



CITY OF SAINT PAUL
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Date: November 8, 2021

To: Saint Paul City Council

From: Kayla Schuchman, Housing Director, Planning and Economic Development Department
Kate Rodrigues, Housing Policy Coordinator, Planning and Economic Development Department

RE: COVID-19 Emergency Rental Assistance

Background

In January 2021, Treasury distributed \$9,222,640.00 in Emergency Rental Assistance to the City (“ERA1 funds”). ERA1 funds were accepted by City Council and authorized on February 24, 2021, via Resolution 21-36, to be used in tenant and landlord-based emergency rental assistance programs.

\$5,500,000.00 of the City’s ERA1 funds were contributed to the Zero Balance Project, a landlord-based rental assistance program launched in partnership with Ramsey, Hennepin, and Dakota Counties, along with the City of Minneapolis. \$3,507,043.60 of the City’s ERA1 funds were used to establish a renter-based rental assistance program, in partnership with Ramsey County and Community Action Partnership of Ramsey and Washington Counties.

In March 2021, a second round of Emergency Rental Assistance funding was authorized under the American Rescue Plan Act (“ERA2 funds”), as well as certain new policies that relate only to ERA2 implementation.

Saint Paul’s allocation of ERA2 funds is \$7,297,443, plus an anticipated additional high-need allocation of \$4,290,976.20, making the total ERA2 funds approximately \$11,588,419.60. Per the American Rescue Plan legislation, Treasury will provide an initial 40% of ERA2 funds to eligible grantees and will provide the remaining 60% at a later date according to a procedure to be determined by Treasury. On May 21, 2021, Treasury wired approximately 40% of the ERA2 fund award totaling \$4,635,367.84 to Saint Paul.

Staff seek approval to accept these funds for a variety of expanded uses permitted under Treasury guidance. Most immediately, staff are proposing to add up to an additional \$2M in ERA2 funds to the ongoing landlord emergency rental assistance program. As of November 5, 2021, approximately 92% of the city’s ERA1 allocation in the landlord program has been expended. ERA2 funds would be used to process and pay remaining applications in that program and associated administrative costs. Additionally, staff are in discussions with Ramsey County to explore adding additional funds to the joint existing tenant program and also potentially using ERA2 funds to support other existing emergency assistance programs such as Rapid Rehousing. Staff is also exploring using ERA2 funds to support Return Home St. Paul and housing court supports.

Program Summary of ERA2 funds

Eligible Activities	<ul style="list-style-type: none"> Funds may be used for the following activities: rent, arrears, utilities and home energy costs, utilities and home energy arrears, and other expenses related to housing which may or may not be related to the COVID-19 pandemic Up to 10 percent of funds may be used for housing stability services as defined by Treasury Up to 15 percent of funds may be used for administrative expenses
Eligible Recipients	<ul style="list-style-type: none"> Renter households with incomes no more than 80 percent of Area Median Income and have experienced financial hardship through COVID-19 and can demonstrate a risk of experiencing homelessness or housing instability In addition, grantees must prioritize households with incomes no more than 50 percent of Area Median Income and to households where an individual has been unemployed for 90 days
Payment	<ul style="list-style-type: none"> Grantees are generally expected but not required to make payments directly to a landlord or utility/home energy provider on behalf of the eligible household Grantees who choose to make payments directly to tenants are not required to seek the cooperation of the landlord or utility provider before providing assistance Landlords can apply on behalf of tenants with their consent.
Time Limitation	<ul style="list-style-type: none"> Payments, including arrearages and future payments, for any individual household generally may not exceed 18 months (inclusive of any assistance provided using ERA1)
Use of Funds Timelines	<ul style="list-style-type: none"> ERA2 is available for grantees to spend until September 30,2025.

Timeline

- Seek Council approval on November 17
- Add up to \$2M in ERA2 funds to existing landlord emergency rental assistance program
- Continue ERA2 planning conversations with Ramsey County to leverage existing housing supports
- Return to City Council to propose other ways to spend remaining ERA2 funds on the lowest income and most difficult to house residents in upcoming months, including potentially adding additional funds to existing tenant emergency rental assistance program.