
City of Saint Paul **Recovery Plan**

State and Local Fiscal Recovery Funds 2021 Report



SAINT PAUL
MINNESOTA

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City of Saint Paul

2021 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

The \$1.9 trillion American Rescue Plan Act provides \$350 billion in much needed emergency funds for state, local, territorial, and Tribal governments. As a part of this plan, the City of Saint Paul will receive \$166.6 million through the State and Local Fiscal Recovery Fund to support our immediate response to the COVID-19 public health emergency, and its negative economic impacts, while laying the groundwork for our ongoing efforts to rebuild.

The City of Saint Paul is in the midst of developing proposals for funds usage and will continue to engage in a robust process to leverage the enormous potential of these one-time funds in support of our community. To that end, Saint Paul will make investments to be responsive to the many needs of our community with a focus on these priorities:

- Neighborhood Safety - \$40 million
- Housing - \$40 million
- Works Progress: Jobs and Career Readiness Programs - \$40 million
- Vaccine & Public Health Measure Engagement - \$3.6 million
- Modernization of City Services - \$18 million
- Financial Stabilization - \$15 million

The City also recognizes the importance of responsibly managing these Federal funds and plans to use 6% or approximately \$10 million, for administering the grant. *While no resources were expended ahead of July 31st, 2021*, Saint Paul has launched programming for acute needs in addressing pandemic impacts to youth employment, lost revenue, public safety, and community supports - accounting for nearly \$9 million.

The City will forward timely, ready, and relevant programs to City Council for consideration. Each will advance our community's ability to respond to and recover from the COVID-19 pandemic, and each will be measured for effect.

Uses of Funds

The City of Saint Paul's initial plan for the American Rescue Plan Act State and Local Fiscal Recovery Funds (ARP SLFRF) involves allocating funds for urgent needs while strategically planning longer-term investments to address the impacts of COVID-19 on our community.

The City's first allocations of the funds focused on the expenditure categories of responding to public health and negative economic impacts of the pandemic, as well as the provision of government services up to the amount of revenue lost due to COVID.

As of July 31, 2021, the City had not yet spent any ARP SLFRF. In June the City allocated the first \$575,000 to expand the Right Track youth jobs program. Through this program, the City is partnering with Ramsey County to provide unemployed and underemployed young adults ages 18-24 with internships and professional development opportunities from August through November 2021 at an array of local businesses, community-based organizations and within local government. This investment allows the City to respond to the negative economic impacts of COVID by providing job training and employment supports for youth.

In July the City allocated an additional \$5.1 million of ARP SLFRF for immediate public safety needs that have been impacted by the public health and negative economic impacts of the pandemic, including responding to criminal case court backlogs, domestic abuse prevention, and the needs of our unsheltered population.

In August, the City allocated another \$3.5 million for other urgent needs, including restoring Library, Parks, and Fire services cut due to COVID, funding a law enforcement career path academy, establishing an Office of Neighborhood Safety, and administering the ARP SLFRF. These investments respond to the public health and negative economic impacts of the pandemic, as well as the provision of government services and administration of the Federal funds. Finally, restoring City services that directly serve our community members most impacted by the pandemic is a key goal of this initial phase of investments.

As outlined in the [Mayor's Proposed 2022 Budget](#), the City identified a planning strategy for the total \$166.6 million of ARP SLFRF, focused on the following priority areas of investment:

Neighborhood Safety - \$40 million

- Targeted investments supporting safer outcomes in our neighborhoods, in alignment with the City's Community-First Public Safety (CFPS) framework which is informed by deep public engagement and public academic research to identify and address the root causes of neighborhood safety concerns. Investments will focus on enhancing the capacity of our public safety systems, improving connectivity and supports, and designing our public spaces for safety in support of continuing to develop a more coordinated, comprehensive, and data-driven public safety system.

Housing - \$40 million

- Targeted investments responding to our ongoing housing crisis, including connecting residents experiencing unsheltered homelessness to resources, supporting construction and renovation of affordable and deeply affordable housing, and promoting fair and equitable housing practices at all ends of the continuum.

Works Progress: Jobs and Career Readiness Programs - \$40 million

- Targeted investments ensuring people of all ages, backgrounds, and skills can access, secure, and maintain stable employment opportunities with living wages, professional development opportunities, and career pathways to leverage the prosperity our city has to offer. Investments in this priority will include a focus on an array of sectors including infrastructure, youth jobs, business supports, arts, digital equity, and green energy.

Vaccine & Public Health Measure Engagement: \$3.6 million

- Targeted investments ensuring our entire community can access vital public health information, support, services, and resources as we address the impacts of the public health and economic crisis. We will adapt to emerging vaccination needs for new populations and for vaccine boosters.

Modernization of City Services: \$18 million

- Targeted investments updating, enhancing, or expanding our ability to safely and efficiently provide quality public services to constituents, in a pandemic-informed environment.

Financial Stabilization: \$15 million

- In 2020, the City of Saint Paul had a “three zero” target approach to our budget: zero property tax increase, zero staff layoffs, and zero use of emergency reserves. While this approach was critical to maintaining our city government’s strong financial position, it required careful planning and deep sacrifice. ARP funds allow us to review what was lost and how to move forward and begin to recover from the impacts of COVID-19. Our goals in this area are targeted investments supporting our city’s continued ability to maintain short-term and long-term financial, economic, and enterprise stability in support of the ongoing services, supports, and resources our residents rely on. This category reflects the replacement of revenues substantially reduced due to the pandemic.

Administration: \$10 million

- Recognizing the importance of responsibly managing these Federal funds, the City plans to use approximately 6% for administration of ARP SLFRF including financial, legal, compliance, procurement, human resources, and evaluation needs.

The Mayor's Proposed budget also includes specific investments of \$11.7 million in 2022 to support budget stabilization, restore Library and Parks services, cover Police and Fire expenses, continue to address the backlog of criminal cases caused by the pandemic, respond to the needs of unsheltered residents, and administer the ARP SLFRF. As the City Council and Mayor finalize the 2022 budget, these investments may be adjusted.

The City has also received other federal resources related to pandemic response, including \$11.6 million of Emergency Rental Assistance (ERA). The ERA funds are available for Saint Paul residents to assist with rent and utility bills dates on or after March 13, 2020, and qualifying renters may receive assistance for up to 15 months. Some ERA funding is also supporting community organizations to provide assistance to tenants with the application process and answering questions on documentation, rules, requirements, and application status.

The City also received \$6.8 million of American Rescue Plan Act HOME funding. ARP-HOME funds will be available to make targeted, strategic investments in housing and other assistance for people experiencing or at imminent risk of homelessness, and other vulnerable populations. The City is awaiting further guidance from HUD on the eligible uses and requirements for these funds.

Promoting Equitable Outcomes

Amid our work to build a city that works for all of us, equity remains one of our city's core values, to ensure everyone in our community has timely and relevant access to services, resources, support, and opportunities.

[2020 Census data](#) shows that approximately 51% of Saint Paul residents are Black, Indigenous or People of Color (BIPOC), and [BIPOC residents in Saint Paul](#) face higher rates of unemployment, earn less income, are more cost-burdened, and have lower levels of home ownership than their white counterparts.

In response to these racial disparities, we have adopted the Government Alliance of Racial Equity (GARE) approach of leading with race. While people experience marginalization along lines other than race, including but not limited to gender, sexual orientation, ability, language, and zip code, the greatest disparities in our city are along racial lines.

The City of Saint Paul has three strategic equity objectives: 1) Build a workforce that reflects our city, 2) Diversify our investments across an array of communities, and 3) Enhance our ability to co-create with our community.

We intend to use American Rescue Plan State and Local Fiscal Recovery Funds to achieve these strategic equity objectives and have identified the following goals:

- The City of Saint Paul will engage directly with residents to identify priority areas of investment.
 - ARP SLFRF Funds will be used to hire Saint Paul residents, with a particular emphasis on residents from priority zip codes and residents of color. We will track:
 - The percentage of Saint Paul residents hired.
 - The percentage of Saint Paul residents from priority zip codes hired.
 - The percentage of Saint Paul residents of color hired.
 - We will remove barriers for Saint Paul Residents, particularly residents from priority zip codes and residents of color, to become City employees.
 - ARP SLFRF Funds will be spent on businesses in Saint Paul, with a particular emphasis on businesses (1) in priority zip codes and (2) owned by people of color. Of the Saint Paul businesses that receive ARP SLFRF, we will track:
 - The percentage of all Saint Paul businesses that receive funding.
 - The percentage in priority zip codes.
 - The percentage owned by people of color.
 - We will remove barriers for Saint Paul businesses, particularly those located in priority zip codes and owned by people of color, to receive City contracts.
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Community Engagement

Beginning with the development of Mayor Carter's proposed budget for 2019, the City of Saint Paul has annually held public engagement sessions to collect input regarding investment priorities. These "budget games" are built around interactive activities which invite participants to work together to choose areas of focus for city spending such as increasing housing options, expanding youth development programing, and investing in traditional and alternative emergency response resources.

As part of the engagement, participants are also asked to what degree they would consider increasing city collected revenues to cover the costs of new and existing services. Participant responses are recorded on a paper or electronic worksheet and city staff take notes on verbal comments.

In 2021, the City of Saint Paul held four online sessions in June and July that were attended by approximately 80 community members. Participants reported a strong interest in seeing the City focus budget investments on expanding access to housing, increasing availability of mental health resources for community members in crisis, and expanding access to early childhood resources. This is consistent with feedback received in prior years.

The City plans to invest \$40 million in targeted investments responding to the ongoing housing crisis, including connecting people experiencing unsheltered homelessness to support, services, and resources, supporting affordable and deeply affordable housing, and ensuring residents can secure stable, accessible, fair, and equitable housing at all ends of the continuum.

The Carter Administration has engaged extensively with community members regarding the need for innovation and investment in public safety, which has further supported the development of the Community-First Public Safety framework. Engagement efforts around this topic began in the fall of 2019, when the City of Saint Paul convened a series of community roundtables. More than 750 participants shared their concerns and ideas across three sessions. Key themes captured in these conversations included increased supports for youth, deploying alternative emergency responses to public safety situations, and proactive neighborhood investments that will promote safety. These sentiments were echoed by participants in the budget engagements earlier this year, where there was strong interest in seeing investment in response resources for community members experiencing a mental health crisis.

In early 2021 Mayor Carter launched the Community First Public Safety Commission, which included 48 members representing a variety of backgrounds and fields including law enforcement, mental health, public safety advocacy, education, faith, youth, and support for residents returning to community from incarceration. The Commission focused on alternative first-response models and approaches for ongoing community involvement in the City's Community-First Public Safety framework, including considering the creation of a city-staffed office to drive and integrate this work.

In May, the Commission's 419-page final report was delivered to the Mayor and City Council, including instituting a new office focused on violence prevention with activities related to gun violence, youth violence, group-based violence, and structural violence. Further recommendations included a broad-based strategy that includes preventative activities as well as violence interruption and post incident reconciliation and healing.

The City of Saint Paul will dedicate \$40 million in ARP funding toward targeted investments that support safer outcomes in our neighborhoods, in alignment with our City's Community-First Public Safety framework.

A key element of this work is ensuring continued opportunities for community input as this framework evolves. These will include the creation of a permanent Community First Public Safety Commission that will advise on policy and funding priorities as well as additional, broad focused, and topical budget input sessions with community members.

Labor Practices

The City's Department of [Human Rights & Equal Economic Opportunity](#) (HREEO) serves our community by advancing justice and education, advocacy, and enforcement through an array of divisions including Contract Compliance and Business Development, Human Rights, Labor Standards Enforcement and Education, and Procurement (Contract & Analysis Services).

HREEO's work among these divisions includes ensuring recipients of \$100,000 or more in city economic development assistance over 12 months pay employees a [living wage](#) of 110% of the poverty level for a family of four, that any large employer in Saint Paul pays [\\$12.50 per hour](#) (\$11 for small businesses) as we phase-in our citywide \$15 minimum wage ordinance, that workers have access to 1 hour of [Earned Sick and Safe Time](#) for every 30 hours of work up to 48 hours, and that construction work meets the requirements of [Davis Bacon and Related Acts](#) and [City Ordinance](#) that requires all contractors and subcontractors performing work on city-funded (or state funded) construction projects in excess of \$25,000 to pay their laborers and mechanics not less than the prevailing wage rate (as determined by the Minnesota Department of Labor and Industry) for corresponding classes of laborers and mechanics employed on similar projects in the area. City of Saint Paul construction projects using State of Minnesota funds (ex., DEED, MHFA, Met Council), may also require complying with state prevailing wage laws and requirements.

As part of [contract compliance and business development](#), HREEO is also responsible for assisting minority-owned, women-owned, small businesses and Section 3 businesses learn about and seek business opportunities with the City of Saint Paul, including training and capacity building.

This section in future reports will include information on project workforce practices related to specific infrastructure projects funded with ARP SLFRF.

Use of Evidence

As of July 31, 2021, the City had not yet expended any ARP SLFRF. The City intends to engage in evidence-based interventions and will explore the best options in relation to the investment our community needs most.

Table of Expenses by Expenditure Category

The City is engaging in a strategic planning process and while ARP SLFRF funds have been allocated for specific uses, as of July 31, 2021, the City had not yet spent any of the funds.

PROJECT INVENTORY

Performance Report

As the City makes ARP SLFRF investments, we will develop methods of measuring outputs and outcomes of programming through its core values of equity, resiliency, and innovation. This will allow us to seek means to measure the impact of programming on specific measures like a reduction in homicides or community members experiencing unsheltered homelessness, an increase in affordable housing developed, residents building skills, and less direct measures of the City's efforts towards slowing the spread of COVID-19 and recovery. As outlined in the section on promoting equitable outcomes, the City also intends to track data about hiring and businesses engaged through ARP SLFRF.

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