

**Subject** Rental assistance program for low-income households

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## Overview

This bill creates and funds a new rent assistance program administered by the Minnesota Housing Finance Agency (MHFA) designed to assist low-income individuals and families who spend more than 30 percent of their annual income on rent. Under the program, MHFA would issue grants to local housing authorities. The local housing authorities then would issue assistance to eligible persons, calculated on the difference between 30 percent of household income and the rent charged.

## Summary

Section	Description
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| 1 | <p><b>Rent assistance program.</b></p> <p>Amends the powers of MHFA to include administering the rent assistance program created under section 462A.2095.</p>   |
| 2 | <p><b>Rent assistance program established.</b></p> <p>Creates section 462A.2095, a new rent assistance program administered by MHFA.</p> <p><b>Subd. 1. Program established.</b> Establishes the state rent assistance account. Grants from MHFA to local housing authorities under the rent assistance program are funded through this account.</p> <p><b>Subd. 2. Definitions.</b> The terms “eligible person” and “local housing authority” are defined in this subdivision for the purposes of the rent assistance program.</p> <p>“Eligible person” means an individual or family with an annual income up to 50 percent of the area median income and paying more than 30 percent of the individual’s or family’s annual income on rent. Individuals or families receiving Section 8 federal assistance are not eligible persons for purposes of the rent assistance program.</p> |

**Section** **Description**

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“Local housing authority” means (1) a housing and redevelopment authority or other local government agency or authority that administers Section 8 federal assistance, (2) a tribal government or tribal housing authority, or (3) a nongovernmental organization determined by MHFA to have the capacity to run the rent assistance program in the event the local housing authority, tribal government, or tribal housing authority declines to administer it.

**Subd. 3. Grants to local housing authorities.** Authorizes MHFA to make grants to local housing authorities to provide rent assistance to eligible persons. The agency must aim to make grants in proportion to the number of eligible persons in each county according to data from the most recent American Community Survey. The local housing authority’s procedures for administering the rent assistance program must be approved by MHFA.

**Subd. 4. Amount of rent assistance.** Provides that the amount of rent assistance to eligible persons is calculated as the difference between 30 percent of household income and the rent charged, plus an allowance for utilities if they are not included in the rent amount. The amount of assistance cannot exceed the difference between 30 percent of household income and 110 percent of fair market value for the location and family size of the eligible person.

**Subd. 5. Administrative fee.** Authorizes a local housing authority to use a portion of the grant funds for administrative costs. This amount is not stated in the bill as amended.

**3 Appropriation; rent assistance.**

Provides for an appropriation in fiscal year 2023 from the general fund to MHFA to fund the rent assistance program. The appropriation amounts are not stated in the bill as amended.



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