

## MEMO

**To:** Housing Trust Fund (HTF) Rental Assistance Administrators with Tenant-Based Rental Assistance Programs

**From:** Elaine Vollbrecht

**Date:** ~~May 30, 2018~~ Updated September 23, 2019

**Subject:** Housing Related Expenses - Temporary policy changes effective through September 30, ~~2019~~ 2021 for uses of HTF rental assistance grant funds to increase access to housing

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Earlier this year, we requested the input of grantees with Housing Trust Fund (HTF) tenant-based rental assistance programs about ways to use a portion of the HTF funds to increase housing access and stability.

A number of you provided suggestions on ways to increase housing access. In response to market conditions, with a goal of increasing access to housing and preventing future episodes of homelessness, we've selected the following proposals for uses of HTF funding. **The following temporary policies regarding approved uses are effective immediately, and will be in effect through September 30, ~~2019~~ 2021, the end of the current grant term.**

- **Payment of double security deposits when required by landlords**
  - Grantees should use other available resources first as required by HTF policy, but if not readily available, especially for a second deposit; double security deposits or payment of the second deposit will be payable through grant funds without requesting approval by Minnesota Housing. (Note that payment of the last month's rent is not allowed.)
- **Payment of more than one application fee**
  - Up to two application fees per adult in the household will be payable through HTF without requesting Minnesota Housing approval. More than two application fees will require approval. The household must be housed through the HTF rental assistance program for any application fees to be reimbursed from grant funds.
- **Payment for background checks**
  - The cost of one background check per adult can be requested from the grant. By knowing the barriers in a participant's history, the grantee can focus the housing search to properties that will not screen out the participant. The household must be housed through the HTF rental assistance program for background check costs to be reimbursed from grant funds.
- **Payment of past due utilities**
  - For households at risk of homelessness due to past due utilities accrued prior to admission to the HTF program, HTF will pay utility arrearages, limited to one time per household and capped at a maximum of \$1,000 per household. Amounts exceeding \$1,000 should be submitted to Minnesota Housing for approval on a case-by-case basis. Activities to reduce

the amount owed or find other resources to assist should continue. The household must be housed through the HTF rental assistance program for past due utility costs to be reimbursed from grant funds.

The expenses listed above should be deducted from your current grant through the monthly Draw Request Form, using the Housing Related Expenses columns. For background check costs or payments of past due utilities, use the "Other Allowable Expenses with MH Approval" category on the drop down menu, list the amount in the adjacent column and show the expense description in the "Comments" column. If requesting more than two housing related expenses in a month, additional expenses for the household can be listed on the adjustment tab. The description of the expense must be included.

You may begin to implement these funding uses immediately, as appropriate for your program. Payments for additional security deposits, application fees and background checks will not be made retroactively.

We will be tracking the use of grant funds for these costs, and will request information from you later in the grant term to learn if the ability to use HTF funds for these costs has an impact on access to housing for your participants.

Before October 1, 2019, please feel free to contact me at [elaine.vollbrecht@state.mn.us](mailto:elaine.vollbrecht@state.mn.us) or 651.296.9953 if you have any questions or comments about this temporary policy change, including questions about potential funding shortfalls that could result from these policies. After October 1, 2019 please contact Ellie Miller at [ellie.miller@state.mn.us](mailto:ellie.miller@state.mn.us) or 651.215.6236. For questions related to the draw request, please contact either ~~Rosalie Kolb at [rosalie.kolb@state.mn.us](mailto:rosalie.kolb@state.mn.us)~~ Merideth Mayrand at [merideth.mayrand@state.mn.us](mailto:merideth.mayrand@state.mn.us) or 651.296.9822 ~~Patty Kroona at [patty.kroona@state.mn.us](mailto:patty.kroona@state.mn.us)~~ or Tracy Wetzel at [tracy.wetzel@state.mn.us](mailto:tracy.wetzel@state.mn.us) or 651.296.9817.