



Housing Trust Fund (HTF) Rental Assistance Program Guide

June 2021



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Chapter 1 – Program Overview

1.01 Background

The Minnesota Legislature established the Housing Trust Fund (HTF) Rental Assistance Program in 1988 to support the development of affordable housing for low-income individuals and families. Revenue for the HTF Program is generated from the interest earnings on real estate broker's trust accounts as provided under Section 82.75, subdivision 8; money appropriated and transferred from other state appropriated funds; gifts, grants, and donations received from the United States, private foundations, and other sources.

In 2001, the Minnesota Legislature, at the request of the Minnesota Housing Finance Agency (Minnesota Housing), made substantial changes to the HTF Program, including the expansion of its funding activities. Since 2002, the HTF Program may be used for operating subsidy and rental assistance funding, in addition to the capital funding it has historically provided.

In 2005, the HTF Program rules were again modified to add a funding priority for developments and programs that serve Households Experiencing Long-Term Homelessness (LTH) in response to [Heading Home Together: Minnesota's Plan to Prevent and End Homelessness](#).

In 2019, the HTF Program shifted to require all Participants to be High Priority Homeless (HPH) who are assessed as needing Permanent Supportive Housing (PSH) and referred through their local Continuum of Care (CoC) Coordinated Entry (CE) system.

The HTF Program funds three general types of activities:

- Capital funding: Construction and permanent financing for rental housing
- Operating subsidy: Minnesota Housing may provide an operating subsidy for rental housing for which Minnesota Housing has provided capital funding. The operating subsidy may be used for two cost categories:
 - Unique costs: For those unique costs associated with operating low-income rental or supportive housing including tenant service coordination, front desk, and security costs.
 - Revenue shortfall: To cover revenue shortfalls caused by differences between operating costs of the housing development and rents paid by eligible tenants.

NOTE: There is currently no new funding available for operating subsidies.

- Rental assistance: Two available options:
 - Tenant-Based Rental Assistance: Rental subsidies for eligible housing of the Participant's choice within the Administrator's Service Area. Tenant-Based Rental Assistance cannot be committed to any specific development.
 - Sponsor-Based Rental Assistance: Rental subsidies in developments that also received capital funding through Minnesota Housing. Minnesota Housing is not currently offering new funding for Rental Assistance opportunities in capital funded developments.

1.02 Overview

The HTF Program is a state-funded rental assistance program administered by Minnesota Housing. Minnesota Housing contracts with eligible entities to provide Rental Assistance and connect services to eligible households.

The HTF Program provides a temporary housing subsidy to HPH households who are referred through the local CE system. HPH households served through the HTF Program must have Gross Annual Household Income at or below 30% area median income (AMI) at the time of initial eligibility.

Per statute, an eligible Participant may have a Gross Annual Household Income, at the time of initial eligibility, up to 60% AMI adjusted for household size with priority to serve those at 30% AMI. Minnesota Housing has further restricted the HTF Program eligibility to meet the local HPH criteria.

HTF Program funds may be used to provide rent directly to a landlord, as well as security deposits, application fees and other fees necessary to obtain owner participation or to prevent repeat episodes of homelessness.

Participants do not have to be eligible for the Housing Choice Voucher Section 8 (HCV) program to be eligible for Rental Assistance funded by the HTF Program.

This HTF Program Guide outlines the requirements of the HTF Program. Administrators are responsible for creating and maintaining their Local Program policies and procedures using this HTF Program Guide as a basis for their development.

1.03 Governing Statute and Administrative Rules

The HTF Program provides Rental Assistance in accordance with Minnesota legislation that authorizes and appropriates funds under provision of [Minnesota Statute Section 462A.201](#) and following [Minnesota Administrative Rules 4900.3760 - 4900.3769](#).

Chapter 2 – Basic Program Requirements

2.01 Eligible Entities

To be eligible to apply to administer rental assistance funding under the HTF Program, an entity must be any of the following:

- A nonprofit organization, as defined in [Minnesota Statutes, section 462A.03, subdivision 22](#)
- A for-profit organization
- A limited dividend entity, as defined in [Minnesota Rules, part 4900.0010, subpart 14](#)
- A cooperative housing corporation, as defined in [Minnesota Rules, part 4900.0010, subpart 8](#)
- A city, as defined in [Minnesota Statutes, section 462A.03, subdivision 21](#)
- A joint powers board established by two or more cities
- A public housing agency
- An Indian tribe or tribal housing corporation
- A natural person

Entities must demonstrate experience and ability in the administration of housing assistance payments or experience in housing management or must contract with an organization with experience and ability in the administration of housing assistance.

Subgrantees

Administrators may partner with subgrantees such as other Administrators, a qualified nonprofit, or a tribal nation to administer the HTF Program and serve Participants in the region. If a subgrantee arrangement exists, Administrators are expected to enter into formal agreements with subgrantees and impose, at a minimum, the same expectations that Minnesota Housing requires of Administrators. The formal agreement should outline how the activities described in the Administrator’s Program Summary will be performed on the local level. The formal agreement must remain in effect during the term of the Grant Contract Agreement; any changes must be communicated to Minnesota Housing at least 60 days prior to the change. In addition, Administrators should help ensure that communication received from Minnesota Housing is relayed to subgrantees.

Partnering Service Provider

The Administrator, if not the primary service provider, is required to enter into an MOU or other formal agreement with Partnering Service Provider(s) to make services available to Participants. The MOU between the Administrator and their Partnering Service Provider(s) should outline how the activities described in the Administrator’s Program Summary will be performed on the local level and include an estimated number of households to be served. An MOU ensuring service provisions must remain in effect during the term of the Grant Contract Agreement. Any changes in the MOU must be communicated to Minnesota Housing at least 60 days prior to the change.

2.02 Eligible Recipients of Funds

The HTF Program provides temporary Rental Assistance to:

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- All households must meet HPH eligibility criteria as established by the local CoC. Persons verified as meeting Long-Term Homeless (LTH) eligibility criteria are considered to meet HPH criteria.
- People and families whose Gross Annual Household Income, at the time of initial eligibility, is at or below 30% AMI for the household size.
- Per statute, an eligible Participant may have a Gross Annual Household Income, at the time of initial eligibility, up to 60% AMI adjusted for household size with priority to serve those at 30% AMI. Minnesota Housing has further restricted the HTF Program eligibility to meet the local HPH criteria.

Administrators can propose deeper income or population targets in their applications as approved by Minnesota Housing in accordance with HTF Program requirements. Participants do not have to be eligible for the HCV program in order to be eligible for Rental Assistance funded by the HTF Program.

2.03 Equity

An underlying strategy in [Heading Home Together: Minnesota’s Plan to Prevent and End Homelessness](#) is to address the racial disparities that exist among Minnesotans experiencing homelessness. Minnesota Housing will prioritize housing stability efforts led by, and in consultation with Tribal Nation and communities most impacted by homelessness including Black and Indigenous Minnesotans, and Minnesotans of color. Applicants are strongly encouraged to have human-centered and equitable approach in the strategies they use to serve disparately impacted communities and provide services that are responsive to the cultures, languages, and needs of those being served.

2.04 Eligible Uses of Funds

HTF Program funds may be used to provide any of the following:

- Tenant-Based Rental Assistance
- Sponsor-Based Rental Assistance
- Administrative Fee to Administrators of Tenant-Based and Sponsor-Based Rental Assistance
- Security deposits, damage claims, and/or vacancy payments
- Application fees
- Utility connection fees
- Other fees, as approved by Minnesota Housing necessary to obtain landlord participation or to prevent repeat episodes of homelessness

2.05 Service Area

An Administrator of an HTF Program will operate in the geographic area indicated in its Grant Contract Agreement. The geographic area is known as the Service Area. Minnesota Housing must approve in writing any change in the Service Area designation.

2.06 Funding Cycles

Funding for the HTF Program will be allocated through a Request for Proposals (RFP) process. All current Administrators and interested eligible parties are encouraged to apply for HTF Program funds.

Administrators with a current Grant Contract Agreement may be considered for funding based on the results of performance reviews, need, and utilization. New applications may be solicited, with preference given to Administrators proposing to meet state or local needs as established through the CoC CE system. New applicants will be assessed on experience, need and capacity to administer grant funds. Grant terms are typically two years.

The scoring methodology is designed to incentivize Administrators to be high performing entities that strive to:

- Identify and serve the HPH populations as identified through the regional CoC CE system
- Improve program design and procedures to efficiently serve the region identified in the Grant Contract Agreement
- Develop staffing models and practices that create access for homeless and diverse populations who have high barriers to housing
- Create collaborative partnerships that promote the best possible service outcomes for Participants
- Track outcomes to show improved HTF Program practices

Chapter 3 – Services

3.01 Services Expectations

The HTF Program has the expectation that Rental Assistance is provided in partnership with supportive services to promote housing stability. Because the Rental Assistance is temporary, Administrators are required to design their programs with transition goals in mind. Such program designs should focus on providing services necessary to assist the household in transitioning from the Rental Assistance. This can be accomplished by assisting Participants in increasing their incomes or locating an alternative source of assistance. Transition goals must be established at admission and reviewed at least annually, and documentation of the review(s) must be kept in the household’s housing file. Expectations include the following:

- A memorandum of understanding (MOU) or other formal agreement and ongoing communication is required if the Administrator is not the primary service provider.
- Sufficient staffing and funding to implement the proposed services
- The Administrator has a clear plan to:
 - Assist Participants to locate and access housing
 - Help Participants maintain their housing
 - Engage Participants in services they may need to maintain housing stability
 - Assist Participants to successfully transition from Rental Assistance, including the creation of a transition plan and ongoing assessment

An Administrator cannot terminate a Participant solely for not completing or complying with their service or transition plan goals.

3.02 Preliminary Practice Model

In 2018, several state agencies and the [Heading Home Minnesota Funders Collaborative](#) identified key elements of a preliminary practice model. The components described below are recommended practices:

Equity focus. Because homelessness impacts specific groups of people at disproportionate rates (e.g., Indigenous, Blacks, People of Color, LGBTQI persons), effective responses must be attuned to the populations at greatest risk for homelessness. While these populations vary across communities, identifying specific strategies to help ensure that interventions for homelessness are representative of the populations being served and responsive to the specific needs of those populations is critical.

“Nothing about us without us.” Persons experiencing housing crises or homelessness have lived experience of how and where support systems are most effective and where they fail. Helping ensure that this expertise informs and guides community responses to homelessness can increase the likelihood of deploying resources effectively, create shared ownership of solutions, and leverage the resilience of people who have experienced homelessness. For this to occur, persons

with lived experience of homelessness must have meaningful ways to participate in shaping and implementing a community's response to homelessness.

Early identification and trauma-informed responses. Early identification of housing instability coupled with an affirmative response to those housing challenges can mitigate trauma that could otherwise occur. Often, implementing an effective response will require partnerships among entities that allow data sharing and deploy crisis-oriented resources to respond quickly to the specific circumstances of each household. Given the traumatic nature of homelessness itself and the trauma that often precedes homelessness, these responses themselves must be trauma-informed and help support households in their recovery from trauma.

Two-generational approaches. Two-generational (2-Gen) or whole-family approaches recognize that impacting outcomes for children require supporting their parents, and vice versa. While many specific programs or funding streams focus on children or adults, 2-Gen approaches encourage looking at families holistically, focusing on outcomes that impact whole families, and whenever possible, combining programs and resources so that effective whole-family solutions are possible. 2-Gen approaches may include a mindset (e.g., considering parents and their children, not just one or the other), specific strategies (e.g., programs designed to support parents and children together), or systems-level organization (e.g., organizing services so that parents and children receive support simultaneously).

Progressive Engagement. A progressive engagement approach provides a structured way for services to be tailored dynamically to the specific and changing needs of each household experiencing homelessness so that people receive the support that they need. At a systems level, this approach also helps ensure that resources are available to help support the greatest number of people possible. A progressive engagement approach involves assessing initial needs and providing modest support responsive to those needs. If that is sufficient to help the household stabilize, those supports can be continued or weaned as ongoing needs dictate. If initial supports are not sufficient, a progressive engagement approach identifies paths for increasing or diversifying the supports available. This process continues iteratively as long as needed until the household achieves stability.

Housing First orientation Access to permanent housing is the fundamental solution to homelessness. A Housing First approach honors this fact by reducing barriers to accessing housing so that housing itself can serve as a platform for addressing any other challenges that someone experiencing homelessness may face. This approach is contrasted with a “housing readiness” approach that defines preconditions (e.g., sobriety, income, compliance with services) prior to receiving support to access permanent housing. In addition, client choice in housing selection and supportive services is an important factor of the Housing First philosophy.

Leveraging mainstream resources. Resources specifically intended to serve people experiencing homelessness provide important tools in effective community responses to homelessness, but they are small compared to mainstream programs serving low-income or vulnerable populations. Mainstream programs may include health programs, housing voucher or public housing programs, economic assistance, employment and training programs, or other social services designed to help people obtain stability or improve well-being. While these programs are typically not focused

specifically on people experiencing homelessness, their impact for people experiencing homelessness can be significant, particularly if they implement strategies to make these programs accessible and responsive to people experiencing homelessness. Given the way that funding streams, outcomes, and lines of accountability are structured, linking mainstream programs to responses to homelessness often does not occur “naturally,” but instead requires deliberate action.

Continuous improvement. Adapting and implementing effective solutions to homelessness requires ongoing refinement and attention to evolving needs and opportunities. Rather than expecting that a proposed intervention is complete or optimal as it was initially designed, a continuous improvement approach recognizes that ongoing participation from all stakeholders to identify successes, areas for improvement, and unanticipated needs will result in a stronger and more resilient long-term implementation.

Chapter 4 – Intake, Income, and Rent

4.01 Referrals

All referrals for the HTF Program are expected to come through the local CoC CE. CE provides the opportunity for people to more easily access appropriate housing and services. CE, which includes maintaining a centralized waiting list, allows communities to prioritize households with the highest need for Rental Assistance and support services.

Administrators must notify the CoC CE contact whenever Rental Assistance from the HTF Program is available, and they must agree to accept referrals to the HTF Program for eligibility screening. The exact referral process is determined by the local CoC and participating providers.

4.02 Appeals Process

If the Administrator determines that the household is not eligible, the Administrator must promptly notify the applicant in writing. The notice must:

- Set forth the reason for the ineligibility; and
- Provide notice that the household has fourteen days to respond in writing to request an informal hearing to discuss the decision.

If the household appeals the decision, the Administrator must provide a written final decision within five business days of the response or meeting.

4.03 Calculating Gross Annual Household Income

Determination of Household Income. The Administrator must determine the income eligibility of Participants prior to the approval of Rental Assistance and entering into Leasing forms. Eligibility for Rental Assistance is calculated based on Gross Annual Household Income. Gross Annual Household Income includes all income expected to be received in the next 12 months for all household members age 18 and over.

Gross Annual Household Income includes, but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services
- Net income from operating a business or profession or from rental of real or personal property
- Interest and dividends
- The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and similar types of periodic payments
- Unemployment, disability, or workers' compensation or severance pay, and similar types of payments in lieu of income
- Public assistance payments

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- Periodic allowances such as alimony, child support, gifts/contributions received from people not residing with the Participant
- Regular and/or special pay and allowances for a member of the armed services who is the head of household or the spouse of the head of household

Gross Annual Household Income does **not** include:

- Earned income of minors (age 17 and under)
- Income of live-in healthcare aides
- Casual, sporadic, or irregular gifts
- Amounts specifically for reimbursement of medical costs, including Medicaid spend-down
- Inheritances, one-time insurance payments, capital gains, settlements for personal losses or property losses, and similar lump sum amounts
- Educational grants or scholarships paid expressly for tuition, fees, books, or equipment (amounts not for these purposes are counted as income)
- Combat pay for a Participant head of household who is in the armed services
- Relocation payments made under the federal Uniform Relocation Act (URA)
- Foster care payments
- Value of allotments such as food stamps and fuel assistance
- Payments made for people participating in federal or state volunteer programs
- Advance payments of the child tax credit authorized under the American Rescue Plan Act of 2021
- Emergency rental assistance payments authorized under either Section 501 of Division N of the Consolidated Appropriations Act, 2021, or section 3201 of the American Rescue Plan Act of 2021, section 3201

4.04 Verification of Income and Assets

Administrators should attempt to use third-party verification first, with review of alternative documentation related to income and assets only if third-party verification cannot be obtained.

Verified information must be no more than 120 days old prior to the award of the Certificate of Participation – Statement of Participant Obligations or other documentation of eligibility for assistance. Income and assets to be verified are:

- Records of earned income:
 - Income tax return – state and/or federal (most recent)
 - Paycheck stubs
 - W-2 forms
- Records of other income:

- Pensions and annuities – latest check stub from issuing organization
- Social Security – current award letter
- Unemployment compensation – determination letter or latest check stub
- Supplemental Security Income (SSI) – award letter/most recent check stub
- Minnesota Family Investment Program (MFIP) – award letter/most recent check stub
- Workers’ Compensation – determination letter, recent check stub
- Child support – copy of court order
- Alimony – copy of court order
- Educational scholarships/stipends (federal Title IV grants are excluded) – award letter
- Other public assistance – award letter
- Income from assets – credit union/bank/savings and loan statements, etc.
- Assets to be evaluated include, but are not limited to:
 - Checking and savings accounts or Certificates of Deposit
 - Stocks and bonds
 - Mortgage note or property tax statement
 - Life insurance policy redemption or cash surrender value
 - Net equity in real property
 - Personal property held as an investment

4.05 Certificate of Participation – Statement of Participant Obligations

The Administrator will issue a [Certificate of Participation – Statement of Participant Obligations](#) to each eligible Participant when offered Rental Assistance from the HTF Program. This document certifies that the Participant is eligible for the HTF Program and outlines the criteria for an eligible Assisted Unit. The document also describes the process and required documents for obtaining the Rental Assistance as well as the Participant’s obligations.

The Certificate of Participation – Statement of Participation allows the Participant 180 days to locate an eligible Assisted Unit and submit necessary documents to the Administrator. If a unit is not located within that timeframe, the Administrator has the discretion of extending the Certificate of Participation – Statement of Participant Obligations.

A signed Certificate of Participation – Statement of Participant Obligations is retained in the Participant file after it is issued at a briefing session where the program requirements are verbally explained to the Participant. The Administrator must inform the Participant during the briefing session that if they need additional time to locate an eligible Assisted Unit, they should contact the Administrator to request an extension of the certificate.

4.06 Unit Size (Occupancy Standards)

Unit Size. The Administrator may use the unit size (occupancy standard) established for the HCV program in the jurisdiction. The Administrator must maintain written policies and procedures governing the determination of unit size in its files.

Exceptions may be considered for unusual circumstances, fully documented in the Participant file, and approved in writing by Minnesota Housing. The bedroom size allocated to a Participant must count full-time household members, children expected to reside in the Assisted Unit, and any live-in attendant necessary to care for a household member living with a disability, regardless of age. The Administrator must count the child or children:

- Of a pregnant woman
- Being adopted
- Whose custody is being obtained
- In joint custody, as long as the child/children will live in the Assisted Unit at least 50% of the time
- Who are in the unit under foster care
- Who are temporarily absent due to placement in a foster home

4.07 Rent Limits

Rent Limits and Payment Standard Waivers. It is the Administrator’s responsibility to determine that the Assisted Units are rent reasonable, which means that the total rent requested for the unit and utilities is reasonable given the average rate for other similar type units, market conditions, and any other unique contributing factors. In general, it is preferred that Gross Rents do not exceed the Payment Standard for the HCV jurisdiction in which the unit is located. Exception Payment Standard rents, if applicable for the jurisdiction, are allowable. The maximum Rental Assistance amount available is the difference between 30% of the household’s Gross Annual Household Income and the local Payment Standard. The landlord may not charge more rent for units assisted with the ram Rental Assistance than for comparable unassisted units.

The Participant may wish to rent a unit that exceeds the Payment Standard. In this event, the Participant will be responsible for their designated portion as well as the difference between the Gross Rent and the area Payment Standard amount. Administrators must work collaboratively with the household to discuss the impact of the additional expense and determine if the rent is reasonable given their monthly budget. To document that rent reasonableness was considered and affordability was discussed with the household, the Administrator must complete the Minnesota Housing [Payment Standard Waiver form](#) and maintain it in the Participant’s file.

4.08 Calculating Participant Rent

Amount of Rental Assistance. The maximum Rental Assistance available through the HTF Program is the difference between 30% of the Gross Monthly Household Income and the lesser of the Gross Rent (Contract Rent plus Utility Allowance) or area Payment Standard. The minimum Participant Rent is 30% of their Gross Monthly Household Income.

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If zero income is claimed, the Participant must provide a signed [Verification of Zero Income](#) to the Administrator. The Administrator may establish more frequent assessments until a source of income is established. It is important for the Administrator and Partnering Service Provider to collaborate in order to serve the target number of households by connecting households to eligible benefits and employment services.

Working within the guidelines on the maximum Rental Assistance, Administrators have flexibility to structure their programs to best serve their target population and maximize scarce resources. One example of differently structured programs includes subsidy cap programs in which the maximum Rental Assistance is based on the unit size. Program structures should be proposed at the time of application and are subject to Minnesota Housing approval. Administrators who wish to change the structure of their existing program should contact Minnesota Housing.

Administrators are required to keep a copy of each Rental Assistance calculation in the Participant’s file. A [Request for Payment Standard Waiver](#) may be used, or the Administrator may create their own form, as long as it contains the same information.

Rental Assistance Calculation	\$ Amount
Contract Rent	
Utility Allowance	
Gross Rent (Contract Rent plus Utility Allowance) <ul style="list-style-type: none"> • Cannot exceed local Payment Standard of \$ _____ for a ____ bedroom unit • If Gross Rent exceeds the local Payment Standard, check here to indicate that the Waiver from Payment Standard form is in Participant file 	
30% of Gross Monthly Household Income <ul style="list-style-type: none"> • Gross Annual Household Income ÷ 12 x .30 • Round figure up if 50 cents or more, round down if 49 cents or less (whole numbers only) 	
Rental Assistance <ul style="list-style-type: none"> • Enter the difference between 30% of Gross Monthly Household Income and the lesser of the Gross Rent or the Payment Standard (Gross Rent cannot exceed the Payment Standard) OR • The program subsidy cap of _____, if applicable. 	
Participant Rent <ul style="list-style-type: none"> • Equals the difference between the Contract Rent minus the Rental Assistance. 	
Excess Utility Expense (Optional, per Administrator policy)	

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Rental Assistance Calculation	\$ Amount
<ul style="list-style-type: none"> • Excess Utility Expense results when 30% of Gross Monthly Household Income is less than the amount of the Utility Allowance. When this occurs, the Excess Utility Expense is the difference between 30% of the Gross Monthly Household Income and the Utility Allowance • If Gross Rent exceeds the local Payment Standard, the excess utility expense is limited to the difference between the Payment Standard adjustment and the excess utility expense • If Rental Assistance is capped by the Administrator, the maximum amount of excess utilities is the difference between the Rental Assistance and the cap. (If the Participant is receiving the full capped subsidy amount, they are not eligible for payment of excess utilities.) • Excess Utility Expense should be paid directly to the utility company, and payments must be made monthly, and not accrued. Presentation of a utility bill is not required. If the excess utility expense payment results in a credit balance, that is acceptable and can follow the Participant if they leave the HTF Program. The Administrator must keep records of payments to utilities made on a Participant’s behalf. 	

Chapter 5 – Leasing Process

5.01 Eligible Units

The following types of units that are eligible for Rental Assistance include:

- Units owned or substantially controlled by an Administrator, so long as:
 - All the units in the development are available for occupancy by the general public; and
 - The rents are market rate and are subsidized only with Rental Assistance.
- Manufactured homes, with Rental Assistance going only toward rental payments for the unit and/or the lot. Rental Assistance cannot be used for mortgage payments on manufactured homes.
- Housing Cooperatives, so long as Minnesota Housing reviews and approves each Participant receiving assistance.
- Units that were constructed with federal or state assistance such as Section 236 or Farmers Home Administration, so long as:
 - The rents approved for Participants are the market rate for the building; and
 - No other rental subsidy (i.e., rent based on 30% of income) is provided to the Participant.
- Rental Assistance cannot be provided for landlord-occupied units unless the Participant leases a portion of the unit, such as a basement, that contains a private entrance, private bath, and private kitchen.
- Rental Assistance cannot be used for mortgage payments.

5.02 Utility Allowance

Rental Assistance is calculated using the Utility Allowance schedule(s) for all Service Areas specified in the Grant Contract Agreement. A copy of the Utility Allowance schedule used for each Rental Assistance calculation must be kept in the Participant file.

5.03 Inspections – Housing Quality Standards

All units to be leased under the HTF Program must be inspected by the Administrator or a contracted housing professional qualified to perform Housing Quality Standards (HQS) inspections. (Qualifications may include training, certification, licensure, and/or experience including, but not limited to, HQS Certification, UPCS Certification, building code inspection, licensed contractor, licensed property manager, or other comparable training and/or experience, as approved by Minnesota Housing.) An inspection form approved by HUD must be used for reporting and kept in the Participant's file. Units must pass the inspection before the Administrator makes a Rental Assistance payment to the landlord on behalf of the Participant. If the local jurisdiction has a housing maintenance code and the unit is locally certified on a regular basis, the local certification satisfies the requirement of ensuring the unit provides safe, sanitary, and decent housing conditions. Exceptions may be considered for unusual circumstances, fully documented in the Participant file, and approved in writing by Minnesota Housing

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In the event that the unit does not pass inspection on or by the date that the Rental Assistance is scheduled to begin, the HTF Program payment shall be prorated based on the date that the unit passes inspection. Administrators should determine the pro-rated figure by dividing the Rental Assistance by 30 days and then multiplying the daily Rental Assistance by the number of eligible days for payment.

Units must be inspected at least annually. The Administrator should schedule the inspection well in advance of the annual due date in order to allow time for repairs, if needed. A copy of all HQS or the local housing maintenance code inspections, including passes and fails, must be kept in the Participant's file.

Minnesota Housing allows up to 50% of all Assisted Units to use virtual HQS inspections annually except under the circumstances listed below:

- Properties built before 1978
- Units owned or leased by landlords unfamiliar to the Administrator
- Landlord, Participant, or other party requests a physical inspection
- Landlord and/or Participant does not have the technology or resources to complete a virtual inspection

NOTE: Re-inspections of failed items can be completed either as a physical or virtual inspection regardless of the method used in the first inspection. Re-inspections would not count toward the 50% limit on virtual inspections.

Virtual inspections must be completed using the same [HQS](#) forms, procedures, and standards as physical inspections. Special safeguards may need to be taken to protect Participant information.

5.04 Leasing Procedures

Initial Lease terms may range from thirty days to one year. Landlords may use their own Lease form; however, the landlord and the Participant must execute a Lease Addendum in the format required by Minnesota Housing. The Lease Addendum is designed to incorporate all required provisions for participating in the HTF Program. The landlord and the Administrator must execute a Rental Subsidy Contract, which provides for the payment of the Rental Assistance to the landlord by the Administrator. The Lease Addendum and the Rental Subsidy Contract can be found on the [Minnesota Housing website](#). All documents relating to leasing shall be maintained in the Participant's file.

The typical leasing procedure is as follows:

- The Participant and Administrator work together to locate a suitable unit
- The Participant submits a signed request for Lease approval to the Administrator
- The Administrator conducts an HQS inspection or arranges for a qualified contracted housing professional to conduct the HQS inspection or the local housing maintenance code, as applicable.
- When the unit passes the HQS inspection or the local housing maintenance code, as applicable, the landlord/management company and the Participant sign the Lease and the Lease Addendum, and the landlord/management company and the Administrator sign the Rental Subsidy Contract

The Administrator should work with the Participant to secure housing as quickly as possible. If the Participant is unable to locate suitable housing within 180 days, the Administrator may seek approval from Minnesota Housing for a housing search extension.

5.05 Portability

Participants must lease a unit within the Service Area of the Administrator who is providing the Rental Assistance. The Rental Assistance is not portable outside of the Service Area unless approved in writing by Minnesota Housing in its sole discretion.

5.06 Amendment to the Lease Addendum/Extensions

Minnesota Housing requires the Lease Addendum to provide for a renewal of the Lease after its initial term. Renewals may be month-to-month or longer, up to a maximum of one year. At Lease renewal, the landlord/management company and the Participant may opt to sign the [Amendment to the Lease Addendum](#), which is a shortened version of the Lease Addendum. All documents pertaining to the leasing process must be maintained in the Participant's file.

In case of income changes at annual or interim recertification, which result in a change to the Rental Assistance and Participant Rent, an Amendment to the Lease Addendum is not required, but verification and the calculation of the Rental Assistance must be retained in the Participant file. The Administrator must notify the landlord and the Participant, in writing, of the new amounts.

5.07 Housing Related Expenses

If the Administrator designated Housing Related Expenses in their budget with approval from Minnesota Housing and provisions in their administrative plan, they may utilize a portion of their HTF Program funds for Housing Related Expenses, which may include security deposits, application fees, utility connection fees, damage claims, vacancy payments, and other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness. Administrators are responsible for communicating to Participants the funds available for Housing Related Expenses, how to access them, how frequently a Participant can access the funds, how award amounts are determined, if there is a limit, etc. The Administrator will be required to track and report to Minnesota Housing the amount and type of Housing Related Expenses paid on behalf of Participants.

Security Deposits.

If the Participant cannot afford to make a security deposit for the Assisted Unit and no other resource is available within a reasonable amount of time, the Administrator, upon request of the Participant, may pay the security deposit to the landlord using HTF Program funds. The security deposit may not be paid until after a unit passes inspection.

To enhance utilization, Minnesota Housing is temporarily supporting payment of double security deposits, which is allowable when required by landlords. If no other resource is readily available, double security deposits or payment of the second deposit will be payable through HTF Program funds without requesting approval by Minnesota Housing. (Note that payment of the last month's rent is not allowed.)

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If the Participant leaves a unit and the unit has damages or unpaid rent and/or unpaid utilities, then the landlord retains all or part of the security deposit to pay for unpaid rent and/or unpaid utilities or damages to the unit or property. The landlord must provide documentation to the Administrator and Participant that the deposit, plus interest, was used to offset expenses.

Participants who are transferring to a new Assisted Unit may request assistance from the Administrator for a new security deposit, which may be permitted at the Administrator's discretion.

A Participant may keep all or part of the security deposit, plus interest, when any of the following apply. The Participant:

- Leaves a unit and the unit has no damages
- Leaves a unit and the unit has damages in an amount less than the security deposit
- Stays in a unit, leaves the HTF Program

Damage Claims and Vacancy Payments. An Administrator may pay a damage claim or vacancy payment on behalf of a Participant when:

- The documented damages were attributable to the Participant residing in the Assisted Unit and the damages exceed the security deposit that was collected by the owner at initial occupancy.
- The owner experiences a vacancy loss when a Participant leaves the unit without proper notification to re-rent the unit, and/or repairs for the damages incurred by the Participant prolong the ability of the landlord to re-rent the unit. Vacancy claims can be made for the respective unit, for a maximum of 30 days, when the vacancy expenses for the unit (not to exceed the cost of one month's rent) exceed the security deposit collected by the owner at initial occupancy.

Minnesota Housing's written approval is required prior to the Administrator disbursing funds for damage claims and vacancy payments. The Administrator shall require appropriate documentation from the landlord regarding the requested damage and/or vacancy claim and shall review such documentation for feasibility before submitting the request to Minnesota Housing. Minnesota Housing will review the documentation and notify the Administrator regarding approval. Approval may be for an amount that is less than requested. In addition, to claim documentation and reasonableness, Minnesota Housing will consider the impact on the program budget. Vacancy payments will not be approved by Minnesota Housing until the period of vacancy has ended. If the unit is re-leased for part of the month, a pro-rated payment may be approved.

Application Fees

To enhance utilization, Minnesota Housing is temporarily supporting an Administrator paying up to three application fees per adult in the household. Written approval is required for more than three application fees. Application fees can be reimbursed from HTF Program funds once the household has secured housing through the HTF Program.

Utility Connection Fees, Past due Utilities, etc.

An Administrator may pay a utility reconnection fee and/or other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness. The Participant must have exhausted all other mainstream resources such as emergency assistance, energy assistance, and/or local service organizations that usually provide financial assistance for such activities.

To enhance utilization, Minnesota Housing is temporarily supporting households whose past due utilities accrued prior to admission to the HTF Program and the past due payments are a barrier to securing a unit. The HTF Program 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 Program for past due utility costs to be reimbursed from HTF Program funds.

Housing Navigation

To enhance utilization and increase housing access for Participants, Minnesota Housing is temporarily supporting the following housing navigation activities funded as a limited time opportunity through a competitive process for Tenant-Based Rent Assistance Administrators only. Eligible uses include:

- Utilizing housing search engines to locate opportunities
- Assisting households in completing housing applications
- Assisting household in obtaining application fees, if needed
- Transporting the household to housing appointments
- Assisting the household in communicating to a potential landlord any housing barriers
- Providing tenant education on landlord and tenant rights and responsibilities
- Expediting the move-in timeline when feasible, between the date of acceptance and Lease signing

5.08 Payment Terms

Rental Assistance payments will be made by the Administrator to the landlord on behalf of the Participants when all of the following payment terms have been met:

- The Participant leases a unit within HUD’s published local Payment Standard, or if the rent exceeds these rates, a [Payment Standard Waiver](#) has been completed
- The Participant’s unit has passed an HQS inspection or the local housing maintenance code, as applicable
- The landlord and the Administrator have signed and dated a [Tenant-Based Subsidy Contract](#) or [Sponsor-Based Rental Subsidy Contract](#)
- The Participant and landlord have signed and dated an approved Lease

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The landlord may not charge more rent for Assisted Units than for comparable unassisted units. Rental Assistance payments on behalf of Participants meeting the above requirements for payment will continue until the Participant receives a permanent housing subsidy, becomes ineligible and is suspended or terminated from the HTF Program, voluntarily withdraws from the HTF Program, or the HTF Program terminates.

Chapter 6 – Changes During Tenancy

6.01 Interim Changes

All decreases in the Gross Monthly Household Income, regardless of the amount, must be verified and the changes implemented on the first day of the next month after the Administrator receives the information about the decrease (e.g., a verified decrease in income reported in June would result in a reduced Participant Rent on July 1). Written notice of the change in Participant Rent and the amount of the subsidy must also be provided to the Participant and landlord.

Changes related to increases to the Gross Monthly Household Income must be handled in compliance with the Administrator's written policies.

Participants who wish to add another adult to the Lease must inform both the Administrator and the landlord in advance. A Participant must be informed that they must seek the landlord's permission to add an additional adult to the Participant's Lease or they could be evicted. The landlord may deny permission of an additional adult, based on the landlord's usual Participant screening procedures. All income of the additional adult must be verified and added to the Gross Monthly Household Income. An Amendment to the Lease Addendum must be used when adding an additional adult to the lease.

The Participant should review the Lease for requirements regarding reporting additional minors. If a larger unit is needed, the Participant should notify the Administrator.

A new Lease and [leasing forms](#) are required if a Participant moves to a new unit. An HQS inspection or the local housing maintenance code, as applicable must be conducted on the new Assisted Unit before the Participant moves or payment from the HTF Program is made.

6.02 Annual Recertification

For Participants with an annual Lease, the recertification will coincide with the effective date of a new Lease. It is not necessary to verify income if the most recent interim change was done within the last 120 days. If the verification indicates that 30% of the Gross Monthly Household Income equals or exceeds the Contract Rent for the Assisted Unit for four consecutive months, then the Participant will be declared ineligible because the Participant Rent will be equal to the Contract Rent and no Rental Assistance is provided. Participants who are determined ineligible due to income must be notified in writing and given the option to request an informal hearing if they disagree with the findings.

For households receiving Rental Assistance from the HTF Program through Sponsor-Based Rental Assistance grants, and whose income at recertification is determined to be too high to be eligible to continue to receive the Rental Assistance, it is important to remember that households who are still in need of supportive services will retain their HPH eligibility or LTH eligibility at the property. The property should follow procedures outlined in the [Supportive Housing Information and Resources](#) document, Chapter 10, Section 10.2, "Rents for Supportive Housing Units without a Rent Subsidy".

6.03 Rent Changes

The landlord may increase the rent only upon the expiration of the Lease term and execution of a new or renewal Lease. A Participant's Contract Rent may not exceed contract rents paid by unassisted tenant at the same property.

If the local Payment Standard is increased during the term of the lease, the increased Payment Standard amount shall be used to calculate the monthly housing assistance for the household beginning at the effective date of the household's next annual recertification on or after the effective date of the increase in the Payment Standard amount.

If the amount of the Payment Standard is decreased during the term of the lease, the lower Payment Standard amount must be used to calculate the monthly Rental Assistance for any new households following the effective date of the decrease in the Payment Standard amount. The current Payment Standard will continue to be used for Participants that remain in their current unit. If they decide to move, the new Payment Standard policy will be applied.

6.04 Length of Rental Assistance

The HTF Program is designed to be temporary in nature. A Participant shall not receive Rental Assistance for longer than five consecutive years. This time limit does not apply to eligible Participants who have applied for federal rental assistance but have not been able to apply due to closed waiting lists or been accepted in such programs due to funding limitations, or who are ineligible for federal rental assistance.

An Administrator must not commit to provide Rental Assistance to an eligible Participant for amounts or terms in excess of funding allowable under the Grant Contract Agreement between the Administrator and Minnesota Housing.

Because of the temporary nature of the HTF Program, Administrators are required to design their programs with transition goals in mind. Such program designs should focus on providing services necessary to assist the household in transitioning from the HTF Program by assisting Participants in increasing their income or locating an alternative source of assistance or otherwise affordable housing that is not limited to a specific period. Transition goals must be reviewed at admission and at least annually, and documentation of the transition goal review(s) must be kept in the household's housing file. An Administrator cannot terminate a Participant solely for not completing or complying with their service or transition plan goals.

6.05 Absence from Unit

Absence from Unit: First 60 days

During an absence from the rental unit for medical or mental health treatment, hospitalization, or incarceration, the Rental Assistance may be paid for up to 60 days from the first day of the month following the Participant's notice to the Administrator of the expected absence. During this period, the Participant will be shown on the payment log as if they were active. The absence should be noted in the "Comments" portion of the log, and documented in the Participant's file, along with the notice of absence. The Participant will continue to be responsible for the Participant Rent during this time.

Absence from Unit: More than 60 days

If the absence is expected to be longer than 60 days, the Participant can give notice to vacate their unit or seek alternative resources to pay the subsidized portion of their rent for the remainder of their absence. If the Participant utilizes alternative resources to pay the subsidized portion of their rent after the first 60 days, and does not give up the unit, they will be in “Suspended” status on the payment log, which is allowed for up to four months. If at the end of the four-month suspension period the Participant is not yet in residence, they will be terminated from the HTF Program. Sixty days written notice should be given to the Participant prior to the last day of the second month of suspension that they will be terminated from the HTF Program, and a copy of this notice should be kept in the Participant’s file.

6.06 Lease Termination

Participant Chooses to Move. When a Participant chooses to move, written notice must be given by the Participant to the landlord and the Administrator in accordance with the Lease. If the Participant intends to continue receiving Rental Assistance, they must additionally notify the Administrator at least 31 days before they intend to move. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Unit Does Not Meet HQS. If at recertification the Administrator determines that the Assisted Unit is not in compliance with HQS or the local housing maintenance code, as applicable, the Administrator must give the landlord reasonable time to correct the deficiencies. The Administrator may retain the Rental Subsidy until the unit passes HQS or the local housing maintenance code, as applicable. If the landlord fails to comply in reasonable time, the Administrator must notify the landlord and the Participant in writing that subsidy payments will be suspended, and the Rental Subsidy Contract will be terminated. If the Participant wishes to continue receiving a Rental Assistance at a different location, they must notify the Administrator. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Landlord Gives Participant Notice to Move. The landlord may give the Participant notice to move (not connected with an eviction) only if the Lease provisions permit such a notice. The landlord must notify the Administrator. The Participant may wish to locate to a new unit and continue to receive the Rental Assistance. When the Participant locates to a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

Landlord Issues an Eviction Notice to Participant. If the landlord issues an eviction notice, the requirements of the Lease and state and local laws must be followed, which may permit the landlord to evict the Participant for one or all of the following:

- Serious and repeated Lease violations
- Violations of federal, state, or local law(s) in connection with the occupancy or use of the Assisted Unit and surrounding premises
- Other good cause

The landlord must send a copy of the eviction notice to the Administrator at the same time it is served to the Participant. The Participant may remain eligible, at the Administrator’s discretion, to participate

in the HTF program, subject to the provisions of Section 5.04 of this HTF Program Guide and may seek other housing. When the Participant locates a new unit, the Administrator must use the same procedures as described in the Leasing Process (Chapter 5 of this HTF Program Guide).

6.07 Termination of Participant Eligibility

Required Termination. The Administrator must terminate Rental Assistance to a Participant when 30% of the Gross Monthly Household Income for four consecutive months equals or exceeds the Gross Rent.

For Participants receiving Rental Assistance from the HTF Program through Sponsor-Based Rental Assistance grants, and whose income at recertification is determined to be too high to be eligible to continue to receive the Rental Assistance, it is important to remember that households who are still in need of supportive services will retain their HPH eligibility or LTH eligibility at the property. The property should follow procedures outlined in the [Supportive Housing Information and Resources](#) document, Chapter 10, Section 10.2, “Rents for Supportive Housing Units without a Rent Subsidy”.

Optional Termination.

- An Administrator may terminate a Participant’s Rental Assistance if the Participant is evicted by its landlord for (1) serious or repeated violations of terms and conditions of its Lease or (2) violation of any federal, state, or local law(s) that imposes obligation on the household in connection with occupancy or use of the unit in which the household resides.
- An Administrator may terminate a Participant’s Rental Assistance if the Participant fails to cooperate with the annual recertification process, including a property inspection. The Administrator may terminate Rental Assistance to a household if the Administrator does not receive future funding from Minnesota Housing under the HTF Program.

Other Reasons for Termination.

- Participant Chooses to Move: If a Participant chooses to move; written notice must be given to the landlord and the Administrator in accordance with the Lease. If the new rental unit is still in the Administrator’s Service Area and the Participant is still eligible for the HTF Program, the Administrator must use the leasing procedures described in this guide to qualify the new rental unit. If the new rental unit is not in the Administrator’s Service Area, the Administrator may terminate the Participant’s Rental Assistance. Such practice must be outlined in the Administrator’s policies and procedures.
- Unit Does Not Meet HQS: If at recertification the Administrator determines that the unit is not in compliance with HQS or the local housing maintenance code, as applicable, the landlord must be given a reasonable time (generally 30 days) to correct the deficiencies. The Administrator may put the Rental Assistance on hold until the unit meets HQS or the local housing maintenance code, as applicable. If the landlord fails to comply in a reasonable time, the Administrator must notify the landlord and the Participant that Rental Assistance will be suspended, and the Rental Subsidy Contract terminated. If the Participant wishes to continue receiving Rental Assistance at a different location, the Administrator must use the leasing procedures described in this guide to qualify the new unit.

- **Transition Plans and Other Local Program Requirements:** The HTF Program is a temporary program and requires that an Administrator establish a plan(s) for transitioning Participants from Rental Assistance. The transition plans should be flexible in nature, possibly changing over time to meet the individual needs of the Participant. Administrators **cannot** terminate the Rental Assistance solely because a Participant fails to cooperate with the terms of their service plan. The Administrator can terminate and/or transition a Participant from Rental Assistance once the Participant has received Rental Assistance for the maximum time limit, based on the program's design. This time limit does not apply to eligible Participants who have applied for federal rental assistance but have not been accepted in such programs due to funding limitations, or who are ineligible for federal rental assistance. This time limit does not apply to eligible Participants who cannot apply for such programs because the application process is closed. The Administrator may wish to ask its legal counsel to review the addendum for compliance with Fair Housing laws and for more information on transition plans and other Local Program requirements.
- **Threats and/or Acts of Violence:** The HTF Program does not expect Administrators to tolerate threats and/or acts of violence from Participants. Administrators should establish and provide Participants with a written copy of their policies regarding threats and/or acts of violence. Contact Minnesota Housing at mhfa.rental-assistance@state.mn.us to discuss potential remedies, if such a situation should arise.

Notice of Termination for Participants.

- If an Administrator terminates a Participant's Rental Assistance because the Gross Annual Household Income at recertification exceeds the limits set forth above, the Administrator must provide written notice to both the household and the landlord that the Rental Assistance will end on the last day of the second month following the month in which the notice is given. A Participant shall be given an opportunity to meet with the Administrator and submit any information documenting that income did not exceed the limits and justifies continuing the Rental Assistance.
- If an Administrator gives notice to terminate a Participant's Rental Assistance because the Participant is being evicted, the Administrator must provide written notice to both the Participant and the landlord that the Rental Assistance will end on the last day of the month in which the Participant vacates the unit.
- If an Administrator gives notice to terminate a Participant's Rental Assistance because the Participant is not cooperating with the annual recertification process, which may include the annual HQS inspection, the Administrator shall submit written notice to the Participant and landlord that the Participant has 60 days to comply with recertification requirements. If the Participant does not comply with recertification requirements within 60 days, the Administrator shall submit written notice to the Participant and landlord that the Rental Assistance will end on the last day of the month in which the Participant receives the notice.
- If an Administrator gives notice to terminate a Participant's Rental Assistance for reasons outlined above, the Participant shall be given an opportunity to meet with the Administrator to determine if the conditions causing possible termination can be resolved and the Participant can continue receiving the Rental Assistance.

Chapter 7 – Administration Fee and Responsibilities

Administrators’ responsibilities include activities such as marketing the program, establishing Participant selection criteria, communicating and coordinating work with the Partnering Service Provider to help ensure transition plan goals are being followed, determining Gross Annual Household Income , paying Rental Assistance to landlords on behalf of Participants, conducting property inspections, creating program forms in addition to Minnesota Housing provided forms, and complying with Minnesota Housing’s reporting requirements.

7.01 Administrative Fee

Administrative Fee ranges from a minimum of \$60 per household per month to a maximum of \$68 per household per month.

The Percentage Rate Schedule. Minnesota Housing has developed a compensation schedule for the administration of the HTF Program. The Administrative Fee is partially based on the number of households that the Administrator is funded to serve. The percentage rate schedule is below:

# of Households Targeted in Grant	Maximum Percentage Available for Rental Assistance Administration
0 – 10	10%
11 – 25	9.5%
26 – 50	9.1%
51 – 100	8.8%
101 – 250	8.4%
251- 500	8%
501- 1000	7%
1001- 2000	6%

Compensation for Applicants/Administrators who Serve Large Geographic Areas. An additional \$5 a month per household may be added onto the maximum eligible Administrative Fee to compensate for the additional time and travel expense associated in administering programs that cover a geographic Service Area of a 50-mile radius or larger.

The Flat Percentage. Administrators who offers a subsidy cap of \$400 or less per month are eligible for a maximum Administrative Fee of up to 13% of the total funds received pursuant to the HTF Program.

With this Administrative Fee, the Administrator is required to provide the following activities:

- Recruit landlords
 - Landlord recruitment, including outreach to an organization’s network of existing landlords

- Attaining ongoing communication with landlords to engage, maintain a positive relationship with, and mitigate any issues that may arise
- Keeping an active list of subsidized housing waiting list openings
- Recruit and determine eligibility of Participants
 - Conduct verification, interim (if/when necessary) and annual recertification of Participant income
- HQS inspection: Help ensure the quality of the Assisted Unit
- Create, implement, and assess Participant transition plans
 - Participant Communication: Provide sufficient notification in the case of Rental Assistance termination
- Payment/Accounting
 - Paying Rental Assistance directly to owners or management agents in a timely manner
 - Monthly invoicing to Minnesota Housing for Rental Assistance repayment
 - Financial management to include oversight of funding utilization
- Reporting/Records
 - Meet reporting requirements
 - Maintain and retain records

7.02 Payment Process

Administrator Monthly Draw Request. Minnesota Housing will reimburse Administrators for eligible monthly expenses directly related to the Rental Assistance and Housing Related Expenses involved in the administration of the HTF Program. To receive a payment, the Administrator is required to submit a completed [Draw Request Form - Rental Assistance Payment Request Workbook](#). The payment request and log forms must be submitted monthly to Minnesota Housing. The Draw Request Form must describe the number of households that the Administrator served during the past month and the amount of Rental Assistance and Housing Related Expenses (and Administrative Fee, if applicable) associated with the assisted Participants during the past month. Any known adjustments for previous months should be included in the monthly Draw Request Form.

The Administrator must submit the [Draw Request Form -Rental Assistance Request Workbook](#) to Minnesota Housing using the [Partner Login Secure Upload](#). Draw Request Forms should be submitted to Minnesota Housing no later than the fifteenth day of the month in which the Rental Assistance, Administrative Fee, and Housing Related Expenses are incurred.

Minnesota Housing will have 20 days to process the Draw Request Form. Administrators will be asked to correct incomplete or unsubstantiated data submitted. In most cases, complete and accurate Draw Request Forms will be processed, and Administrators will receive the payments in fewer than 20 days. Draw Request Forms will be processed in the order in which they are received and can be submitted prior to the fifteenth of the month. Forms and technical assistance resources are available on [Minnesota Housing's Rental Assistance webpage](#).

Questions and concerns can be submitted via e-mail at MHFA.rental-assistance@state.mn.us. Emails should not contain specific household information such as names or addresses.

Required Documentation for Monthly Draw Request. The documentation required for each monthly payment includes a monthly Draw Request Form, monthly participation log for the applicable month, and eligibility and annual certification forms in the Participant file for every household experiencing activity such as a new admission, annual recertification, unit transfer, interim rent adjustment, or termination, etc., during the applicable reconciliation period. All other required forms and documents must also be maintained in the Participant’s housing file.

Rental Assistance Payment to Landlords. The Administrator must ensure the timely payments of Rental Assistance funds to landlords on behalf of Participants. Payment must be made from the Administrator’s accounts.

In the event of overpayment of Rental Assistance, all excess funds paid to the Administrator must be returned to Minnesota Housing prior to the closeout of the grant term.

7.03 Data Privacy, Data Entry, and Reporting

Data Privacy. In working with applicants and Participants, the Administrator and any subgrantees or Partnering Service Providers must comply with applicable data privacy laws and regulations, including the Minnesota Government Data Practices Act. The [Minnesota Housing Government Data Practices Act Disclosure Statement](#) is available online. This form must be completed at initial occupancy by each adult in the household and retained in the Participant’s file. Additionally, the Administrator must use their own Release of Information (ROI) forms to share Participant information and complete income verification inquiries. Finally, any households entered into the Homeless Management Information System (HMIS) need to sign another required ROI form to allow their Participant data to be entered into HMIS. This form is available on the [HMIS website](#).

All ROIs that are signed by the Participant must be kept in Administrator, subgrantee and/or Partnering Service Provider files, as applicable.

Homeless Management Information System (HMIS). The Administrator must agree that it will utilize HMIS on behalf of all assisted household(s). The Administrator must agree that it will cooperate in good faith with the HMIS Lead Agency, the Institute for Community Alliance (ICA), and any successors and/or assigns of the HMIS Lead Agency rights and responsibilities regarding the HMIS database to:

- Participate in and receive any training which the HMIS Lead Agency may require, from time to time, to become trained and maintain user license(s) for HMIS, and
- Satisfy other reasonable requirements which may be imposed by the HMIS Lead Agency and Minnesota Housing in connection with HMIS, and
- Request HMIS identified information from HPH or LTH households that it serves through the HTF Program, and
- Input such information into HMIS in a timely manner, and

- Run reports and test data for accuracy, as directed by the HMIS Lead Agency and Minnesota Housing, and
- Obtain any and all necessary disclosures, releases, and consents in connection with the HTF Program to permit Minnesota Housing to access information and receive periodic reports from the HMIS Lead Agency.

The Administrator may contract with their service provider and/or other entity to complete HMIS data entry requirements. Such an arrangement must be agreed upon in writing and the contract must be made available to Minnesota Housing. Additional information on HMIS is available at www.hmismn.org.

Reports. Semi-annual self-sufficiency matrix reports must be submitted to Minnesota Housing. All adults in each participating household must have a [self-sufficiency matrix assessment](#) for all LTH and HPH Participants served during the year at entry, interim assessments every six months, and an exit assessment when Participants leave the program

An annual progress report must be submitted to Minnesota Housing by the established due dates in the template Minnesota Housing provides. These reports will include actual program results compared to objectives outlined in each Grant Contract Agreement’s Program Summary.

7.04 Applicant/Participant Records

Each Administrator will establish files for applicants and Participants. Minnesota Housing requires that these files contain copies of all applicant, Participant, and property related forms listed below. Many of the following forms are available on Minnesota Housing’s website at <https://www.mnhousing.gov/sites/multifamily/htf>. Some of the following required documents do not have a specific form, as noted below, and Administrators are expected to provide documentation in a format that contains the required elements. Administrators are responsible for using the most current version of the required forms.

Required file documentation:

Form	Required – Specific Format	Required – Various Formats Accepted	Required Annually
HPH or LTH Verification	X		
Income and asset verification forms		X	X
Participant Rent and Rental Assistance calculation form for each income recertification		X	X
Certificate of Participation – Statement of Participant Obligations		X	
Participant letter of understanding		X	
Government Data Practices Act Disclosure Statement	X		

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Form	Required – Specific Format	Required – Various Formats Accepted	Required Annually
(signed by all adults 18 or older on lease)			
Request for Payment Standard Waiver (if applicable)	X		
Request for Lease Approval	X		
Executed Lease (must be one to 12-month term) and Lease renewals		X	
Rental Subsidy Contract (Tenant-Based or Sponsor-Based)	X		X
Lease Addendum (Tenant-Based or Sponsor-Based)	X		X
Amendment to the Lease Addendum	X		
Housing Quality Standards Inspection Form	X		X
Housing Quality Standards Signature Page	X		X
Lead-based Paint Certification (if applicable)		X	
Annual Recertification Notice		X	X
Eligibility/ineligibility notices sent to applicants by Administrator or subgrantee/Partnering Service Provider		X	
Letters and notifications of outcome from informal hearings		X	
Document and correspondence concerning the Participant’s application and participation in the HTF Program including evidence of communication regarding the transition plan		X	
Notice of Termination		X	

The main file for each applicant and Participant is kept by the Administrator. The Administrator may share any documentation that may be needed by subgrantee or Partnering Service Provider in carrying out its responsibilities to provide supportive services or rental administration, provided an ROI has been completed. Both the Administrator and the subgrantee or Partnering Service Provider need to retain a copy of the ROI in its permanent records. The sharing of information and documents must be outlined in the subgrantee contract or Partnering Service Provider MOU.

7.05 Monitoring and Evaluation

Minnesota Housing will conduct ongoing evaluations of the financial reports and Participant files submitted by the Administrator. If the grant award is over \$250,000, annual monitoring will be required. If the grant award is less than that amount, monitoring will be required once during the biennium.

Minnesota Housing will review Participant files kept on site by the Administrator during site visits or through an audit of requested files. The review may contain the following components:

- Participant files:
 - Verification of income and eligibility
 - Calculation of Participant Rent
 - Payment Standards and Utility Allowance
 - Lease and contracts
 - Housing Quality Standards (HQS)
 - Additional information as required
- Financial records detailing:
 - Expenditures for Rental Assistance payments to landlords
 - Security deposits
 - Application fees
 - Utility connection fees
 - Other fees including vacancy payments, damage claims, and other fees approved by Minnesota Housing
 - Balance sheet and check register
- Memorandum of Understanding:
 - Partnership, roles, and communication
 - Management of capacity and funds
 - Administrator adherence to this HTF Program Guide
- Administrator Performance:
 - Timely submission of draw requests to Minnesota Housing
 - Management and effective utilization of HTF Program funds
 - Administrator's ability to link, coordinate, partner with, and/or provide appropriate services so Participants avoid future episodes of homelessness and successfully maintain stable housing
 - Administrator's ability to provide the necessary supports and referrals so that Participants exit from the program to permanent affordable housing, self-sufficiency, etc.
 - Administrator's timely and accurate data and outcome reported in HMIS
 - Administrator's participation in Administrator meetings
 - The extent to which Assisted Units are in compliance with HQS or the local housing maintenance code, as applicable
 - Fair and consistent application of the program administrative policies

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- Maintenance of Participant files
- Consistent adherence to Administrator policies and procedures, which may include:
 - Tenant selection process
 - Transition plan goals
 - Annual income and interim re-certification processes
 - Unit inspection procedures
 - Security deposit policy
 - Termination process
 - Program application form
 - Participant letter of understanding form

State Monitoring of Administrators: Administrators and subgrantees are responsible for maintaining financial records that document the use of all HTF Program funds and that include all eligible payments. Administrators will be required to provide Minnesota Housing with a monitoring summary on the annual narrative report, which will include information on subgrantees. After completion of the grant term, Administrators and subgrantees are expected to maintain all records for a minimum of six years after the grant term has ended. In addition to program financial records, Participant records must also be maintained for a minimum of six years after the grant term has ended. In addition, Minnesota Housing reserves the right to review financial and client records during this period, and records must be made available upon request.

Administrator Monitoring of Subgrantees: Administrators are expected to monitor subgrantee activities as defined in the formal agreement. Subgrantees should not receive advanced payment; rather, they should be required to submit an invoice with supporting documentation for services and assistance prior to receiving reimbursement from Administrators. Administrators must determine that the Participants meet all eligibility requirements prior to the subgrantee providing assistance. Subgrantees that provide Rental Assistance calculations, verification of income and HQS inspections must submit results to Administrators before Administrators can request from Minnesota Housing a rental payment for the Participant. Any payments made in error to an unqualified Participant, or incorrectly calculated, will be the responsibility of the Administrator. Minnesota Housing is not responsible for reimbursement of ineligible, erroneous or incorrectly calculated payments made to subgrantees.

In addition, if subgrantees are responsible for maintaining Participant files, Administrators must, at a minimum, monitor these files annually to help ensure proper procedures are followed and documentation is collected (refer to Participant file requirements for details).

Administrators must communicate, in a timely manner, with Minnesota Housing staff any concerns that arise regarding the performance of a subgrantee, through monitoring or any other means. Minnesota Housing may recommend Administrators take further action such as providing additional monitoring or developing a performance improvement plan with subgrantees.

7.06 Financial Management/Records

The Administrator must establish one or more separate bank accounts (checking or savings) for HTF Program payments from Minnesota Housing. The Administrator may combine these funds with other funds in a consolidated account, provided that the Administrator's banking system can adequately segregate the various restricted funds within one account. Any interest earned on these funds may be retained locally and may be used in paying administrative expenses. Minnesota Housing will request financial information at least once during the biennium due to financial reconciliation requirements. The Administrator must maintain and make available records of payments to landlords.

7.07 Funding Reimbursement

Administrators will prepare and submit to Minnesota Housing monthly draw requests that detail actual expenditures and Participant information for the previous month. The required Draw Request Form is available on [Minnesota Housing's website](#). The information collected on the Draw Request Form includes:

- Actual expenses incurred in the payment of rent and eligible Housing Related Expenses for the previous month
- A monthly Participant log for the previous month, which consists of information such as Participant name, unit address, move-in date, move-out date, Contract Rent, Participant Rent, Rental Assistance amount, and security deposit amount, if paid from HTF Program funds.

Minnesota Housing will use the monthly Draw Request Form data to determine the reimbursement amount to be sent to the Administrator. The Administrator should submit the request for funds to Minnesota Housing no later than the 15th of each month, unless other arrangements have been approved by Minnesota Housing. At the end of the Grant Contract Agreement, the Administrator must refund any excess HTF Program funds.

Chapter 8 – Termination of Administrators

8.01 Termination

Minnesota Housing may terminate an Administrator for failure to comply with any terms and obligations pursuant to the HTF Program.

Termination of Subgrantee or Partnering Service Provider

Expectations that Minnesota Housing requires of Administrators that are further extended to a subgrantee or Partnering Service Provider must have a fully executed MOU or formal agreement in effect during the term of the Grant Contract Agreement. If the Administrator’s MOU or formal agreement with a subgrantee or Partnering Service Provider is terminated by either party, the Administrator must communicate this change to Minnesota Housing at least 60 days prior to the termination. Minnesota Housing will work with the Administrator to develop a plan to help ensure contractual and bidding requirements are being met.

8.02 Notification to Participants of Termination

If Minnesota Housing terminates an Administrator, the Administrator must give written notice to all applicable Participants and landlords that the Rental Assistance will end on the last day of the second month following the month in which the notice is given.

8.03 Notification to Participants of Lack of Funding

If Minnesota Housing does not approve an extension of funding for an Administrator, the Administrator must provide written notice to all applicable Participants and landlords that the Rental Assistance will end. This notice must be given no fewer than six months before the Rental Assistance will end.

Chapter 9 – Fair Housing Policy

It is the policy of Minnesota Housing to affirmatively further fair housing in all its programs so that individuals of similar income levels have equal access to Minnesota Housing programs, regardless of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, familial status, gender identity or sexual orientation.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Housing providers are expected to comply with the applicable statutes, regulations, and related policy guidance. Housing providers should make sure that admissions, occupancy, marketing and operating procedures comply with non-discrimination requirements.

In part, the Fair Housing Act and the Minnesota Human Rights Act make it unlawful, because of protected class status, to:

- Discriminate in the selection/acceptance of applicants in the rental of housing units;
- Discriminate in terms, conditions or privileges of the rental of a dwelling unit or services or facilities;
- Engage in any conduct relating to the provision of housing that otherwise makes unavailable or denies the rental of a dwelling unit;
- Make, print or publish (or cause to make, print or publish) notices, statements or advertisements that indicate preferences or limitations based on protected class status;
- Represent a dwelling is not available when it is in fact available;
- Deny access to, or membership or participation in, associations or other services, organizations or facilities relating to the business of renting a dwelling or discriminate in the terms or conditions of membership or participation; or
- Engage in harassment or quid pro quo negotiations related to the rental of a dwelling unit.

Minnesota Housing has a commitment to affirmatively further fair housing for individuals with disabilities by promoting the accessibility requirements set out in the Fair Housing Act, which establish design and construction mandates for covered multifamily dwellings and requires housing providers to make reasonable accommodations and to allow persons with disabilities to make reasonable modifications.

Applicants will be required to submit an Affirmative Fair Housing Marketing Plan at the time of application, to update the plan regularly and to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions.

As a condition of funding through Minnesota Housing, housing providers are not permitted to refuse to lease a unit to, or discriminate against, a prospective resident solely because the prospective resident has a housing choice voucher or other form of tenant-based rental assistance.

Chapter 10 – Fraud, Misuse of Funds, Conflict of Interest, Suspension, and Disclosure and Reporting

10.01 Fraud

Fraud is any intentionally deceptive action made for personal gain or to damage another.

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing and witnesses, discovers evidence of, receives a report from another source, or has other reasonable basis to suspect that fraud or embezzlement has occurred must immediately make a report through one of the ways described in section 10.05.

10.02 Misuse of Funds

A loan or grant agreement is a legal contract between Minnesota Housing and the borrower or grantee. The borrower or grantee promises to use the funds to engage in certain activities or procure certain goods or services while Minnesota Housing agrees to provide funds to the borrower or grantee to pay for those activities, goods, or services. Regardless of the Minnesota Housing program or funding source, the borrower or grantee must use Minnesota Housing funds as agreed, and the borrower or grantee must maintain appropriate documentation to prove that funds were used for the intended purpose(s).

A misuse of funds shall be deemed to have occurred when: (1) Minnesota Housing funds are not used as agreed by a borrower or grantee; or (2) A borrower or grantee cannot provide adequate documentation to establish that Minnesota Housing funds were used in accordance with the terms and conditions of the loan or grant agreement.

Any borrower or grantee (including its employees and affiliates) of Minnesota Housing funds that discovers evidence, receives a report from another source, or has other reasonable basis to suspect that a misuse of funds has occurred must immediately make a report through one of the ways described in section 10.05.

10.03 Conflict of Interest

A conflict of interest, actual, potential, or perceived, occurs when a person has an actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A potential or perceived conflict of interest exists even if no unethical, improper, or illegal act results from it.

An individual conflict of interest is any situation in which one's judgment, actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

Organizational conflicts of interest occur when:

- A contracting party is unable or potentially unable to render impartial assistance or advice to Minnesota Housing due to competing duties or loyalties

- A contracting party’s objectivity in carrying out the grant award is or might be otherwise impaired due to competing duties or loyalties
- A contracting party has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors

Once made aware of a conflict of interest, Minnesota Housing will make a determination before disbursing any further funds or processing a grant award. Determinations could include:

- Revising the contracting party’s responsibilities to mitigate the conflict
- Allowing the contracting party to create firewalls that mitigate the conflict
- Asking the contracting party to submit an organizational conflict of interest mitigation plan
- Terminating the contracting party’s participation

Any person or entity (including its employees and affiliates) that enters into an agreement with Minnesota Housing must avoid and immediately disclose to Minnesota Housing any and all actual, perceived or potential conflicts of interest through one of the ways described in section 10.05.

A contracting party should review its contract agreement and request for proposals (RFP) material, if applicable, for further requirements.

10.04 Suspension

By entering into any agreement with Minnesota Housing, a contracting party represents that the contracting party (including its employees or affiliates that will have direct control over the subject of the agreement) has not been suspended from doing business with Minnesota Housing. Refer to Minnesota Housing’s website for a list of [suspended individuals and organizations](#).

10.05 Disclosure and Reporting

Minnesota Housing promotes a “speak-up, see something, say something” culture whereby internal staff, external business partners (e.g., grantees, borrowers) and the general public are encouraged to report instances of fraud, misuse of funds, conflicts of interest, or other concerns without fear of retaliation. You may report wrongdoing or other concerns by contacting:

- Minnesota Housing’s chief risk officer
- Any member of Minnesota Housing’s [Servant Leadership Team](#)
- [EthicsPoint](#), the Minnesota Housing hotline reporting service vendor

Appendix A: Terms

Administrative Fee: A fee paid to an Administrator by Minnesota Housing for administering its Local Program. The Administrator of a Tenant-Based or Sponsor-Based Rental Assistance program may be eligible to request a monthly Administrative Fee for each month in which an eligible household resides in a rental housing unit. Minnesota Housing approves the applicant’s Administrative Fee, based on the applicant’s proposed budget, not to exceed the Administrative Fee schedule listed in Chapter 7.

Administrator: An entity that has applied for and has been awarded funds from the HTF Program.

Assisted Unit: An eligible unit that is occupied by a Participant, who has executed an approved Lease with the landlord and is receiving Rental Assistance from the HTF Program.

Continuum of Care (CoC): A CoC is a local planning body that coordinates housing and services planning and funding for homeless families and individuals. A CoC plan is required to be eligible for HUD McKinney Vento Homeless Assistance funds.

Contract Rent: Total amount of rent listed on the Lease due monthly to landlord.

Coordinated Entry (CE): CE means a centralized or coordinated process for conducting a needs assessment and referrals to housing and services for people seeking housing assistance. A CE system is easily accessible in the geographic area of the CoC and includes a comprehensive and standardized assessment tool. The goal of CE is to match people to the most appropriate service(s) based on the person’s needs and to prioritize households with the highest need.

Exception Payment Standard: Rent paid for a unit under the HUD HCV program that is higher than the Payment Standard and that is established by a public housing authority by requesting a waiver from HUD.

Excess Utility Expense: Excess Utility Expense is the difference between 30% of the Gross Monthly Household Income and the Utility Allowance. A Local Program may choose to establish policies in alignment with HTF Program criteria to cover this expense through HTF Program funds.

Grant Contract Agreement: The agreement between Minnesota Housing and the Administrator that governs the Administrator’s use of the HTF Program funds.

Gross Annual Household Income: The total annual household income received by all household members age 18 and older from all sources, including but not limited to wages, salaries, tips, interest, dividends, self-employment, and subject to exclusions as approved by Minnesota Housing board members and available to applicants in writing.

Gross Monthly Household Income: The total household income received in a calendar month by all household members age 18 and older from all sources, including but not limited to wages, salaries, tips, interest, dividends, self-employment, and subject to exclusions as approved by Minnesota Housing board members and available to applicants in writing.

Gross Rent: The sum of the rent paid to the landlord for an eligible unit under the HTF Program by the Administrator, the Participant, and any other source, plus the Utilities for which the Participant is Responsible.

High Priority Homeless (HPH): Households prioritized for PSH by the CE system. All households served with HTF Program funds after October 1, 2019 should be HPH.

Homeless Management Information System (HMIS): Minnesota’s HMIS is a local web-based information technology system used to collect client-level data and data on the provision of housing and services to individuals and families experiencing or at risk of homelessness.

HMIS Lead Agency: The HMIS Lead Agency is responsible for managing the HMIS for the geographic area, in accordance with the requirements prescribed by HUD. The Institute for Community Alliance (ICA) is the designated HMIS Lead Agency for the State of Minnesota.

Housing Choice Voucher Section 8 (HCV): The housing assistance programs created by and administered in accordance with Section 8 of the United States Housing Act of 1937, as amended.

Housing First: A homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life.

Housing Quality Standards (HQS): The HQS adopted by HUD in its regulations, which are set forth at 24 CFR § 982.401. The HTF Program requires eligible units to pass HQS inspection or the local housing maintenance code.

Housing Related Expenses: Housing Related Expenses may include security deposits, application fees, utility connection fees, damage claims, vacancy payments, and other fees, as approved in writing by Minnesota Housing, that are necessary to obtain landlord participation or to prevent repeat episodes of homelessness.

HTF Program: Minnesota Housing’s Housing Trust Fund Rental Assistance Program.

HUD: The United States Department of Housing and Urban Development.

Lease: A written agreement between a landlord and a Participant for the lease of a particular housing unit.

Lease Addendum: Minnesota Housing requires the landlord and Participant to enter into a lease addendum provided on Minnesota Housing’s format. The lease addendum is available on Minnesota Housing’s website at http://www.mnhousing.gov/get/MHFA_006233.

Local Program: The Rental Assistance program established by each Administrator for its Service Area and approved by Minnesota Housing.

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Long-Term Homeless (LTH): Households experiencing Long-Term Homelessness (LTH) means individuals, unaccompanied youth, or families with children who lack a permanent place to live continuously for a year or more or at least four times in the past three years. Any period of institutionalization or incarceration must be excluded from the determination of the duration of homelessness. NOTE: This definition does not require that the person have a disabling condition.

Memorandum of Understanding (MOU): The MOU is an agreement that is used when multiple entities partner to deliver the essential components of supportive housing. The MOU promotes a mutual understanding between the sponsor/owner, management agent and partnering service provider. The MOU outlines roles and responsibilities, scope of services and the purpose of the development. An MOU is required between entities if the Administrator is not also the service provider.

Minnesota Housing: The Minnesota Housing Finance Agency.

Participant: A person who eligible to participate in the HTF Program.

Participant Rent: A portion (30% unless the Minnesota Housing Payment Standard Waiver form is completed) of the rent payable by the Participant to the landlord.

Partnering Service Provider: If the Administrator is not the primary service provider, the Administrator must enter into an MOU or other formal agreement with Partnering Service Provider(s) to make services available to participating households as described in the Administrator’s Program Summary.

Payment Standard: The maximum monthly rent paid for a unit under the HUD HCV program. Public housing authorities establish Payment Standard amounts by unit size between 90% and 110% of the [Fair Market Rents](#) (FMRs) published annually by HUD.

Permanent Supportive Housing (PSH): Permanent rental housing affordable to the population served where supportive services are available to participants. PSH is available to individuals and families with multiple barriers to obtaining and maintaining housing, including those who are homeless and those with mental illness, substance abuse disorders, and other disabilities.

Program Summary: A summary of the Local Program included as an exhibit in the Tenant-Based or Sponsor-Based Rental Assistance Grant Contract Agreement.

Project-Based Rental Assistance: Rental Assistance provided for a household that resides in a specific housing development owned by the Administrator of the Project-Based Rental Assistance. Minnesota Housing is not currently funding Project-Based rental assistance through the HTF Program.

Release of Information (ROI): Administrator-created form signed by the Participant to allow sharing of the Participant’s personal information.

Rental Assistance: A portion of the Gross Rent paid to a landlord on behalf of a Participant by Minnesota Housing under the HTF Program.

Service Area: The geographic area in which an Administrator will operate its HTF Program.

Sponsor-Based Rental Assistance: Rental Assistance provided for an individual household through a sponsor organization that owns or leases rental housing units in various or single site location(s) or that has contracts with property owners to make the rental housing units available to eligible households. Minnesota Housing is not currently funding new Sponsor-Based Rental Assistance through the HTF Program.

Tenant-Based Rental Assistance: Rental Assistance provided for an individual household that chooses its own rental housing unit from a landlord willing to participate in the HTF Program.

Utilities for which the Participant is Responsible: One or more of the following utilities, as specifically provided for in the Lease between the landlord and a Participant: water, sewer, gas, and/or electric.

Utility Allowance: Utility costs for the area (and in the case of partial utilities, compute cost for utilities excluded from the rent), computed by using the Utility Allowance schedule provided by the Administrator in accordance with [HUD-52667](#), Allowance for Participant Furnished Utilities and Other Services.