

**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 program administrators. The program administrators then would issue assistance to eligible households, calculated on the difference between 30 percent of household income and the rent charged.

## Summary

Section	Description
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1	<b>Rent assistance program.</b> Amends the powers of MHFA to include administering the rent assistance program created under section 462A.2095.
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2	<b>Rent assistance program established.</b> Creates section 462A.2095, a new rent assistance program administered by MHFA.
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**Subd. 1. Program established.** Establishes the state rent assistance account. Grants from MHFA to program administrators under the rent assistance program are funded through this account.

**Subd. 2. Definitions.** The terms “eligible household” and “program administrator” are defined in this subdivision for the purposes of the rent assistance program.

“Eligible household” means a household with an annual income up to 50 percent of the area median income and paying more than 30 percent of the household’s annual income on rent. Households receiving Section 8 federal assistance are not eligible for the rent assistance program.

Section	Description
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“Program administrator” 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 program administrators.** Authorizes MHFA to make grants to program administrators to provide project- or tenant-based vouchers for eligible households. Requires the agency to make grants statewide in proportion to the number of eligible households in each county according to data from the most recent American Community Survey. Allows program administrators to use existing procedures to administer the rent assistance program or to develop alternative procedures approved by MHFA.

**Subd. 4. Amount of rent assistance.** Sets the amount of rent assistance to eligible households 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 120 percent of the payment standard, plus utilities, established by the local public housing authority, unless approved by MHFA.

**Subd. 5. Administrative fee.** Requires MHFA to consult with local public housing authorities in determining the amount of administrative expenses to allow program administrators.

**Subd. 6. Rent assistance not income.** Excludes rent assistance from income calculated for the purposes of income taxes or public assistance.

**Subd. 7. Oversight.** Allows the agency to direct program administrators to comply with federal regulations governing the section 8 program.

**3 Appropriation; rent assistance.**

Provides for appropriations in fiscal years 2024 and 2025 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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