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## **Annual Estimation of Emergency Rental Needs for Minnesotans with Low-Incomes, 2025**

Funding for Family Homeless Prevention and Assistance Program, Emergency Assistance  
and Emergency General Assistance

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## Legislative Requirement

In 2024 the Legislature passed Minnesota Laws Chapter 127, Article 16, Section 1, requiring that the Minnesota Housing Finance Agency report annually on emergency rental assistance needs.

*The agency must develop a projection of emergency rental assistance needs in consultation with the commissioner of human services and representatives from county and Tribal housing administrators and housing nonprofit agencies. The projection must identify the amount of funding required to meet all emergency rental assistance needs, including the family homelessness prevention and assistance program, the emergency assistance program, and emergency general assistance. By January 15 each year, the commissioner must submit a report on the projected need for emergency rental assistance to the chairs and ranking minority members of the legislative committees having jurisdiction over housing and human services finance and policy.*

This report provides the annual estimated funding required to meet all emergency rental assistance needs for Minnesotans with low incomes updated for 2025 and provides information on the methods used to identify the amount. The 2025 update includes the latest available Pulse and American Community Survey data, as well as additional context on administrative costs. The estimated annual need for emergency rental assistance for households with low income, \$350 million, remains the same as the initial report. Subsequent annual reports will incorporate the most-up-to-date data available and any estimation adjustments as needed.

## Estimated Need

Minnesota renters face a severe shortage in affordable housing. Nearly half (47%) of renters are cost-burdened, paying 30% or more of their income on rent and utilities.<sup>1</sup> Households who are cost-burdened often struggle to pay their rent and are at greater risk for experiencing a housing crisis, such as an eviction or homelessness. Property owners filed approximately 23,000 evictions in the past year<sup>2</sup> and approximately 50,000 people experience homelessness annually.<sup>3</sup> Households with low incomes face even more limited rental opportunities that are affordable. Of the approximately 250,000 renter-

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<sup>1</sup> Minnesota Housing analysis of 2023 5-year American Community Survey data.

<sup>2</sup> Eviction filings between January 1, 2024 and December 31, 2024 reported by the [Minnesota Judicial Branch](#).

<sup>3</sup> Wilder Research's [Homelessness in Minnesota: Detailed Findings from the 2018 Homeless Study](#).

households with incomes at or below 200% of the Federal Poverty Guidelines (FPG), more than three-quarters (77%) are cost-burdened and half (49%) are severely cost-burdened, paying 50% or more of their income on rent.<sup>4</sup>

Emergency Assistance (EA), Emergency General Assistance (EGA), and the Family Homeless Prevention and Assistance Program (FHPAP) provide financial assistance to individuals and families with low incomes experiencing a housing crisis. All three programs serve households with incomes at or below 200% of federal poverty guidelines and can provide funding for security deposits, rent/mortgages, and or utilities. Together, these programs provide approximately \$32 million of annual assistance (\$14 million for FHPAP<sup>5</sup>, \$7 million for EA and \$11 million for EGA) to cover a broader range of household emergency expenses than just rent and utility costs. The other types of expenses include mortgage payments and, in some instances, car repairs and childcare. However, existing program funds for both renters and homeowners fall short of the estimated \$350 million needed just for emergency assistance for income-eligible renters in the state.

**Table 1: Annual Estimate of Funding Needed to Meet Emergency Rental Assistance Needs**

Number of Months Behind Per Year	Average Gross Rent	Total Estimated Annual Need
~260,000 months	\$1,380/month	~\$350,000,000
<p>Estimate of the overall number of months Minnesota households with low incomes are behind on their rent in a year.</p> <p><b>Source:</b> Minnesota Housing analysis of data from the Household Pulse Survey (Cycles 4.0.1-4.2.9)</p>	<p>The average gross rent (rent and utilities) for households who are at or below 200% of poverty and severely cost-burdened.</p> <p><b>Source:</b> Minnesota Housing analysis of 5-year iPUMS American Community Survey (2023) adjusted to 2025 dollars</p>	<p>The total funding needed to fully cover rent and utilities for all months that Minnesota households with low incomes are behind on their rent in a year.</p> <p><b>Note:</b> The estimate is rounded to the nearest \$50 million to reflect the limitations of the available data.</p>

Although EA, EGA and FHPAP serve households with incomes at or below 200% of poverty, funding sources unique to each program impose additional requirements that do not apply to all three, such as serving only households with pregnant women or children under 18 (EA), serving only households without children under 18 (EGA), or only permitting assistance once in a 12-month period (EA and

<sup>4</sup> Minnesota Housing Analysis of 2023 5-year iPUMS American Community Survey data.

<sup>5</sup> FHPAP receives 20.5 million in base funding per biennium and received an additional 8.3 million for the 26-27 biennium.

EGA). Our estimate captures the full breadth of all emergency rental assistance needed by Minnesotans with low incomes rather than the amount of funding needed by each program.<sup>6</sup>

Finally, this report only estimates the funding needed to meet emergency rental assistance for income-eligible households and does not identify the cost to address the underlying shortage in affordable rental housing for these households. Households in need of emergency rental assistance, especially those severely cost-burdened, may experience a housing crisis because the cost of their housing relative to their income places them at risk of falling behind on their rent. These households could benefit from increased affordable housing opportunities, either through expanded rental assistance vouchers and/or additional units affordable to low-income households. In this respect, the report identifies the funding to address a symptom rather than the root cause of housing instability for these households.

## Estimation Method

Identifying the exact funding to meet all the emergency rental assistance needs is challenging. Program data is insufficient as it only includes households who apply and are approved for funding through the programs. The amount of funding available to these programs ultimately limits the households that can receive services and are captured in administrative data.

Eviction filings also only capture a portion of households in need of assistance, those at risk of housing loss through an eviction proceeding. Property owners use other methods beyond an eviction filing to force renters out of their properties and, as a result, evictions data underestimates the need for emergency rental assistance.<sup>7</sup> Additionally, evictions data does not include household income data needed to determine program eligibility, and an evictions filing is not a program eligibility requirement.

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<sup>6</sup> The initial report for 2024 provided an estimated breakdown of the need by household type. However, upon re-examination of the limitations of the Pulse data used in this report, we cannot confidently estimate that breakdown.

<sup>7</sup> Assuming all 23,000 annual eviction filings in Minnesota involved households who were income eligible for FHPAP, EA and/or EGA and owed on average \$3,500 in late rent, the evictions data only captures approximately \$80 million of the \$350 million in needed assistance. The average assistance data provided by Hennepin County for households with an evictions notice receiving assistance between January and October of 2024 through Hennepin County's RentHelpHennepin coordinated prevention effort.

Our estimate instead uses data from two representative samples of Minnesotans administered by the U.S. Census Bureau: (1) the Household Pulse Survey, and (2) the American Community Survey. Like all surveys, these data sources do not capture households who cannot or choose not to complete the survey.

The Household Pulse Survey is an experimental survey that measures emergent social and political issues impacting households across the United States. The Census Bureau developed the Pulse survey to provide real-time information about the well-being of households in response to the COVID-19 pandemic and releases monthly data capturing demographic household characteristics which includes information on housing security. Respondents report in the survey if they are behind on their rent and the number of months they are behind. Our estimate combines survey data from nine months of samples in 2024 to increase the sample size and more reliably identify the number of households with low incomes<sup>8</sup> who are behind on their rent in a month. In the analysis, we extrapolated the monthly data to estimate the total number of months (260,000) renter-households with low incomes are behind on their rent over an entire year.

The American Community Survey, also administered by the Census Bureau, collects more precise household demographic information than the Pulse Survey, although it does not include information about whether households are behind on rent. Renter-households who are severely cost-burdened with incomes at or below 200% of poverty in this data reported paying on average \$1,380 in monthly gross rent, which includes rent and utilities and is adjusted to 2025 dollars. This figure provides the estimate of the average monthly emergency rental assistance needed by households with low incomes who are behind on their rent. This estimate assumes households need a full month's rent and utilities to stabilize their housing situation and reduce the likelihood of falling into cycles of getting behind and caught up on their rent.

Estimating the number of households who get behind on their rent over the course of a year is more challenging. While we have an estimate of the aggregate number of months that households are behind on their rent over the course of a year, we do not have the data to estimate the number of households involved because neither data source from the Census Bureau provides information on how often households fall behind on their rent over the course of a year. For example, we do not know if households fall behind on their rent on average one, two, three, or more times over the course of a year. One household may get behind just one month in a year, another may be behind two consecutive months, and third household may have three separate, non-consecutive episodes of being one month

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<sup>8</sup> Households making less than \$50,000. The Pulse Survey does not provide detailed enough household income data to determine federal poverty status.

behind. If households are on average behind on their rent two months over the course of a year, approximately 130,000 households would account for the aggregated total of 260,000 months behind. If households are on average behind on their rent three months over the course of a year, approximately 90,000 households would account for the 260,000 months. For context, based on data from the 2023 American Community Survey, we estimate that approximately 120,000 renter households in Minnesota have incomes at or below 200% of poverty and pay more than 50% of their income on rent.<sup>9</sup> These households are very likely one life event or unexpected bill away from falling behind on their rent.

At the end of 2024, the Census retired the Pulse survey and incorporated it into the new Household Trends and Outlook Pulse Survey (HTOPS).<sup>10</sup> Although the HTOPS survey will collect similar information about housing security, it is only conducted at a national level and will not produce any Minnesota-specific estimates. The 2025 report on emergency rental-assistance needs incorporated an additional three cycles of data from the Pulse survey released at the end of 2024 to update the annual estimate. Without Minnesota-specific data on past-due rent provided by Pulse survey, Minnesota Housing would have to conduct its own survey, which would be expensive and may not be as reliable or accurate, limiting the value of this report. As the federal government no longer collects the data necessary to generate this estimate, Minnesota Housing will be exploring alternative approaches related to this report which may require a legislative change

## Impacted Populations

The experimental nature of the Household Pulse Survey limits our ability to provide regional or demographic breakdowns for the estimate of need. As such, we are unable to provide estimates for specific counties or Tribes. However, some populations may be disproportionately impacted by the gap between available and needed funding. Indigenous, Black, and renters of color are three times more likely to be low-income and behind on their rent than white, non-Latino renters.<sup>11</sup> The limited available resources to meet emergency rental assistance needs in the state could contribute to disparities in

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<sup>9</sup> Minnesota Housing Analysis of 2023 5-year iPUMS American Community Survey data.

<sup>10</sup>United States Census Bureau, [Household Pulse Survey](#)

<sup>11</sup> Minnesota Housing analysis of data from the Household Pulse Survey (Cycles 4.0.1-4.2.9). Low-income households are those that make \$50,000 or less in a year. Due to the limited demographic data in the Pulse survey we cannot disaggregate this disparity by race or ethnicity.



homelessness for people of color<sup>12</sup> and other populations, such as people with a disability<sup>13</sup> and those that identify as LGBTQIA2S+. <sup>14</sup>

The gap between needed and available emergency rental assistance places households facing housing insecurity at greater risk of an eviction and/or experiencing homelessness. Annually, approximately 23,000 households experience an eviction<sup>15</sup> and 50,000 people experience homelessness in Minnesota.<sup>16</sup> Our estimate takes an upstream approach to identifying emergency rental assistance needs for these populations. It assumes that people who become evicted or experience homelessness, including those temporarily living with friends or family, first get behind on their rent and that emergency rental assistance would help these households catch up to prevent more disruptive housing crises. Rather than explicitly accounting for the number of households who experience an eviction or homelessness in a year, this estimation implicitly captures these households. For example, a household behind on rent in January who becomes evicted and experiences homelessness later in the year because of unpaid rent is incorporated in the estimated annual need through their past-due rent identified early in the year. Providing emergency rental assistance to this household to get caught up on their rent early in the year prevents homelessness for that household later in the year.

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<sup>12</sup> Native American, Black, and Latino Minnesotans are 31, 11 and 8 times, respectively, more likely to experience homelessness than white Minnesotans. [Minnesota Housing analysis](#) of 1-year American Community Survey (2023) and data on HUD's 2024 Point-in-Time Count.

<sup>13</sup> In Minnesota, 12 percent of the general population reported having a disability compared to 22 percent of people experiencing homelessness who met the HUD definition of chronic homelessness. HUD defines chronic homelessness as individuals with disabilities who experience homelessness at least a year or experience at least four episodes of homelessness that add up to at least 12 months during the last three years. Chronic homelessness underrepresents people with disabilities experiencing homelessness that do not experience extended or repeated episodes of homelessness as defined by HUD. Minnesota Housing analysis of 5-year iPUMS American Community Survey (2023) and HUD's 2024 Point-in-Time Count.

<sup>14</sup> In Minnesota, 4 percent of the general population identifies as LGBTQIA2s+ compared to 11 percent of people experiencing homelessness. Wilder Research's [Characteristics of People Who Identify as LGBT Experiencing Homelessness: Findings from the 2018 Homeless Study](#).

<sup>15</sup> Eviction filings between January 1, 2024 and December 31, 2024 reported by the [Minnesota Judicial Branch](#).

<sup>16</sup> Wilder Research's [Homelessness in Minnesota: Detailed Findings from the 2018 Homeless Study](#).

## Administration Costs

The \$350 million in estimated funding only reflects the emergency rental assistance needs for Minnesotans with low incomes and does not capture administrative costs necessary to ensure at-risk households can access rental assistance in a timely, equitable manner. Counties and agencies tasked with reviewing applications, verifying documentation, and issuing funds for FHPAP, EA, and EGA incur staff and overhead costs in addition to the funding needed to address housing emergencies for Minnesotans with low income. Estimating the exact cost to administer these funds is challenging as frontline staff often manage several programs across multiple funding sources serving households with a variety of needs beyond emergency rental assistance. Additionally, EA, EGA, and FHPAP represent different models of service delivery. FHPAP administrators can use grant dollars to provide services that promote housing stability, such as case management and housing navigation, to households in need of emergency rental assistance whereas EA and EGA only provide financial assistance to eligible households. Finally, the cost to administer a \$11 million dollar program may vary substantially from a \$350 million dollar program as some administrative costs may decrease or increase at scale.

As a rough benchmark, the federal Emergency Rental Assistance Program (ERA1 and ERA2) dedicated \$46.55 billion dollars nationally during the COVID-19 pandemic to provide households with financial assistance and housing stability services. The U.S Department of Treasury limited administrative costs to 10% (ERA1) and 15% (ERA2) of the total award, or approximately 11% – 18% of direct assistance costs.<sup>17</sup> This translates to an additional \$39 to \$63 million on top of the \$350 million in estimated direct assistance needed annually by households for their emergency rental assistance needs. Importantly, the federal Emergency Rental Assistance Program operated during the COVID-19 pandemic and the administrative caps established by the Department of Treasury for these programs may not reflect the cost to administer an ongoing emergency rental assistance program today.

## Conclusion

Households with low incomes face limited rental opportunities that are affordable in Minnesota. Of the approximately 250,000 renter households with incomes at or below 200% of poverty, half (49%) are severely cost-burdened and very likely one life event or unexpected bill away from falling behind on their rent. The available \$32 million in emergency assistance for renters and homeowners with low incomes through EA, EGA and FHPAP falls short of the estimated \$350 million needed just for emergency assistance for income-eligible renters in the state. The gap between needed and available

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<sup>17</sup> U.S Department of the Treasury Emergency Rental Assistance Program [FAQs](#)

emergency rental assistance places these households at greater risk of an eviction and/or experiencing homelessness.

No data source perfectly captures the emergency rental assistance needs of household with low incomes in Minnesota. Program and eviction filings data alone only include a portion of renters who may need assistance. Census data provides a more complete picture of rental needs by identifying the amount of back-rent owed by renters with low incomes before they experience a more disruptive housing crisis, like an eviction or homelessness. However, this data does not capture all cases in which a household might need emergency rental assistance. This report provides a rounded estimate to reflect the limitations of available data and to better incorporate additional circumstances in which a household might need emergency rental assistance.

The \$350 million in estimated funding only reflects the emergency rental assistance needs for Minnesotans with low incomes and does not include the administrative costs necessary to ensure at-risk households can access rental assistance in a timely, equitable manner. The estimate does not identify the funding needed to meet other eligible expenses covered by the three state programs and does not identify the cost to address the underlying housing affordability shortage. Additionally, this report does not account for other factors that can influence household's financial stability, like economic recessions, changes to other benefit programs like Housing Support or the Housing Choice Voucher Program, or changes to tax policy such as the Child Tax Credit. Finally, this report only estimates the emergency rental assistance needs of income-eligible households and expanding income eligibility for these programs would increase the estimated need.