



RentHelpMN

2023 Evaluation Report

Program Evaluation Division
Office of the Legislative Auditor
State of Minnesota



Program Evaluation Division

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April 2023

Members of the Legislative Audit Commission:

The Minnesota Housing Finance Agency (Minnesota Housing) administered RentHelpMN, a federally funded COVID-19 rental assistance program, which was open to applications for assistance from April 2021 through January 2022.

While RentHelpMN provided critical assistance to many Minnesotans during the COVID-19 pandemic, prolonged application processing times caused frustration for many program participants. In addition, program staff made processing errors in a sample of applications we reviewed. We offer recommendations for the agency to consider if it administers a similar program in the future.

Our evaluation was conducted by Laura Schwartz (project manager), Gretchen Becker, and Eleanor Berry. Minnesota Housing cooperated fully with our evaluation, and we thank them for their assistance.

Sincerely,



Judy Randall
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OLA



RentHelpMN

RentHelpMN provided critical assistance to many Minnesotans during the COVID-19 pandemic, but prolonged application processing times caused frustration for many program participants.

Report Summary

In this report, we evaluated the extent to which the Minnesota Housing Finance Agency (Minnesota Housing) accurately applied RentHelpMN eligibility criteria, made accurate payments, and processed applications in a timely manner. As RentHelpMN has largely ended, we make recommendations for the agency to consider if it administers a similar program in the future.

- Minnesota Housing was slow to distribute RentHelpMN funds in the first four months of the program, but then it sped up its distribution considerably. (p. 20)
- Minnesota Housing did not establish standards for how quickly program staff needed to process applications. Applicants waited an average of 87 days for RentHelpMN to process their applications, although processing speed improved over time. (pp. 21, 22)

Recommendation ► Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards. (p. 40)

- Minnesota Housing allowed renters and landlords to attest that applicants met the program’s eligibility requirements under certain circumstances, rather than requiring them to provide documentation. (p. 16)
- RentHelpMN’s application processors correctly determined applicant eligibility in 40 of the 41 applications that we reviewed. However, for several applications that we reviewed, certain documents the program used to verify the property owner and/or payee were missing or did not match. (pp. 19, 26)
- Based on our review, Minnesota Housing did not pay the correct amount of rental assistance in 5 of 31 paid applications. (p. 27)

Recommendation ► Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that proper policies and procedures are followed. (p. 40)

Background

In late 2020, amid the COVID-19 pandemic, Congress enacted the Emergency Rental Assistance (ERA) program, which distributed funding to states and other government entities to provide support to renter households. Minnesota Housing was allocated about \$598.3 million for its temporary ERA program, which it branded as “RentHelpMN.”

RentHelpMN paid for up to 18 months of rent, utility, and additional housing-related expenses for eligible renter households. It typically made payments directly to applicants’ landlords and utility companies. Renters with incomes at or below 80 percent of area median income that owed past-due rent and met other criteria were eligible for assistance.

Minnesota Housing opened RentHelpMN to applications in late April 2021. It closed to new applications in late January 2022, and as of early 2023, had largely completed application processing. The program assisted more than 58,600 households, providing an average of nine months of assistance and \$7,300 per household.

- As of September 2022, program staff had identified \$3.5 million in overpayments. As of February 2023, Minnesota Housing’s efforts to recoup program overpayments were ongoing. (pp. 29, 31)

Recommendation ► To maximize the odds of recovery, Minnesota Housing should develop comprehensive procedures for recouping overpayments before it issues any payments, and it should promptly begin recoupment efforts once it identifies an overpayment. (p. 40)

- Minnesota Housing opened RentHelpMN to applications in fewer than four months, but some components of the program necessary to ensure a smooth operation—such as sufficient program policies, customer service mechanisms, and testing of its technology—were not in place at that time. (p. 34)

Recommendations ► Minnesota Housing should establish clear, comprehensive, written program policies and procedures. It should also ensure program participants have sufficient access to knowledgeable program staff who can answer or act on their questions or concerns. And, the agency should conduct more extensive testing of its data systems before it launches a program to ensure the systems function as expected; it should also include intended end users in the testing of those systems. (p. 39)

Summary of Agency Response

In a letter dated April 4, 2023, Minnesota Housing Commissioner Jennifer Leimaile Ho said, “I am proud of Minnesota Housing’s work to effectively deliver much needed funds to maintain the housing stability of Minnesota renters” and provided context for the RentHelpMN program. The Commissioner then responded to specific findings and recommendations in OLA’s report. In response to recommendations related to program policies and procedures, testing of data systems, and establishing standards for application processing time, the Commissioner stated that the agency “agrees that in a world with adequate time and funding and not during a global pandemic, we would have addressed the issues.... The standards are not reasonable for creating and standing up a brand-new, large-scale, emergency program from scratch in just four months with a limited administrative budget.” Commissioner Ho stated that the agency disagreed with OLA’s findings related to application processing. The Commissioner also noted that “potential overpayments are being evaluated to determine if they are truly overpayments or potential fraud, and Minnesota Housing will follow up accordingly.”

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Introduction

In late 2020, amid the ongoing COVID-19 pandemic, Congress enacted the Emergency Rental Assistance (ERA) program. The temporary program enabled states, other units of government, and American Indian Tribes or Tribally Designated Housing Entities to provide financial assistance and housing stability services to eligible renter households.

Minnesota Housing Finance Agency (Minnesota Housing) received about \$598.3 million in federal funds to launch and operate the state of Minnesota’s ERA program, which the agency branded as “RentHelpMN.” RentHelpMN provided payments to landlords on behalf of tenants who were behind on their rent. Minnesota Housing opened RentHelpMN to applications in April 2021. In late January 2022, the Minnesota Housing board approved closing the program to new applications, and the agency stopped accepting new applications three days later, citing dwindling remaining funds.

In April 2022, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate the RentHelpMN program, amid a range of concerns. In evaluating the program, our primary research questions were:

- To what extent did Minnesota Housing accurately apply eligibility criteria?
- To what extent did Minnesota Housing make accurate payments?
- To what extent did Minnesota Housing process applications in an efficient manner and within a reasonable time frame?

To conduct this evaluation, we used a variety of research methods. Among other things, we reviewed federal law and guidance, examined the program’s written processes and procedures, and interviewed program staff. We also examined a sample of applications and analyzed program data. In addition, we conducted a survey of a random sample of landlords whose renters participated in the program.¹ Finally, we reached out to all of the community organizations (“field partners”) that partnered with Minnesota Housing to assist renters with their applications and create awareness of the program across the state.²

In scoping this evaluation, we excluded a number of issues. For example, we did not review Minnesota Housing’s administration of the COVID-19 Housing Assistance Program (CHAP), which was another pandemic-era housing assistance program that Minnesota Housing administered shortly before it administered RentHelpMN. We also did not closely examine Minnesota Housing’s efforts to coordinate with the local governments in Minnesota that operated their own ERA programs, the agency’s preparations for the closure of the RentHelpMN program, or the ERA Housing Stability Services grants that Minnesota Housing issued in 2022.

¹ We sent the survey to a random sample of 890 landlords that were associated with RentHelpMN applications. We received 207 responses, for a response rate of 23 percent. Throughout this report, we use the term “landlord” to refer both to property owners and property managers. Property managers were permitted to act on behalf of property owners when interacting with the RentHelpMN program.

² We conducted a census of all 29 field partners that received program funding. We received responses from 27 of the 29 organizations (a 93 percent response rate), and we interviewed 1 of the 2 organizations that did not respond to the census. See the Appendix for a list of field partners.



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Chapter 1: Background

The COVID-19 pandemic created economic instability for many renter households in the U.S., which in turn created economic instability for owners of rental properties. During the pandemic, both federal and state policymakers temporarily halted residential evictions to protect public health and address housing insecurity caused by the pandemic. As Exhibit 1.1 shows, a national eviction moratorium was in effect through mid-2021, and a limited state eviction moratorium was in effect through mid-2022.

Exhibit 1.1

Eviction Moratoria Established During the COVID-19 Pandemic

| Effective Date | Event |
|-------------------|--|
| March 24, 2020 | Minnesota Governor Tim Walz establishes a statewide eviction moratorium for the duration of the peacetime emergency through an executive order. |
| March 27, 2020 | The federal Coronavirus Aid, Relief, and Economic Security Act establishes a 120-day nationwide eviction moratorium. |
| September 4, 2020 | A Centers for Disease Control and Prevention (CDC) order reestablishes a nationwide eviction moratorium through December 31, 2020. |
| December 27, 2020 | The federal Consolidated Appropriations Act, 2021, extends the CDC's nationwide eviction moratorium through January 31, 2021. |
| January 31, 2021 | A CDC order extends the nationwide eviction moratorium; subsequent orders extend it through July 31, 2021. |
| June 30, 2021 | State law begins phasing out the statewide eviction moratorium, but retains protections for individuals with pending RentHelpMN applications through June 1, 2022. |
| August 3, 2021 | A CDC order establishes an eviction moratorium for communities with substantial or high transmission of COVID-19, effective through October 3, 2021. |
| August 26, 2021 | The U.S. Supreme Court ends the CDC's eviction moratorium. |
| June 1, 2022 | State law prohibiting the eviction of tenants with pending RentHelpMN applications expires. |

Source: Office of the Legislative Auditor.

In December 2020, Congress created the Emergency Rental Assistance (ERA) program, which allocated grant funding to states, other units of government, and American Indian Tribes or Tribally Designated Housing Entities, so they could provide temporary financial assistance to renter households.¹ The following March, Congress provided additional funding for the ERA program and modified some program requirements.² Throughout this report, we refer to the two rounds of funding and iterations of the program as “ERA1” and “ERA2.”

¹ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020.

² American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201, March 11, 2021.

In April 2021, the Minnesota Housing Finance Agency (Minnesota Housing) launched the state’s ERA program, which it branded as “RentHelpMN.” The following January, Minnesota Housing closed the program to new applications. As of early 2023, Minnesota Housing had largely completed application processing, but was still processing appeals and making some payment adjustments.

Although Congress set various parameters for the ERA program, it also allowed grantees to establish some of their own. In this chapter, we provide background information about the program, including an overview of the program’s federal requirements and the requirements established by Minnesota Housing. We also provide an overview of how Minnesota Housing administered the program.

Program Overview

Purpose

The stated purpose of the RentHelpMN program was to prevent homelessness and maintain housing stability.

Federal law did not explicitly outline the purpose of the ERA program (although one could infer a purpose through the federal eligibility requirements, which we discuss in the following section).³ In its program policies, however, Minnesota Housing stated that the program would provide assistance to renter households that had experienced or were at risk of experiencing financial hardship due to the COVID-19 pandemic, and that the assistance was meant to help prevent homelessness and maintain housing stability.⁴

Eligibility

To be eligible for RentHelpMN assistance, renters needed to have been impacted by the COVID-19 pandemic, meet income requirements, and have past-due rent.

Federal law established basic eligibility requirements for the ERA program, but allowed grantees to prioritize among their applications for assistance. As Exhibit 1.2 shows, only households that (1) were renting, (2) had experienced a financial hardship due to the COVID-19 pandemic, (3) were at risk of homelessness or housing instability, and (4) had incomes at or below 80 percent of area median income (AMI) were eligible for financial assistance through the program.⁵ As allowed under federal law, Minnesota Housing chose to limit assistance to households with at least some past-due rent.⁶

³ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201, March 11, 2021.

⁴ Minnesota Housing Finance Agency, *RentHelpMN COVID-19 Emergency Rental Assistance Program Guide*, April 19, 2021, 3.

⁵ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(f)(2), March 11, 2021.

⁶ Minnesota Housing Finance Agency, *RentHelpMN COVID-19 Emergency Rental Assistance Program Guide*, April 19, 2021.

Exhibit 1.2 Eligibility Requirements

| Eligibility Requirement | Requirement Origin | Description of Requirement |
|---|--------------------|---|
| Rental Household | Federal Law | A household with one or more members who were obligated to pay rent on a residential dwelling |
| COVID-19 Hardship | Federal Law | One or more individuals within the household had either qualified for unemployment benefits or experienced a reduction in household income, incurred significant costs, or experienced other financial hardship due directly or indirectly to the COVID-19 pandemic |
| Risk of Homelessness or Housing Instability | Federal Law | One or more individuals within the household could demonstrate a risk of experiencing homelessness or housing instability, such as through a past-due rent or utility bill, an eviction notice, or unsafe or unhealthy living conditions |
| Income Limit | Federal Law | The household had an income at or below 80 percent of area median income (AMI) |
| Past-Due Rent | Minnesota Housing | The household had some amount of past-due rent |

Source: Office of the Legislative Auditor.

Benefits

RentHelpMN provided financial assistance for rent and utility expenses.

Federal law specified the kinds of financial assistance that states and other ERA grantees could provide to renter households. It allowed grantees to use program funds to pay for (1) past-due and future rent; (2) past-due and current utilities, including home energy costs; and (3) other housing expenses, as defined in federal guidance.⁷ The “other” housing expenses that federal guidance allowed the program to pay for included late rent fees and eviction fees.

Federal law limited the number of months of assistance that applicants could receive, but it did not limit the total dollar amount, nor did Minnesota Housing. As Exhibit 1.3 shows, under ERA1, grantees could provide households with up to 15 months of assistance, including up to 3 months of future rent; under ERA2, they could provide up to 18 months of assistance, with no limit on future rent.⁸

⁷ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(c)(2)(A), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(d)(1)(A), March 11, 2021.

⁸ Under ERA1, an applicant could receive more than three months of future rent if a program had available funding and if they reapplied for additional funds. ERA2 specified that households that received funding under both ERA1 and ERA2 could receive no more than 18 months of combined ERA1 and ERA2 assistance. Shortly before the program closed to new applications, Minnesota Housing limited future rent to one month for applicants who applied on or after January 10, 2022. Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(c)(2)(A)-(B), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(d)(1)(A)(ii), March 11, 2021.

**Exhibit 1.3
Program Benefits**

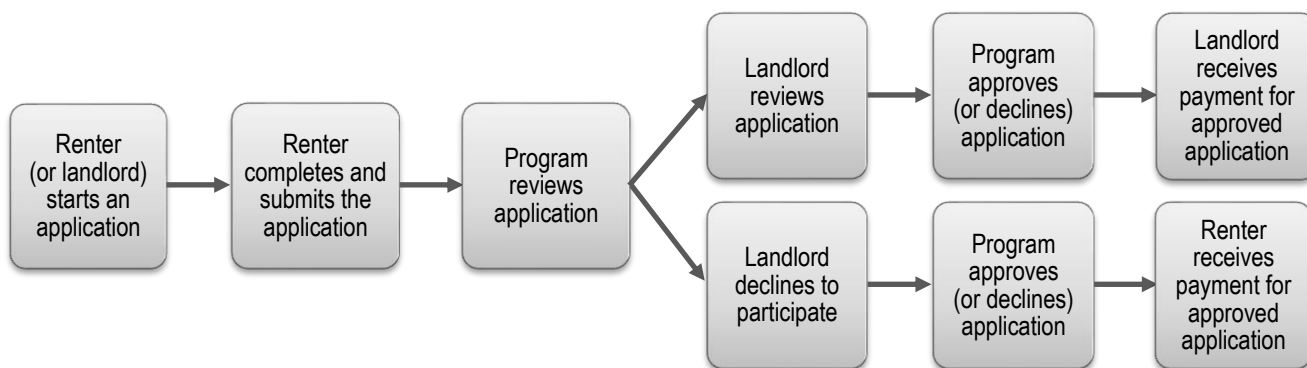
| Benefit Allowed Under Federal Law | Federal ERA1 Limit | Federal ERA2 Limit |
|--|--|---|
| Rent | No limit on past-due rent and up to 3 months future rent, up to a max of 15 months total | No limit on past-due or future rent, up to a max of 18 months total |
| Utilities | Up to a max of 15 months total | Up to a max of 18 months total |
| Other Housing Expenses | Up to a max of 15 months total | Up to a max of 18 months total |

Sources: Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201, March 11, 2021.

Depending on the circumstances, federal law allowed either the landlord or the renter household to receive the program’s assistance payments.⁹ Under ERA1, federal law required grantees to make assistance payments to landlords, rather than to eligible households.¹⁰ However, the law also allowed grantees to make direct payments to households if their landlords would not agree to receive the payments. Under ERA2, federal law did not require grantees to attempt to make assistance payments to landlords before making payments to renter households. However, Minnesota Housing chose to follow the federal ERA1 requirement—to try to pay landlords before offering payments directly to households—for the duration of the program.

Minnesota Housing chose to allow only renter households—not their landlords—to submit applications for assistance, although it did allow landlords to start an application on behalf of their renters. Exhibit 1.4 provides an overview of the application process.

**Exhibit 1.4
Application Process Overview**



Notes: This diagram does not depict every step in the application process, and some of the steps depicted here do not always occur in this order.

Source: Office of the Legislative Auditor.

⁹ Throughout this report, we use the term “landlord” to refer both to property owners and property managers. Property managers were permitted to act on behalf of property owners when interacting with the RentHelpMN program.

¹⁰ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(c)(2)(C)(i)(I), December 27, 2020.

RentHelpMN provided an average of \$7,300 in assistance to more than 58,600 households in Minnesota.

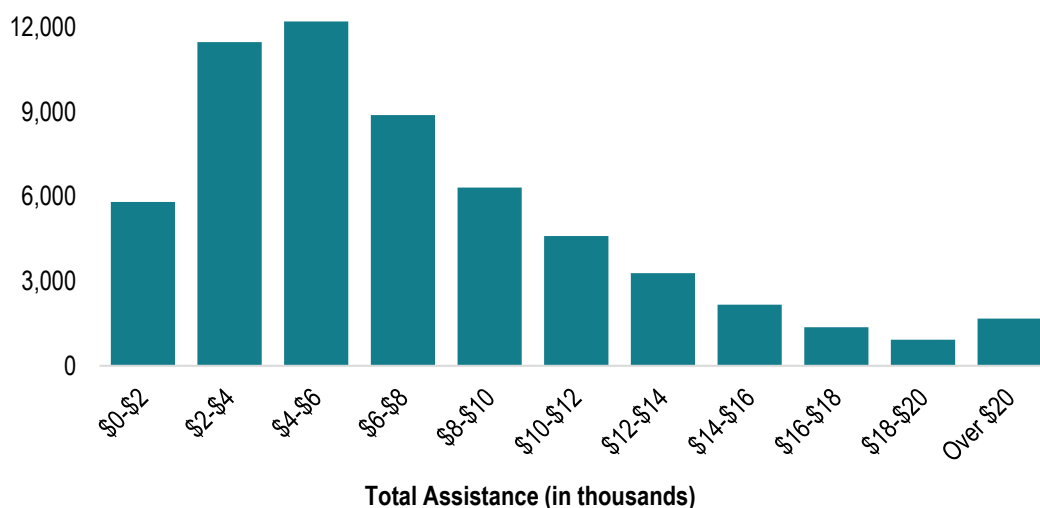
By September 2022, Minnesota Housing had distributed about \$428 million in RentHelpMN assistance for rent, utilities, and other housing expenses on behalf of more than 58,600 households.

Renter households received an average of \$7,300 and a median of \$6,000 in assistance, as Exhibit 1.5 shows. The maximum amount of assistance a household received was \$53,196.¹¹ Households received an average of nine months (and a median of eight months) of assistance.¹²

Exhibit 1.5

The median RentHelpMN assistance payment was \$6,000 per household.

Number of Households



Note: Data were current as of September 2022.

Source: Office of the Legislative Auditor.

Program Administration

In this section, we provide an overview of the program’s administration. We begin by discussing the role of the federal government in overseeing the program and the federal funding that Minnesota Housing received. Then, we discuss the various roles of Minnesota Housing and its contractors in administering the program. Finally, we provide a brief overview of the program’s expenditures.

¹¹ This figure was current as of September 2022.

¹² Data on average and median months of assistance received were current as of June 2022.

Federal Oversight and Funding

The U.S. Department of the Treasury oversaw the Emergency Rental Assistance program at the federal level.

Federal law gave the U.S. Department of the Treasury (Treasury) responsibility for overseeing the ERA program at the federal level. Treasury was responsible for distributing ERA funds to grantees; recapturing and reallocating unused funds; producing quarterly reports; and monitoring and overseeing the disbursement, receipt, and use of program funds by grantees.

Treasury also issued guidance to grantees about how they should implement the program. For example, Treasury issued guidance about the types of documentation that grantees should use to verify applicants' eligibility for assistance.

RentHelpMN was funded entirely through federal dollars; Minnesota Housing was allocated around \$598.3 million in total for the program.

Congress appropriated more than \$45 billion to the federal ERA program through two acts—the Consolidated Appropriations Act of 2021 (ERA1) and the American Rescue Plan Act of 2021 (ERA2).¹³ Each state's total funding allocation was based on its proportion of the national population. Congress made a portion of each state's total allocation available to local governments within that state with a population of over 200,000.¹⁴ Congress also set aside separate ERA funding for American Indian Tribes, the Department of Hawaiian Home Lands, and U.S. territories.

Both acts required Treasury to begin recapturing and reallocating on a specified date funds that grantees had not obligated. ERA1 required Treasury to start recapturing unobligated funds from grantees on September 30, 2021, and reallocate them to grantees that had obligated at least 65 percent of their awards. ERA2 required Treasury to recapture unobligated funds starting on March 31, 2022, and reallocate them to grantees that had obligated at least 50 percent of their original ERA2 allocation. Minnesota Housing received reallocated funds from both programs, as Exhibit 1.6 shows, because it met these obligation deadlines.

¹³ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201, March 11, 2021.

¹⁴ Seven local governments in Minnesota (the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington, and the cities of Minneapolis and St. Paul) were large enough to receive portions of Minnesota's ERA funding. Anoka County, however, chose not to operate its own program, so its ERA allocation was reallocated to the state of Minnesota's program, RentHelpMN.

Exhibit 1.6
RentHelpMN Funding

| Source of Federal Funding | Date Allocated | Amount Allocated (in millions) |
|---|-----------------------|---|
| ERA1 (Consolidated Appropriations Act of 2021) | | |
| Initial Funding | January 2021 | \$289.4 |
| Funding from Anoka County ^a | April 2021 | 10.7 |
| Reallocation | March 2022 | 15.7 |
| Reallocation | August 2022 | 15.1 |
| ERA2 (American Rescue Plan Act of 2021) | | |
| Initial Funding, Tranche 1 | May 2021 | 91.6 |
| Initial Funding, Tranche 2 | December 2021 | 137.4 |
| Funding from Anoka County, Tranche 1 ^a | January 2022 | 3.4 |
| Funding from Anoka County, Tranche 2 ^a | August 2022 | 5.1 |
| Reallocation | November 2022 | 8.3 |
| Reallocation | January 2023 | 9.6 |
| COVID-19 State Fiscal Recovery Fund (American Rescue Plan Act of 2021) | | |
| Round 1 | October 2021 | 7.0 |
| Round 2 | November 2021 | 5.0 |
| Total | | \$598.3 |

^a Anoka County, chose not to operate its own program, so its ERA allocation was redistributed to the state of Minnesota's program, RentHelpMN.

Sources: Office of the Legislative Auditor, based on data provided by Minnesota Housing; Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201 and sec. 9901, March 11, 2021.

In addition to ERA funds, Minnesota Housing received some other federal funds for RentHelpMN via the American Rescue Plan Act.¹⁵ Minnesota received \$2.8 billion from the State Fiscal Recovery Fund, created through this act, to address the fiscal impacts of the COVID-19 pandemic on state budgets. The Legislative COVID-19 Response Commission approved requests from Minnesota Housing to use up to \$27 million from the fund for RentHelpMN assistance payments and administrative expenses, although the agency returned \$15 million that agency staff told us it did not expect to use for making assistance payments.¹⁶

¹⁵ American Rescue Plan Act of 2021, Public Law 117-2, sec. 9901, March 11, 2021.

¹⁶ Minnesota Management and Budget, *Legislative COVID-19 Response Commission—Action Order #6 COVID-19 Flexible Response Account—FY 2022*, issued October 22, 2021; and Minnesota Management and Budget, *Legislative COVID-19 Response Commission—Action Order #7 COVID-19 Flexible Response Account—FY 2022*, issued November 16, 2021.

Minnesota Housing and its RentHelpMN Partners and Contractors

Minnesota Housing was ultimately responsible for overseeing the administration of RentHelpMN, but the agency relied heavily on partners and contractors to perform many program functions.



About Minnesota Housing

Minnesota Housing is the state of Minnesota's housing finance agency. It operates numerous programs that support low- or moderate-income homeowners and renters, many of which provide financing. For example, it offers homebuyer programs that provide home mortgage loans to low- and moderate-income homebuyers, as well as programs that provide mortgages, other loans, and tax credits to entities that rehabilitate or construct rental housing.

Under state law, the management and control of Minnesota Housing is vested solely in the agency's board. The board comprises the state auditor and six members of the public who are appointed by the Governor with the advice and consent of the Senate. The board sets the strategic direction for the agency, issues bonds, and approves individual grant and loan awards, among other things. The commissioner, who is appointed by the Governor, holds "administrative control" of the agency, according to state law.

Unlike most state agencies, statutes provide Minnesota Housing with "sovereign powers" to carry out state policies. The agency is considered a "component unit" of the state, which means it is a legally separate organization for which the state is accountable. The finances of Minnesota Housing and other component units are presented separately from the rest of the state and typically are not audited by the Office of the Legislative Auditor's Financial Audit Division. An independent firm audits the agency's finances annually.

In January 2021, Minnesota Housing's board authorized the agency's leadership to establish the RentHelpMN program. Agency leadership hired a RentHelpMN program manager and some other program staff, and made key decisions about how the program would be designed and administered. For example, leadership developed, compiled, and approved a "Program Guide" that outlined the program's policies. They also decided that RentHelpMN would serve households throughout the state, regardless of whether the household lived in a jurisdiction also served by another local government program.¹⁷ And, they chose to use a centralized, online application portal that could accept applications from across the state, for any of the Minnesota ERA programs, and that would route applications to the appropriate ERA program. Leadership referred to this program design as a "single front door."

In addition, agency leadership chose to use contractors to perform many program functions. We briefly outline the roles of the program's key contractors below and in Exhibit 1.7.

Witt O'Brien's. Minnesota Housing contracted with the firm Witt O'Brien's to "Provide overall management of the [RentHelpMN] program, including workflow and program development, software and process configuration..., project management, and performance management."¹⁸ The agency also used Witt O'Brien's to centrally process applications and make eligibility determinations. Although Witt O'Brien's performed certain functions related to payment processing, Minnesota Housing, rather than Witt O'Brien's, retained responsibility for issuing assistance payments. Witt O'Brien's hired several subcontractors to perform various program responsibilities. For example, some

¹⁷ Minnesota Housing and the other Minnesota ERA programs agreed to route applications to local jurisdictions first, before routing them to RentHelpMN, with some exceptions related to issues such as funding availability and application volume.

¹⁸ Minnesota Housing Finance Agency, Contract with Witt O'Brien's, LLC, for Emergency Rental Assistance Program, signed March 15, 2021.

helped Witt O'Brien's process applications and one helped it to identify cases of suspected fraud.

Allita 360. Minnesota Housing contracted with the firm, Allita 360, to provide a centralized, online application portal.¹⁹ The company provided an off-the-shelf product (also called Allita 360) that promised a range of features in its contract with Minnesota Housing, including those listed in the box below. Minnesota Housing also customized various features of the Allita 360 system for RentHelpMN. For example, Minnesota Housing leadership told us they worked to customize the system so it could route applications from across the state to either RentHelpMN or to the various local government ERA programs in Minnesota.



Application Portal Features

- The ability for program participants, including renter households and landlords, to create accounts in the system.
- The ability for renter households to enter and upload application information and supporting documents, check the status of their applications, and contact application processors.
- The ability for landlords to create "profiles" (or records) for their various properties, verify the information in their tenants' applications, and check the status of those applications.
- Case management functions for application processors, such as the ability to write case notes and send messages to applicants.
- A database to house the program's data.
- The ability to generate reports from program data.
- Various application processing functions, such as the ability to flag errors and duplicate applications, automatically verify an applicant's address, and integrate renter- and landlord-initiated applications.

Greater Twin Cities United Way, 211. Minnesota Housing contracted with the Greater Twin Cities United Way to use its 211 call center to answer basic program questions from the public and to help callers start applications.

Field Partners. Minnesota Housing contracted with around 30 community organizations ("field partners") to create awareness of the program among renters who might not otherwise learn about the program, and to help those renters navigate program requirements and complete their applications.²⁰

After Minnesota Housing received additional program funding through ERA2, it executed new agreements or modified the terms of its existing agreements with most of its contractors.

¹⁹ "Allita 360" was the doing-business-as name for the firm, Greenwood 360, LLC.

²⁰ See the Appendix for a full list of field partners.

Exhibit 1.7 Key RentHelpMN Contractors and Their Roles

| Contractor | Role |
|--------------------------------|---|
| Witt O'Brien's | Provided broad program management services, including workflow and program development, performance management, application processing, and payment processing. |
| Allita 360 | Provided a software application with a database and portal for RentHelpMN, as well as for other ERA programs in the state, that applicants could use to apply for assistance and that application processors could use to process applications. |
| Greater Twin Cities United Way | Provided a centralized call center—called “211”—for the public to access basic information about the program. |
| Field Partners | Created awareness of the program and helped applicants navigate program requirements and submit applications. |

Source: Office of the Legislative Auditor.

Expenditures

As of early 2023, Minnesota Housing had spent or obligated about \$500.4 million in RentHelpMN funds.

As of January 2023, Minnesota Housing had spent or obligated about 99 percent (\$327.9 million of \$330.9 million) in ERA1 funds, 65 percent (\$165.5 million of \$255.4 million) in ERA2 funds, and 58 percent (\$7 million of \$12 million) in COVID-19 State Fiscal Recovery Funds.

Federal law required grantees to spend at least 90 percent of their ERA1 program funds on direct assistance to households.²¹ With nearly all of its ERA1 funds spent or obligated as of January 2023, Minnesota Housing had used 89 percent (\$294.8 million) for direct assistance to households.²²

Aside from direct assistance to households, by far the largest share of total program dollars went toward the agency's contract with Witt O'Brien's—about \$54.7 million, as Exhibit 1.8 shows. Smaller shares were used for other expenditures, such as contracts with field partners (\$4.8 million), and the Greater Twin Cities United Way for 211 services (about \$5 million).²³ About \$829,000 was used to pay for agency staff. At the end of Fiscal Year 2022, a total of 8.4 full-time-equivalent agency staff were assigned to the program.

²¹ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(c)(2)(A), December 27, 2020.

²² Federal law also required grantees to spend at least 85 percent of their ERA2 program funds on direct assistance to households. Because Minnesota Housing had spent or obligated only about 65 percent of its ERA2 funds as of January 2023, we did not assess whether it met this 85 percent threshold. American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(d)(1)(C), March 11, 2021.

²³ See the Appendix for a list of field partners. Federal law allowed ERA grantees to spend a portion of their awards on “Housing Stability Services,” which were intended to help keep households stably housed. In January 2022, Minnesota Housing issued a request for proposals for organizations that would provide Housing Stability Services, which included services such as eviction prevention and housing navigation. We did not include Housing Stability Services contracts in the scope of this evaluation.

Exhibit 1.8
RentHelpMN Expended and Obligated Funds, as of January 2023

| Expenditure Category | ERA1 | ERA2 | Fiscal Recovery Fund | Total |
|-------------------------------------|---------------|---------------|-----------------------------|---------------|
| Total Direct Assistance | \$294,770,100 | \$133,204,200 | – | \$427,974,300 |
| Total Administrative Costs | 33,096,700 | 32,312,000 | \$7,000,000 | 72,408,700 |
| Minnesota Housing Staff | 258,600 | 570,100 | – | 828,800 |
| Witt O'Brien's | 24,083,800 | 23,636,200 | 7,000,000 | 54,720,000 |
| Field Partners | 4,675,400 | 81,900 | – | 4,757,200 |
| Housing Stability Services Grantees | – | 5,053,300 | – | 5,053,300 |
| Greater Twin Cities United Way | 2,415,800 | 2,569,300 | – | 4,985,100 |
| Allita 360 | 657,700 | – | – | 657,700 |
| Other Contractors | 1,005,400 | 401,300 | – | 1,406,700 |
| Grand Total | \$327,866,800 | \$165,516,200 | \$7,000,000 | \$500,383,000 |

Notes: The figures in this exhibit include both expended and obligated funds. We did not audit the figures in this exhibit, which were provided by Minnesota Housing.

Source: Office of the Legislative Auditor, based on data provided by Minnesota Housing.



OLA

Chapter 2: Application Processing

Minnesota Housing received more than 107,000 RentHelpMN applications over the life of the program. In this chapter, we discuss how the program processed those applications. We begin with an overview of the program’s application processing procedures. Then, we examine the extent to which the program made accurate eligibility determinations and how quickly it processed applications. In Chapter 4, we discuss recommendations related to our findings in this chapter.

Process Overview

RentHelpMN’s application processing procedures were complex and iterative. Below, we provide a simplified overview of the procedures.

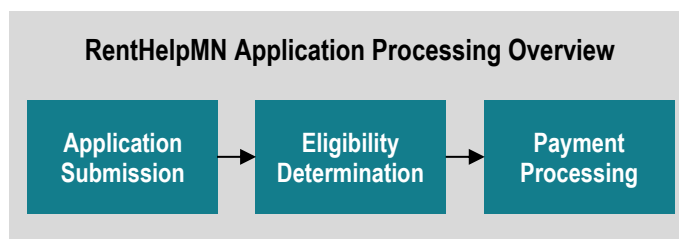
Application Submission. The application process typically began when a renter household created an account through the program’s online application portal (Allita 360) and started an application.¹ The applicant then entered various types of required information about their household’s eligibility (such as the household’s income) into the application, and uploaded supporting documentation. The applicant then submitted the application via the portal.

Eligibility Determinations. Next, Minnesota Housing’s RentHelpMN contractor, Witt O’Brien’s, reviewed and processed the application.² Application processors first reviewed an application for completeness. If an application was missing required information or documentation, then the processor contacted the applicant for that information.

Next, a processor reviewed all of the information in the application, including the supporting documentation that the applicant (or landlord) provided, and determined whether or not the applicant was eligible for benefits. If the processor still needed additional information or documentation before they could make an eligibility determination, then they reached out to the applicant or landlord again.

Then, through the portal, a processor notified the landlord that the application was ready for review.³ The portal

prompted the landlord to verify (or correct) the amount of rent and fees that the applicant claimed that they owed the landlord. The portal also prompted the landlord to agree to receive payment on behalf of the applicant. If the landlord declined to



¹ We discuss features of the program’s Allita 360 application portal on page 11 of this report. RentHelpMN also accepted paper applications sent by mail or fax.

² Witt O’Brien’s used several subcontractors, along with its own staff, to process applications.

³ Throughout this report, we use the term “landlord” to refer both to property owners and property managers. Property managers were permitted to act on behalf of property owners when interacting with the RentHelpMN program.

participate in the program, then the processor took additional steps to redirect the payment to the renter.

Finally, another type of processor reviewed the application for accuracy.

Payment Processing. After determining whether an applicant was eligible for benefits, Witt O’Brien’s application processors performed some additional verification steps to ensure that the right payee (i.e., landlord or renter household) received the requested assistance.

Next, Witt O’Brien’s compiled a list of approved applications from the Allita 360 application system and sent that list to Minnesota Housing. Minnesota Housing then transmitted that list of applications to the program’s bank (U.S. Bank), which issued direct deposits and checks to payees. The bank then provided data about the completed transactions to Minnesota Housing. Minnesota Housing in turn transmitted the data to Witt O’Brien’s, which input it into the Allita 360 application system.

Eligibility Determinations



Attestation of RentHelpMN Eligibility

| Requirement | Attestation Allowed ^a |
|--|----------------------------------|
| 1. Be a renter | ✓ |
| 2. Have an income at or below 80 percent of area median income | ✓ |
| 3. Have experienced a hardship from the COVID-19 pandemic | ✓ |
| 4. Be at risk of homelessness or housing instability | ✓ |
| 5. Have past-due rent | ✓ |

^a Under certain circumstances.

The U.S. Department of the Treasury (Treasury), which oversaw the Emergency Rental Assistance (ERA) program at the federal level, established some requirements about what documentation ERA grantees needed to collect from applicants to prove that they met the program’s eligibility criteria.⁴ But, Treasury also gave grantees significant latitude in what documentation they could choose to require from applicants. Given that the ERA program was established in response to emergency circumstances, Treasury “strongly encourage[d] grantees to avoid establishing documentation requirements that [were] likely to be barriers to participation for eligible households.”⁵

Minnesota Housing allowed renters and landlords to attest that applicants met the program’s eligibility requirements under certain circumstances, rather than requiring them to provide documentation.

Following Treasury’s guidance, Minnesota Housing allowed renters, and their landlords, to attest in writing that the applicant met the program’s eligibility requirements, rather than requiring them to provide documentation proving as much. We list those eligibility requirements in the box above and discuss them below.

⁴ As we discussed in Chapter 1, the federal government granted states, local governments, and other entities funds to operate ERA programs. Minnesota Housing branded its version of the ERA program as “RentHelpMN.”

⁵ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised June 24, 2021, 2, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/guidance>, accessed September 6, 2022.

1. **Renter Household.** Under federal law, only renters were eligible to receive ERA program benefits.⁶ Treasury required grantees to obtain a lease agreement for each applicant that (1) was signed by both the applicant and the landlord, (2) identified where the applicant lived, and (3) identified the rental rate. However, if the parties did not have a formal lease agreement, Treasury allowed grantees to collect alternative documentation, such as a paid utility bill, bank statements, or a written attestation from a landlord, to verify that the applicant lived at the property and to establish the rental rate.

As allowed by Treasury, Minnesota Housing permitted landlords to attest that applicants were renting from them if the two parties did not have a lease.⁷ In such cases, Minnesota Housing allowed applicants and landlords to complete a “Self-Certification of Landlord/Tenant Relationship” form.

2. **Income Limit.** Under federal law, only households with incomes at or below 80 percent of area median income (AMI) were eligible for ERA benefits.⁸ The box at right shows the program’s highest and lowest household income limits across the state for Federal Fiscal Year 2021 (for the Twin Cities metropolitan area and Clearwater County).⁹



Annual Household Income Limits for RentHelpMN

| Household Size | Twin Cities Metro | Clearwater County |
|----------------|-------------------|-------------------|
| 1 | \$ 55,950 | \$41,750 |
| 2 | \$ 63,950 | \$47,700 |
| 3 | \$ 71,950 | \$53,650 |
| 4 | \$ 79,900 | \$59,600 |
| 5 | \$ 86,300 | \$64,400 |
| 6 | \$ 92,700 | \$69,150 |
| 7 | \$ 99,100 | \$73,950 |
| 8 | \$105,500 | \$78,700 |

Treasury required grantees to have a “reasonable basis” for determining a household’s income.¹⁰ In its guidance, Treasury stated, “A grantee may support its determination with both a written attestation from the applicant as to household income and also documentation available to the applicant, such as paystubs, W-2s or other wage statements, tax filings, bank statements demonstrating regular

⁶ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(f)(2), March 11, 2021.

⁷ RentHelpMN also accepted bank statements or other documents that showed evidence of rent payments to a landlord, as alternatives to a lease.

⁸ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A)(iii), December 27, 2020. Under ERA2, Congress defined eligible households as “low-income” families (as in, households at or below 80 percent of AMI), but permitted the Secretary of the U.S. Department of Housing and Urban Development to adjust these income limits as necessary. American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(f)(2)(C), March 11, 2021; and 42 U.S. Code, sec. 1437a(b)(2)(A) (2020).

⁹ The callout box shows 80 percent of AMI, as determined by the U.S. Department of Housing and Urban Development (HUD), for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin HUD Metro Fair Market Rent area and for Clearwater County in Federal Fiscal Year 2021. The counties in the “Twin Cities Metro” area had the highest income limits in the state. We selected Clearwater County as an example of an area with the lowest income limits; the county is 1 of 40 Minnesota counties with the same income limit for a single household member. U.S. Department of Housing and Urban Development, *Fiscal Year 2021 Income Limits*, effective April 1, 2021, <https://www.huduser.gov/portal/datasets/il.html#2021>, accessed July 22, 2022.

¹⁰ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised February 22, 2021, 2.

income, or an attestation from an employer.”¹¹ However, “[i]n order to provide assistance rapidly, during the public health emergency,” Treasury also allowed grantees to rely on written self-attestation alone, if an applicant was unable to provide documentation.¹²

Following Treasury’s guidance, Minnesota Housing allowed applicants to self-attest to their household income if they could not provide income documentation.

3. **COVID-19 Hardship.** Under federal law, only households containing a member that had either (1) “experienced a reduction in household income, incurred significant costs, or experienced other financial hardship” due to or during the COVID-19 pandemic; or (2) “qualified for unemployment benefits,” were eligible for ERA program benefits.¹³

In its guidance to grantees, Treasury acknowledged that “[i]t may be difficult for some grantees to establish whether a financial hardship experienced during the pandemic [was] due to the COVID-19 outbreak,” as ERA1 required.¹⁴ Because of this challenge, Treasury “strongly encourage[d]” grantees to rely on applicants’ attestations that they experienced qualifying financial hardships under ERA1.¹⁵ Treasury also allowed grantees to accept written attestations for applicants’ financial hardships under ERA2, although these hardships only needed to occur “during” the pandemic. Similarly, Treasury allowed grantees to accept written attestations that applicants qualified for unemployment benefits.

As allowed by Treasury, Minnesota Housing did not require applicants to submit documentation to show that they either experienced a financial hardship or qualified for unemployment benefits; rather, the agency required applicants only to provide a written attestation.

4. **Risk of Homelessness or Housing Instability.** Under federal law, only households with a member that could “demonstrate a risk of experiencing homelessness or housing instability” were eligible for ERA benefits.¹⁶

Over time, Treasury clarified the methods that applicants could use to demonstrate that they met this eligibility requirement. In its February 2021

¹¹ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised August 25, 2021, 4-5.

¹² In such cases, Treasury required grantees to reassess an applicant’s income every three months, by obtaining documentation or a new self-attestation. U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised August 25, 2021, 5.

¹³ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A)(i), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(f)(2)(A), March 11, 2021.

¹⁴ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised June 24, 2021, 3; and Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A)(i)(II), December 27, 2020.

¹⁵ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised June 24, 2021, 3.

¹⁶ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(k)(3)(A)(ii), December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(f)(2)(B), March 11, 2021.

guidance to grantees, Treasury stated that a household could demonstrate that they met this criterion by providing documentation such as a past-due utility bill, rent notice, or eviction notice; evidence of unsafe or unhealthy living conditions; or other evidence determined by grantees. In its June 2021 guidance, Treasury allowed grantees to establish additional criteria to determine whether a household met this eligibility requirement. Then, in its August 2021 guidance, Treasury stated that grantees could rely solely on an applicant's self-attestation, without other documentation, if documentation was not immediately available.

In effect, RentHelpMN applicants demonstrated that they met this eligibility criterion in two ways. First, Minnesota Housing required applicants to have past-due rent. Second, it required applicants to provide a written attestation that they met the criterion. (It also allowed—but did not require—applicants to provide supporting documentation.)

5. **Past-Due Rent.** As we mentioned previously, Minnesota Housing limited RentHelpMN benefits to applicants with past-due rent. When the program first opened to applications, Minnesota Housing required applicants, or their landlords, to provide a rent ledger to show that the applicant owed past-due rent. (A rent ledger is a document that lists the applicant's past rent payments and amount due.) If they could not provide a rent ledger, then the landlord and applicant could attest that the applicant owed rent.

RentHelpMN's application processors correctly determined the eligibility of 40 of the 41 applications in the sample that we reviewed.

We reviewed a nonstatistical sample of 41 applications to assess whether the program's application processors correctly approved or declined them.¹⁷ Of the 41 applications in our sample, the program declined 10 and approved and paid the remaining 31. In our review, we checked whether each application contained required information and documentation, such as a lease or other acceptable documentation to demonstrate that an applicant was a renter. We also checked to see whether application processors correctly determined each applicant's eligibility, based on the information in the application and according to the federal or program requirements listed above.

Of the ten declined applications in our sample, we found evidence that application processors made correct eligibility determinations in all ten cases. Processors correctly declined one of the ten cases for not meeting the federal income eligibility requirement. They correctly declined five of the ten cases because the applicants did not have past-due rent. Processors declined the remaining four of the ten cases either for potential fraud or because the applicant did not respond to processor requests for information. Out of these four cases, we confirmed that two were ineligible because the applicant did not provide sufficient evidence to show that they were renting, and we confirmed that another was eligible but lacked information needed to issue an assistance payment. For the remaining case, we agreed with an application processor's eligibility determination before the application was later declined for potential fraud.

¹⁷ Of the 41 applications in our sample, we selected 25 randomly and 16 intentionally, based on a variety of characteristics of interest. All 41 applications were initial applications, rather than reapplications. (After the program had processed a renter's application, the applicant could reapply for additional months of assistance.)

Of the 31 approved and paid applications in our sample, we found that application processors made correct eligibility determinations in all but 1 of the cases. That one case did not include evidence that the applicant had past-due rent; as a result, application processors should have declined it.

Given that Minnesota Housing allowed applicants and landlords to attest that applicants met the program's eligibility requirements—rather than provide documentation proving their eligibility—it is perhaps not surprising that we found few issues in our eligibility determination review. For example, all that applicants needed to do to show that they met either the COVID-19 Hardship eligibility criterion, or the Risk of Homelessness or Housing Instability criterion, was to check a box in the application.

Processing Speed

Minnesota Housing was slow to distribute RentHelpMN funds in the first four months of the program, but then it sped up its distribution considerably.

The agency made its first RentHelpMN payment in May 2021, as shown in Exhibit 2.1. Over the following four months, it distributed less than \$8 million per week. But, distribution rose to over \$26 million during the week of September 30, 2021. This increase coincided with a key federal deadline. As noted previously, Congress created the ERA program in response to emergency conditions. As such, it established incentives for grantees to distribute the program's assistance quickly. Notably, under ERA1, Treasury was required to recapture “excess” unobligated funds from grantees beginning on September 30, 2021, and reallocate them to grantees that had obligated at least 65 percent of their funds.¹⁸

Fund distribution continued to be high from October through December, then tapered off after the program closed to new applications in January 2022.

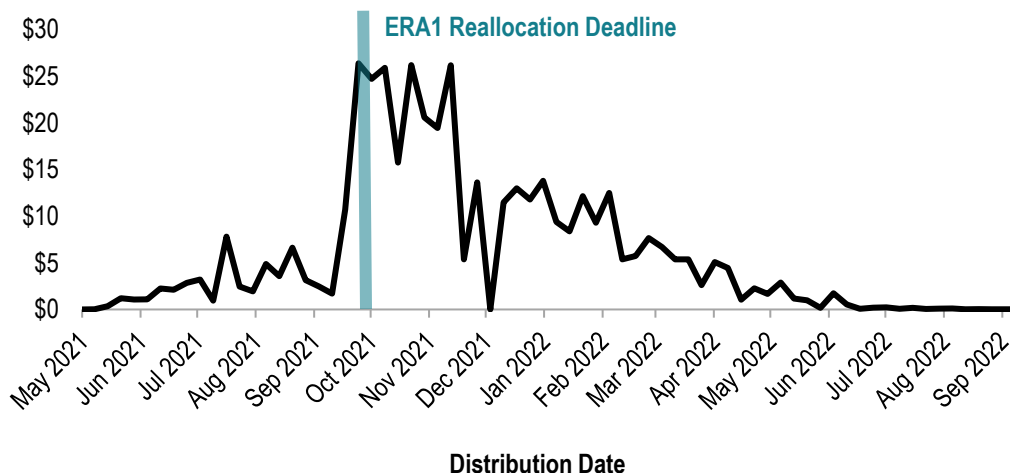
RentHelpMN was somewhat slower than other states' ERA programs in distributing initial assistance payments, but was somewhat faster in distributing later payments. By the end of April 2021, 67 percent of states that operated ERA programs had distributed their first assistance payments.¹⁹ RentHelpMN issued its first payment on May 13, 2021. By the end of June 2021, 52 percent of state programs had distributed at least 4 percent of their total ERA funds, while RentHelpMN had distributed only 2 percent. However, RentHelpMN overtook most other state programs in payment distribution speed by the end of the year. By that point, the program had distributed 57 percent of its total allocation; only seven other state programs had distributed proportionally more assistance at that time.

¹⁸ Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501(d), December 27, 2020. Under ERA1, the law allowed Treasury to determine what constituted “excess” funds. Treasury was also required to recapture and reallocate unobligated funds under ERA2 (American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201(e), March 11, 2021).

¹⁹ U.S. Department of the Treasury, *Emergency Rental Assistance Monthly Compliance Report*, June 1-30, 2022, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/reporting>, accessed December 29, 2022.

Exhibit 2.1
Distribution of RentHelpMN Funds, May 2021 through September 2022

Funds Distributed (in millions)



Notes: This exhibit shows net distributions by week; it accounts for voided checks, rejected direct deposits, and recouped overpayments.

Source: Office of the Legislative Auditor, analysis of program data.

Minnesota Housing did not establish standards for how quickly program staff needed to process applications.

Beyond the federal reallocation deadlines, neither federal law nor guidance set standards for how quickly ERA grantees needed to process applications. Likewise, in its contract with Witt O’Brien’s, Minnesota Housing did not establish any specific benchmarks against which it would assess the contractor’s application processing speed. According to its contract, Minnesota Housing paid Witt O’Brien’s on a reimbursement basis, for actual work performed to the agency’s “reasonable satisfaction.”

Although Minnesota Housing did not set such standards, leadership told us they monitored and assessed the contractor’s performance with respect to processing speed. Witt O’Brien’s provided Minnesota Housing leadership with various types of status reports over the life of the program, some of which contained data on how many applications were waiting for various stages of processing and how long those applications had been waiting at those stages. Despite processing times averaging several months, which we discuss in the next section, Minnesota Housing leadership told us that the agency did not decline any reimbursement requests from Witt O’Brien’s for failing to meet the agency’s expectations. Rather, they said the contractor excelled at being able to address problems that arose throughout the program.

RentHelpMN took nearly three months, on average, to process applications, although processing speed improved over time.

Based on our review of program data, renter households waited an average total of 87 days for their applications to be processed.²⁰ They waited an average of 26 days for program staff to *begin* reviewing their applications.²¹

Applicants waited
an average of
87 days
for RentHelpMN to process
their applications.

RentHelpMN was meant to provide emergency relief to individuals and families in crisis, but it often left applicants waiting months for assistance. In order to be eligible for benefits, applicants had to already be behind on their rent.



Some clients got evicted, moved or were in further debt than RentHelpMN could help with by the time the applications were processed. Landlords were frustrated and it put strains on many landlord-tenant relationships.

— A field partner

The application process took a very long time. We had a few residents waiting to hear back for over 6 months, and then were denied after the fact.

— A landlord

Some landlords described significant stress they experienced due to program processing delays.

A number of field partners and landlords we contacted expressed dissatisfaction with how long the program took to process applications. We surveyed a sample of landlords and asked them whether they used the RentHelpMN online portal to review any of their renters' applications.²² Of the 162 landlords who answered "yes," 84 (52 percent) disagreed that RentHelpMN approved or declined their renters' applications in a timely manner.

Although some application processing time can be attributed to time that program staff spent waiting on applicants and landlords to provide missing information, we estimated that more than three-quarters of it was due to the program's own processes. Based on our analysis of application data, we estimated that, on average, over the life of the program, 79 percent of total application

processing time was attributable to processors, while 13 percent was attributable to applicants, and only 8 percent was attributable to landlords.²³

Program participants attributed the long processing times to various factors. For example, some landlords and field partners we heard from reported technical difficulties with the application portal, such as trouble uploading documents. Other landlords and field partners noted processing delays related to the limited or poor customer service available to them. As we discuss more in Chapter 4, applicants had limited ability to contact application processors to resolve issues with their applications.

²⁰ Renter households waited a median of 72 days for their applications to be processed. We analyzed the program's application processing data from the start of the program (April 20, 2021) through June 2022, roughly five months after the program closed to new applications. Because application processors sometimes worked on weekends and state holidays, throughout this section, we report application processing time in calendar days, rather than business days.

²¹ Households waited a median of 21 days for program staff to begin reviewing their applications.

²² We sent the survey to a random sample of 890 landlords that were associated with RentHelpMN applications. We received 207 responses, for a response rate of 23 percent.

²³ We analyzed how long applications had statuses within the application portal that indicated that action was needed by either program staff, applicants, or landlords.

The structure for processing applications may also have extended the time needed to process applications. Witt O'Brien's used staff from several subcontractors, in addition to its own staff, to process applications. The program cycled through hundreds of application processors over the life of the program. A program staff person told us that whenever a processor left the program, their cases had to be reassigned, and the review process would start all over for those cases. One applicant identified this staffing structure as a problem, because they had to constantly reexplain the details of their case to each processor, and processors were reluctant to fully go back through their case. In our review of a sample of applications, one case was handled by seven different application processors.



[Just] one person...did[n't] work on your case. It was put in a circular [queue for] whoever picked it up. So, you'd have to [re]explain everything, and [the next processor] wouldn't go through all of the documents to see what had happened. So, it just kept [going]. It was just crazy.... My landlord is furious.

— An applicant



Manual Steps for Determining Household Income

1. Determine whether each adult household member attached documents that showed either their annual income or their income from the past two months
2. Calculate an estimated annual income for each person that provided monthly income documents
3. Calculate a total household income by adding together each adult's annual income
4. Determine whether the household's documented annual income was at or below the income limits for the household's size and county of residence

Another factor that likely contributed to processing times was the manual nature of the application review process. When reviewing applications, processors had to manually make multiple calculations, compare information across multiple documents and screens in the application portal, and check for compliance with several program policies. For example, the box at left summarizes some of the steps involved in determining an applicant's household income.

Processing times that often extended to several months also created inefficiencies in the use of program dollars. For example, they sometimes led to an increase in late rent fees. Because program funds could be used to pay for late rent fees, processing delays may have reduced how far program funds could stretch.

In addition, long processing times created more work for processors, which could have resulted in applicants waiting even longer for assistance. For example, in some of the cases that we reviewed, months after the renter household submitted their application, processors had to contact the applicant to obtain an updated rent ledger. In at least one case we reviewed, processors asked the applicant whether they wanted to add future months of rental assistance to their application after processing time had elapsed. This type of outreach would not have been necessary if the program had processed applications promptly.



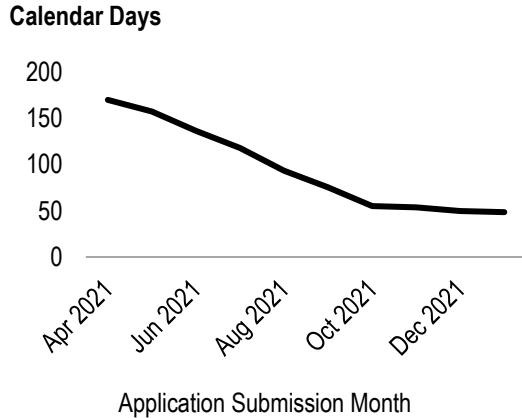
In most cases the applications for the tenants I worked with took months to process. More often than not, the processing team would be asking for updated past-due rent statements and then the processing cycle would start all over again.

— A field partner

The program’s application processing time improved over time, as Exhibit 2.2 shows. Applications submitted in April 2021, at the beginning of the program, took an average of 170 days to process; applications submitted in the last four months of the program, October 2021 through January 2022, took less than 55 days. The amount of time that applications sat waiting for initial processing also decreased over time, from 44 days on

average for applications submitted in April through June of 2021, to 13 days for applications submitted in October 2021 through January 2022.

Exhibit 2.2
Average Total Application Processing Time



Source: Office of the Legislative Auditor, analysis of program data.

One likely reason that processing time improved over time was an increase in application processing staff. According to its original ERA1 contract, Witt O’Brien’s was responsible for providing a scalable team of up to 100 processors. In March 2021, before the program opened to applications, Witt O’Brien’s had a total of 82 employees and subcontractors working on the program.²⁴ In October 2021, Minnesota Housing revised its contract with Witt O’Brien’s, allowing the contractor to provide a scalable team that could exceed 450. The total number of Witt O’Brien’s staff and subcontractors working on the program peaked in December 2021, at 622.

²⁴ This figure represents a headcount of all Witt O’Brien’s staff and subcontractors working on the program in any capacity at a fixed point in the month.

Chapter 3: Payment Accuracy

In early 2022, we learned that some landlords and other stakeholders had concerns about payment inaccuracies in the RentHelpMN program.¹ In our survey of landlords that participated in the program, we asked whether they had received a RentHelpMN payment for any of their tenants.² Of the 154 landlords who answered “yes,” 30 (19 percent) reported that they received an incorrect payment amount—either more or less than the amount the program determined that their tenant was eligible to receive. Additionally, we asked landlords whether they received a payment for someone who was not their tenant. Seven landlords said they received a payment for someone who was not their tenant. In this chapter, we examine the processes that the program used to help ensure accurate payments and the extent to which it made accurate payments. In Chapter 4, we discuss recommendations related to our findings in this chapter.

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

Payment Verification Processes

The U.S. Department of the Treasury (Treasury), which oversaw the Emergency Rental Assistance (ERA) program at the federal level, gave ERA grantees significant flexibility over how they should ensure program funds were used correctly. For example, Treasury did not prescribe what documents grantees needed to gather from renter households or landlords in advance of a payment to ensure that program funds went to the right recipient. Treasury stated in its guidance that it expected grantees to “apply reasonable fraud-prevention procedures,” but did not specify what procedures it considered to be reasonable.³

Consequently, Minnesota Housing had significant latitude over the policies and procedures it could use to help ensure accurate payments. In this section, we discuss our review of some of the documents processors used to verify the property owner and the person or entity that received payment. Then, we discuss whether Minnesota Housing paid the correct amount of rental assistance for the applications we reviewed.

Landlord Verification

According to RentHelpMN’s written procedures and interviews with program staff, application processors were expected to take several steps to ensure that the landlord

¹ Throughout this report, we use the term “landlord” to refer both to property owners and property managers. Property managers were permitted to act on behalf of property owners when interacting with the RentHelpMN program.

² We sent the survey to a random sample of 890 landlords that were associated with RentHelpMN applications. We received 207 responses, for a response rate of 23 percent.

³ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised June 24, 2021, 14, <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/emergency-rental-assistance-program/guidance>, accessed September 9, 2022.

matched the correct application and that the program paid the correct person or entity, referred to as the “payee.” The payee could be either the property owner or manager. Application processors were expected to review a property ownership record from a third-party property ownership database or from the local county assessor’s office. If application processors could not verify the name of the property owner using either of these methods, they were expected to review other proof of ownership provided by the property owner. Program staff told us that application processors also reviewed an IRS document provided by the payee.⁴

For several applications we reviewed, certain documents used to verify the property owner and/or payee were missing or did not match.

We reviewed a nonstatistical sample of 41 applications, 31 of which were approved and paid.⁵ For the 31 paid applications that we reviewed, we compared the property owner names in the property ownership record to the names in the IRS document. If the application contained a lease, we also compared the names in the property ownership record and IRS document to the name of the property owner or manager listed on the lease.

In 13 of the 31 applications, documents that processors indicated they used to verify the property owner and/or payee were either missing or contained nonmatching information. In 6 of the 13 applications, the application did not include a property ownership record, so we could not compare the record to other documentation in the file to determine whether the names on the documents matched.⁶ In another 6 of the 13 applications, the property owner name listed on the property ownership record did not match the name listed on the IRS document and/or lease; however, those 6 applications contained other documentation or notes that indicated how the processor could have resolved the discrepancies. In the remaining application, the property owner name and address were different from the name and address on the IRS document associated with the application, and the processor did not document how they resolved the discrepancy.

We did not conclude that the issues we identified with missing and nonmatching documents resulted in the program paying the wrong payee. However, the process used to verify the property owner and payee was complicated, and application files did not always contain all the evidence necessary for us to independently verify property owners.⁷

⁴ The document was IRS form W-9.

⁵ Of the 41 applications in our sample, we selected 25 randomly and 16 intentionally, based on a variety of characteristics of interest. All 41 applications were initial applications, rather than reapplications. (After the program had processed a renter’s application, the applicant could reapply for additional months of assistance.)

⁶ The program did not require application processors to save in the application file a copy of the property ownership record. As a result, we reviewed the records that were available from the third-party property ownership database at the time of our review.

⁷ The program has additional steps to validate a payee prior to making a payment for an application.

Assistance Amount Verification

Based on our review, Minnesota Housing did not pay the correct amount of rental assistance in 5 of 31 paid applications.

We also reviewed the 31 paid applications in our sample to determine whether the program paid the correct amount of rental assistance.⁸ In our review, we assessed whether each application contained the required documentation to support the payments, and whether the program paid only for eligible expenses. For example, we reviewed whether the amount requested by the applicant matched the provided documentation, whether the landlord confirmed the amount the applicant requested, and whether the program paid for more than the maximum months allowed under program rules.

Of the 31 paid applications in our sample, we found that Minnesota Housing paid the correct amount of rental assistance in 26 applications; based on our review, it did not pay the correct amount for the remaining 5. We outline the various issues that we found in those five applications—which include both an underpayment and overpayments—in Exhibit 3.1.

Exhibit 3.1 Applications with Incorrect Payments

| Application | Issues | Net Overpayment or Underpayment |
|-------------|---|----------------------------------|
| 1 | The program failed to decline the application because the applicant did not have past-due rent. | Net overpayment of \$2,735 |
| 2 | Within the application, the landlord increased the applicant’s rental request for one month by \$127, but did not provide updated documentation to support that increase as required by program policy; the program paid the increased amount anyway. For a different month, the program paid only \$78 out of a \$980 eligible rental assistance request. | Net underpayment of \$775 |
| 3 | The program initially sent a check for the correct amount of rental assistance, but because the landlord did not receive the check, the program voided it. The program then reissued a check, but this time for the wrong amount, incorrectly including the utility payment as well as the rent. | Net overpayment of \$244 |
| 4 | The program paid more rental assistance for three months than the applicant was eligible to receive, according to attached documentation. The program also incorrectly paid late rent fees for two future months, according to the dates and late fee amounts documented in the application. | Net overpayment of \$131 |
| 5 | The program paid a \$19 late fee for a month that was not supported by the attached documentation, based on our assessment of the amount owed after applying past subsidy and rent payments. Additionally, the application did not have updated past-due rent documentation, which meant that we could not verify whether the program paid for rent already covered by another program. | Net overpayment of at least \$19 |

Source: Office of the Legislative Auditor.

⁸ In our review, we did not examine whether the program paid the correct amount of assistance for utility expenses that the tenant paid to entities other than their landlord.

Fraud

Prevention and Detection

Minnesota Housing refined its fraud prevention processes for RentHelpMN as the program progressed; as of August 2022, the program had identified and declined more than 4,350 applications suspected of fraud.

As we described earlier, Treasury’s guidance stated that it expected grantees “to apply reasonable fraud-prevention procedures.”⁹ The program used several processes to prevent making payments for fraudulent applications.

When the program launched, Minnesota Housing had a process in place to accept allegations of fraud from the public. Members of the public could report suspected fraud by phone or through a form on the agency’s website that was already being used to accept allegations related to a variety of agency programs—not just RentHelpMN. If Minnesota Housing received reports alleging fraud in RentHelpMN, staff forwarded them to Witt O’Brien’s lead fraud specialist for the program, who investigated them. Minnesota Housing program leadership then made final decisions about how to handle the cases named in those reports, based on the Witt O’Brien’s lead fraud specialist’s recommendations.

A Witt O’Brien’s staff member told us that the company also trained application processors to identify suspected fraud as they processed applications; processors then forwarded suspected fraud cases to Witt O’Brien’s lead fraud specialist. In those cases, the lead fraud specialist, or Minnesota Housing leadership under some circumstances, made decisions about how to handle them.

A program staff person told us that, starting in the fall of 2021, the program began to experience a significant increase in applications suspected of fraud. Program staff told us that in November 2021, in response to this increase, Witt O’Brien’s hired a subcontractor to develop a predictive data model to help identify fraudulent applications more efficiently. Although the Allita 360 application already contained a built-in fraud score, a program staff person told us they found that the Allita 360 fraud score was not predictive of fraud.¹⁰ Program staff said they ran all applications through the predictive model, including those that the program had processed before the development of the model, which identified some applications that had already been paid as potentially fraudulent.

By August 2022, through various methods, the program had identified and declined more than 4,350 applications that were suspected of fraud. Minnesota Housing reported that between July 1, 2021, and June 30, 2022, it had determined that 94 applications for which it had already issued payments were potentially fraudulent.

⁹ U.S. Department of the Treasury, Emergency Rental Assistance, *Frequently Asked Questions*, revised June 24, 2021, 14.

¹⁰ We discuss features of the program’s Allita 360 application portal on page 11 of this report. Although the Allita 360 application contained components to help the program identify fraud, providing an effective fraud detection tool was not included in Minnesota Housing’s original contract with Allita 360.

Referrals for Investigation

Minnesota Housing coordinated with several entities to refer potentially fraudulent cases for criminal investigation or prosecution.

Minnesota Housing provided us with guidance that staff said Treasury released on its website in December 2021.¹¹ According to Minnesota Housing, that guidance directed ERA grantees to report fraud in excess of \$100,000 to Treasury’s Office of the Inspector General (OIG) and to report fraud to the grantee’s primary state or local law enforcement. An agency official told us that Minnesota Housing met with Treasury’s OIG staff while developing agency reporting procedures, and that Minnesota Housing had reported eight cases of suspected fraud with payments of \$100,000 or more to Treasury’s OIG as of November 2022.

At the state level, Minnesota Housing’s RentHelpMN program guidance, which the agency completed in November 2021, directed staff to refer overpayment cases to the Minnesota Attorney General’s office if a program participant did not return an overpayment in a “timely” manner.¹² The guidance also stated that staff should refer cases involving evidence of criminal activity to law enforcement. Minnesota Housing reported that between July 2021 and June 2022, it referred 352 applications to the Minnesota Attorney General’s office or local law enforcement offices for additional investigation or review. Minnesota Housing has also coordinated with the Bureau of Criminal Apprehension to investigate potential fraud in coordination with the Minnesota Office of the Attorney General.

Overpayments

Overpayments in the program occurred for a variety of reasons. In some cases, the program itself made an error, such as sending a duplicate check or sending a check to the wrong landlord. In other cases, the program was not at fault, such as when a renter moved out before the rental period that the program had paid for had passed. Still other cases involved suspected fraud. In this section, we discuss Minnesota Housing’s efforts to identify and recoup overpayments.

As of September 2022, program staff had identified \$3.5 million in overpayments.

Program staff identified overpayments in a few different ways. For example, they identified some overpayments through the program’s fraud prevention and detection processes that we discussed in the previous section. They also analyzed program data to identify overpayments, such as payments made for more than the maximum number of months of assistance. In addition, they learned of overpayments from program participants themselves, such as from landlords that received duplicate payments or payments that were not for their renters.¹³

¹¹ At the time of our evaluation, that guidance was no longer available on Treasury’s website.

¹² Minnesota Housing, *MHFA Guidance for Recoupment of Federal Grant Funds*, updated January 2022.

¹³ In July 2021, Minnesota Housing posted a form on its website for landlords to fill out and mail to the program if they received an overpayment.

By September 2022, program staff had identified 630 overpayments totaling \$3.5 million, nearly two-thirds of which (\$2.2 million) were under review for suspected fraud. These overpayment figures represent cases in which staff either suspected fraud after payment had been made or in which the agency made a payment that exceeded an amount allowed by program rules. At the time this report was written, program staff had not yet confirmed whether some of these payments were improper under federal guidance.

According to program guidance issued in November 2021, when staff identified an overpayment, the program was supposed to send the payee a letter demanding that the funds be returned within 30 days. During that 30-day period, the payee could contest the program's determination that the funds were wrongfully or mistakenly received. For cases not suspected of fraud, program staff told us they used the recoupment process to work with payees to determine accurate payment amounts. In May 2022, agency leadership approved a program waiver which allowed participants to keep certain overpayments if the overpayment was caused by program error and if participants could show that the renter household would have otherwise been eligible to receive the assistance.

As of September 2022, staff had either already recouped or contacted participants to initiate the recoupment process for 481 of the 630 overpayments (\$3.4 million). These 630 overpayments, however, do not include all program overpayments. For example, they do not include all overpayments that program participants returned voluntarily, prior to a request from the program. Rather, they include only those overpayments that staff identified to review for recoupment. Staff also told us that the program's efforts to identify overpayments are ongoing. We found an additional 13 applications suspected of fraud with payments totaling around \$63,700 that staff had not yet identified to review for recoupment.

Minnesota Housing had an additional review process in place for applications with assistance requests exceeding a specific dollar threshold; the agency paid a small number of those applications and then later suspected them of being fraudulent.

Minnesota Housing program leadership told us that they implemented an additional layer of review for applications involving assistance requests exceeding a specific dollar threshold. They told us that they, rather than Witt O'Brien's application processors, were responsible for granting final approval on these applications. The agency approved and paid at least 970 applications with assistance requests over that specific dollar threshold.

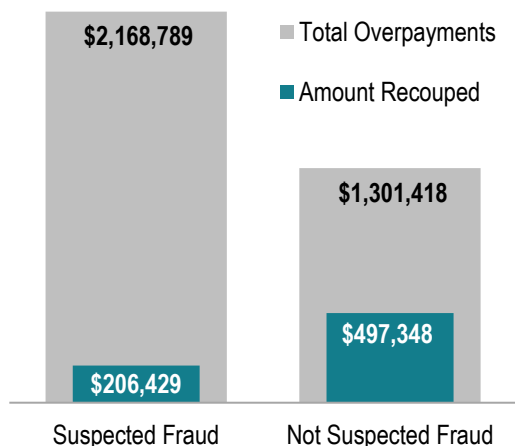
Despite implementing this additional layer of review, we found that the program approved and paid out 33 applications with assistance requests that exceeded the specific dollar threshold and were later suspected of fraud, which together totaled approximately \$787,000.

Minnesota Housing’s efforts to recoup program overpayments are ongoing.

The program increased its efforts to recoup overpayments in mid-February 2022, after the program had closed to new applications. By that time, some of the overpayments that the agency had made were more than eight months old. On average, as of

September 2022, the agency sent initial recoupment demand letters about six months after it made the overpayments. In some cases, it did not send the letter for more than one year after it made the overpayment.

**Exhibit 3.2
Recouped Overpayments,
as of September 2022**



Minnesota Housing staff told us that the program’s efforts to recoup funds are still ongoing. By September 2022, the program had recouped about \$704,000 of the \$3.5 million in overpayments it had identified. The program had recouped only about 10 percent (\$206,000) of the overpayments associated with suspected fraud and about 38 percent (\$497,000) of overpayments not associated with suspected fraud, as Exhibit 3.2 shows. Of the \$1.3 million in overpayments not related to suspected fraud, program staff had allowed 29 payees to keep a total of about \$128,000 in overpayments that staff later determined were eligible payments.

Source: Office of the Legislative Auditor.



OLA

Chapter 4: Discussion

Emergency conditions, like those created by the COVID-19 pandemic, often present policymakers and government officials with competing priorities. In the case of RentHelpMN, Minnesota Housing was charged with implementing a large and complex new program while correctly applying federal eligibility requirements and distributing accurate payments. But, it was also charged with implementing the program in a very short amount of time with changing federal guidance and limitations on administrative spending. In this final chapter, we discuss the implications of some of the tradeoffs that the agency made in the face of these competing priorities, and provide some recommendations for Minnesota Housing to consider if it administers a similar program in the future.

Conclusions

RentHelpMN provided critical assistance to many Minnesotans during the COVID-19 pandemic, but application processing delays caused frustration for some program participants.

RentHelpMN assisted low-income households at a time when many were affected by the pandemic in myriad ways. For example, it provided stop-gap assistance to workers who were left temporarily or permanently unemployed by the pandemic, supported public health goals by allowing individuals to stay housed to reduce the spread of the virus, and enabled rental property owners to pay their mortgages. Various stakeholders that we communicated with spoke positively about the program's impact.



...we cannot emphasize enough the common frustration we heard from many clients: an overall lack of communication and just basic information/updates on their application status for lengthy periods of time, which put them in a precarious situation with their landlord.... For many the lack of clarity about if their application would be approved and later paid out timely was very traumatic.

— A tenant advocacy organization



This program was very helpful in making sure I was able to pay the mortgage and association dues for the tenant. Without it, it would have been extremely difficult for me and for the tenant.

— A landlord

But, as we discussed in a previous chapter, prolonged application processing times also caused some participants stress. Several stakeholders described renters' emotional or financial distress while they waited long periods of time for an eligibility determination or payment. One landlord described needing to rely on credit to pay their mortgages. Another said they could not make repairs for renters while waiting on RentHelpMN payments.

Minnesota Housing opened RentHelpMN to applications in fewer than four months, but some components of the program necessary to ensure a smooth operation were not in place at that time.

Minnesota Housing leadership told us that they were under enormous pressure to launch the program and distribute funds quickly. Especially considering the size and complexity of the program, Minnesota Housing did launch RentHelpMN quickly. Congress passed the Consolidated Appropriations Act, which established the Emergency Rental Assistance (ERA) program, at the end of December 2020.¹ Minnesota Housing opened RentHelpMN to applications fewer than four months later, on April 20, 2021.

In that four-month intervening period, Minnesota Housing staff conducted a significant amount of work to get the program up and running, including securing agreements with the program’s key contractors and other partners.² Exhibit 4.1 outlines key developmental milestones during the launch of the program.

**Exhibit 4.1
Key RentHelpMN Launch Milestones**

| Date | Milestone |
|-------------------|---|
| December 27, 2020 | The Consolidated Appropriations Act is signed into law, authorizing ERA1 funding. |
| January 15, 2021 | Minnesota Housing receives initial ERA1 funding. |
| January 19, 2021 | Treasury releases initial program guidance for ERA1. |
| February 17, 2021 | Minnesota Housing’s contract with Allita 360 goes into effect. |
| February 18, 2021 | Minnesota Housing issues a request for proposals for field partners, with a response deadline of February 25, 2021. |
| February 22, 2021 | Minnesota Housing’s contract with Greater Twin Cities United Way, 211 goes into effect. |
| February 22, 2021 | Treasury releases additional ERA1 program guidance. |
| March 11, 2021 | The American Rescue Plan is signed into law, authorizing ERA2 funding. |
| March 15, 2021 | Witt O’Brien’s contract goes into effect. |
| March 18, 2021 | Field partner ERA1 contracts go into effect (if signed by then). |
| March 26, 2021 | Treasury releases additional program guidance. |
| April 19, 2021 | Minnesota Housing leadership approves the Program Guide. |
| April 20, 2021 | RentHelpMN opens to applications. |
| May 7, 2021 | Treasury releases initial ERA2 program guidance. |
| May 12, 2021 | Minnesota Housing receives initial ERA2 funding. |
| May 13, 2021 | Minnesota Housing issues its first RentHelpMN assistance payment. |
| June 24, 2021 | Treasury releases additional ERA1 and ERA2 program guidance. |

Source: Office of the Legislative Auditor.

¹ In this report, we refer to this iteration of the program as “ERA1.” In March 2021, Congress passed the American Rescue Plan Act, which provided additional funding for the Emergency Rental Assistance program; we refer to this second iteration of the program as “ERA2.” Consolidated Appropriations Act of 2021, Public Law 116-260, sec. 501, December 27, 2020; and American Rescue Plan Act of 2021, Public Law 117-2, sec. 3201, March 11, 2021.

² Staff used emergency purchasing procedures to expedite its contracts with Allita 360 for its application portal, Witt O’Brien’s for its project management and application processing services, and Greater Twin Cities United Way for its 211 call center.

While it was important to get the program up and running quickly—both to ensure benefits could get to those who needed them and to ensure that the program met federal obligation deadlines—Minnesota Housing made tradeoffs in doing so. Amid the rushed launch, Minnesota Housing did not have some important program components in place, such as comprehensive program policies or sufficiently developed customer service mechanisms and technology.

► **Program Policies: Minnesota Housing did not implement comprehensive policies and procedures for managing the RentHelpMN program.** We found that the policies and procedures manual that application processors were supposed to follow lacked important details, such as clear guidelines for what documents were required and when, what circumstances would disqualify an applicant from benefits, or what costs could be covered by the program.³ Further, neither Minnesota Housing nor Witt O'Brien's could provide us with a clear history of how the manual was developed. Minnesota Housing did not document whether its staff formally approved the manual.



For at least the first 6 months of the program, getting help from any of the MN Housing staff was nearly impossible.... There were weekly meetings, but they never actually would answer a question and or give true guidance as to what to do.

— A field partner



I was given various answers to identical questions by different staff members over the phone. This happened over and over.

— A landlord

Additionally, staff told us that Minnesota Housing did not conduct systematic audits of random samples of cases.⁴ Absent such audits, the agency could not ensure that application processors were correctly interpreting and applying the policies and procedures in the manual, or that application processors were making correct eligibility determinations and approving accurate payments.

A Witt O'Brien's staff person told us that Minnesota Housing staff made decisions about application issues as they came up; thus, policies and procedures developed over time. But, Witt O'Brien's did not store or compile those decisions in a central repository that all application processors could readily access. Rather, staff said they variously communicated such decisions to application processors in daily briefings, via



There was a lack of consistency in how applications were handled from one processor to the next and a tenant's experience depended greatly on which processor they were assigned to. We worked with several tenants whose applications were denied for some reason when other tenants in the same predicament were approved.

— A tenant advocacy organization

e-mail, or through trainings. The program cycled through hundreds of application processors from Witt O'Brien's and several different subcontractors over the life of the program. The lack of access to a centralized repository likely affected the ability of those processors to apply program policies and procedures accurately and consistently. A program staff person acknowledged to us that application processors likely did not apply policies or procedures uniformly.

³ Witt O'Brien's, *Minnesota Emergency Rental Assistance, Program Policies and Procedures*, April 25, 2022.

⁴ Staff told us they did review certain types of cases on an ad-hoc basis as issues arose.

A wide range of stakeholders that we spoke with expressed significant concerns about the lack of clear guidance they received from the program—both before and after the program launched. For example, one field partner told us that they did not receive enough training and said that the rollout of RentHelpMN was confusing. Another thought that field partners and application processors understood the program’s policies differently. In talking with staff in response to our own review of applications, we found that various procedures that had been applied were not documented in the application processing manual.

► **Customer Service: When the program launched, Minnesota Housing did not have sufficient customer service mechanisms in place.** Applicants could contact application processors only indirectly, by responding to written messages in the portal. But, they could not send messages to processors without first receiving a message, and they could not directly call application processors. Instead, they had to call the 211 call center. But, 211 was not responsible for processing applications, so its staff could not answer many of their questions, such as why applications had not been processed, or resolve application issues, such as errors related to eligibility determinations or payments.⁵



The [processors] could not be reached by phone. They might call you, but you had no way of calling them back to discuss a case. It would take about a week on average to get a question or issue addressed.

— A field partner

Similarly, Minnesota Housing provided landlords with limited methods for communicating directly with program staff. About one month into the program, Minnesota Housing established an e-mail account (Landlords@RentHelpMN.org) that allowed landlords to contact Witt O’Brien’s; however, the new e-mail account was not well publicized on the RentHelpMN website. Landlords could also contact 211, but staff were not trained to answer questions from landlords, and did not have access to the parts of Allita 360 that would have allowed them to help landlords set up their accounts. In addition, initially, 211 staff were not allowed to share any information with landlords about their renters’ applications—even whether their renters had pending applications as renters may have claimed.

Five months after the program opened to applications, Minnesota Housing partially addressed the communication gap that existed between applicants, landlords, and application processors. In September 2021, 211 began transferring a small subset of calls (typically those about payment issues or technical issues with Allita 360, such as problems uploading a document or calls from landlords) to a group of Witt O’Brien’s subcontractors who could act on them.

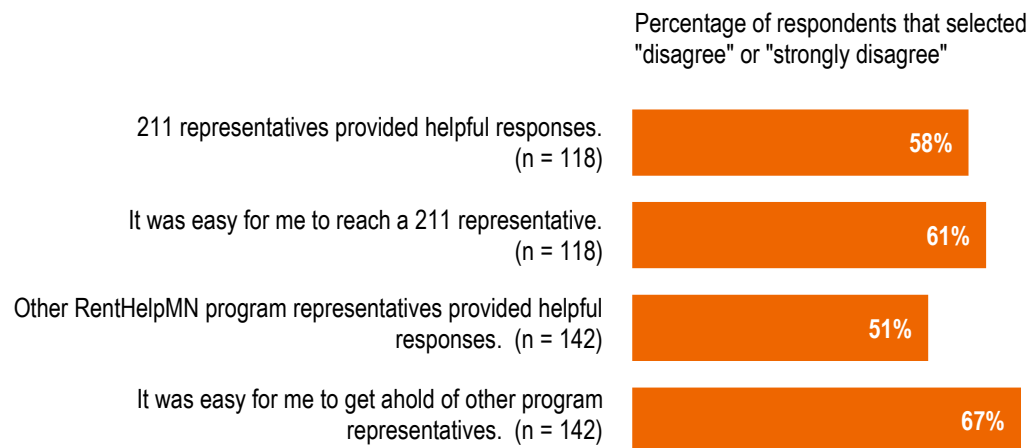
⁵ According to 211 leadership, call center staff were primarily responsible for prescreening callers for eligibility, helping callers create an account so they could start an application, and referring callers to field partners for help filling out the application.

Minnesota Housing made some other minor additions to the program’s customer service offerings as time went on. Between March 2021 and July 2021, the agency created a couple of other program e-mail accounts for renter households, utility companies, or landlords to use to contact Witt O’Brien’s staff. However, Minnesota Housing did not post these accounts publicly; rather they gave them out only on a case-by-case basis in specific situations. In June 2022, about five months after the program closed to new applications, the agency published a “Contact Form” on the program’s website that both renter households and landlords could use to directly contact Minnesota Housing’s RentHelpMN staff.

A number of program participants provided negative reviews of the limited customer service offerings that the program did provide, as Exhibit 4.2 shows. For example, in our survey of landlords, 68 of the 118 respondents (58 percent) who said they tried to contact the 211 call center with a question or issue about RentHelpMN disagreed that 211 representatives provided helpful responses.⁶ Furthermore, 72 landlord survey respondents (61 percent) who said they tried to contact the 211 call center disagreed that it was easy to reach a 211 representative when they had a question or issue about RentHelpMN. Call center wait times were sometimes long, reaching an average of nearly 44 minutes one week in early November 2021.

Exhibit 4.2

Most landlord survey respondents who said they tried to contact the 211 call center or tried to contact the program in other ways expressed dissatisfaction with the customer service they received from RentHelpMN.



Source: Office of the Legislative Auditor, survey of a sample of landlords who participated in RentHelpMN.

⁶ We sent the survey to a random sample of 890 landlords that were associated with RentHelpMN applications. We received 207 responses, for a response rate of 23 percent. Throughout this report, we use the term “landlord” to refer both to property owners and property managers. Property managers were permitted to act on behalf of property owners when interacting with the RentHelpMN program.



If you called the phone number you would never get a response. After waiting on hold for over an hour each time, [I] finally gave up. Same for any email addresses...[I] never received a response.

— A landlord

Additionally, 73 of the 142 landlord survey respondents (51 percent) who said they tried to contact the program in ways other than calling 211—such as through the Contact Form on the RentHelpMN website or the Landlords@RentHelpMN.org e-mail account—disagreed that program representatives provided helpful responses to their questions or issues. Ninety-five of the respondents (67 percent) who said they tried to contact the program in ways other than calling 211 disagreed that it was easy to get ahold of other RentHelpMN program representatives.

Field partners could communicate directly with Minnesota Housing staff, though many field partners reported negative experiences with the support they received from them. Minnesota Housing allowed field partners to e-mail directly with program staff, and it held biweekly meetings for field partners to hear about program updates and ask questions of program leadership and the agency’s two field partner liaisons.⁷ Several field partners told us that some program staff were helpful, but others said some program staff were unprepared to answer their questions or were rude in response to their questions or concerns. In the roughly nine months that the program was accepting applications, two field partner liaisons left the program, which may have contributed to some of the difficulty field partners had getting information about the program.

► **Technology Issues: Minnesota Housing did not sufficiently test the program software to ensure adequate functionality.** Although Minnesota Housing staff told us they conducted testing of the RentHelpMN software before the launch, that testing was not sufficient to identify a range of issues that could have affected application processing. For example, as we mentioned in Chapter 2, some program participants reported difficulty uploading documents into the portal.



I’d update info [in the online portal] as requested by RentHelpMN, and then get an e-mail hours or days later asking for the info I had already uploaded. The portal was not user friendly.

— A landlord

Similarly, with further testing, the program may have been able to identify limitations with how the system tracked payments. Program staff told us the system could not accurately track certain corrections or adjustments to payments. As a result, Minnesota Housing created a separate dataset to track payments because the Allita 360 system could not accurately do so.

With further testing or planning, program staff may have realized sooner that they should have been tracking various data elements, including those that would have allowed them to easily report the number of applications that had been submitted or flagged by application processors for suspected fraud.⁸

⁷ Minnesota Housing referred to staff in these positions as “Community Partnership Officers.”

⁸ In its contract with Allita 360, Minnesota Housing was responsible for approving the data fields that the system would contain.



For us as a field partner, it was difficult [to use the online portal] at first, but the more we used it the easier it became. Additional testing prior to launch would have helped. Clients and landlords had a really hard time using it, understanding the process and keeping track.

— A field partner

Finally, with additional testing, staff may have been able to prevent the duplication of many landlord records in the system. Minnesota Housing chose to allow both applicants and landlords to be able to create landlord profiles in the system. But, as staff later discovered, the system did not prevent users from creating duplicate landlord records. Staff told us they attempted to deduplicate the system after they discovered the issue, but we found that many duplicate records remained. Further, the program's deduplication efforts stripped unique identifiers from some landlord records, making it more difficult to conduct certain analyses—such as easily or accurately tracking payments across the system or determining how many unique landlords participated in the program.

Recommendations

Although RentHelpMN has largely ended, it is helpful to evaluate the state's experience with the program and apply lessons it has learned to future Minnesota Housing programs. For that purpose, we offer the following recommendations.

► **Minnesota Housing should establish clear, comprehensive, written program policies and procedures.**

Agencies should establish clear policies and procedures for programs of any size. But clear policies and procedures are even more important in large programs, such as RentHelpMN, that involve many actors across multiple organizations. Policies and procedures govern the actions of program staff and help to ensure the consistent and fair implementation of programs. Clear and comprehensive program policies may reduce processing time and inefficiencies, and help ensure the accuracy of eligibility determinations.

► **Minnesota Housing should ensure program participants have sufficient access to knowledgeable program staff who can answer or act on their questions or concerns.**

Programs that involve complex processes that program participants must follow should provide effective customer service. In the future, Minnesota Housing should design customer service processes that give participants access to the program staff who can actually resolve their questions and concerns. The agency should also ensure these processes are in place and tested before the program begins.

► **Minnesota Housing should conduct more extensive testing of its data systems before it launches a program to ensure the systems function as expected; it should also include intended end users in the testing of those systems.**

Whenever an agency launches a complex new data system like the one used for RentHelpMN, it should conduct extensive testing to ensure the system works as intended. Such testing is important for systems that serve numerous types of

end users (in this case, application processors, agency program staff, 211 call center representatives, field partners, applicants, and landlords). Such testing is especially important when those end users include the general public. In the future, if the agency implements a program that involves a complex data system like this one, it should conduct sufficient testing with key end users in advance of the system's launch so it can make adjustments as needed.⁹

► **Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards.**

In Chapter 2, we explained that Minnesota Housing did not establish standards for how quickly staff needed to process applications. If Minnesota Housing operates a similar program in the future, then it should establish such standards—especially if it uses an outside contractor. Without such standards, the agency has little basis for judging processors' (or contractors') performance or ensuring timely service for program participants.

► **Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that policies and procedures are followed.**

In Chapter 2, we explained that application processors incorrectly approved one of the applications in our sample. And, in Chapter 3, we explained that we were not able to independently verify the property owner in some of the applications that we reviewed, based on the available documentation. We also explained that we found that Minnesota Housing did not pay the correct amount of rental assistance for some applications we reviewed.

In future programs, Minnesota Housing should ensure that staff collect and maintain sufficient documentation to verify that staff are correctly following program policies and procedures.

Minnesota Housing should conduct regular, systematic audits of random samples of cases. Such audits should seek to determine (1) whether program policies and procedures are effective and efficient, and (2) whether application processors are adhering to established standards and making accurate and consistent determinations.

► **To maximize the odds of recovery, Minnesota Housing should develop comprehensive procedures for recouping overpayments before it issues any payments, and it should promptly begin recoupment efforts once it identifies an overpayment.**

In Chapter 3, we noted that Minnesota Housing issued program guidance for recouping overpayments in November 2021, which was well after the program opened to applications. We also discussed that the agency increased its efforts

⁹ See related discussion about data system testing standards in our recent financial audit of Minnesota's Vehicle Title and Registration System. Office of the Legislative Auditor, Financial Audit Division, *Minnesota Vehicle Title and Registration System* (St. Paul, 2022), 14-15.

to recoup overpayments after the program had ended. If Minnesota Housing administers a similar program in the future, it should ensure that it has comprehensive procedures in place for recouping overpayments before it begins distributing payments. It should also implement those procedures as soon as it launches the program. Any delay could make recoupment efforts less successful. For example, a delay could prevent the agency from being able to cancel or void a direct deposit or check before the payee receives the funds. A months-long delay may also make it harder to track down a payee that has moved, or sold or closed their business.

Timely recoupment efforts would also help to maximize the amount of funding a program has available to serve eligible participants. It is possible that if Minnesota Housing had begun recoupment efforts sooner for some overpayments it had identified, it would have had more funding available to pay other eligible applications.



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List of Recommendations

- Minnesota Housing should establish clear, comprehensive, written program policies and procedures. (p. 39)
- Minnesota Housing should ensure program participants have sufficient access to knowledgeable program staff who can answer or act on their questions or concerns. (p. 39)
- Minnesota Housing should conduct more extensive testing of its data systems before it launches a program to ensure the systems function as expected; it should also include intended end users in the testing of those systems. (p. 39)
- Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards. (p. 40)
- Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that policies and procedures are followed. (p. 40)
- To maximize the odds of recovery, Minnesota Housing should develop comprehensive procedures for recouping overpayments before it issues any payments, and it should promptly begin recoupment efforts once it identifies an overpayment. (p. 40)



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Appendix: Field Partners

| Field Partner Organization | ERA1 | ERA2 |
|--|------|------|
| 1. African Career, Education, and Resources, Inc. | ✓ | ✓ |
| 2. African Immigrants Community Services | ✓ | – |
| 3. American Indian Community Housing Organization | ✓ | ✓ |
| 4. Community Mediation and Restorative Services, Inc. | ✓ | ✓ |
| 5. Community Resource Connections | – | ✓ |
| 6. Comunidades Latinas Unidas en Servicio | ✓ | ✓ |
| 7. Comunidades Organizando el Poder y la Acción Latina | ✓ | ✓ |
| 8. Conflict Resolution Center | ✓ | – |
| 9. Hmong American Partnership | ✓ | ✓ |
| 10. Housing Justice Center | ✓ | – |
| 11. Isuroon | ✓ | ✓ |
| 12. KOOTASCA Community Action | ✓ | ✓ |
| 13. Lakes and Pines Community Action Council | ✓ | ✓ |
| 14. Lakes and Prairies Community Action Partnership | ✓ | ✓ |
| 15. Lao Assistance Center of Minnesota | ✓ | ✓ |
| 16. Latino Economic Development Center | ✓ | ✓ |
| 17. MAHUBE-OTWA Community Action Partnership, Inc. | ✓ | ✓ |
| 18. Minnesota Valley Action Council | ✓ | – |
| 19. Neighborhood House | ✓ | – |
| 20. New American Development Center | ✓ | ✓ |
| 21. Northwest Minnesota Foundation | ✓ | – |
| 22. One Roof Community Housing | ✓ | – |
| 23. Pillsbury United Communities | ✓ | ✓ |
| 24. Rise, Inc. | ✓ | ✓ |
| 25. Somali Community Resettlement Services of Olmsted County | – | ✓ |
| 26. Three Rivers Community Action | ✓ | ✓ |
| 27. Tri-Valley Opportunity Council, Inc. | – | ✓ |
| 28. United Community Action Partnership | ✓ | ✓ |
| 29. West Central Minnesota Communities Action | ✓ | ✓ |

Notes: This appendix shows the entities that served as RentHelpMN field partners and received Emergency Rental Assistance (ERA) funds from Minnesota Housing. The U.S. Congress provided Minnesota Housing with two rounds of ERA funding, referred to as “ERA1” and “ERA2.” Some field partners received contracts under ERA1 or ERA2 only; others received contracts under both. Minnesota Housing also awarded contracts to the ANIKA Foundation, Leech Lake Band of Ojibwe Housing Authority, and OutFront Minnesota Community Services, but as of January 2023, Minnesota Housing had not obligated or expended funds to these organizations.

Source: Office of the Legislative Auditor, based on data provided by Minnesota Housing.



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April 4, 2023

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar St, Room 140
St. Paul, MN 55115

Dear Legislative Auditor Randall:

Thank you for the opportunity to respond to the findings and recommendations of the Office of the Legislative Auditor's Performance Evaluation of the RentHelpMN program. Minnesota Housing appreciates the time and effort that was put into the review of this program. We value any opportunity to improve our processes and service delivery.

In our response letter, you will find the following:

- Reflection on the achievements of the program,
- Context for Minnesota's rental assistance program,
- Responses to the report's findings and recommendations,
- Corrections to a few specific points raised in the report, and
- Appreciation of the OLA's acknowledgement of the program's effective identification and prevention of potential fraud.

Program Achievements

I am proud of Minnesota Housing's work to effectively deliver much needed funds to maintain the housing stability of Minnesota renters at risk of losing their homes during a global pandemic. Thanks to the dedication and professionalism of our staff, working under extraordinary conditions, we were able to deliver over 105,000 payments totaling more than \$428 million, benefitting over 58,000 renter households.

Minnesota Housing adhered to all of the U.S. Department of Treasury's program requirements, ensured fiscal integrity, and met all of Treasury's benchmarks for expenditure of funds. By the end of 2021, RentHelpMN put Minnesota among the top eight states in the country in distributing assistance. Since then, Minnesota Housing has received four additional awards of reallocated emergency assistance funds due to its timely distribution of funds, with the latest award announced as recently as February 2023. Treasury's multiple reallocations of tens of millions of dollars to RentHelpMN are a vote of confidence in Minnesota Housing's work.

Throughout the program, we stuck to our values. We centered the people most impacted by housing instability in our program design. We sought to reach those least likely to know about the opportunity.

We applied a human-centered approach to individual applications in the face of incomplete information. In short, we delivered the program with integrity, and I am proud of the Agency's accomplishments.

Context for the Program

As the report notes, "Minnesota Housing was charged with implementing a large and complex new program while correctly applying federal eligibility requirements and distributing accurate payments. But, it was also charged with implementing the program in a very short amount of time with changing federal guidance and limitations on administrative spending."

These statements accurately capture the situation, especially considering this brand-new, complex program faced condensed timelines and intense pressure on renters and property owners in dire need of assistance. To elaborate:

- **Evolving guidance, moving targets:** The initial appropriation on December 27, 2020 was followed by guidance from the outgoing Administration on January 19, 2021. The new Administration issued revised guidance on February 22, 2021. We opened RentHelpMN less than two months later.
- **Brand-new program:** There has never been a centralized federal emergency rental assistance program in Minnesota. Minnesota Housing built it from scratch in less than four months, during a global pandemic and while under intense public scrutiny.
- **Massive scale:** The RentHelpMN program was responsible for distributing \$500 million in less than two years.
- **Insufficient administrative budget:** The start-up and administrative allowance for Emergency Rental Assistance (ERA) 1 was only 10%. Congress acknowledged this was insufficient when it allowed 15% for administrative costs in ERA 2. These funds had to cover not only the ongoing administrative costs but the front-end investments for program, system and process creation.
- **Extensive infrastructure:** Minnesota Housing and its contractors had to staff a huge operation that eventually included hundreds of staff across the Agency, contractors, subcontractors and grantees. Peak staffing for the processing contractor alone reached 622 employees.
- **Coordination across jurisdictions:** The Agency had to coordinate operations with the local programs of four counties, two cities and nine federally recognized Tribes, each of which received their own allocation of funding from Treasury for their own brand-new and separate programs.
- **Expectations of speed:** Renters sought rapid resolution of their applications; property owners sought rapid issuance of payment.

Responses to the Report Findings and Recommendations

Responses to specific findings are detailed below:

Application Processing Finding 1: Minnesota Housing opened RentHelpMN to applications in fewer than four months, but some components of the program necessary to ensure a smooth operation were not in place at that time. (page 34)

- **Program Policies:** Minnesota Housing did not implement comprehensive policies and procedures for managing the RentHelpMN program. (page 35)
- **Customer Service:** When the program launched, Minnesota Housing did not have sufficient customer service mechanisms in place. (page 36)

- Technology Issues: Minnesota Housing did not sufficiently test the program software to ensure adequate functionality. (page 38)

Recommendations:

- Minnesota Housing should establish clear, comprehensive, written program policies and procedures.
- Minnesota Housing should conduct more extensive testing of its data systems before it launches a program to ensure the systems function as expected; it should also include intended end users in the testing of those systems.
- Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards.

Response: Minnesota Housing agrees that in a world with adequate time and funding and not during a global pandemic, we would have addressed the issues in the findings and recommendations. However, many of the recommendations are based on operating standards that are appropriate for an existing, mature program or a new program with sufficient time and resources to design, launch and operate. The standards are not reasonable for creating and standing up a brand-new, large-scale, emergency program from scratch in just four months with a limited administrative budget. The work required and the short time period to do the work was unprecedented.

At the same time, should Minnesota Housing need to create a centralized emergency rental assistance program again in the future, we will heed the OLA's recommendations and our lessons learned.

Application Processing Finding 2: RentHelpMN provided critical assistance to many Minnesotans during the COVID-19 pandemic, but application processing delays caused frustration for some program participants. (page 33)

Recommendations:

- Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards.

Response: Minnesota Housing fully acknowledges program participants were sometimes frustrated with the processing timelines, but we also received many positive comments. In our survey of tenants who received assistance, 90% of respondents agreed or strongly agreed with the statement that their overall experience with the program was positive. One tenant wrote, "I had a great experience... no issues at all, I appreciate it so much, it was a scary time."

Application Processing Finding 3: Minnesota Housing was slow to distribute RentHelpMN funds in the first four months of the program, but then it sped up its distribution considerably. (page 20)

Application Processing Finding 4: Minnesota Housing did not establish standards for how quickly program staff needed to process applications. (page 21)

Application Processing Finding 5: RentHelpMN took nearly three months, on average, to process applications, although processing speed improved over time. (page 22)

Recommendations:

- Minnesota Housing should establish standards for application processing time and measure the performance of application processors against those standards.

Response: Minnesota Housing successfully stood up RentHelpMN within four months of the program being enacted and two months of the issuance of the first federal guidance. Because this was a brand-new program with still evolving guidance, there was no basis for setting processing-time standards. We monitored processing-time data and worked with the vendor to achieve continuous improvement, which we did.

Application Processing Finding 6: RentHelpMN's application processors correctly determined the eligibility of 40 of the 41 applications in the sample that we reviewed. (page 19)

Recommendations:

- Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that policies and procedures are followed.

Response: Minnesota Housing maintains that all cases reviewed by OLA were eligible. In the case of the one applicant, Minnesota Housing reviewed the case and determined that eligible assistance was paid to an eligible household.

Payee Validation Finding: For several applications we reviewed, certain documents used to verify the property owner and/or payee were missing or did not match. (page 26)

Recommendations:

- Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that policies and procedures are followed.

Response: Minnesota Housing disagrees with this finding. In all cases, the payee was properly validated. The OLA carried out only a partial review, examining documentation only from the application module of the program's system. The OLA did not examine the information from the payee/landlord module. We offered to show the OLA the payee/landlord module on multiple occasions.

Payment Finding: Based on our review, Minnesota Housing did not pay the correct amount of rental assistance in 5 of 31 paid applications. (page 27)

Recommendations:

- Minnesota Housing should collect sufficient documentation and conduct regular audits of cases to ensure accurate payment and that policies and procedures are followed.

Response: When Minnesota Housing reviewed these OLA-selected cases, we determined that reasonable determinations were made and assistance received was eligible. As a result, these payments did not result in overpayments or underpayments. These cases all demonstrate that Minnesota Housing

was tasked with evaluating renters' changing personal circumstances as time passed and new information was provided during the course of processing.

Potential Overpayment Finding 1: As of September 2022, program staff had identified \$3.5 million in overpayments. (page 29)

Potential Overpayment Finding 2: Minnesota Housing's efforts to recoup program overpayments are ongoing. (page 31)

Recommendations:

- To maximize the odds of recovery, Minnesota Housing should develop comprehensive procedures for recouping overpayments before it issues any payments, and it should promptly begin recoupment efforts once it identifies an overpayment.

Response: These potential overpayments are being evaluated to determine if they are truly overpayments or potential fraud, and Minnesota Housing will follow up accordingly. Over half of the funding still under review is attributed to cases where Minnesota Housing received tips and is investigating possible fraud. The remaining cases under review are likely eligible but further documentation from the renter or property owner is needed to confirm eligibility for our records.

Fraud Identification and Prevention Finding 1: Minnesota Housing refined its fraud prevention processes for RentHelpMN as the program progressed; as of August 2022, the program had identified and declined more than 4,350 applications suspected of fraud. (page 28)

Fraud Identification and Prevention Finding 2: Minnesota Housing coordinated with several entities to refer potentially fraudulent cases for criminal investigation or prosecution. (page 29)

Fraud Identification and Prevention Finding 3: Minnesota Housing had an additional review process in place for cases with assistance requests exceeding a specific dollar threshold; the agency paid a small number of those cases and then later suspected them of fraud. (page 30)

Recommendations: None applicable

Response: Minnesota Housing appreciates the OLA's acknowledgment of potential fraud identification and prevention efforts. Minnesota Housing has been diligently working with law enforcement to ensure that potential fraud cases are handled appropriately. In the vast majority of cases, we detected suspected fraud before we made any payments and were able to prevent fraud. In each of the cases where payment was made and fraud was later suspected, information, such as a tip, did not come to light until after the payment. In all cases where payments were made, the applicants and expenses were eligible based on the information provided in the application.

We appreciate the opportunity to respond to your recommendations and the opportunity to work with you throughout the evaluation. The emergency nature of the program – which required us to balance tradeoffs among speed, quality and cost – made it difficult to follow the best practices outlined in the report's findings and recommendations. Nonetheless, we value your office's work and your staff's dedication. If you have any questions or need additional information, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jennifer Ho". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Ho".

Jennifer Leimaile Ho
Commissioner

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Office of Health Facility Complaints, March 2018

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State Protections for Meatpacking Workers, 2015

Miscellaneous

RentHelpMN, April 2023

State Programs That Support Minnesotans on the Basis of Racial, Ethnic, or American Indian Identity, February 2023

Board of Cosmetology Licensing, May 2021

Minnesota Department of Human Rights: Complaint Resolution Process, February 2020

Public Utilities Commission's Public Participation Processes, July 2020

Economic Development and Housing Challenge Program, February 2019

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