

# ***30% AMI Deeply Affordable Housing Solicitation Plan***

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# American Rescue Plan Act Overview

- The American Rescue Plan Act of 2021 is a federal economic relief bill providing \$1.9 trillion in funding aimed at mitigating the continuing effects of the pandemic.
- The City of Saint Paul will receive \$166.6 million through the State and Local Fiscal Recovery Fund (SLFRF) of the American Rescue Plan Act (ARPA).
- Responding to the public health emergency or its negative economic impacts is one of four key expenditure categories. Development of affordable housing is an eligible use.
- ARPA funds must be obligated by December 31, 2024 and spent by end of 2026.



## 30% AMI Deeply Affordable Housing

- Need: 15,000 units affordable to those making 30% AMI or below in Ramsey County.  
11,000 of those in Saint Paul
- Goal: City of Saint Paul in partnership with Ramsey County announced goal to create and preserve up to 1,000 units of deeply affordable and permanently supportive housing units throughout Saint Paul and suburban Ramsey County for those making less than 30% AMI. Total combined City/County ARPA investment of \$74 million
- Strategy: City will obligate \$37.5 M of ARPA toward 30% AMI Deeply Affordable Housing and award funding through a series of solicitations
  - \$20 million allocated by City Council on December 15, 2021
  - additional \$17.5 million planned (when second half of ARPA funds released in 2022)



# City & County Collaboration

- Project visioning and charter creation (2021)
- Joint working groups (ongoing)
  - Engagement
  - Finance and Rental Subsidy
  - Real Estate Pipeline
  - Coordination and alignment
- County Solicitations
  - Ramsey County 1<sup>st</sup> solicitation (Nov-Dec 2021)
  - Ramsey's County 2<sup>nd</sup> solicitation (Feb-March 2022)



# Saint Paul solicitation plans

- **1<sup>st</sup> solicitation** - funds used for immediate impact to project currently in the development pipeline. Aim is to deepen affordability and assist 30% AMI projects ready to close in 2022
  - \$10-\$12 million (or approximately 1/3 of the \$37.5 million)
  - Remainder of funding will be awarded in subsequent solicitations
  - Q1 2022 release target
    - CAO review of Final Rule from Treasury was necessary
- **2<sup>nd</sup> solicitation** - broader in scope and open to projects closing after 2022. Focus will remain on 30% AMI unit production.
  - Will incorporate findings of engagement efforts
  - Planning work to begin soon with later in 2022 release



# Solicitation #1 Overview

**Goal:** Facilitate the production of affordable multifamily rental housing with 30% AMI units closing in 2022. Funding will deepen affordability in projects and/or facilitate the closing of 30% AMI projects within 2022.

**Use of Funds:** ARPA funds must be used for production of 30% AMI units. For example: buying down units to 30% AMI.

## Eligible Projects:

- Anticipated closing date no later than the end of 2022.
- New construction, multi-family rental projects with 50 units or more.
- At least 10% of the units at 30% AMI or below.
- At least 40% of the units at 60% AMI or below
- Affordability term of at least 30 years.



# Solicitation Review

- Internal staff scoring committee will review application and score.
- Applications must meet all Eligible Project Criteria to be considered and scored. Priority will be given to those projects that score higher.
- Scoring Criteria
  - Affordability term
  - Percent 30% AMI units
  - Per unit ARPA investment
  - No further subsidy from HRA
  - Intermediate/Soft costs
- Staff will also use existing HRA underwriting criteria and procedures to ensure project is feasible. Amount of ARPA award requested is subject to underwriting process.



# Next Steps and Proposed Timeline

- **1<sup>st</sup> solicitation**
  - Release solicitation (March 28)
    - Posted to website
    - Emailed out via GovDelivery
  - Close solicitation (April 20)
  - Staff review period (April 21 – May 4)
  - Award Recommendations (May 5)
  - Underwriting finalized and funds disbursed (throughout 2022)
- **2<sup>nd</sup> solicitation**
  - Planning work begins (Q2 2022)