Office of the Legislative Auditor - Program Evaluation Division

RentHelpMN

Evaluation Report Summary

April 13, 2023

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)
- 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)

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.

- 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)

  Recommendation ▶ 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."

More Information

Summary Report (Text)

Summary Report (PDF)

Full Report (PDF)

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