



# COVID-19 Housing Assistance Program

Program Funding Disbursements

August 31, 2020

# Disbursements Overview

- Timing
  - All CARES Act funds must be essentially spent by December 30<sup>th</sup>, 2020
- Demand
  - Difficult to predict where and when funds will be needed
  - Need per household is not known
- Flexibility
  - More flexible and more frequent disbursement than a typical program
  - Ability to change the Initial Selection Amount

# Program Funds

- \$100 million of Program Funds for
  - Housing assistance
  - Administrator expenses (including 211 and online application system)
- Program-wide Initial Selection Amounts
  - Combined initial selection amount is approximately \$63.2 million
  - There are additional program funds available for disbursement based on demand

# Initial Selection Amount

- Initial Selection Amount for Each Grantee
  - Portion for housing assistance
  - Portion for administrative expenses
  - See the Work Plan for amounts in your grant contract
- The Initial Selection Amount is Not Fixed
  - Actual disbursements can be *higher* or *lower* than the initial selection amount
  - Actual disbursements will be based on funding availability until the program funds are depleted

## Grant Contract Exhibit D & Program Guide Chapter 5

- **Initial Disbursement** (complete)
  - Issued after grant contract was executed
  - 5% of housing assistance portion of the initial selection amount
  - 10%-20% of admin expense portion of the initial selection amount
- **Subsequent Disbursements**
  - Approximately every two weeks (housing assistance & admin)
  - Automatic – no form or manual request is needed unless the need is more than the initial selection amount
  - Grant administrators are not expected to use their own funds for housing assistance payments

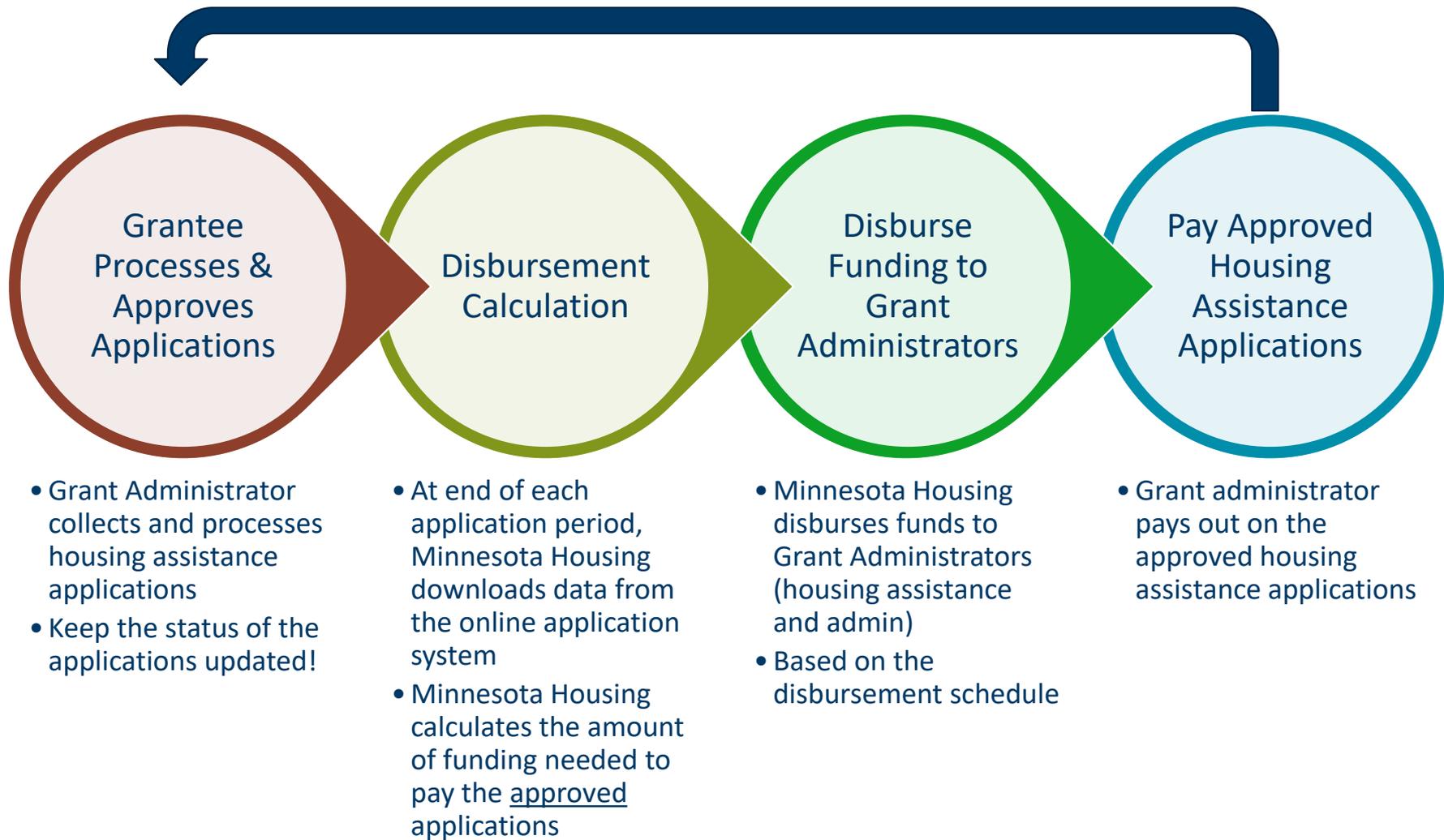
# Disbursement Schedule

Initial Disbursement is Complete

Disbursement Number	Application Period*	Disbursement Date
Second	Aug 17 to Aug 31	This week
Third	Sept 1 to Sept 11	Week of Sept 14
Fourth	Sept 12 to Sept 25	Week of Sept 28
Fifth	Sept 26 to Oct 9	Week of Oct 12
...		
Final		TBD

*\*Based on approved applications*

# Disbursement Review



# Disbursement Calculation

## Housing Assistance Example

- First Application Period: Program Start to August 31
  - Initial disbursement was \$25,000 of housing assistance to the grant administrator
  - But, the grant administrators approved \$40,000 of housing assistance requests by August 31<sup>st</sup>
  - Minnesota Housing disburses at least \$15,000 to the grant administrator a few days after the application period ends so that the grant administrator has at least \$40,000 of housing assistance funds
  - Grant administrator pays out \$40,000 of housing assistance
- Second Application Period: September 1 to September 11
  - Grant administrator approves \$50,000 of housing assistance requests by September 11
  - Minnesota Housing disburses at least \$50,000 of housing assistance funds to the grant administrator a few days after the period ends
  - Grant administrator pays out the \$50,000 of housing assistance funds
- Third application period...

# Disbursement Calculation

## Admin Expenses

- Admin expenses are disbursed on the same schedule as housing assistance – every two weeks, as applicable
- First three admin disbursements:
  - Starting off, relatively higher amount of admin disbursements than housing assistance disbursements
  - 10% to 20% of the admin portion of the Initial Selection Amount in each of the first three disbursements
  - Intended to help support program launch, outreach, etc.
- Subsequent admin disbursements:
  - Tied to the amount of approved housing assistance
  - By the end of the program, the goal is to bring the admin expense percentage into alignment with the percentage of admin funds in the grant contract

# Change to Initial Selection Amount

- Initial Selection Amount in the Grant Contract is not fixed
- The Initial Selection Amount and the number of households proposed to be served in the Work Plan is not a hard limit as long as program funds are available
- *For example:*
  - *A grant administrator's initial selection amount was \$100,000 but could approved requests totaling \$150,000*
  - *Minnesota Housing will process a grant amendment to increase the initial selection amount by the amount of approved housing assistance applications*
  - *Administrative expense budget will also be proportionately increased*

# Program Fund Availability

- Communication
- Minnesota Housing will notify the grantee network on program fund availability throughout the course of the program
- Grantees are encouraged to continue accepting and processing applications!

# Disbursement Calculation

## Final Disbursement

- Occurs when the amount of assistance in the applications exceed the remaining amount of Program Funds
- Minnesota Housing is tracking the applications across the grantee network
- Will provide notification to the grantee network on funding availability
- In the final disbursement, households at or below 200% of federal poverty guidelines will be prioritized for payment



# Questions?

# Thank You!

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