

# HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 9, 2020

REGARDING: RESOLUTION AUTHORIZING AND APPROVING INVESTMENTS FOR  
ADDITIONAL COVID-19 RELIEF PROGRAM(S), CITYWIDE

## Requested Board Action

Approval of the attached resolution authorizing and approving investments for additional COVID-19 relief programs.

## Background

On April 1, 2020, the HRA Board approved RES 20-597 approving guidelines and funding for the Saint Paul Bridge Fund for Small Businesses, and accepted applications through April 19. The HRA awarded \$7,500.00 grants to 380 small businesses providing a total of \$2,850,000 in pandemic emergency relief grants.

On September 23, 2020, the City Council approved RES 20-1294 which allocated \$3,500,000 of Federal CARES Act Funds to the City's Department of Planning and Economic Development ("PED") to assist businesses and cultural organizations negatively impacted by the COVID-19 pandemic.

On November 4, 2020, the City Council approved RES PH 20-250 which reallocated a portion of the \$3,500,000 Federal CARES Act Funds to other City departments for immediate spending and the reallocation of Federal CARES Act funds made available funds budgeted as transfers from the HRA, including an additional \$839,000 beyond the original \$3,500,000 budgeted.

On November 18, 2020, Minnesota Governor Walz issued Executive Order 20-99, which closed dine-in service to bars and restaurants, gyms and fitness centers, and many entertainment venues. On this same date the HRA considered and approved RES 20-1622, amending its budget and authorized spending of up to \$1,017,444 on COVID-19 relief programs from the HRA Loan Enterprise Fund.

PED advanced programs to assist business and cultural organizations with the allocated Federal CARES Act Funds and HRA funds, including: 175 additional Bridge Fund grants; 17 grants to live music venues and movie theaters licensed by the City of Saint Paul; two grants to food halls; 24 grants to business support organizations; and 39 grants to Cultural STAR applicants. The total spent was \$3,504,000 leaving \$835,000 for expanded programming.

The HRA Board requested that PED staff return with recommendations for directing the remaining \$835,000 to strategic, targeted investments in response to Executive Order 20-99.

PED staff researched options for providing emergency relief to Saint Paul businesses impacted by Executive Order 20-99 and recommends investing the available HRA funds as follows:

- **Bridge Fund for Small Businesses Targeted Extension** - Invest approximately **\$562,500** to fund 75 additional grants of \$7,500 for Bridge Fund applicants that applied to our program last April, have not been funded, and are in the business category impacted by Executive Order 20-99 (i.e. restaurants, bars, coffee shops, breweries, etc.).
- **Restaurant and Brewery Promotional and Tech Program** - Invest approximately **\$172,500** to help businesses impacted by Executive Order 20-99 with promotional and technology needs. Staff are exploring several ideas, all of which would be impactful and need further vetting. Although this investment will take a little more time to implement, the main benefit will be to help improve the overall infrastructure of hospitality support. Some ideas under consideration include ways to reduce delivery fees for local restaurants and breweries; sponsoring promotional campaigns such as “Buy One, Give One” gift cards; expanding technical assistance for digital infrastructure and marketing for local businesses; and digital ad campaigns.
- **Live Entertainment Venue Program** – Invest approximately **\$100,000** for an expanded version of the Live Music Venue program completed in October by the City’s Department of Planning and Economic Development. Staff recommends investing these dollars to expand the program to include entertainment venues that were excluded from the prior

program restriction to live music entertainment. The recommended expansion would otherwise have the same program eligibility requirements as those for Live Music Venues including:

- Class A and B license holders;
- Minimum average of three nights of live entertainment per week
- For-profit business enterprises located within the Saint Paul city limits and open to the General Public.

**Budget Action:**

N/A

**Future Action**

N/A

**Financing Structure**

All investments will be funded by the HRA Loan Enterprise Fund budget, as recently amended.

**PED Credit Committee Review**

N/A

**Compliance**

Given the nature of the program investments and planned size and use of the funds, compliance requirements are not expected to apply.

**Green/Sustainable Development**

N/A

**Environmental Impact Disclosure**

N/A

**Historic Preservation**

N/A

**Public Purpose/Comprehensive Plan Conformance:**

The program investments will help retain small businesses in Saint Paul, negatively impacted by Executive Order 20-99, that provide jobs, increase tax base, and are critical to maintaining a vibrant economy.

**Recommendation:**

The HRA Executive Director recommends approval of the attached resolution authorizing and approving investments for additional COVID-19 relief programs.

**Sponsored by:** Chair Chris Tolbert

**Staff:** Martin Schieckel, 651-266-6580