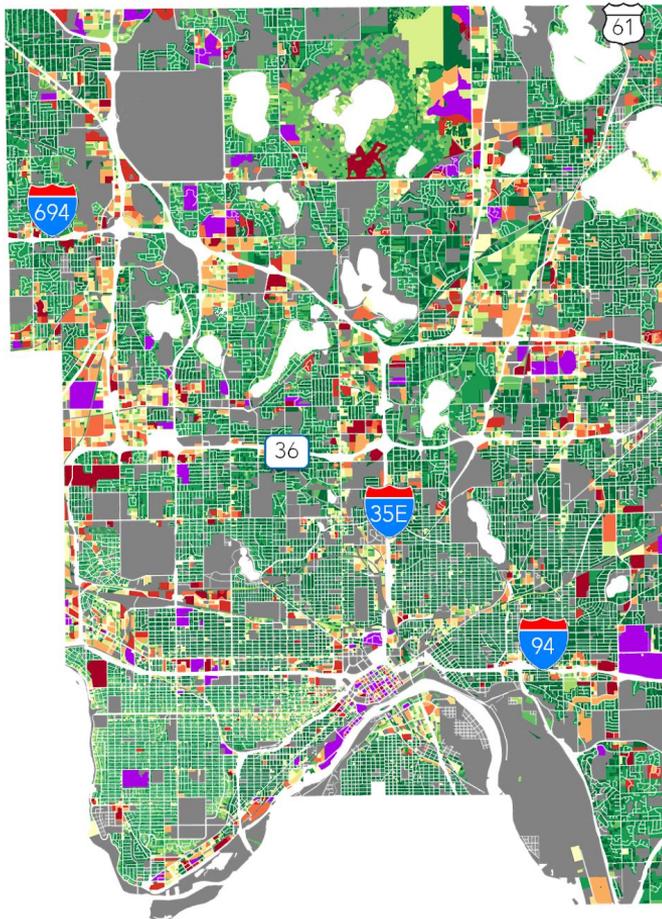
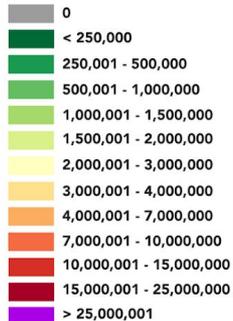
# Ramsey County Fiscal Health Analysis



# Total Taxable Value

Ramsey Co, MN

## Total Taxable Value (\$)

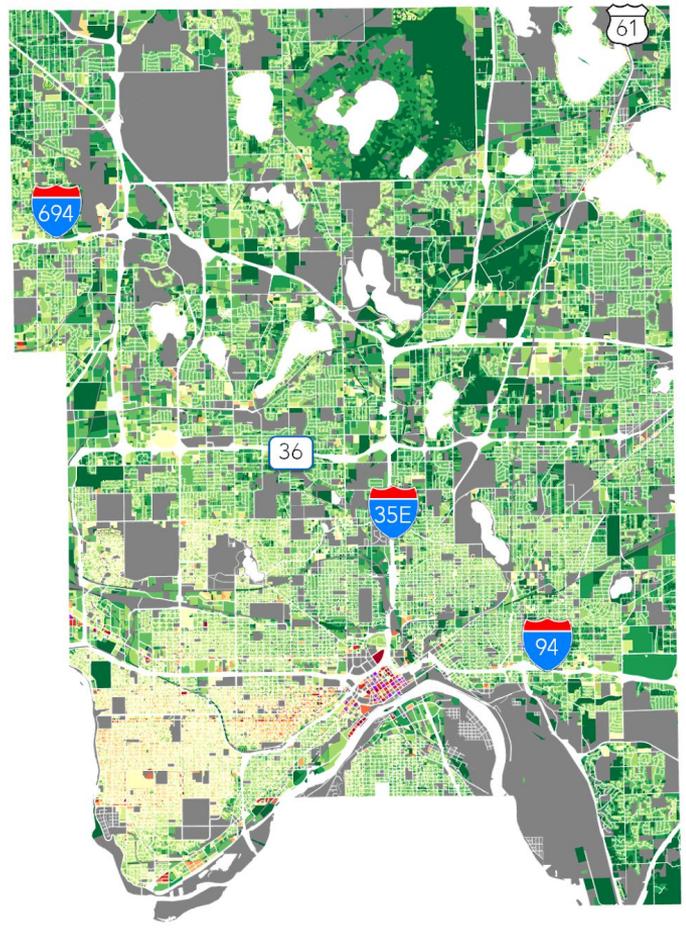


# Value Per Acre

Ramsey Co, MN

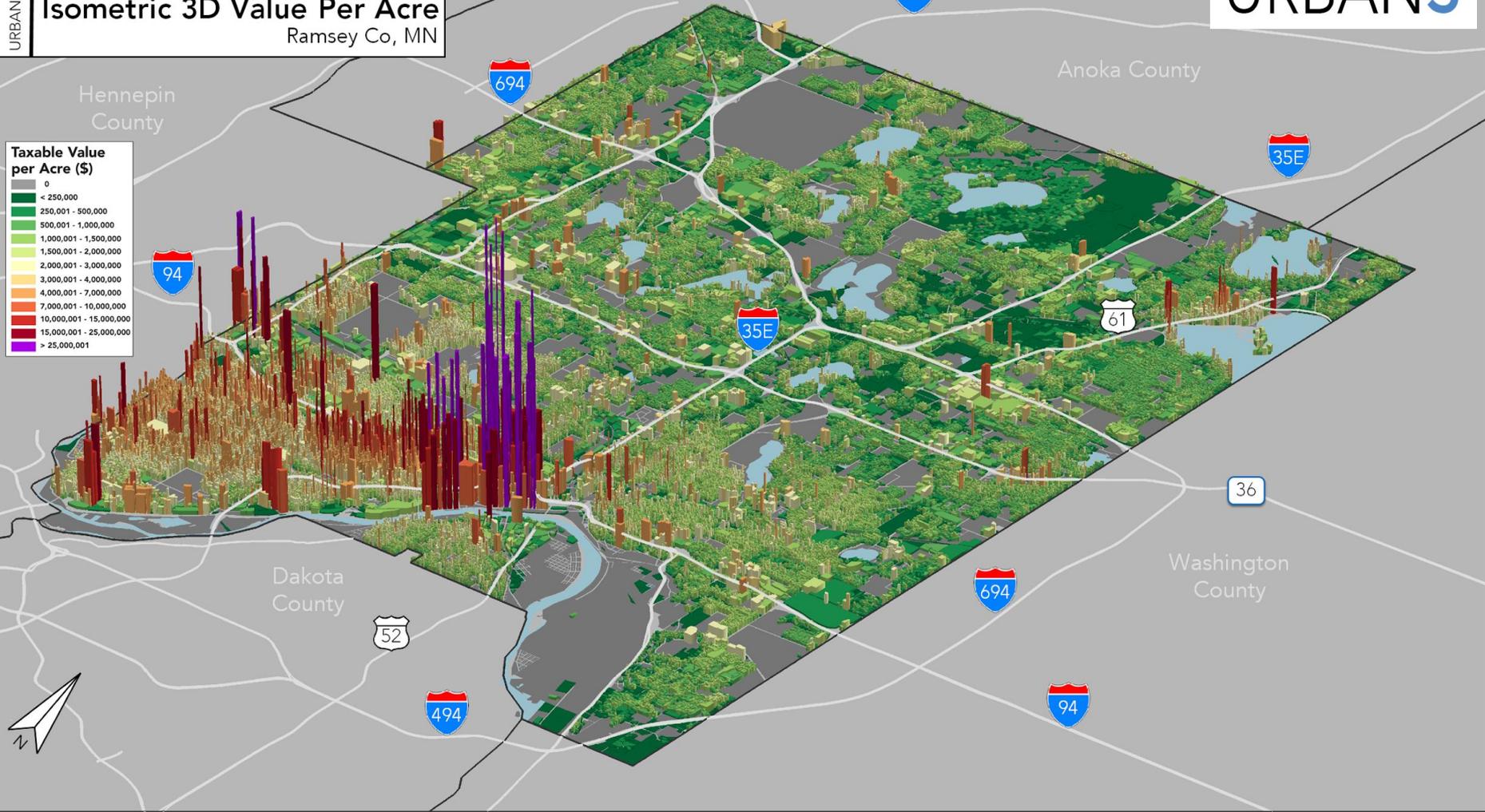
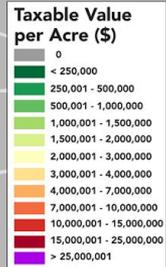
**Taxable Value per Acre (\$)**

0
< 250,000
250,001 - 500,000
500,001 - 1,000,000
1,000,001 - 1,500,000
1,500,001 - 2,000,000
2,000,001 - 3,000,000
3,000,001 - 4,000,000
4,000,001 - 7,000,000
7,000,001 - 10,000,000
10,000,001 - 15,000,000
15,000,001 - 25,000,000
> 25,000,001

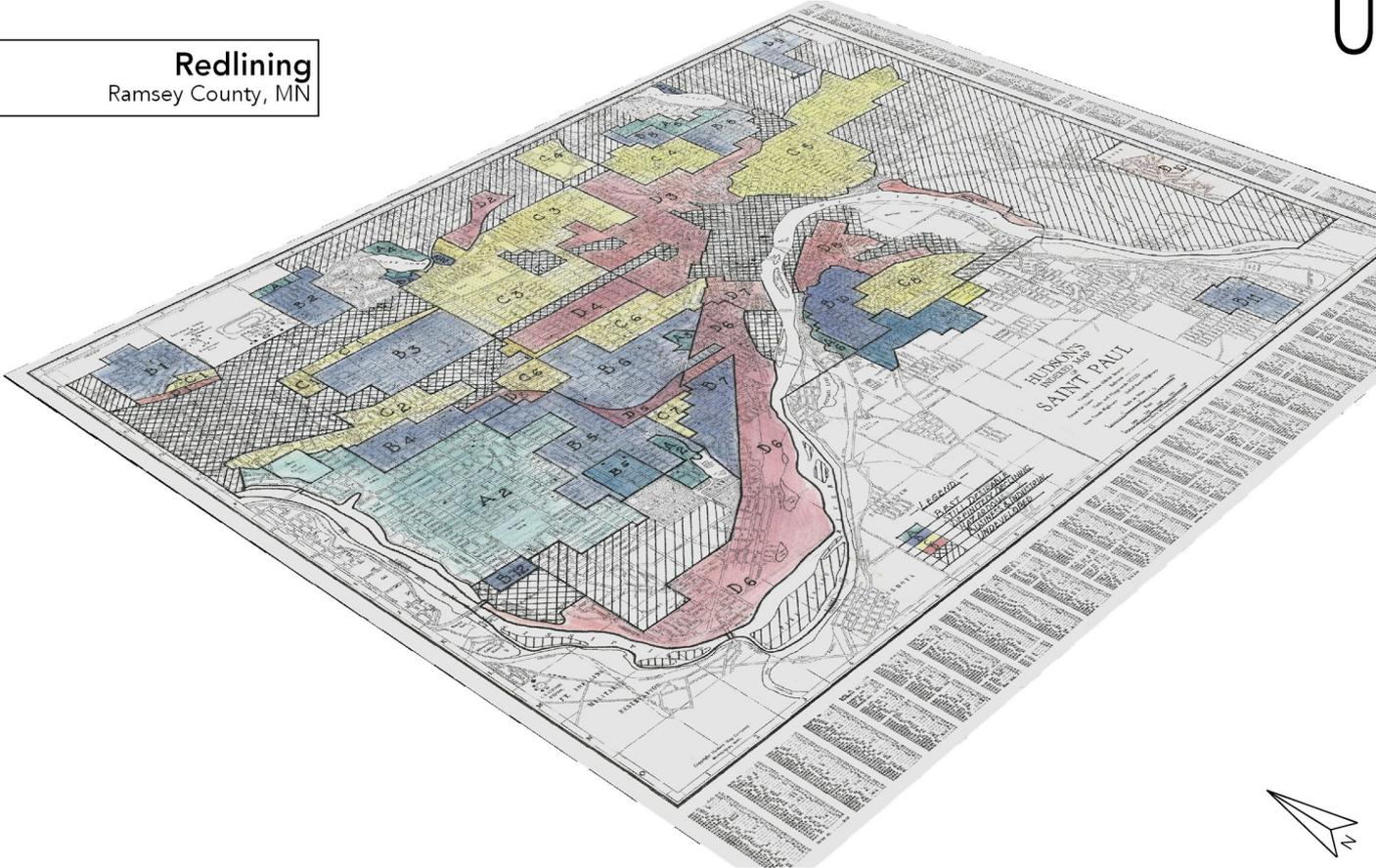


# Isometric 3D Value Per Acre

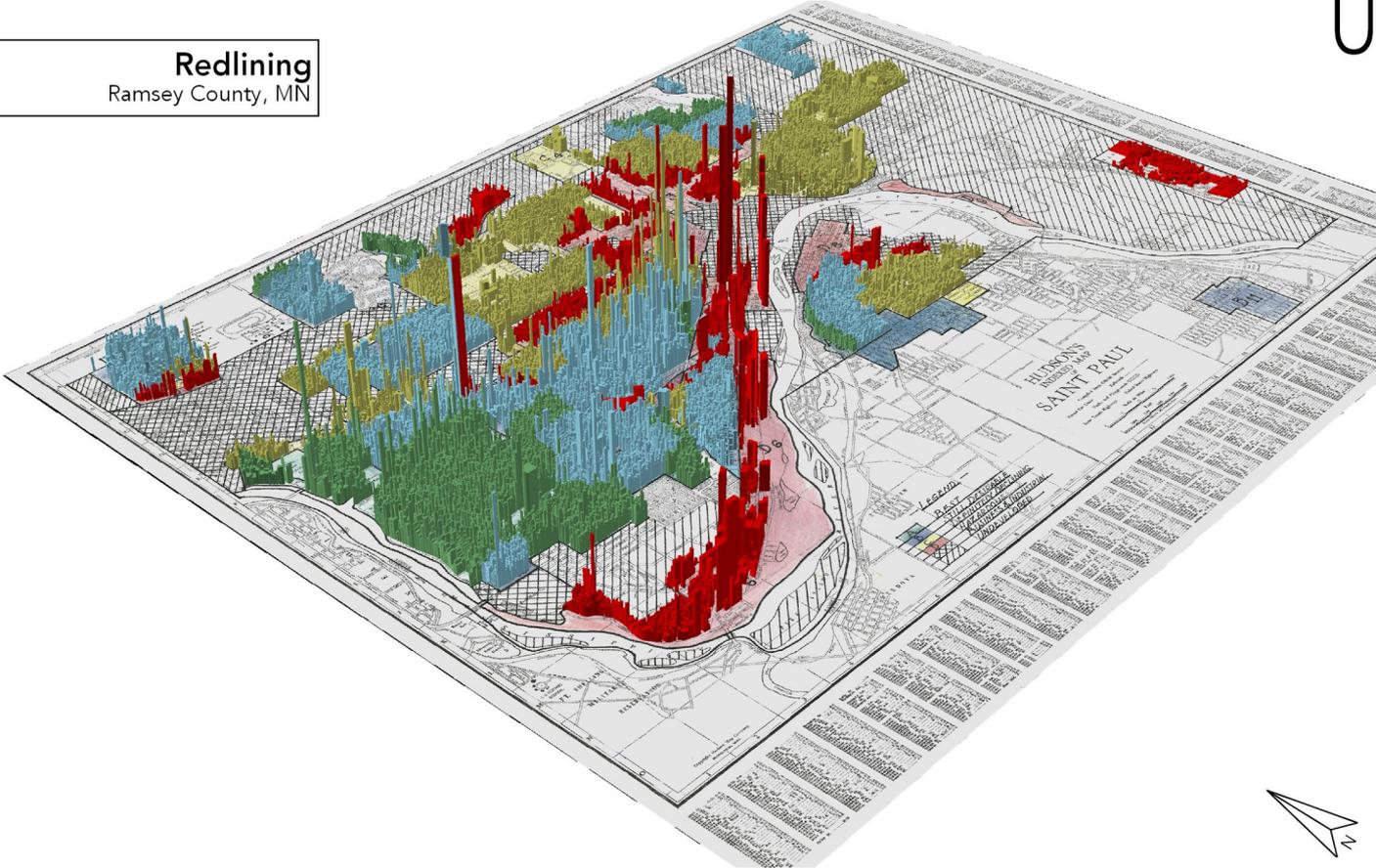
Ramsey Co, MN

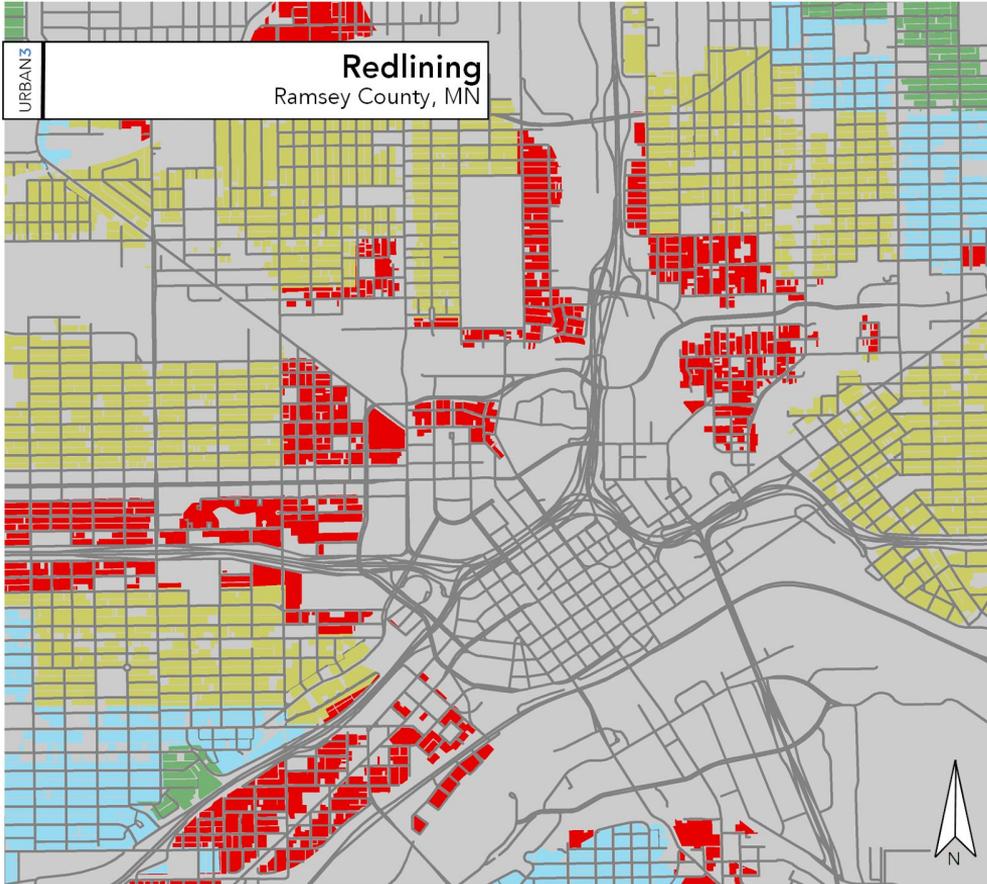


## Redlining Ramsey County, MN



## Redlining Ramsey County, MN





## St. Paul

Green: A "Best"  
 Current Value Per Acre:  
**\$2.6 m**

Blue: B "Still Desirable"  
 Current Value Per Acre:  
**\$2 m**

Yellow: C "Definitely Declining"  
 Current Value Per Acre:  
**\$1.4 m**

Red: D "Hazardous"  
 Current Value Per Acre:  
**\$1.6 m**



# Discussion + Next Steps

# Responding to the data

- Are these the right 3 priorities?
- How bold is the County willing to be?
- How do we balance constraints (budgets / authority)?
- Can we utilize carrots and sticks?
- Willingness to explore new tools, ie levy authority?

1. **Improve and preserve affordable rents and home prices**
2. **Address racial disparities among who is most cost burdened**
3. **Increase amount and type of housing options for lowest income households**

# Responding to RC's top 3 housing challenges

## 1. Improve and preserve affordable rents and home prices

### Possible solutions:

- Increase housing production, esp moderate to lower-income housing stock and in higher growth communities;
- Create TOD-focused programs: for developers (ie Hennepin), for landlords
- Increase funding for preservation and/or implement a County Right of First Refusal program;
- Reduce costs of construction and preservation, ie. modular construction
- Increase # of available housing subsidies/vouchers;
- Revise local zoning codes to support MF (inc duplex, triplex, four-plex)

*Q: How could HRA Levy Authority be utilized to support goal and solutions?*

# Responding to RC's top 3 housing challenges

## 2. Address racial disparities among who is most cost burdened

### Possible solutions:

- Prioritize subsidies and funding to BIPOC renters, homeowners
- Expand emergency rental assistance programs / target to landlords
- Create a County Housing Reparations program to support BIPOC move into ownership within racially/ethnically historic communities (ie Rondo, Frogtown, Tribal)
- Expand community-ownership models, inc Community Land Trusts
- Increased partnership with BIPOC and legal aid organizations to support eviction protection / mediation programs

*Q: How could HRA Levy Authority be utilized to support goal and solutions?*

# Responding to RC's top 3 housing challenges

## 1. Increase amount and type of housing options for lowest income households

### Possible Solutions:

- Create stronger incentives for localities to revise land use and zoning;
- Increased prioritization of CDBG/HOME funds;
- Target/expand surplus public land policies to support affordable housing;
- Create gap financing tool (in partnership with LISC or other type of financial intermediary);
- County tax incentives to boost LIHTC specifically for units at/below 30% AMI

*Q: How could HRA Levy Authority be utilized to support goal and solutions?*

# Positioning for Regional Competitiveness

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



# What's Next?

**How can we continue to engage with this group throughout the remainder of the planning process?**

Housing Community Action Team

Housing Working Group

Community Build Sessions

Strategy Refinement & Implementation

# Thanks!