

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

REPORT TO THE COMMISSIONERS

DATE: OCTOBER 14, 2020

REGARDING: RESOLUTION AMENDING THE 2020 HRA LOAN ENTERPRISE FUND  
BUDGET FOR BUSINESS ASSISTANCE PROGRAMS, CITYWIDE

## Requested Board Action

Approval of the attached resolution amending the 2020 HRA Loan Enterprise Fund budget for Business Assistance Programs.

## Background

In April 2020 the HRA Board established the Saint Paul Bridge Fund for Small Businesses grant program in response to economic impacts of the COVID-19 pandemic, utilizing existing business program resources. On September 16, 2020, the City Council allocated CARES Act funding for the Bridge Fund, therefore the HRA funding from existing business program resources was not needed.

The HRA's budget for 2021 anticipates financing two programs with \$1,710,000 of Business Assistance funds, including the following:

- \$1,000,000 for business assistance in response to civil uprising. Unlike for COVID impacts, there are no resources that have been identified by the state, and limited resources from the Federal government, to assist businesses impacted by the civil uprising following the murder of George Floyd. Many impacted businesses were under- or uninsured and/or displaced.
- \$710,000 to recapitalize the HRA business assistance program, which is used to recruit, retain and support the expansion of Saint Paul businesses citywide. Even before COVID, there had been an increased demand for business capital, and consistent gaps in conventional lending particularly for start-up, early-stage and very small businesses. With

COVID business impacts there are greater needs for capital investment in new business models, services and retrofits.

PED staff have determined that a need for business assistance exists now and cannot wait until January when the 2021 budget would be available, and is requesting that these programs be budgeted in 2020.

Please see the Financial Analysis for full budget details.

**Budget Action:**

The attached Financial Analysis amends the 2020 HRA Budget.

**Recommendation:**

Approval of the resolution amending the 2020 HRA budget for the Loan Enterprise Fund for business assistance programs.

**Sponsored by:**        **Chair Chris Tolbert**

**Staff:**                Rhonda Gillquist 266-6631  
                              Jenny Wolfe 266-6680

**Attachments**

- **Financial Analysis**