

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING INFORMATIONAL REPORT
Rent Recovery Monitoring

DATE March 22, 2023

Staff began reporting the PHA’s Rent Recovery efforts to the Board in February 2021, when it was observed that both the number of households owing delinquent rent and the total amount of rent owed had been consistently increasing. Since then the PHA has received over \$3 million in rental assistance resulting mostly from federal funding awarded to the State of Minnesota (paid to the PHA through “RentHelpMN”) and Ramsey County (“Zero Balance Project”). With that assistance and an increase in tenant payments, the total amount of delinquent rent owed to the PHA by residents went down from a high of \$1,056,058 in October 2021 to \$366,902 at the beginning of March 2023.¹

While the number of households owing delinquent rent increased slightly compared to last month, the total delinquent rent owed and the amount of sales and service fees owed both decreased. March marked the seventh consecutive month that the delinquent rent balance has decreased, and the lowest delinquent rent balance the PHA has seen since November 2020.

	Feb-23	Mar-23	Change
Total Delinquent Rent Owed	\$416,549	\$366,902	(\$49,647)
Total Households Owing	455	477	22
Sales and Service Fees	\$65,397	\$32,066	(\$33,331)

¹ Previously, staff’s monthly informational reports to the Board stated the balance owed after all timely payments were received, up to the date the Board report was drafted, and updated again as of the date of the meeting. Beginning in December, these reports reflect the balances and households owing after all payments for the previous month were received, including late payments.

Unfortunately, the PHA cannot waive any rent due to it. HUD has stated that rent is still due during the COVID-19 pandemic and will accumulate if unpaid, and that no PHA-sponsored debt forgiveness or amnesty programs are authorized.² PHA staff worked diligently throughout the pandemic to assist residents who were struggling to pay rent, with all COVID-related eviction protections expiring June 1, 2022. Staff collectively spent over 4,000 hours helping nearly 700 residents apply for assistance to avoid eviction, resulting in the PHA receiving a total of \$3,075,834 in rental assistance.

All COVID emergency rental assistance providers stopped accepting applications months ago and stopped issuing funds in November 2022, so staff attribute the ongoing decrease in the delinquent rent owed to an increase in tenant payments resulting from the uptick in lease enforcement actions. Staff are cautiously optimistic that the total delinquent rent owed will continue to trend downward.

While the PHA's goal is to obtain payment and promote successful tenancies, staff have increased lease enforcement activities in order to reduce the large delinquent rent balance. Since October 2021 staff have sent 6,723 30-day notices of lease termination to households owing rent. As of March 14, 2023 staff had filed an additional 29 eviction actions for unpaid rent for a total of 175 evictions for unpaid rent filed since November 2021. These 175 eviction actions filed have resulted in 46 evictions so far. The remaining cases are either still pending or were resolved without the need for an eviction. In October 2022 Ramsey County Housing Court administrators announced special court dates for eviction actions that have since been extended through July 2023. These court dates were established in order to eliminate the backlog of evictions and reduce the wait time between filing and

² HUD/Centers for Disease Control and Prevention (CDC) Eviction Moratorium FAQs for HUD's Office of Public and Indian Housing 5 (2020)

the first court appearance, with roughly 200 cases set on each date. Court administrators continue to evaluate the need for these special events and will add additional dates as needed.

The Legal Team, Resident Services and Finance Department staff anticipate a return to “normal operations” for rent collection and eviction filing beginning in early FY 2024. As a result of this change, combined with the substantial reduction in delinquent rent owed and the end of all special COVID-related rental assistance programs, staff will stop issuing the monthly “Rent Recovery” Board report after this meeting. Staff will provide quarterly updates on rent recovery efforts in the collection loss Board report beginning at the April 26, 2023 Board meeting. Staff will continue to work diligently to avoid evictions, while upholding the Agency’s fiduciary responsibility to the taxpayers who provide deep subsidies that make PHA-owned housing affordable to families with very low incomes.

LTS/JHS/LAF/FAH

Attachment: Rental Assistance Chart