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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3667

02/21/2022 Authored by Hausman, Howard and Olson, L., The bill was read for the first time and referred to the Committee on Housing Finance and Policy

1.1 A bill for an act
1.2 relating to housing; establishing a temporary emergency rental assistance program;
1.3 appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. APPROPRIATION; COVID-19 EMERGENCY RENTAL ASSISTANCE
1.6 GRANTS.

1.7 (a) \$...... in fiscal year 2022 is appropriated from the state fiscal recovery federal fund
1.8 to the commissioner of the Minnesota Housing Finance Agency for COVID-19 emergency
1.9 rental assistance grants. This is a onetime appropriation and is available until June 30, 2022.
1.10 For the purposes of this section, "state fiscal recovery federal fund" means funds received
1.11 by the state from the state fiscal recovery fund in the American Rescue Plan Act, Public
1.12 Law 117-2.

1.13 (b) Eligible applicants for grants under this section include community action agencies
1.14 and other public or private nonprofit agencies for the purpose of providing emergency rental
1.15 assistance. An eligible applicant seeking grants under this section shall apply to the Minnesota
1.16 Housing Finance Agency no later than March 1, 2022. The commissioner shall distribute
1.17 grants with the goal of ensuring that grants are distributed equitably throughout the state
1.18 based on each community's need for emergency rental assistance. If, after processing grant
1.19 applications, the commissioner deems that eligible applicants cannot provide adequate
1.20 assistance to a community or area with households in need of assistance under this section,
1.21 the commissioner may provide financial assistance to eligible households in a manner
1.22 consistent with the requirements of this section.

2.1 (c) Grantees shall provide financial assistance to eligible households, including the
2.2 payment of:

2.3 (1) rent;

2.4 (2) rental arrears;

2.5 (3) utilities and home energy costs;

2.6 (4) utilities and home energy costs arrears; and

2.7 (5) other expenses related to housing incurred due, directly or indirectly, to the novel
2.8 coronavirus disease "COVID-19" outbreak.

2.9 Such assistance shall be provided for a period not to exceed 12 months except that grantees
2.10 may provide assistance for an additional three months of prospective rent if necessary to
2.11 ensure housing stability for a household subject to the availability of funds. Payments shall
2.12 be made for rental payments or rental and utility arrears accrued on or after March 13, 2020.
2.13 To the extent that applicants for rental assistance have rental arrears, grantees may not make
2.14 commitments for prospective rent payments unless they have also provided assistance to
2.15 reduce an eligible household's rental arrears. A grantee may pay for rental arrears and utilities
2.16 and home energy costs arrears on behalf of a household that no longer resides in the
2.17 residential dwelling in which the arrears accrued.

2.18 (d) For the purposes of this section, an "eligible household" means a household of one
2.19 or more individuals who are obligated to pay rent on a residential dwelling and with respect
2.20 to which the grantee involved determines:

2.21 (1) that one or more individuals within the household has:

2.22 (i) qualified for unemployment benefits; or

2.23 (ii) experienced a reduction in household income, incurred significant costs, or
2.24 experienced other financial hardship due, directly or indirectly, to the COVID-19 outbreak,
2.25 which the applicant shall attest in writing;

2.26 (2) that one or more individuals within the household can demonstrate a risk of
2.27 experiencing homelessness or housing instability, which may include:

2.28 (i) a past due utility or rent notice or eviction notice;

2.29 (ii) unsafe or unhealthy living conditions; or

2.30 (iii) any other evidence of such risk, as determined by the eligible grantee involved; and

3.1 (3) the household has a household income that is not more than 80 percent of the area
3.2 median income.

3.3 (e) Grantees shall pay rental assistance directly to the landlord of the dwelling unit or
3.4 manufactured home park occupied by the household for the total amount of qualified rental
3.5 arrears and prospective rental assistance. Grantees shall pay utility assistance directly to the
3.6 utility provider. Grantees must make reasonable efforts to obtain the cooperation of landlords,
3.7 utility providers, and other entities receiving housing-related costs to accept payments.

3.8 (f) A grantee must not use more than 12 percent of the amount paid to the grantee under
3.9 this section for administrative costs attributable to providing financial assistance.

3.10 (g) A landlord may not bring an eviction action against a tenant for the nonpayment of
3.11 rent or proceed with an eviction action for nonpayment of rent if one has already been filed
3.12 if the tenant demonstrates the tenant has a pending application for rental assistance under
3.13 this section until a grantee makes a determination on the application for rental assistance
3.14 or June 1, 2022, whichever is first.

3.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.