



## **Emergency Housing Voucher Fact Sheet**

Created and funded through the American Rescue Plan Act of 2021 (ARPA), the Emergency Housing Voucher (EHV) program connects U.S. Department of Housing and Urban Development (HUD) rental assistance with local Continuums of Care (CoCs) and other partners to target rental assistance resources to individuals and families who are homeless, at-risk of homelessness, were recently homeless, or have a high risk of housing instability. Individuals and families fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking are also eligible.

Developed under HUD's Special Purpose Voucher (SPV) program, the EHV program provides local housing authorities the flexibility to design unique, locally directed EHV programs to best meet a local community's needs. In 2021, the Minneapolis Public Housing Authority (MPHA) was allocated 246 EHV's, the single-largest allocation in Minnesota.

With the flexibilities afforded by HUD, MPHA developed an EHV program that offers more speed and flexibility for its rent subsidy, while covering additional housing-related expenses compared to traditional Housing Choice Vouchers (HCV, "Section 8" vouchers). These additional benefits increase access and remove barriers for unhoused individuals and families facing the greatest and most immediate housing challenges. Specifically, MPHA can provide an additional \$3,500 in assistance per household to help address any obstacles in both finding and moving into stable housing in the private rental market.

In developing its EHV program, MPHA partnered with the Hennepin County CoC to identify chronically homeless individuals, and to establish a process of engagement with those individuals referred for the vouchers. The agency works with Hennepin County's Coordinated Entry System to administer the EHV program, equipping individuals and families coming out of homelessness with wrap-around case management services provided by the county and county-contracted providers.

As with any program serving chronically homeless individuals, there have been numerous challenges. While the services help mitigate challenges, Emergency Housing Voucher participants have struggled with program compliance at higher rates than MPHA's other HCV program participants. These challenges have resulted in higher rates of eviction (threatened or formal eviction actions) and lease non-renewals when compared to other MPHA HCV programs.



However, despite these challenges, MPHA has successfully deployed all 246 EHV's. The agency's success stands in contrast to struggles housing authority peers across the country have had to develop, deploy, and administer their EHV program. Key to MPHA's success is the partnership and working relationship with Hennepin County. This success is even more remarkable when considering the challenges of serving a chronically homeless population.

But while MPHA has developed a successful EHV program that has delivered millions in emergency rental assistance and helped 246 individuals escape homelessness, the EHV program's funding is set to expire in September 2030. Unlike other HUD voucher programs that receive annual congressional appropriations, EHV's only received one-time funding through ARPA. Further, because of this funding sunset, local housing authorities have not been allowed to issue new EHV's or re-issue existing EHV's as of September 30, 2023.

To create a city-funded EHV program that operates similarly to the federal program, MPHA estimates the first year of full leasing, including upfront costs for program implementation, **would cost an estimated \$1,800,000. Every year thereafter, it would cost an estimated \$1,400,000 plus annual inflation increases of rental subsidies and administrative fees** (like the agency has with HUD, if housing assistance payments are higher than anticipated, a mechanism exists to ensure MPHA is reimbursed for those payments). The change in first year to subsequent year costs stem from the frontloading of \$3500 per household of service fees and up-front costs to build the necessary administrative and compliance systems and staffing the program. Unfortunately, if MPHA receives non-federal funding to administer a local EHV program, it cannot simply continue to use federal documents, administration, and compliance systems. It would need to build unique systems and processes that mirror the federal program.

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*Proposed Program Economics on Next Page →*



The below reflects the average amount of subsidy per household per month that MPHA pays to owners/landlords for extremely low-income households (specifically looking at households that typically have more barriers):

Average Housing Assistance Payment (HAP)

Singles and Singles +1 Adult - **\$932**

Families - **\$1,246**

The ongoing Administrative Fee, what PHAs are paid each month for each EHV voucher under lease per month, is currently **\$109.06**. MPHA would want to begin receiving admin fees at voucher issuance for this program given the amount of coordination required to get the vouchers in the hands of the households. This is intended to cover the staffing costs and administrative costs for running the program, though the Service Fees can be tapped for allowable services provided by the PHA.

Ongoing Administrative Fees

Admin Fee Amount for all leased units.  
Currently **\$109.06**.

Services Fees

**\$3,500** for each EHV allocated to MPHA.  
Provides funding for services to expedite lease-up such as housing navigation, security and utility deposits, moving costs, move in packages, etc.

First Year Additions:

**\$3,500 x 100 = \$350,000** (service fees)

**\$50,000** = Up-front costs for program implementation

- City EHV program set-up
- Data management system changes (costs to provider for programming changes)
- Costs associated with altering current Federal forms and developing new forms associated with city requested data collection
- Staff onboarding and training
- Staff computer