



American Rescue Plan (ARP) State Fiscal Recovery Funds (SFRF) Request Form

Please complete this form in accordance with the process instructions.

Agency/Point of Contact: Minnesota Housing

Title of Request: Emergency Rental Assistance - Exhausted Benefits

Date: 11/5/2021 Request Amount: \$ 20,000,000

Expenditure Time Period: 11/30/2021 to 12/31/2022 (no later than 6/30/2023)

Brief Summary of Request: (Summary must be complete on this page with supporting information attached)

Minnesota Housing is requesting \$20 million to provide emergency rental assistance to maintain housing stability for renters who have exhausted the benefits eligible under federal law. The federal program can provide up to 18 months of assistance per household. We are now 21 months into the pandemic. Rent is typically the largest payment households make every month and there are limited amounts of emergency rental assistance that are available to households outside of RentHelpMN. These households will be at greater risk of evictions and displacement as their assistance runs out. This assistance is generally paid directly to property owners and managers.

Minnesota Housing has received two federal rounds of Emergency Rental Assistance, including \$300 million in December 2020 (ERA1) and \$228 million in March's American Rescue Plan (ERA2). The agency still has sufficient federal resources to pay every eligible application received to-date; however, some households are beginning to exhaust the benefits allowed under federal law. Federal law limits the months of assistance to 15 months for ERA1, and three additional months for a total of 18 months, for ERA2.

Since April 2020, RentHelpMN has been accepting applications for emergency rental assistance. The program is paying unpaid rent and utility bills going back to March 2020. Over 56,000 applications have been submitted requesting over \$350 million in assistance and as of November 4 over \$210 million has been paid. Payments have increased from \$18 million in August to \$53 million in September to over \$100 million in October.

Based on our analysis of renters that have applied for the program, we estimate that over 7,000 households will exhaust, or are at-risk of exhausting, their 18 months of assistance allowed under federal law on or before March 2022. Using an estimate of \$1,000 per month, \$18 million would provide additional benefits to about 6,000 households for three additional months. Staff will identify households who are exhausting the 18-month limit and provide the assistance as needed for additional housing stability. The assistance will generally be paid to landlords and property owners to satisfy rental obligations of eligible households. Payments are verified by the landlord or property owner. The proposal includes an estimate of \$2 million to be used for implementation and operating costs. If less is needed for administration, the resources will be used to assist more households or additional months of benefits.

The demographics and attributes of RentHelpMN applicants are: 1) 86% make less than 50% of AMI; 2) the average income is \$21,100; 3) nearly 66% of applicants earn less than \$25,000 annually; 4) 66% identify as Black, Indigenous and People of Color; 5) 15% identify as having a disability; 6) 39% have experienced recent unemployment; 7) 80% of responding unemployed applicants unemployed 90+ days; and 8) 50% of applications for RentHelpMN indicate they have minor children.

Jennifer Ho
Department Head Signature

Digitally signed by Jennifer Ho
DN: cn=Jennifer Ho, ou=Minnesota Housing, ou=Commissioner, email=jennifer.ho@state.mn.us, c=US
Date: 2021.11.05 11:59:59 -0500

11/5/2021
Date