



**NOTICE OF SPECIAL BOARD MEETING
VIA CONFERENCE CALL**

Date: Tuesday January 25, 2022

Time: 9:00 a.m.

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

Conference Code: 4014552918

Please identify yourself when joining the call.

AGENDA

1. Call to Order
2. Approval: Application Closure Parameters for RentHelpMN
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 January 25, 2022.

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.

Item: Approval: Application Closure Parameters for RentHelpMN**Staff Contact(s):**

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Request Type:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> No Action Needed |
| <input checked="" type="checkbox"/> Motion | <input type="checkbox"/> Discussion |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

The commissioner requests approval by the board of proposed application closure parameters for the federally funded RentHelpMN program.

Fiscal Impact:

N/A

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

The federal Emergency Rental Assistance program was established to maintain housing stability for tenants impacted by COVID-19 by providing funding for rent and utilities. The program was first authorized by the Consolidated Appropriations Act of 2021, which was enacted in December of 2020 and authorized \$25 billion for the program nationwide. The American Rescue Plan Act of 2021, enacted in March of 2021, authorized an additional \$21.6 billion for the program. Federal grant funds under the program were provided to states, local jurisdictions and Tribal Nations for administration.

In January of 2021, the Minnesota Housing board of directors authorized the agency to establish and operate the COVID-19 Emergency Rental Assistance program statewide in compliance with federal requirements. That authorization was updated by the board in May of 2021 to utilize the agency's second allocation from the federal government. In December of 2021 the board authorized use of \$9 million for housing stability services, which is a permitted use of the federal funds.

Minnesota Housing's COVID-19 Emergency Rental Assistance program, operating as RentHelpMN, began accepting applications for rent and utility assistance on April 20, 2021. The program utilizes the eligibility, documentation, and income requirements set out by the U.S. Department of Treasury. Tenants may apply online through the RentHelpMN application portal or through paper applications. Minnesota Housing contracted with United Way 211 to provide communications and intake support and 28 community based non-profit organizations and one Tribal Nation as field partners to assist applicants for the program. Payments through the program are typically made directly to utility companies and property owners. Applicants for the program are protected from eviction for nonpayment of rent while an application for assistance is pending as a result of the legislatively enacted off-ramp.

Between the two federal authorizations, Minnesota Housing has received or expects to receive a total of \$537.5 million in federal Emergency Rental Assistance resources. The agency also received an additional \$7 million in additional administration funding and \$20 million additional program funds from the State Fiscal Recovery Fund through the Legislative COVID-19 Response Commission process. The U.S. Department of Treasury has offered opportunities for grantees to request reallocated resources, but has communicated that it is unlikely any meaningful additional funds will be provided. The agency has taken advantage of every offered opportunity to access the reallocated resources. The agency previously requested a reallocation of \$231 million from the U.S. Department of Treasury in Emergency Rental Assistance resources and did not receive any reallocation. The agency made an additional request last week for \$212 million to the U.S. Department of Treasury, but again does not anticipate receiving any additional federal funds.

Program Status and Use

RentHelpMN has been accepting rent and utility assistance applications on an open pipeline basis since opening on April 20, 2021. After accounting for administrative costs and housing stability services, RentHelpMN received or expects to receive approximately \$450 million in federal Emergency Rental Assistance to distribute in the form of rent and utility assistance to maintain housing stability for renters.

As of January 13, 2022, Minnesota's RentHelpMN program has received 84,138 applications with applicants requesting \$481.4 million in assistance. As of January 18, 2022, the program has paid more than \$343.3 million in statewide assistance through more than 75,800 payments providing housing stability to more than 45,000 households.

Agency staff have been closely tracking application data and available resources. The RentHelpMN program has experienced sustained high demand from applicants with demand increasing in December 2021 and again in January 2022. More than 12,000 applications were submitted in December and the projected total for January is about 16,000 before any surge that may be created by announcing pending closure to new applications. January applications are on track to be the highest number of submitted applications for the program.

Paid applications, applications in process and likely to move to payment, and applications anticipated to be received in the final days of the program are expected to total assistance requests that exceed \$450 million.¹ Minnesota Housing previously received an allocation of \$20 million in State Fiscal Recovery Fund resources and is pursuing a modification to the purpose of those funds to allow the allocation to be used to cover submitted applications that exceed available federal resources.

Recommended Application Closure Parameters

Based on the current data, including analysis of available resources, applications, and programmatic considerations staff recommend the following closure parameters.

- Avoid accepting a significant number of RentHelpMN applications that the program will be unable to fund.
- Maintain sufficient funds to process appeals and other federally required reconciliations.

¹ Agency staff are also coordinating with the Minnesota Department of Human Services regarding a subset of applicants who were not able to access the RentHelpMN application process due to the structure of their subsidy. Because that limited subset has not yet had an opportunity to apply for the program, the agency's projections contemplate a limited opportunity for that group to submit applications through an alternate process for a few additional weeks and the application amounts are not expected to be material to overall resource availability.

- Communicate the upcoming application closure to the public, renters and stakeholders.
- Limit incurring additional administrative costs to operate the program that will not benefit applicants.
- Provide tenants with a reasonable likelihood of receiving funding through the program with an opportunity to apply and to receive the benefit of the legislative protection against eviction while the application is processed.

Based on the parameters above as applied to the current funding and data analysis, staff project that the program will stop taking applications and reapplications as of Friday, January 28, 2022 at 9:00pm.

Anticipated Application Closure Process

If the parameters are approved, the following is the anticipated application closure process:

- The agency will communicate the application submission deadline to the public, press, and stakeholders.
- Applications submitted prior to the deadline will be reviewed for eligibility and, so long as funds are available, eligible applicants will benefit from assistance for rent and/or utilities.
- The program will stop accepting new applications and reapplications on the date and time announced, but the portal at RentHelpMN.org will continue to be available for applicants in process to review the status of their case and update information as requested.

In the unlikely event that the Minnesota Housing receives a future reallocation of federal resources or otherwise has resources available to reopen to new applicants, staff will return to the board for a discussion of whether and how to equitably reopen the program.

The commissioner recommends approval of the identified parameters and a determination that the parameters have been met. If approved, staff will begin to notify the public and stakeholders and the RentHelpMN [application portal](#) will close to new applications and reapplications as of January 28, 2022 at 9:00pm.