MINNESOTA HOUSING

NOTICE OF EMERGENCY BOARD MEETING VIA CONFERENCE CALL

Date: Thursday July 9, 2020

Time: 8:30 a.m.

Dial-in Number: 1 (888) 742-5095

Conference Code: 5561712598

Please identify yourself when joining the call.

AGENDA

1. Call to Order
2. COVID-19 Housing Assistance
3. Adjournment

NOTE: The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Tuesday July 7, 2020.

Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.

The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 or Minn. Stat. 13D.021 are met. The Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.

MINNESOTA HOUSING

Board Agenda Item: 2.
Date: 7/7/2020

Item: COVID-19 Housing Assistance

Staff Contact(s):
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Request Type:

☒ Approval
- ☒ Motion
- ☐ Resolution

☐ No Action Needed
- ☐ Discussion
- ☐ Information

Summary of Request:
Staff seeks approval from the Board to establish a COVID-19 Housing Assistance Program contingent on the Agency receiving a funding allocation of resources from the Coronavirus Relief Fund, pursuant to the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The housing assistance program is expected to provide resources to help prevent evictions, prevent homelessness, and maintain housing stability of individuals and families impacted by COVID-19.

Fiscal Impact:
The program is expected to be funded by federal Coronavirus Relief Funds that were allocated to the State of Minnesota through the CARES Act. Individual awards will be structured as grants, which do not earn interest for the Agency.

Meeting Agency Priorities:
- ☐ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☒ Strengthen Communities

Attachment(s):
- Background

Background

Since early March, Minnesota Housing staff has been working with the Governor's Office and the Legislature to secure housing assistance for individuals and families impacted by COVID-19. To date, no additional funds have been provided for direct housing assistance. Many of the federal provisions that have helped stabilize families through the economic impact of COVID-19 are scheduled to expire at the end of July, notably the $600 per week enhancement of unemployment insurance benefits. There is no indication that these federal provisions will be renewed.

In March 2020, the federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which created the Coronavirus Relief Fund (CRF) and appropriated over $150 billion to states, tribal governments and local units of government to support the COVID relief effort. Minnesota received approximately $1.9 billion of CRF support. The federal CARES Act provides that the CRF may be used for costs that: (1) are necessary expenditures incurred due to the COVID-19 public health emergency; (2) were not accounted for in the state budget; and (3) were incurred between March 1, 2020 and December 30, 2020. Federal CRF guidance provides that the funds may be used to establish a program to assist individuals with payments such as rent or mortgage payments to avoid eviction or foreclosure.

Minnesota Housing has submitted an application to Minnesota Management and Budget (MMB) to fund a COVID housing assistance program with CRF resources. Staff anticipate the Governor will request at least $50 million and up to $100 million from the CRF for this program.

Staff seek approval to establish the COVID Housing Assistance Program (CHAP) and to move forward with an RFP for CHAP if and when funding from the CRF is announced for that purpose, including the following:

- Program: CHAP will be used to prevent evictions, prevent homelessness, and maintain housing stability for those impacted by COVID-19.
- Grantees: Grants will be provided to local grantees to administer the program across the state, including outreach, assessing individual recipients, validating eligibility for funding, making payments to landlords/servicers, and providing reports. Grantees may include:
    - Family Homelessness Prevention and Assistance Program (FHPAP) grantees or subgrantees
    - Tribal Nations
    - Local Governments (including cities, counties, housing and redevelopment authorities)
    - Nonprofit/community-based organizations
- Eligible Uses: CHAP resources will be used to avoid eviction, prevent homelessness, and maintain housing stability for renters and homeowners impacted by COVID-19 that meet the following criteria: 1) Renters with incomes at or below 300% of federal poverty guidelines, with a preference for those at or below 200% of federal poverty guidelines; and, 2) Homeowners with incomes at or below 300% of federal poverty guidelines. Federal poverty guidelines are published by the United States Department of Health and Human Services and vary by household size. For context, a two person household at 200% of federal poverty guidelines would have an income of approximately $34,500 or less. A two person households at 300% of federal poverty guidelines would have an annual income of approximately $51,800 or less.
- Eligible Costs: The eligible costs may include the following if needed to maintain housing security and avoid displacement:

  - Rent payments
  - Mortgage payments
  - Contract for deed payments
  - Manufactured home park lot rents
  - Manufactured home payments
  - Utility payments
  - Association fees
  - Homeowner's insurance
  - Additional housing-related costs approved by Minnesota Housing (i.e. housing navigation services, administrative costs)
- Amount of Assistance: CRF funds may only be used for costs incurred between March 1, 2020 and December 30, 2020. The amount of CHAP funds that may be available per household and related requirements will be determined by the Commissioner after the amount of available resources is determined.

Because of the urgency of the situation and the anticipated funding announcement, agency is preparing a Request for Proposals (RFP) process to be ready to launch as soon as the funding is announced. In light of the fluidity of the situation, staff ask that the Commissioner be authorized to make additional non-material modifications to the program deemed necessary to maximize effectiveness of this important resource. The agency tentatively expects to accept applications from grantees the week of July 13. After reviewing applications, staff expect to bring recommended awards back to the board for approval and to announce funding awards the week of July 27. Depending on timing, a special board meeting may be scheduled for the board to consider funding recommendations. These funds may be available in several application rounds or until all funding has been allocated.

The agency is also evaluating options to centralize initial intake for eligible recipients across the state to assist local administrators and help streamline the process for recipients. Resources from the program may be used to support a centralized intake process. The CRF resources must be timely and responsive to housing stability needs to help address the potential influx of eviction proceedings that may be filed as the pandemic and economic conditions continue.

In addition to CHAP, staff are exploring additional ways that CRF resources could be used to avoid displacement related to COVID-19 and these issues may be brought back to the board at a later date, including

- An avenue for landlords and housing providers to apply for funds on behalf of tenants for past due rent and/or utility expenses.
- How CRF resources could address the anticipated foreclosure counseling work through the Minnesota Homeownership Center (HOC) and its homeownership advisors network. During the Great Recession, the network built capacity and provided much needed support to help homeowners during the foreclosure crisis. In the last several years, foreclosure levels in Minnesota have been in pre-recession levels and the need for foreclosure prevention counseling has decreased each year, resulting in lost capacity as the nonprofit organizations have lost staff certified in default/foreclosure counseling or let their certifications lapse. The plan of the HOC is to increase capacity of the network to provide home mortgage loan default prevention, forbearance resolution, and foreclosure prevention advising to homeowners impacted by COVID 19.