COVID-19 Housing Assistance Program

Program Funding Disbursements

August 31, 2020
Disbursements Overview

• Timing
  • All CARES Act funds must be essentially spent by December 30th, 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 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
Disbursements

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

<table>
<thead>
<tr>
<th>Disbursement Number</th>
<th>Application Period*</th>
<th>Disbursement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second</td>
<td>Aug 17 to Aug 31</td>
<td>This week</td>
</tr>
<tr>
<td>Third</td>
<td>Sept 1 to Sept 11</td>
<td>Week of Sept 14</td>
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<tr>
<td>Fourth</td>
<td>Sept 12 to Sept 25</td>
<td>Week of Sept 28</td>
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<tr>
<td>Fifth</td>
<td>Sept 26 to Oct 9</td>
<td>Week of Oct 12</td>
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<td>...</td>
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<tr>
<td>Final</td>
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<td>TBD</td>
</tr>
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*Based on approved applications*
Pay Approved Housing Assistance Applications

Grant administrator pays out on the approved housing assistance applications

Disburse Funding to Grant Administrators

Minnesota Housing disburses funds to Grant Administrators (housing assistance and admin)

Based on the disbursement schedule

Grantee Processes & Approves Applications

Grant Administrator collects and processes housing assistance applications

Keep the status of the applications updated!

Disbursement Calculation

At end of each application period, Minnesota Housing downloads data from the online application system

Minnesota Housing calculates the amount of funding needed to pay the approved applications

Pay Approved Housing Assistance Applications

Grant administrator pays out on the approved housing assistance applications

8/31/2020
• 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 31st
  • 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...
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!
• 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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