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# Stable Housing Organization Relief Program

Report and Program Information as of September 2024

01/15/2025

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## Background

The [Stable Housing Organization Relief Program \(SHORP\)](#) is a one-time grant program funded with \$50 million of state appropriations from the 2023 legislative session to support eligible organizations that own rental housing that have experienced significant detrimental financial impacts due to recent economic and social conditions. SHORP was established in [Minnesota Laws 2023, chapter 37, article 1, section 2, subdivision 33](#) and [Minnesota Laws 2023, ch.37, art. 2, sec. 8](#), with eligibility provisions further clarified in [Minnesota Laws 2023, ch. 69, sec. 4](#).

The Minnesota Housing board of directors (board) adopted the [SHORP Guide](#) on August 24, 2023. The request for proposals launched on September 1, 2023. The board approved selecting 43 grantees to allocate \$49,750,284 at their meeting on October 26, 2023. Approximately .5% of the appropriations was retained for implementation and administrative costs. The grantees began signing their grant contract agreements and the first funds were disbursed in December 2023. The grant funds are disbursed to grantees for eligible expenses on a reimbursement basis.

[Minnesota Laws 2023, ch.37, art. 2, sec. 8, subd. 4](#) requires each grantee to submit a status report to Minnesota Housing by September 30, 2024, with a report to the chair and ranking minority members of the legislative committees having jurisdiction over housing due by January 15, 2025. This report provides an overview of the program, a summary of the grantee reports provided in September 2024, and total disbursements as of December 2024.

## Program Eligibility

The SHORP legislative authorization requires grantees to be a tax-exempt nonprofit organization under section 501(c)(3) of the Internal Revenue Code that has been doing business in Minnesota for at least 10 years or a federally recognized Indian Tribe in Minnesota or their associated Tribally Designated Housing Entity. All applicants must also:

- A. Have its primary operations located in Minnesota;
- B. Be experiencing significant detrimental financial impact due to recent economic and social conditions, including but not limited to decreased operating revenue due to loss of rental income or increased operating expenses due to inflation in utility expenses, insurance or other expenses;
- C. Have supportive services options available for the individuals and families residing in a portion of the rental housing it provides to low-income populations; and
- D. Have, as of December 31, 2022, sufficient housing units that it owns or controls in the state of Minnesota that meets the criteria in at least one of the following categories:
  - i. At least 1,000 units of Naturally Occurring Affordable Housing (NOAH); or
  - ii. Rental housing units, not including NOAH, of which 50% of the total number of units are rented to individuals or families whose annual incomes, according to the most recent income certification as of December 31, 2022, are at or below 30% of the area median income as determined by the United States Department of Housing and Urban Development, adjusted for family size; or
  - iii. At least 250 units of Permanent Supportive Housing.

In accordance with the authorizing statute, applicants self-certified to the accuracy of the information they submitted in their applications, including portfolio eligibility and the unit count used for the funding allocation formula. The authorizing statute does require applicants to submit a final report and audit, which will include verifying the unit counts and portfolio eligibility.

## Grant Funding Allocation Formula and Eligible Uses

The statutory authorization defines the funding allocation formula. The amount of grant funding available to each grantee is a function of the number of rental units owned or controlled by all grantees selected in the program.

The maximum grant amount available to each grantee was the lesser of:

- The total number of rental units from a single grantee divided by the total number of rental units submitted by all grantees multiplied by up to \$50 million; or
- \$4,000 per rental unit

Minnesota Housing received 43 eligible applications with a total unit count of 26,247. With \$49,750,284 of funding available and applicants reporting 25,764 eligible units, each grantee was eligible to receive \$1,931 per unit. The funding selection amount and final grant award amount are included in Appendix A. One grantee declined the grant award after selection.

The eligible uses in statute included:

- Property maintenance, improvements and security;
- Providing services, including services and programs that promote economic and social mobility;
- Efforts to attract and retain employees that will assist in providing services and support to tenants;
- Forgiveness of all or a portion of rent balances owed by former or current tenants.

The statute also permitted additional uses approved by the commissioner that would have a beneficial impact on the housing stability of the tenants. Based on feedback from the grantees, the additional uses included property mortgage payments, utilities, property taxes and insurance, all of which are necessary for stability of the building and the tenants.

## Program Status and Outcomes as of September 2024

In accordance with the statutory requirements, grantees that had drawn down funds prior to September 2024 submitted a report that includes a summary of disbursed amounts by eligible use, number of benefitting households, and a third-party program audit to evaluate and confirm program compliance.

As of September 2024, grantees reported that SHORP provided support to more than 16,000 rental units through a combination of forgiveness of past-due rent; property improvements; and, operational support for security, supportive services, property taxes, property insurance and mortgage payments. SHORP’s flexible eligible uses allowed grantees to target the funds on uses that would best support the households they serve and their organizational sustainability. Specifically related to forgiveness of past-due rent, grantees reported forgiving past-due rent for 3,645 households with an average of \$2,764 per household. Table 1 outlines the reimbursement by eligible use as of September 2024.

Table 1: SHORP Disbursements as of September 2024

Eligible Use	Disbursed Amount
Forgiveness of Past Due Rent (including related tenant charges)	\$ 10,075,375
Property Mortgage Payments	\$ 5,582,019
Property Maintenance and Improvements	\$ 3,776,413
Property Taxes	\$ 2,914,742
Security	\$ 1,454,357
Providing services, including services and programs that promote economic and social mobility	\$ 1,068,126
Property Insurance	\$ 611,669
Efforts to attract and retain employees that will assist in providing services and support to tenants	\$ 130,062
Property Utilities	\$ 27,836
Grantee Reporting and Program Audit Costs	\$ 12,649
<b>Total</b>	<b>\$ 25,653,249*</b>

*\*Rounded to the nearest dollar*

In the September 2024 reports provided to Minnesota Housing, grantees included the following statements in their narratives:

“Overall, the investment of SHORP allowed Aeon and residents of Aeon properties to avoid additional harm that could have been caused by the impact of the pandemic. SHORP funding also provided a pathway for Aeon to begin to stabilize the organization as a whole to ensure it

can continue the mission of creating and sustaining affordable homes that strengthen lives and communities.” – Aeon

“We could not have made 2024 budgets work at our most affordable properties without these funds... SHORP funds were critical to the ongoing stability of our affordable housing portfolio and to Hope as an organization.” – Hope Communities

“We are immensely grateful for new one-time government programs, such as SHORP, to help provide additional short-term relief while the affordable housing systems that we operate within continue to recover. The \$2.8 million in stabilization resources PPL received from the SHORP program helped support and stabilize PPL as an organization, our properties, and our residents...” – Project for Pride in Living

“The value of utilizing SHORP funds for pressing maintenance and staffing needs has helped to ensure that these affordable housing resources will remain financially viable for a longer period of time than they otherwise would have. The effect of these actions means that most of these properties can remain self-sufficient for many more years, and TCHDC will not need to ask for additional financial assistance, preserving scarce funding for other needed housing developments.” – Twin Cities Housing Development Corporation

“SHORP funding has been pivotal in stabilizing not only our organization but also the tenants and properties we manage. The financial relief provided ensured that we could meet our operational needs, avoid tenant displacement and maintain property standards.” – Trellis

“SHORP funds have significantly impacted CCHC, its individual properties and its tenants... Because of these funds, households avoided eviction for nonpayment of rent. Others were able to catch up on back rent and fully pay off payment plans, resulting in more available cash for their non-rent household expenses. Former tenants were able to clear debts that could affect future housing opportunities. These funds also allowed property management and services staff to dedicate more time to helping tenants re-learn to pay rent on time and be responsible renters. “– Center City Housing Corp.



## **Disbursement Status as of December 2024**

As of December 2024, grantees had submitted reimbursements for \$45,803,501 of eligible expenses, or approximately 92% of the total grant funding. Of the 42 active grantees, 20 had drawn down 100% of their grant award and another 10 had drawn down more than 80% of their grant award. The remaining grantees expect to draw down their remaining grant proceeds by the end of the second quarter of 2025.

Once all disbursements are completed, grantees will provide a final expenditure report and an update to their third-party program audit.

## Appendix A: Grantee Funding List

The below table lists the participating organizations in the Stable Housing Organization Relief Program as well as their unit count and contracted grant amount.

The total contract amounted is \$49,481,875 or \$268,409 less than the board approved selections. The contracted amount decreased because Lutheran Social Services subsequently declined their grant, and both Center City Housing Corp. and White Earth Housing Authority revised their eligible unit count downward thereby resulting in a decreased grant award.

Table 2: Grantee Funding List

SHORP Grantees	Contracted Unit Count	Contracted Grant Amount
Aeon	5,793	\$ 11,186,283
Agate Housing and Services, Inc.	75	\$ 144,825
Alliance Housing, Inc.	373	\$ 720,263
Al-Maa'uun	6	\$ 11,586
Avivo	10	\$ 19,310
Beacon Interfaith Housing Collaborative	621	\$ 1,199,151
Bois Forte Reservation Tribal Council	97	\$ 187,307
Catholic Charities of the Archdiocese of St. Paul and Minneapolis	971	\$ 1,875,001
Center City Housing Corp.	804	\$ 1,552,524
Churches United for the Homeless	43	\$ 83,033
Clare Housing	161	\$ 310,891
CommonBond Communities	5,874	\$ 11,342,694
Community Housing Resources	694	\$ 1,340,114
Elderly Housing Corporation of Clay County, Minnesota	60	\$ 115,860
Emma Norton Services	45	\$ 86,895
Grand Portage Band of Lake Superior Chippewa	66	\$ 127,446
Hope Community, Inc.	172	\$ 332,132
Jeremiah Program	115	\$ 222,065
La Cruz Community	104	\$ 200,824
La Paz Community, Inc.	36	\$ 69,516
Leech Lake Housing Authority	567	\$ 1,094,877
Little Earth of United Tribes Housing Corporation	212	\$ 409,372
Lutheran Social Service of Minnesota	0	\$ 0

<b>SHORP Grantees</b>	<b>Contracted Unit Count</b>	<b>Contracted Grant Amount</b>
Maple Apartments of Richmond	16	\$ 30,896
Mille Lacs Band of Ojibwe	433	\$ 836,123
Minnesota Indian Women's Resource Center	14	\$ 27,034
Model Cities of St. Paul, Inc.	72	\$ 139,032
NHHI-New Brighton, Inc.	25	\$ 48,275
Neighborhood Development Alliance, Inc.	40	\$ 77,240
Our Saviour's Community Services	12	\$ 23,172
Perspectives, Inc.	54	\$ 104,274
Project for Pride in Living, Inc.	1,452	\$ 2,803,812
Red Lake Reservation Housing Authority	496	\$ 957,776
Restart, Inc.	42	\$ 81,102
Rose Mill Apartments, LLC	16	\$ 30,896
RS EDEN	365	\$ 704,815
Solid Ground	14	\$ 27,034
St. Joseph Apartments, Inc.	28	\$ 54,068
Trellis Co.	3,944	\$ 7,615,864
Twin Cities Housing Development Corporation	1,048	\$ 2,023,688
Urban Homeworks, Inc.	134	\$ 258,754
Volunteers of America of Minnesota and Wisconsin	98	\$ 189,238
White Earth Housing Authority	423	\$ 816,813
<b>Totals</b>	<b>25,625</b>	<b>\$ 49,481,875</b>