



Legislation Text

File #: RES 22-21, **Version:** 1

Allocating Round Two Federal Emergency Rental Assistance funds to the Saint Paul - Ramsey County Tenant Assistance Program and authorizing the execution of necessary agreement.

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 (the "City") and continued action is needed to address ongoing housing instability; and

WHEREAS, on December 27, 2020, the United States Congress passed the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (the "First Act"), in response to the COVID-19 public health emergency and distributed \$25 billion in aid to eligible units of government for the purpose of providing Emergency Rental Assistance; and

WHEREAS, under the First Act, the City received and accepted \$9,222,640.00 ("ERA1 Funds") by RES PH 21-36, and has spent or obligated all of those funds; and

WHEREAS, on November 17, 2021, the Saint Paul City Council accepted funds by RES PH 21-319 allocated to the City by the United States Department of the Treasury's ("Treasury") second round of Federal Emergency Rental Assistance ("ERA2 Funds") authorized by the United States Congress on March 11, 2021 through the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (the "Second Act"); and

WHEREAS, the ERA2 Funds may be used in much the same way as ERA1 Funds, with some notable additional provisions including an expansion of "other" expenses related to housing and housing stability services, an increase in the number of months of assistance a household can receive (from 15 to 18, inclusive of ERA1 assistance), and the ability for recipients that have obligated at least 75 percent of their total ERA2 funds to, after October 1, 2022, use remaining funds for any other affordable housing purpose defined by the Secretary of the Department of Housing and Urban Development ("HUD") to assist very low income families; and

WHEREAS, eligible households include those who are low income, qualify for unemployment or have experienced a reduction in household income or financial hardship due to or during the COVID-19 pandemic, and are at risk of experiencing homelessness or housing instability; and

WHEREAS, of the City's \$11,588,419.60 ERA2 allocation, \$2,000,000 was appropriated to the Zero Balance Project, a landlord initiated rental assistance program established and operated by metro area jurisdictions who were recipients of ERA1 Funds; and

WHEREAS, on April 7, 2021, by Resolution 21-497, the City Council authorized the exercise of Joint Powers, in accordance with Minnesota Statute Section 471.59, with Ramsey County to carry out a tenant initiated rental assistance program (the "Tenant Program"); and

WHEREAS, while the Tenant Program has successfully assisted over 500 households in the city, there is still a significant need for rent and utility assistance; and

WHEREAS, as of December 10, 2021, approximately 89% of the City's ERA1 allocation has been spent; and

WHEREAS, Tenant Program projections indicate that the \$3,507,043.60 in ERA1 Funds allocated to that program will be spent by mid-January, 2022, and that additional funding is needed for ongoing tenant support; and

WHEREAS, City Staff recommend extending the terms of the Joint Powers Agreement to continue Tenant Program activity; and

WHEREAS, City Staff recommend that an appropriation of the City's ERA2 Funds be to the Tenant Program, in an amount up to \$5,070,091.86 in order to continue processing tenant applications; and

WHEREAS, City staff are in conversations with partners and continue to explore ways to allocate the balance of ERA2 Funds to serve the lowest income and most difficult to house residents and will bring a proposal addressing the remaining \$4,518,327.74 in ERA2 Funds to the City Council at a later date; and

WHEREAS, the Saint Paul City Council finds a public purpose in continuing participation in the Tenant Program for the purpose of providing ongoing assistance to households in need; now, therefore, be it

RESOLVED, that the Saint Paul City Council does hereby:

1. Authorize the appropriation of ERA2 Funds to the Tenant Program.
2. Authorize the continued exercise of Joint Powers in support of the Tenant Program.
3. Authorize the appropriate City officials to execute agreements and take any other action necessary to carry out this Resolution and authorizes the execution of such powers in the manner authorized by Minnesota Statute Section 12.37.