

Subject COVID-19 Emergency Rental Assistance Program

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Overview

In December 2020, the federal government enacted the Consolidated Appropriations Act, 2021, which created the Emergency Rental Assistance (ERA) program to address the widespread inability of renters to afford their rent due to the economic impacts of the COVID-19 pandemic. The ERA program distributed funds to state and local governments for them to administer their own emergency rental assistance programs. Minnesota received \$300,000,000 through this act for its emergency rental assistance program. The ERA program also established guidelines and eligibility criteria for distributing rental assistance.

In March 2021, the federal government enacted the American Rescue Plan Act of 2021 (ARP) which appropriated additional money to the ERA program to be distributed to states and local governments to fund their emergency rental assistance programs. Through the ARP, Minnesota received an additional \$228,900,000 for its emergency rental assistance program. The ARP also appropriated money to be distributed to the states for fiscal recovery funds. Minnesota is anticipated to receive an estimated \$2,833,000,000 through the ARP for its state fiscal recovery fund.

The Minnesota Housing Finance Agency (MHFA) created the RentHelpMN rental assistance program to provide rental assistance using ERA program funds. On January 28, 2022, anticipating exhaustion of available funding for emergency rental assistance, MHFA stopped accepting applications for rental assistance through the RentHelpMN program.

This bill, as proposed to be amended by H3667DE1, would appropriate \$330,000,000 of the state's ARP fiscal recovery fund to MHFA for MHFA to continue operation of the RentHelpMN emergency rental assistance program.

Summary

Section	Description
1	<p>Appropriation; COVID-19 emergency rental assistance program.</p> <p>Appropriates \$330,000,000 from the state fiscal recovery fund to the commissioner of the MHFA to provide emergency rental assistance. Allows the commissioner to continue operation of the RentHelpMN program, requires the commissioner to disburse funds using the program guidelines in effect when it stopped accepting new applications for rental assistance, and limits administrative expenses to \$33,000,000. Protects tenants who apply for rental assistance through RentHelpMN from eviction for nonpayment of rent.</p>



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