

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

REPORT TO THE COMMISSIONERS

DATE: NOVEMBER 13, 2019

REGARDING: APPROVAL OF GUIDELINES; AUTHORIZATION OF A MEMORANDUM OF UNDERSTANDING, AND SUCH OTHER NECESSARY AGREEMENTS, BETWEEN HRA AND PROGRAM PARTNERS; AND ALLOCATING FUNDS FOR THE RENT SUPPLEMENT PILOT PROGRAM.

Requested Board Action

1. Approval of the Guidelines for the Rent Supplement Pilot Program (the “Guidelines”).
2. Authorizing a Memorandum of Understanding, and such other agreements, between the HRA and Program Partners necessary for the implementation of the Rent Supplement Pilot Program.
3. Allocating \$3,000,000.00 of the Housing Trust Fund to the Rent Supplement Pilot Program.

Background

The Rent Supplement Pilot Program was developed by HRA Staff, in partnership with Saint Paul Public Schools, the Amherst H. Wilder Foundation, and St. Paul Public Housing Authority. Ideas for a rent assistance program for families emerged from conversations with school officials about barriers to success that many of their families face, with housing instability identified as a top barrier. Five percent of St. Paul Public Schools students experienced homelessness in the past year. The Program will help meet the housing needs of the lowest income Saint Paul residents in a way that is responsive to the urgent needs of families now, in the short-term—before they experience housing instability or homelessness—and represents a long-term investment in housing and educational stability for the next generation of Saint Paul.

This five-year program will support vulnerable children and families in two ways: a \$300 monthly rent supplement and ongoing supportive services from third party service providers over a three-year period, both of which will support housing stability. The HRA plans to allocate \$3 million of its budget from the Housing Trust Fund for rent subsidies and associated administrative costs for the Program. Funding of \$500,000 will be required to support multiple provider partner's individualized ongoing supportive services. The HRA sought philanthropic support for the \$500,000 costs associated with supportive services from Saint Paul and Minnesota Foundation, McKnight Foundation, and Pohlad Foundation. At this level of funding, the Program is intended to support at least 250 families with the goal of stabilizing families at risk of housing insecurity and homelessness, improving families' ability to remain in the school community of their choice, and improving students' ability to learn and thrive. Approximately \$25,000 in grant dollars have been awarded from Saint Paul and Minnesota Foundation to date, with other funders anticipated to make funding awards in late November.

The schools selected for participation were made in partnership with school officials. Many are located in neighborhoods that have seen large increases in rents as compared to the rest of the City, experience higher rates of student mobility, and lower rates of consistent attendance as compared to other elementary schools in the City. The described indicators suggest many families at these schools may be vulnerable to housing instability, forced displacement, and homelessness, all of which are disruptive to a child's educational experience and ability to focus on learning. Research on early education has provided considerable evidence that children gain from being in a high-quality, early learning setting, and that the early years are a critical period for developing the foundations for thinking, behaving, and emotional well-being.

Additionally, focusing program resources in these communities provides the opportunity to access a deep network of partnerships and wrap-around services already in place supporting families with children through the Wilder network. This approach leverages City and HRA resources to make them go further, and has the potential for magnifying the impact within the individual schools and classrooms.

The proposed program will serve renting Saint Paul families who have household incomes at or below 30% of Area Median Income, pay at least 40% of their income towards rent, are not receiving another housing subsidy, and have at least one Pre-K to 3rd grade student enrolled in a participating school. Potential participants will be referred by school staff.

Budget Action

The attached Financial Analysis amends the 2019 HRA budget.

Future Action

Staff will seek HRA approval prior to entering into funding agreements to receive funds from philanthropic organizations.

Financing Structure

The \$300 monthly rent supplement will be a grant.

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 Guidelines and requested allocation meet objectives of the Housing Plan, adopted as part of the City’s Comprehensive Plan. The Rent Supplement Program would support both Strategy 2: Preserve and Promote Established Neighborhoods, and Strategy 3: Ensure the Availability of Affordable Housing Across the City. Rental subsidies will support the preservation of both publicly-assisted and private affordable housing at deep levels of affordability for those most burdened by the cost of rent, in turn alleviating pressures leading to displacement and homelessness. The program will moreover assemble the services of public and community partners to support housing and neighborhood stability for families with young students, reducing barriers to academic stability and well-being.

Statement of Chairman (for Public Hearing)

N/A

Recommendation:

The HRA’s Interim Executive Director recommends approval of the Guidelines for the Rent Supplement Pilot Program, the Memorandum of Understanding, and such other necessary agreements, between the HRA and Program Partners, and allocation of \$3,000,000 to Program activity over five years.

Sponsored by:

Commissioner Amy Brendmoen and Chair Chris Tolbert

Staff:

Kate Rodrigues

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Attachments

- **Financial Analysis**
- **Draft Program Guidelines**