

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

REPORT TO THE COMMISSIONERS

DATE: MAY 27, 2020

**REGARDING: RESOLUTION ACCEPTING A GRANT OF UP TO \$115,000
FROM THE SAINT PAUL & MINNESOTA FOUNDATION;
AUTHORIZING THE EXECUTION OF GRANT AGREEMENTS;
AND AMENDING THE 2020 HRA BUDGET**

Requested Board Action

1. Authorization to accept a grant award of up to \$115,000 from the Saint Paul & Minnesota Foundation to fund the Saint Paul Bridge Fund.
2. Authorization to execute grant agreements and any other documents and instruments in connection with the receipt of the aforementioned grants.
3. Amendment to increase the 2020 HRA budget by up to \$115,000.

Background

On April 1, 2020, the HRA Board of Commissioners approved RES #20-597, v. 2 authorizing the guidelines for the Saint Paul Bridge Fund and reallocating \$3.3 million in budgeted HRA Funds to the Saint Paul Bridge Fund to respond quickly to the economic emergency facing families and small businesses as a result of the COVID-19 pandemic.

In the 10 days that applications were open, the City of Saint Paul received more than 5,200 applications to the Saint Paul Bridge Fund for Families, and more than 2,100 applications to the Saint Paul Bridge Fund for Small Businesses. Applications were received from across the city, with 80% of applicants for the Families program and 71% of applicants for the Small Business program from areas of concentrated poverty.

Among Bridge Fund for Families applicants, 99% indicated they are experiencing reduced hours, less available work, that they had been laid off or furloughed, or had other factors related to COVID-19 that have resulted in a loss of income. 66% of applications identified as renters and 83% come from household sizes of 3 or more in their homes.

Among Bridge Fund for Small Businesses applicants, 85% were ordered to close under an executive order from the Governor. 98% indicated they are independently owned, with 71% coming from areas of concentrated poverty.

To expand the reach of the Bridge Fund, Mayor Carter launched a private donation campaign, in partnership with the Saint Paul & Minnesota Foundation. On April 22, 2020, the HRA Board of Commissioners approved RES #20-666, authorizing the acceptance of \$747,980 from the Saint Paul & Minnesota Foundation and amending the 2020 HRA budget accordingly. The April 22 HRA Board action reflected private donations made through April 15, 2020. These donations supported \$1,000 grants to an additional 230 families, and \$7,500 grants to an additional 69 businesses. Donations have continued to the Saint Paul & Minnesota Foundation to support grants made through the Saint Paul Bridge Fund. With the dollars budgeted by the City to the Bridge Fund and donated to date grants have been made to 1230 eligible Saint Paul families and to 369 eligible Saint Paul small businesses.

Between April 15, 2020 and May 20, 2020, additional philanthropic, corporate, and individual donations to the Saint Paul Bridge Fund have been made, totaling just over \$100,000, and private donations are still being accepted. The Saint Paul & Minnesota Foundation wishes to grant those donations to the HRA's Bridge Fund. In order to quickly deploy additional funds as they become available, the action before the HRA today is to accept and budget an amount "up to" \$115,000, anticipating that some additional funds will be donated after May 20, 2020. Saint Paul will award additional grants through the program to the initial applicants as we are able with additional donated funds.

Program Description

The Saint Paul Bridge Fund for Families provides \$1,000 of direct assistance for rent or mortgage payments. Eligible families:

- Live in Saint Paul;
- Have incomes at or below 40% of area median income before a COVID-19-related change in employment;
- Have at least one minor child in the household;
- Have experienced a significant loss of income due to the COVID-19 pandemic; and
- Are not currently receiving ongoing housing assistance such as Section 8 or Public Housing assistance.

The Saint Paul Bridge Fund for Small Businesses will provide \$7,500 grants for immediate business expenses. Eligible businesses are defined as independent, for-profit businesses, which are retail-oriented and rely upon customer purchases for revenues. In addition, they must have:

- A physical location within Saint Paul, in operation for at least the last three months;
- Gross annual revenues of \$2 million or less; and
- Have experienced a significant loss of revenue due to COVID-19.

The small business grants may be used for immediate business expenses including but not limited to rent or mortgage payments, employee health benefits, employee leave expenses and payroll, and payments to suppliers.

Proposal for additional grant funds

In keeping with the original intent to help both families and small businesses severely impacted by COVID-19, Staff recommends that the additional amounts donated be directed with the same proportionate split as prior allocations. This will result in approximately 9 additional grants made to eligible small businesses and approximately 30 additional grants to eligible families.

Budget Action

The current Board action is to accept a grant award of up to \$115,000 from the Saint Paul & Minnesota Foundation, and approve a budget amendment to increase the 2020 HRA budget accordingly.

Future Action

No future actions are expected. However, if private donations exceed the amount accepted by this action, staff will return to the HRA Board with an additional budget action.

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A Given the nature of the program, compliance requirements do not apply.

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance:

The Bridge Fund Families Program meets objectives of the City's Comprehensive Plan, including support for both Strategy 2: Preserve and Promote Established Neighborhoods, and Strategy 3: Ensure the Availability of Affordable Housing Across the City.

The Bridge Fund Business Program meets objectives of the Land Use Plan, adopted as part of the City's 2030 Comprehensive Plan, Section 1, Strategy 19: "Promote conditions that support those who live and work in Neighborhood Centers, including frequent transit service, vibrant business districts, a range of housing choices, and community amenities." and Strategy 28: "Promote conditions that support those who live and work along Mixed-Use Corridors, including frequent transit service, vibrant business districts, and a range of housing choices."

Recommendation:

The Executive Director recommends approval of the authorization to accept funding from the Saint Paul & Minnesota Foundation, and approve a budget amendment to increase the 2020 budget by up to \$115,000.

Sponsored by: Chair Tolbert

Staff: Kristin Guild, Interim Executive Director, 651-266-6671