

**462A.205 RENT ASSISTANCE FOR FAMILY STABILIZATION DEMONSTRATION PROJECT.**

Subdivision 1. **Family stabilization demonstration project.** The agency, in consultation with the Department of Human Services, may establish a rent assistance for family stabilization demonstration project. The purpose of the project is to provide rental assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent who was complying with the parent's job search support plan or employment plan and at least one minor child and to provide rental assistance to families who, at the time of initial eligibility for rental assistance under this section, were receiving public assistance, and had a caretaker parent who had earned income and with at least one minor child. The demonstration project is limited to counties with high average housing costs. The program must offer two options: a voucher option and a project-based voucher option. The funds may be distributed on a request for proposal basis.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given them.

(a) "Caretaker parent" means a parent, relative caretaker, or minor caretaker as defined by the Minnesota family investment program, chapter 256J.

(b) "County agency" means the agency designated by the county board to implement financial assistance for current public assistance programs and for the Minnesota family investment program statewide.

(c) "Counties with high average housing costs" means counties whose average federal Section 8 fair market rents as determined by the Department of Housing and Urban Development are in the highest one-third of average rents in the state.

(d) "Designated rental property" is rental property (1) that is made available by a self-sufficiency program for use by participating families and meets federal Section 8 existing quality standards, or (2) that has received federal, state, or local rental rehabilitation assistance since January 1, 1987, and meets federal Section 8 existing housing quality standards.

(e) "Earned income" for a family receiving rental assistance under this section means cash or in-kind income earned through the receipt of wages, salary, commissions, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, and any other profit from activity earned through effort or labor.

(f) "Employment and training service provider" means a provider as defined in chapter 256J.

(g) "Employment plan" means a plan as defined in chapter 256J.

(h) "Family or participating family" means a family that at the time it begins receiving rent assistance has at least one member who is a recipient of public assistance, and:

(1) a family with a caretaker parent who is complying with the parent's job search support plan or employment plan and with at least one minor child;

(2) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent complying with the parent's job search support plan or employment plan and had at least one minor child;

(3) a family with a caretaker parent who is receiving public assistance and has earned income and with at least one minor child; or

(4) a family that, at the time it began receiving rent assistance under this section, had a caretaker parent who had earned income and at least one minor child.

(i) "Gross family income" for a family receiving rental assistance under this section means the gross amount of the wages, salaries, Social Security payments, pensions, workers' compensation, unemployment benefits, the cash assistance portion of public assistance payments, alimony, and child support.

(j) "Local housing organization" means the agency of local government responsible for administering the Department of Housing and Urban Development's Section 8 existing voucher and certificate program or a nonprofit or for-profit organization experienced in housing management.

(k) "Public assistance" means the Minnesota family investment program.

Subd. 3. **Local housing organization.** The agency may contract with a local housing organization to administer the rent assistance under this section. The agency may pay the local housing organization an administrative fee.

Subd. 4. **Amount and payment of rent assistance.** (a) This subdivision applies to both the voucher option and the project-based voucher option.

(b) Within the limits of available appropriations, eligible families may receive monthly rent assistance for a 60-month period starting with the month the family first receives rent assistance under this section. The amount of the family's portion of the rental payment is equal to at least 30 percent of gross income.

(c) The rent assistance must be paid by the local housing organization to the property owner.

(d) Subject to the limitations in paragraph (e), the amount of rent assistance is the difference between the rent and the family's portion of the rental payment.

(e) In no case:

(1) may the amount of monthly rent assistance be more than \$250 for housing located within the metropolitan area or more than \$200 for housing located outside of the metropolitan area;

(2) may the owner receive more rent for assisted units than for comparable unassisted units; nor

(3) may the amount of monthly rent assistance be more than the difference between the family's portion of the rental payment and the fair market rent for the unit as determined by the Department of Housing and Urban Development.

Subd. 4a. **Additional authorized expenses.** In addition to the monthly rent assistance authorized under subdivision 4, rent assistance may include up to \$200 for a security deposit for housing located outside the metropolitan area and up to \$250 for a security deposit for housing located within the metropolitan area.

Subd. 5. **Voucher option.** At least one-half of the appropriated funds must be made available for a voucher option. Under the voucher option, the Minnesota Housing Finance Agency, in consultation with the Department of Human Services, will award a number of vouchers to employment and training service providers for participating families. Families may use the voucher for any rental housing that is certified by the local housing organization as meeting Section 8 existing housing quality standards.

Subd. 6. **Project-based voucher option.** A portion of the appropriated funds must be made available for a project-based voucher option. Under the project-based voucher option, the Minnesota Housing Finance Agency, in consultation with the Department of Human Services, will award a number of vouchers to employment and training service providers for participating families who live in designated rental property that is certified by a local housing organization as meeting Section 8 existing housing quality standards.

Subd. 7. **Property owner.** In order to receive rent assistance payments, the property owner must enter into a standard lease agreement with the family which includes a clause providing for good cause evictions only. Otherwise, the lease may be any standard lease agreement. The agency and local housing organizations must make model lease agreements available to participating families and property owners.

Subd. 8. **Authorized leverage of money.** The agency may leverage federal program money with program money from the family stabilization demonstration project authorized under this section.

Subd. 9. **Vouchers for families with a caretaker parent with earned income.** (a) Applications to provide the rental assistance for families with a caretaker parent with earned income under either the voucher or project-based option must be submitted jointly by a local housing organization and an employment and training service provider. The application must include a description of how the caretaker parent participants will be selected.

(b) Employment and training service providers awarded vouchers must select the caretaker parents with earned income whose families will receive the rental assistance. The employment and training service provider must notify the local housing organization and the agency if:

(1) at the time of annual recertification, the caretaker parent no longer has earned income and is not in compliance with the caretaker parent's employment plan or job search plan; and

(2) for a period of six months after the annual recertification, the caretaker parent has no earned income and has failed to comply with the job search support plan or employment plan.

(c) The local housing organization must provide the caretaker parent who, at the time of annual recertification, has no earned income and is not in compliance with the job search support plan or employment plan with the notice specified in Minnesota Rules, part 4900.3379. The local housing organization must send a subsequent notice to the caretaker parent and the Minnesota Housing Finance Agency 60 days before the termination of rental assistance.

(d) If the local housing organization receives notice from an employment and training service provider that a caretaker parent whose initial eligibility for rental assistance was based on the receipt of earned income no longer has earned income and for a period of six months after the annual recertification has failed to comply with the caretaker parent's job search plan or employment plan, the local housing organization must notify the property owner that rental assistance may terminate and notify the caretaker parent of the termination of rental assistance under Minnesota Rules, part 4900.3380.

(e) The employment and training service provider awarded vouchers for families with a caretaker parent with earned income must comply with the provisions of Minnesota Rules, part 4900.3377.

(f) For families whose initial eligibility for rental assistance was based on the receipt of earned income, rental assistance must be terminated under any of the following conditions:

- (1) the family is evicted from the property for cause;
- (2) the caretaker parent no longer has earned income and, six months after an annual recertification, is not in compliance with the parent's job search or employment plan;
- (3) 30 percent of the family's gross income equals or exceeds the amount of the housing costs for two or more consecutive months;
- (4) the family has received rental assistance under this section for a 60-month period; or
- (5) the rental unit no longer meets federal Section 8 existing housing quality standards, the owner refused to make necessary repairs or alterations to bring the rental unit into compliance within a reasonable time, and the caretaker parent refused to relocate to a qualifying unit.

(g) If an employment and training service provider determines that a caretaker parent no longer has earned income and is not in compliance with the parent's job search or employment plan, the employment and training service provider must notify the caretaker parent of that determination. The notice must be in writing and must explain the effect of not having earned income or failing to be in compliance with the job search or employment plan will have on the rental assistance. The notice must:

- (1) state that rental assistance will end six months after an annual recertification;
- (2) specify the date the rental assistance will end;
- (3) explain that after the date specified, the caretaker parent will be responsible for the total housing costs;
- (4) describe the actions the caretaker parent may take to avoid termination of rental assistance; and
- (5) inform the caretaker parent of the caretaker parent's responsibility to notify the employment and training service provider if the caretaker parent has earned income.

**History:** 1991 c 292 art 9 s 27; 1993 c 236 s 7-14; 1994 c 488 s 8; 1995 c 224 s 103; 1997 c 200 art 4 s 12; 1999 c 107 s 66; 1999 c 159 s 130; 1999 c 211 s 5-10; 1999 c 223 art 2 s 52; 2000 c 343 s 4; 1Sp2001 c 4 art 4 s 22,23