

# Updates on Housing Issues

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# Status of COVID-19 Emergency Rental Assistance Program

**RENT HELP MN**

# Treasury Allocations to Minnesota Housing

## **RENTHELP MN**

ERA1: \$300 million

ERA2: \$228 million

**TOTAL: \$528 million**

### **Treasury Allocations to All Minnesota Entities** *(State, Counties and Cities)*

ERA1: \$375 million

ERA2: \$298 million

Total Statewide: \$673 million

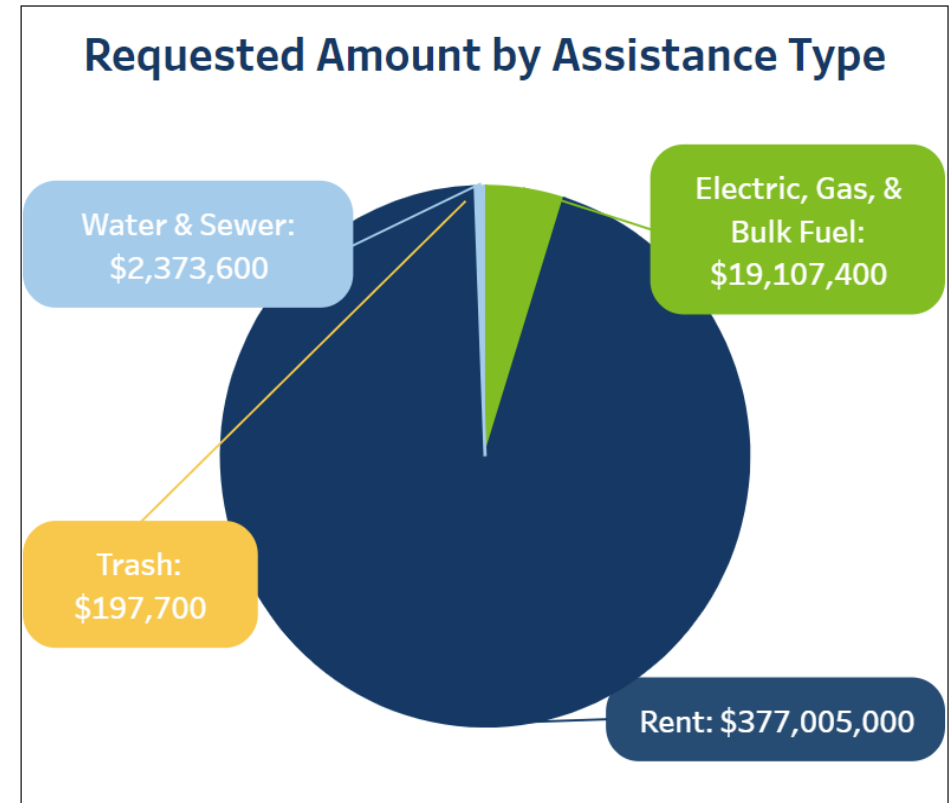
# Goals of the emergency rental assistance



- Maintain housing stability.
  - Keep people in their homes during a public health crisis.
  - Renters with low incomes face long economic recovery.
  - Evictions affect renters' ability to have stable housing for years to come.
- Cover overdue rent.
  - Property owners continue to provide and maintain rental properties.
  - Property owners face uncertainty about when their incomes will stabilize.
  - Lost income is problematic and stressful.

# Households assisted to date

- 65,619 applications submitted,
- 61,600 payments made to date, assisting 37,130 unique households

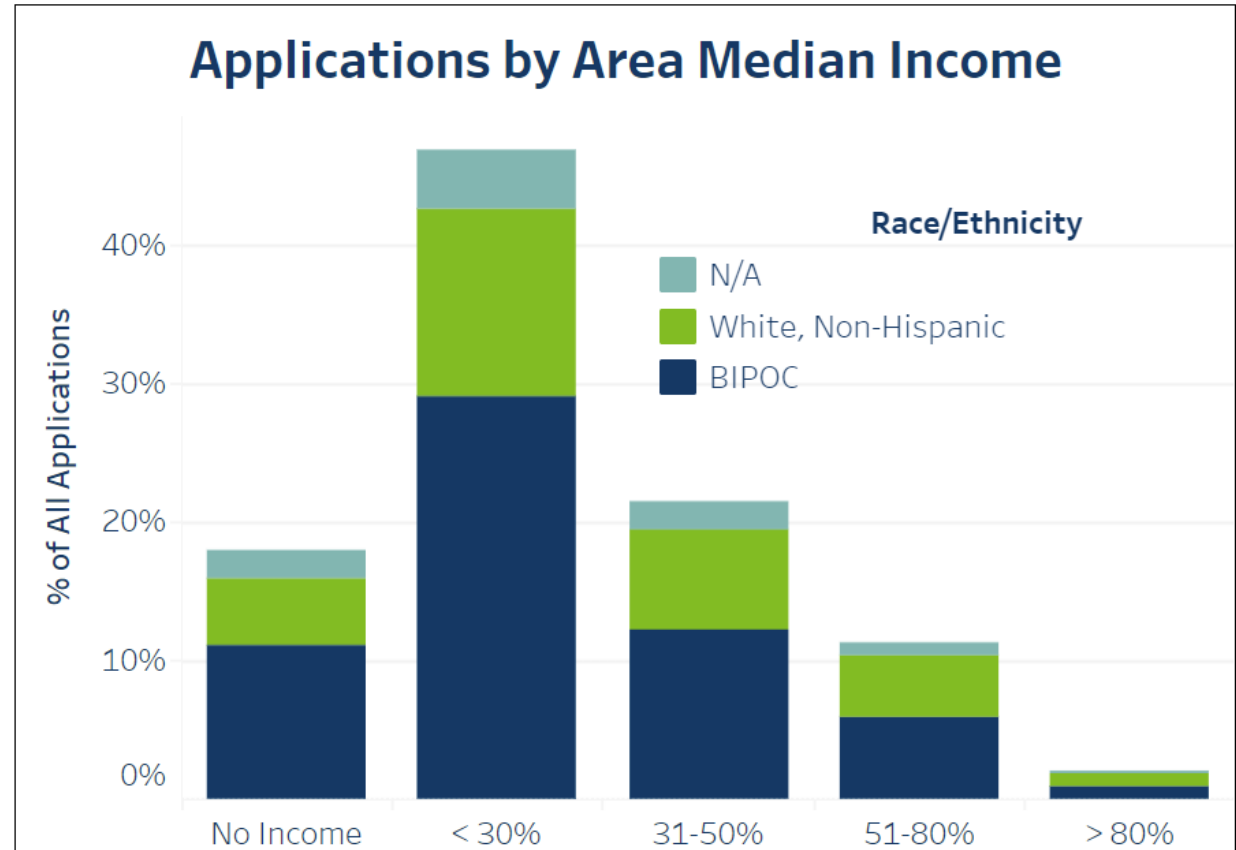


**Link to Dashboard: [www.mnhousing.gov/renthelpmn-dashboard](http://www.mnhousing.gov/renthelpmn-dashboard)**

# Applicants are most at-risk renters



- Eligibility is limited to 80% of area median income (AMI)
- 88% of applicants are "very low income," earning less than 50% average median income. (HUD)
- Two-thirds of applicants are "extremely low income," below 30% AMI.
- Two-thirds of applicants who provide demographic information identify as Black, households of color, or Indigenous households.

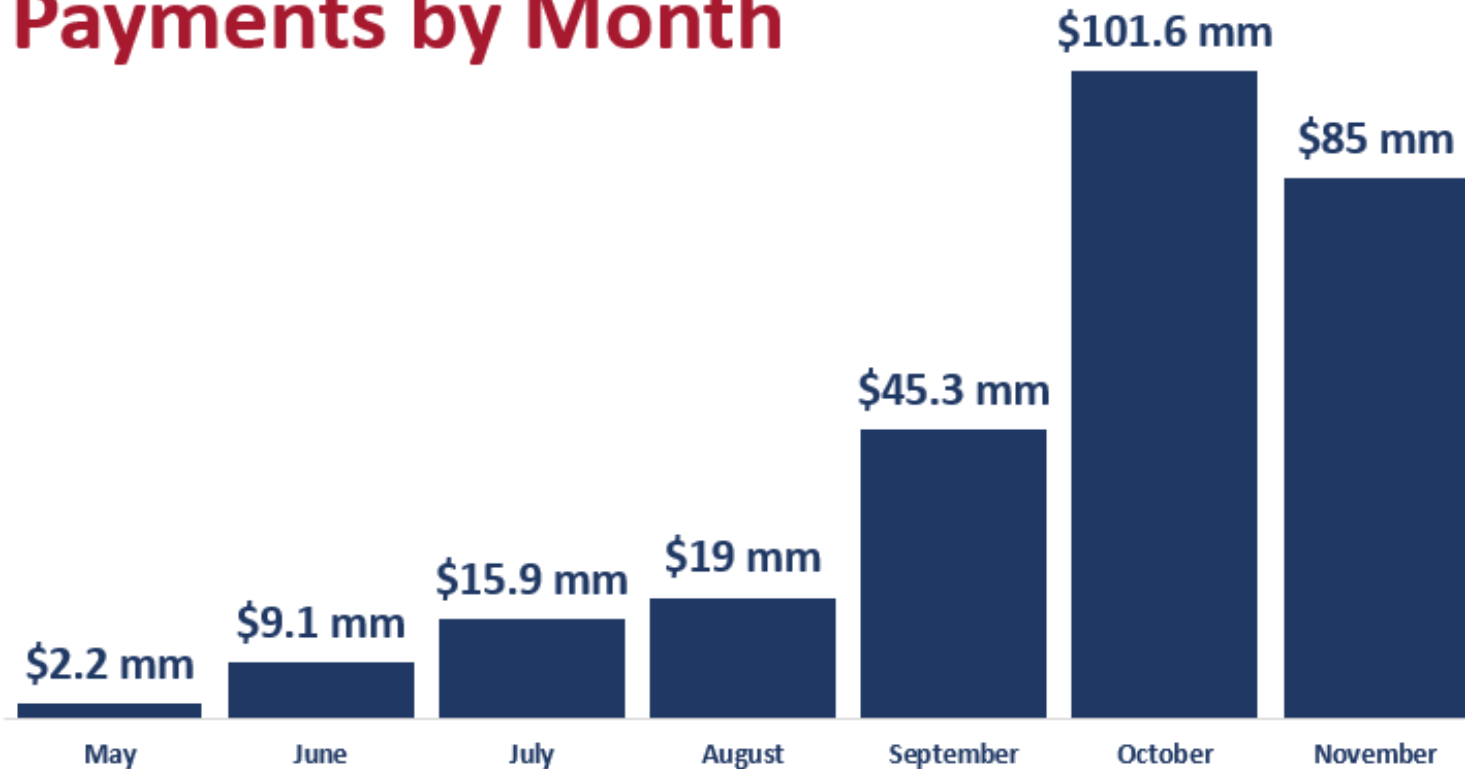


[Link to Dashboard: www.mnhousing.gov/renthelpmn-dashboard](http://www.mnhousing.gov/renthelpmn-dashboard)

# Payments made through November



## Payments by Month



Payments per month:

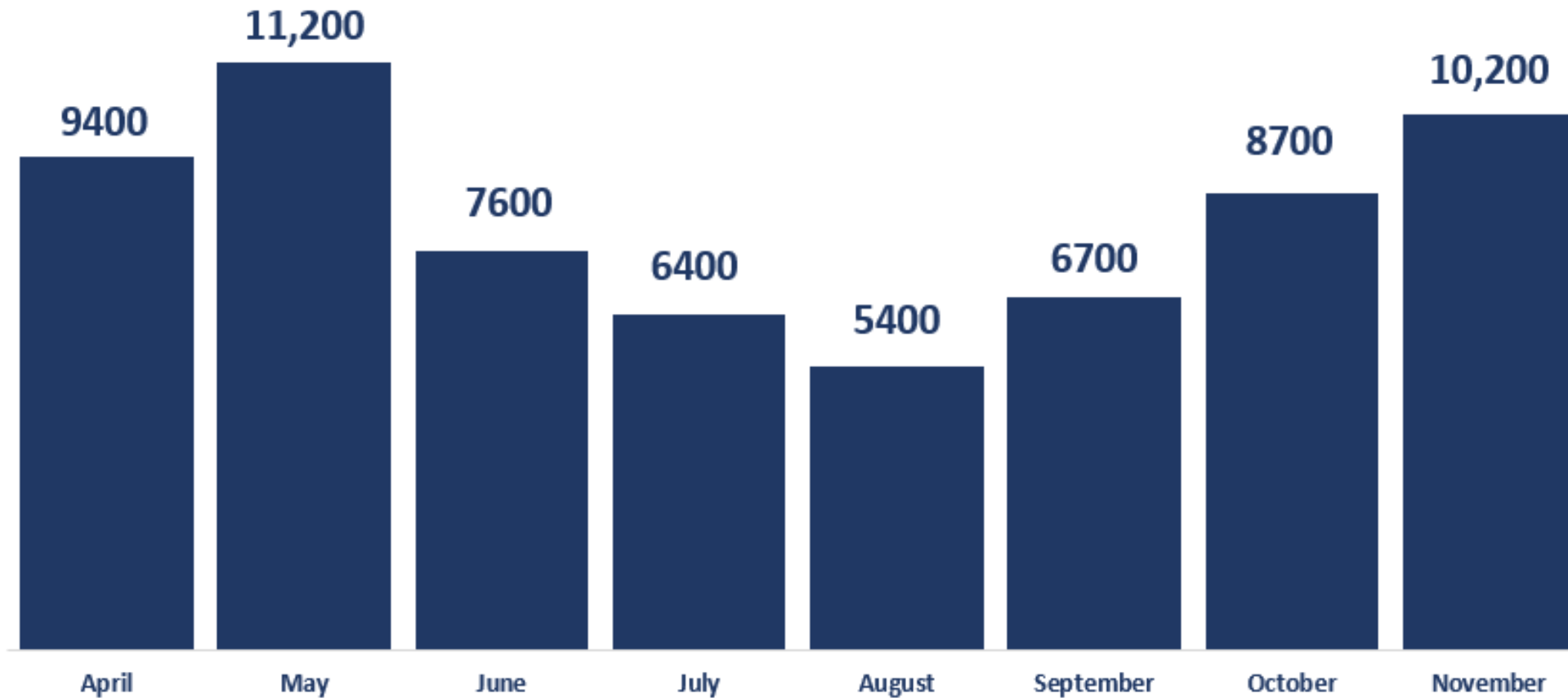
May:	374
June:	1703
July:	3699
August:	3933
September:	9029
October:	20,788
November:	19,122

- \$450 million budgeted
- \$398 million requested
- \$273.9 million paid

*\* numbers are rounded*

# Need for help remains high

## Applications by Month







# The eviction moratorium is ending

Know your rights. Mark these dates. Learn what you can do to stay in your home.



Your lease could be terminated if you materially violate your lease agreement (does not include nonpayment of rent).  
You could be evicted if you qualify for rental assistance but refuse to apply.



You could be evicted if you materially violate your lease agreement (does not include nonpayment of rent).



Your lease could be terminated if you have not paid your rent and are not eligible for COVID-19 rental assistance.



You could be evicted if you have not paid your rent and are not eligible for COVID-19 rental assistance.



All lease termination and eviction protections are lifted except for eligible renters with pending COVID-19 rental assistance applications.



All lease termination and eviction protections are lifted.

# Falling behind and eligible? Apply.



Our message to renters who have fallen behind:

- RentHelpMN has funds available and is still accepting applications.
- Communicate with your property owner/manager.
- Submit all documents requested.
- Be responsive to communications about your application.



# Transition from ERA1 to ERA2



- ERA1 has been fully obligated.
- We have begun spending from the ERA2 allocation.
- The change is invisible to applicants: the application and the process are the same.
- Congress made some changes between the two programs:
  - Additional months of assistance for applicants (up to 18 total months)
  - More available for administration: 15% (up from 10%)

# Administrative funding



- To facilitate the program enhancements and meet high need for assistance, we added staff for processing applications and customer service.
- In October, the Legislative COVID-19 Response Commission (LCRC) approved an additional \$7 million from the State Fiscal Recovery Fund to maintain the higher staffing levels.
- Adding \$7 million resulted in an administrative total of 12%.

# Program Changes and Improvements



- **Applied Treasury Changes**
  - Treasury broadened renters' self-attestation of income.
  - Treasury allowed payments to former properties where renter has moved out.
- **Systematically addressed aged applications.**
- **Increased focus on processing time and payment speed.**
  - increased staffing to meet the high demand/volume of applications.
- **Added tools for 211 specialists to better assist applicants.**

# More resources for applicants

- Letters to confirm pending application status: These letters can be downloaded from user accounts or provided by 211.
- Award letters are sent with payment detail and approved assistance amounts.
- RentHelpMN requests for utility assistance are approved by PUC for protection against shut-off. We also refer to Energy Assistance Program.
- Specialized team working with owners of large properties.



# Assistance for eviction courts

- Minnesota Housing staff are available as a resource in all 10 court districts and are doing pre-court outreach to renters.
- Renters need to respond to eviction notices and attend court. Renters will be evicted if they do not attend court, even though they have a pending application. Agency outreach is improving attendance.
- Staff assist the courts by providing a letter confirming application status, or by referring to a field partner or legal aid.
- So far, our staff have provided information in **over 690 court cases** throughout Minnesota.

RENTHELP MN



*Staff are visible in Zoom court meetings as "RentHelpMN Resource."*

# Preventing displacement with additional funding:



- Federal program limits cap assistance at 18 months per household.
- Approximately 7,000 households with RentHelpMN applications are at risk of using all available benefits and could face displacement through March 2022.
- RentHelpMN will use the \$20 million allocated by the LCRC from the State Fiscal Recovery Fund to provide additional months of assistance to renter households (paid directly to property managers).



# Treasury Reallocations

- RentHelpMN surpassed federal obligation thresholds for ERA1.
- Minnesota Housing is eligible to request additional ERA1 funding and has submitted a request for \$231 million.
- Treasury has indicated that funds are unlikely to be reallocated across state lines.

# Transition of Program

- RentHelpMN is a temporary emergency program. There is no plan in Congress at this time to sustain these investments.
- The high need demonstrated in applications for assistance is a function of pandemic impact and persistent need for housing that's affordable.
- We are still receiving applications and funding is available.
- At some point in 2022, the program will close, as it has and will in other states.

# Local Rent Control/Stabilization Measures

# Saint Paul ballot question

Should the City adopt the proposed Ordinance limiting rent increases? The Ordinance limits residential rent increases to no more than 3% in a 12-month period, regardless of whether there is a change of occupancy. The Ordinance also directs the City to create a process for landlords to request an exception to the 3% limit based on the right to a reasonable return on investment. A “yes” vote is a vote in favor of limiting rent increases. A “no” vote is a vote against limiting rent increases.

# Minneapolis ballot question

Authorize the City Council to regulate rents on private residential property in the City of Minneapolis by ordinance. Provide that an ordinance regulating rents on private residential property could be enacted in two different and independent ways:

- a. The City Council may enact the ordinance.
- b. The City Council may refer the ordinance as a ballot question to be decided by the voters for approval at an election. If more than half of the votes cast on the ballot question are in favor of its adoption, the ordinance would take effect 30 days after the election, or at such other time as provided in the ordinance.

# Update on Housing Infrastructure Bonds

# Housing Infrastructure Bonds Authority and Federal Action

- The Legislature enacted a contingency with the new \$100 million in Housing Infrastructure Bonds from 2021 Special Session.
- The Housing Infrastructure Bonds authority is contingent on potential federal action. If Congress passes a federal infrastructure related bill in 2021 that includes funding for the same purposes as HIB, then bonds cannot be issued for those purposes.
- The Infrastructure Investment and Jobs Act (Signed 11/15/21) **did not** include housing development resources. Congress is considering the Build Back Better bill that may trigger the contingency.

# Impacts of Federal Action on Minnesota Housing

- The contingency is in place until December 31, 2021.
- This contingency creates a delay in the 2021 Selections for rental and homeownership.
- Minnesota Housing must report to the Legislature by January 15.



**Jennifer Leimaile Ho, Commissioner  
Minnesota Housing**

