



Legislation Text

File #: RES PH 21-36, **Version:** 1

Authorizing the City to accept \$9,222,640 in Federal Emergency Rental Assistance Funds; amend the 2021 budget to incorporate the funds; exercise the Joint Powers with City of Minneapolis, Dakota County, Hennepin County, and Ramsey County to carry out a Multi-Jurisdictional Emergency Rental Assistance Landlord Application Program; approve program guidelines; and execute the necessary agreements.

WHEREAS, On March 13, 2020, Minnesota Governor Tim Walz issued Executive Order 20-01 declaring a Peacetime Emergency and coordinating Minnesota's strategy to protect Minnesotans from the COVID-19 public health emergency pursuant to Minn. Stat. § 12.31, Subd. 2; said Declaration has been extended and remains in effect; and

WHEREAS, On March 15, 2020, Saint Paul Mayor Melvin Carter III issued an Emergency Declaration in response to the COVID-19 public health emergency pursuant to Minn. Stat. § 12.29; which the Saint Paul City Council consented to on March 17, 2020, and which has been extended and remains in effect; and

WHEREAS, the City of Saint Paul (the "City") has incurred and continues to incur unplanned expenditures and substantially different expenditures than previously budgeted due to necessary response to and mitigation of the COVID-19 public health emergency; and

WHEREAS, the COVID-19 public health emergency has affected and continues to affect housing stability across the country, the state of Minnesota, and the City of Saint Paul and immediate action is needed to address said housing instability; and

WHEREAS, on December 27, 2020, the United States Congress passed the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (the "Act"), in response to the COVID-19 public health emergency; and

WHEREAS, the Act authorized the United States Department of the Treasury ("Treasury") to make payments to certain recipients for the purpose of providing Emergency Rental Assistance (the "Emergency Rental Assistance Program" or "Program"); and

WHEREAS, Treasury distributed \$25 billion in Program aid to eligible units of government, with recipients in Minnesota, including the State of Minnesota, the cities of Saint Paul and Minneapolis, and the counties of Ramsey, Hennepin, Washington, Anoka, and Dakota receiving a total of \$375,152,158.50 in Program aid; and

WHEREAS, on January 21, 2021, Treasury distributed \$9,222,640 in Program aid to the City (the "Funds"); and

WHEREAS, the Act provides that not less than 90% of the Funds shall be used to provide financial assistance to eligible households, including the payment of (1) rent, (2) rental arrears, (3) utilities and home energy costs, (4) utilities and home energy costs arrears, and (5) other expenses related to housing due either directly or indirectly to the COVID-19 public health emergency, and not more than 10% of the Funds may be used for Program administration and to provide eligible households with case management and other services related to the COVID-19 public health emergency; and

WHEREAS, eligible households include those who are at or below 80% of area median income (AMI), qualify for unemployment or have experienced a reduction in household income or financial hardship due to COVID-

19, and are at risk of experiencing homelessness or housing instability; and

WHEREAS, eligible households at or below 50% of AMI or that include a household member who has been unemployed for at least 90 days are prioritized; and

WHEREAS, the Act further provides that assistance cannot be provided for a period exceeding 12 months except that a 3 month extension may be provided to ensure housing stability, that Funds are only available through December 31, 2021, and that Treasury will begin recapturing Funds not obligated by September 30, 2021; and

WHEREAS, Minnesota Statute Section 471.59 provides that two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any common or similar powers; and

WHEREAS, City staff pursued, and now recommend, partnership(s) with the city of Minneapolis, Dakota County, Hennepin County, and Ramsey County to implement and carry out a Multi-Jurisdictional Emergency Rental Assistance Landlord Application Program (the "Landlord Application Program") that utilizes uniform program guidance and a single program administrator to streamline program delivery, standardize communications, and reduce administrative expenses; and

WHEREAS, the City's initial allocation of Funds will be to the Landlord Application Program, in an amount not to exceed \$5,500,000 for Program delivery and administration expenses; and

WHEREAS, City staff are similarly pursuing partnership(s) with overlapping jurisdictions to develop an Emergency Rental Assistance Tenant Application Program (the "Tenant Application Program"), the details of any such Tenant Application Program will be brought to the City Council for approval at a future date; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the City Charter and by receipt of the Emergency Rental Assistance funds, certifies that there is available for appropriation funds of \$9,222,640 in excess of those budgeted in the Grant Fund in 2021; and

WHEREAS, the Saint Paul City Council finds a public purpose in participating in the Emergency Rental Assistance Program generally, and the Landlord Application Program specifically; now, therefore, be it

RESOLVED, that the Saint Paul City Council does hereby:

1. Authorize the City to accept the Emergency Rental Assistance Funds, amend the 2021 budget, and appropriate the Funds all as described in the attached financial analysis.
2. Authorize the City to exercise Joint Powers with the city of Minneapolis, Dakota County, Hennepin County, and Ramsey County, and authorize execution of a Joint Powers Agreement in substantially the form attached hereto for the purpose of implementing and carrying out the Landlord Application Program.
3. Approve the Landlord Application Program Guidelines in substantially the form attached hereto.
4. Authorize the appropriate City officials to execute agreements and take any other action necessary to carry out this Resolution and the Landlord Application Program and authorizes the execution of such powers in the manner authorized by Minnesota Statute Section 12.37.

See attachment.