



January 5, 2022

TO: Saint Paul City Council

FROM: Kate Rodrigues, Housing Policy Coordinator, Planning and Economic Development
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SUBJECT: COVID-19 Emergency Rental Assistance Update

This is a follow up memo to the one that accompanied RES PH 21-319 on November 17, 2021.

Background

To date, the United States Congress has passed two Acts containing allocations for Emergency Rental Assistance to be distributed by the Department of the Treasury ("Treasury"). The City of Saint Paul has received two allocations, the first in the amount of \$9,922,640.00 ("ERA1 Funds") and the second in the amount of \$11,588,419.60 ("ERA2 Funds").

ERA1 Funds were used to establish and operate the Zero Balance Project, a landlord-based rental assistance program, and the Saint Paul – Ramsey County Tenant Program, a tenant-based rental assistance program. Approximately 89% of ERA1 funds have been spent or obligated between the two programs.

On November 17, 2021, the City Council authorized the addition of \$2,000,000 of ERA2 Funds to the Zero Balance Program to finish processing applications remaining in the system and associated administrative costs. The program closed to new applications on November 19, 2021.

Spending in the Tenant Program has increased significantly over the last couple of months and staff anticipates running out of ERA1 Funds in mid-January. Because the program is still open and there are several hundred applications in process, staff proposes to add \$5,070,091.86 of ERA2 Funds to continue operating the program.

As noted in the November 8, 2021 memo, there were changes made to ERA2 that expand the amount and type of uses for the funds, including the ability to use up to 10% of the funds for housing stability services. Staff is engaged in conversations with Ramsey County and the Office of Financial Empowerment regarding existing housing stability programs that could benefit from additional funding. In addition, there is a provision in the Act that allows grantees to use up to 25% of the funds for "other affordable rental housing and eviction prevention activities" as defined by the Secretary, if the grantee has obligated 75% of their

allocation by October 1, 2022. Staff is waiting on further guidance from Treasury to determine whether this is a reasonable option to pursue.

Timeline

- Seek Council approval on January 12 to allocate additional funds to the Tenant Program
- Return to City Council first quarter 2022 to propose ways to spend remaining ERA2 funds.