

## Support and Stabilize Solicitation Notice

### A. General considerations

Ramsey County (“County”) is accepting applications for the Support and Stabilize Solicitation (“Solicitation”) for eligible housing developments located within the boundaries of Ramsey County. This Solicitation is a funding opportunity for operators of distressed affordable rental housing to assist with the stabilization of occupancy rates and operating costs. More information can be found at [www.ramseycounty.us/laha](http://www.ramseycounty.us/laha).

The Solicitation is available to an entity that owns an affordable rental housing building in Ramsey County with an average 2024 occupancy rate at, or below 93%. Qualifying buildings must have some units designated as “supportive housing” and can demonstrate an increase in operational costs that are contributing to financial distress. Approved awards will be funded with Local Affordable Housing Aid (LAHA). Applicants must request funding for a specific housing development at a specific address. Eligible projects can be located within the city of Saint Paul or in suburban Ramsey County. Applicants can be private entities or nonprofit entities.

This Solicitation Notice, located in the digital library on ZoomGrants, is intended to provide general instructions and information regarding the County’s application and selection process.

This Solicitation Notice outlines steps and considerations for applying to this Solicitation. The application link will be posted online at [ramseycounty.us/laha](http://ramseycounty.us/laha). Applications that DO NOT include all the following specific materials by the applicable deadline will be considered ineligible for further processing.

### B. Requirements

#### Eligible Housing Types and Projects (Pass/Fail)

Existing permanent general occupancy rental housing for low to moderate-income renters with a minimum of five units that meets the following conditions;

- a. The building must include at least five units designated for supportive housing or coordinated entry. This could include units designated as high priority homeless (HPH), persons with disabilities (PWD), housing support (GRH), Section 811, or other demonstratable supportive housing types.
- b. The building must have had an average occupancy rate equal to or less than 93% in 2024.
- c. The building must have been in operation since at least January 1, 2020.

#### Eligible Costs (Pass/Fail)

The Applicant may only apply for the listed eligible costs:

- 2025 Property Insurance Costs
- 2025 Utility Costs

- 2025 Security Costs
- 2025 Waste Disposal Costs
- Operating Reserves
- Replacement Reserves

### **Required Materials (Pass/Fail)**

The application will not move onto scoring without the following required materials submitted in ZoomGrants:

1. Property Audit (Single Audit)/Annual Financial Statement for 2019, 2020, 2021, 2022 and 2023;
2. Proof of Affordability Restrictions;
3. Rent Rolls for 2019, 2020, 2021, 2022, 2023 and 2024 that show vacancies with private renter information redacted;
4. Demonstration of Financial Need Spreadsheet (Attachment A);
5. Acknowledgement letter (Attachment B);
6. Lobby Certification Form (Attachment C).

### **C. Additional Materials (optional)**

Although not required, the following additional materials can be submitted with the application. The County highly encourages submission of these items as they may affect final scoring and evaluation:

- Proof of 2024 Expenses for Eligible Costs.

*Note:*

- a. Additional documentation may be required by County CED staff in the application and review process.
- b. **Resulting Documents to be Executed:** Any resulting agreements or closing documents necessary for funding the proposed project will include all applicable requirements under local, state, or federal law or regulation.

### **D. Available Resources**

#### **LAHA Funding**

LAHA funds are available to be used countywide, including within the City of Saint Paul. Allowable uses and other regulations of LAHA are dictated by [Minnesota State Statute 477a.35](#). Funds in this Solicitation are eligible under the category; “financing the operations and management of financially distressed residential properties.”

#### **Resulting Awards**

Awarded funds will be structured as a grant to the entity that owns the eligible building. Awards may be structured as a loan upon request. There is no maximum award amount. Generally, funds must be used

within 18 months of award. Awards will be disbursed with bi-monthly reimbursements after staff approval.

## **E. Scoring and Evaluation**

Application will be evaluated for:

- Demonstration of Financial Need (40 points)
- Capacity of Organization to Stabilize Operations (30 points)
- Strategic Alignment/Affordability (20 points)
- Occupancy Rate (10 points)

Total: 100 points

### **Demonstration of Financial Need (40 points)**

The County seeks to award funding to projects in financial distress where an infusion of new funding will allow the entity to stabilize operational costs and increase occupancy rates. Applicants should demonstrate financial need by showing year over year increases in operational costs, loss of rental revenue, and inability to replenish reserve accounts. The County will consider the following factors in determining score in this category:

- Demonstration that eligible expenses have increased at a higher rate than the expense inflator that the project was initially underwritten with.
- Demonstration that income has decreased or increase at a lower rate than the income inflator that the project was initially underwritten with.
- Demonstration that vacancy rates have been higher than the vacancy rates that the project initially underwritten with.
- Demonstration of inability to meet benchmarks for operational reserves and replacement reserves.
- Applicant is able to describe the current issues that are affecting operations and financial health of the building.

### **Capacity of Organization to Stabilize Operations (30 points)**

The County seeks to fund projects that can demonstrate a plan to stabilize operations and financial issues. Applicants should be able to describe how the funding request will help stabilize the building. The County will consider the following factors to determine score in this category:

- Applicant is able to describe how the current funding request will help remediate identified issues.
- Applicant is able to demonstrate that the entity has the organizational capacity to implement changes to stabilize operations and improve fiscal health of the building.
- Applicant is able to demonstrate how current funding request will improve the residents' quality of life within the building.

### **Strategic Alignment/Affordability (20 points)**

Ramsey County seeks to award funds to projects whose mission it is to house low-income residents, extremely low-income residents and residents who receive supportive services. Existing units affordable to residents with lower area median incomes (AMI) will be prioritized. Projects are required to have at least five supportive units. Projects with higher numbers of units with supportive housing will be prioritized. This could include units designated as high priority homeless (HPH), persons with disabilities (PWD), housing support (GRH), Section 811, or other demonstratable supportive housing types.

- The Applicant demonstrates through affordability restrictions that the building has an average AMI restriction at or below 30% AMI. This income/rental restriction will receive a higher number of possible points in this scoring category. Supportive housing units with rents higher than 30% AMI limits will not be considered 30% AMI units unless that distinction is described in recorded agreements.
- The Applicant demonstrates through affordability restrictions that the building has an average AMI restriction at or below 50% AMI. This income/rental restriction will receive points in this scoring category.
- The Applicant demonstrates through recorded agreements that the building has 11 or more supportive units, as defined in the Solicitation. This number of supportive units will receive a higher number of possible points.
- The Applicant demonstrates through recorded agreement that the building has between 6 and 10 supportive units, as defined in the Solicitation. This number of supportive units receive points in this scoring category.

### **Occupancy Rate (10 points)**

Ramsey County seeks to award funding to projects with lower than expected occupancy rates as the stabilization of buildings with higher vacancy rates will increase the amount of available affordable housing.

1. Buildings with average occupancy rates in 2024 below 85% will receive the highest number of points possible in this category.
2. Buildings with average occupancy rates in 2024 between 86% and 93% will receive some points.

## **F. Application Review**

Applications will be reviewed by a review panel consisting of county staff from various departments. Projects will be reviewed with the following criteria and scoring:

1. Minimum selection criteria: Pass/fail criteria met (as described above). Projects that do not meet the pass/fail requirements will not be scored.

2. Applications will be reviewed for the minimum selection criteria before moving on to final scoring. Selected projects will be scored based on the following criteria:
  - a. Alignment with the County’s Strategic and Selection Priorities (up to 40 points).
  - b. Project Feasibility and Financial Capacity (up to 30 points).
  - c. Affordability (up to 20 points).
  - d. Organizational Capacity (up to 10 points).

### **County reserved rights and data practices reminders**

1. The County expressly reserves the right to amend or withdraw this solicitation at any time and to reject any or all responses, and to waive any informalities or irregularities in the responses as may be deemed in the best interest of the County.
2. The County reserves the right to request any additional information at any stage of the solicitation process. Compliance shall be at the Applicant's expense.
3. Upon submission, a solicitation response becomes the property of the County and will not be returned. The County retains the right to use any concept or idea presented in any solicitation response, whether or not that solicitation response is accepted. All information included in the submitted solicitation response will be classified in accordance with Minnesota State law governing data practices.
4. Solicitation responses or additional solicitation materials received after the deadline will not be accepted by the County and will not be evaluated.

### **Gather Your Materials and Apply by the Deadline in ZoomGrants**

The Solicitation will be hosted on ZoomGrants from Jan. 3, 2025 through Feb. 3, 2025. Responses are due by 4:30 p.m. on Feb. 3, 2025. Applicants are responsible to know all requirements that are needed to submit a complete application based on the specific housing development proposal and application type. CED staff reserve the right to seek follow-up information if needed after an application is received.

### **Signatures**

All application materials must be signed wherever required and applicable.

#### **A. Addendum**

Question: If 2025 building insurance costs were already paid, are they still eligible under this solicitation?

Answer: Yes, eligible costs associated with 2025 operations can be reimbursed

Question: If we are applying for multiple buildings, does a separate application need to be submitted for each property?

Answer: Yes, a separate application is required for each building that funds are requested for

Question: Can you define permanent housing?

Answer: For a unit to be considered permanent housing, the lease must be held with the tenant, their stay must not be time-limited (ability to live in unit for at least 24 months), and the tenant must have the option to sign a year-long lease.

Question: Are unpaid/deferred property management fees eligible?

Answer: No, unpaid/deferred property management fees are not an eligible expense of this solicitation.

Question: Will grants be awarded to the parent nonprofit or to the building entity (LP or LLC)?

Answer: Grants will be awarded to the building entity.

Question: We have a parking project with a cost of \$165,000 that has been delayed due to urgent repairs on our townhomes. Would this parking project be an eligible expense?

Answer: Preservation and maintenance capital projects are not eligible. Only if you end up refilling your reserves, and then use your reserves to pay for such a project could it then be eligible.

Question: Questions 16-19 on the solicitation reference vacancy rates, and income and expense inflators from when the project was underwritten. The project closed originally in 2005 but has since changed hands. Which underwriting numbers are you looking for in this case?

Answer: Use the underwriting numbers from the most recent sale as we assume that there was a multifamily workbook for the RFA/purchase that allowed this sale.

Question: Do services need to be required for units to qualify as Permanent Supportive Housing (PSH) regardless of service needs and/or population?

Answer: If a building is receiving funding that requires supportive housing units and that contract or agreement stipulates the provision of services then that unit will be considered supportive housing (For example, an MHFA loan requires 11 supportive housing units and the recorded agreement states this) (An additional example would be an applicant receives funding through the CoC and the funding agreement dictates that residents within those units must be selected from coordinated entry). All buildings that seek to qualify must have at least 5 units of supportive housing.

Question: If multiple buildings with different addresses exist as one tax parcel, would an application still be required for each building, or could a single application be submitted for the tax parcel?

Answer: In this case, multiple buildings that exist as one tax parcel could be considered as one application (For example, a cluster of townhomes may have different addresses, but all exist in the same tax parcel).