

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 22, 2020

REGARDING: RESOLUTION ACCEPTING A GRANT OF \$747,980 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 \$747,980 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 \$747,980.

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 first 48 hours of accepting Bridge Fund applications, more than 3,000 people applied for the Saint Paul Bridge Fund for Families, and more than 1,200 businesses applied for the Saint Paul Bridge Fund for Businesses.

To expand the reach of the Bridge Fund, Mayor Carter launched a private donation campaign, in partnership with the Saint Paul & Minnesota Foundation. In response to the Mayor's appeal, philanthropic, corporate, and individual donations and commitments to the funds established by the Saint Paul & Minnesota Foundation total \$747,980 as of April 15, 2020. The Saint Paul & Minnesota Foundation wishes to grant those donations to the HRA's Bridge Fund. Donations

may continue to be made to the Saint Paul & Minnesota Foundation's funds for the Saint Paul Bridge Fund.

Program Description

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

- 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.

The online applications opened on April 8. Staff are sending requests for documentation supporting eligibility by secure email to applicants on a rolling basis, requesting documentation materials by May 1.

On April 19 at 5:00 PM, the application process closed and all applicants were assigned a number through a random selection process. With the budgeted HRA funds, 1,000 family applicants and 300 small businesses who are confirmed eligible will receive grants in order of the number they are assigned through the random selection process. Staff will start processing grant checks for eligible applicants who have submitted supporting documents on April 20.

Proposal for additional grant funds

In keeping with the original intent to help both families and small businesses severely impacted by COVID-19, Staff recommend that the additional \$747,980 donated or committed through April 15, 2020, be directed as follows, maintaining the original ratio of funds committed:

- \$230,000 to Families grants, to support 230 additional eligible families beyond the 1,000 awarded grants through the \$1 million in HRA funds
- \$517,500 to Small Businesses grants, to support 69 additional eligible small businesses beyond the 300 awarded grants through the \$2.25 million in HRA funds.

Budget Action

The current Board action is to accept a grant award of \$747,980 from the Saint Paul & Minnesota Foundation, and approve a budget amendment to increase the 2020 HRA budget by \$747,980.

Future Action

Future budget actions are expected related to additional private donations to the Saint Paul and Minnesota Foundation.

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 \$747,980

Sponsored by: Chair Tolbert

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