RentHelpMN

Program Evaluation
April 17, 2023

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Key Findings

RentHelpMN:

- Average of nearly three months to process applications
- Slow to distribute program payments at the beginning
- Some processing errors in applications we reviewed
- Lacked important components when launched

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Program Overview

- Emergency rental assistance program to prevent homelessness and maintain housing stability
- Established during state and federal eviction moratoria
- Federal program administered by states and other specified entities
- Eligible expenses included rent and utilities

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Funding
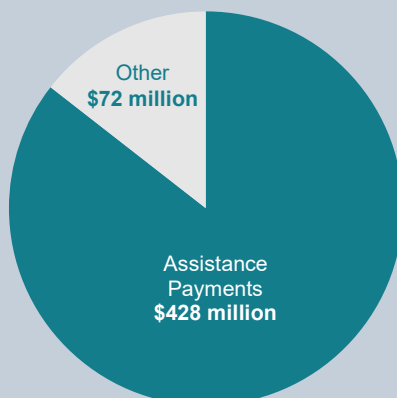
Minnesota Housing was allocated about **$598 million**:

- **$331 million** – Consolidated Appropriations Act of 2021
  - Federal Emergency Rental Assistance (ERA1) Program

- **$267 million** – American Rescue Plan Act of 2021
  - Federal Emergency Rental Assistance (ERA2) Program
  - State Fiscal Recovery Funds

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Eligibility

Eligibility Requirement	Requirement Origin
Rental household	Federal law
COVID-19 financial hardship; unemployment benefits	Federal law
Risk of homelessness or housing instability	Federal law
Household income at or below 80 percent of area median income	Federal law
Past-due rent	Minnesota Housing

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Funds Expended or Obligated

January 2023

Other
$72 million

Assistance
Payments
$428 million

- **58,600+** households received assistance

- **$7,300** average assistance payment per household (June 2022)

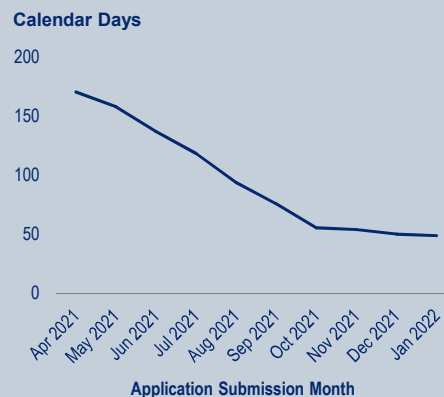- **9 months** of assistance, on average, per household (June 2022)

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Program Partners

Contractor	Role
Witt O'Brien's	Application processing
Allita 360	Application portal; database
Greater Twin Cities United Way	"211" program call center
Field Partners	Program awareness; navigation

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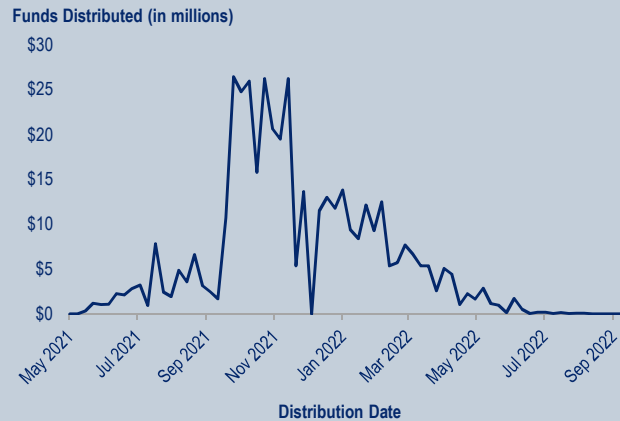7

Timeliness of Application Processing

- No standards for timeliness of application processing

- Applicants waited an average of **87 days** for processing

- Processing speed improved

Average Application Processing Time

Calendar Days

Application Submission Month

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Assistance Payment Distribution

- Slow to distribute in first four months

- Distribution increased in speed thereafter

Funds Distributed (in millions)

Distribution Date

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Accuracy of Application Processing

Based on nonstatistical sample of applications

- Correct eligibility determination: 40 of 41

- Correct rental assistance amount paid: 26 of 31 paid applications

Application	Net Overpayment or Underpayment
1	**$2,735** overpayment
2	**$775** underpayment
3	**$244** overpayment
4	**$131** overpayment
5	at least **$19** overpayment

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Accuracy of Application Processing

19% of landlord survey respondents who said they received a RentHelpMN payment reported that they received a payment for the incorrect amount

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Recommendations

Minnesota Housing should:

- Establish standards for application processing time; measure performance
- Collect sufficient application documentation
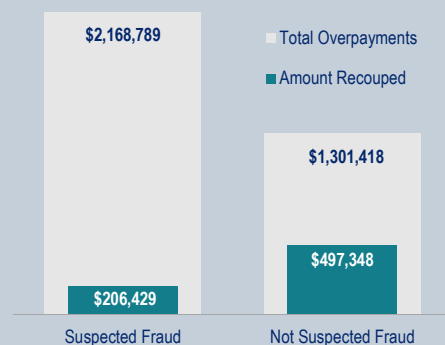- Conduct regular audits of cases

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Overpayments

As of September 2022, staff had identified

630
overpayments worth
$3.5 million

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Ongoing Overpayment Recoupment Efforts

- Increased efforts to recoup overpayments after the program closed to applications

- Recoupment efforts ongoing as of February 2023

Recouped Overpayments, as of September 2022

Chart showing:
- Suspected Fraud: Total Overpayments $2,168,789, Amount Recouped $206,429
- Not Suspected Fraud: Total Overpayments $1,301,418, Amount Recouped $497,348

Legend: Total Overpayments, Amount Recouped

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Recommendations

Minnesota Housing should:

- Develop comprehensive procedures for recouping overpayments before it issues any payments

- Promptly begin recoupment efforts once it identifies an overpayment

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Program Policies and Procedures

- Launched quickly, in less than four months

- At program launch:
  - Lacked comprehensive program policies and procedures
  - Provided insufficient customer service mechanisms
  - Had not tested technology sufficiently

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Recommendations

Minnesota Housing should:

- Establish clear, comprehensive program policies and procedures
- Ensure program participants have sufficient access to knowledgeable program staff
- Conduct more extensive testing of its data systems before launching the program

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