

April 16, 2020

via electronic mail

Mr. Ryan Baumtrog, Assistant Commissioner  
Minnesota Housing

Mr. Kevin McKinnon, Deputy Commissioner,  
Economic Development  
Minnesota Department of Employment and Economic  
Development

Mr. Bryan Hartman, Program Manager  
Housing and Redevelopment Authority  
City of Bloomington

Ms. Cheryl Bennett, Assistant Director  
Department of Community Development  
City of Coon Rapids

Mr. Keith Hamre, Manager  
Division of Community Development  
City of Duluth

Ms. Molly Koivumaki, Manager  
Housing and Human Services  
City of Eden Prairie

Mr. Peter O'Toole, Principal Resource Coordinator  
City of Minneapolis

Ms. Elise Durbin, Community Development  
Coordinator  
City of Minnetonka

Ms. Lisa Vatnsdal, Planner  
Department of Community Development  
City of Moorhead

Mr. Jim Barnes, Housing Manager  
Plymouth Housing and Redevelopment Authority  
City of Plymouth

Ms. Theresa Fogarty, Administrator  
CDBG Programs  
City of Rochester

Mr. Matt Glaesman, Director  
Community Development Division  
City of St. Cloud

Mr. Ron Ross, Grants Specialist  
Department of Planning and Economic Development  
City of St. Paul

Mr. Karl Batalden, Housing and Economic  
Development Coordinator  
City of Woodbury

Ms. Karen L. Skepper, Manager  
Anoka County Community Development Unit

Ms. Lisa Alfson, Assistant Director of Community  
Revitalization  
Dakota County Community Development Agency

Mr. Kevin Dockry, Administrative Manager  
Hennepin County Housing, Community Works &  
Transit

Ms. Mary Lou Egan, Community Development  
Specialist  
Ramsey County Department of Community and  
Economic Development

Ms. Barbara Hayden, Planning Director  
St. Louis County

Washington County Community Services



## Why Community Development Block Grant (CDBG) Funds Should Support Housing Assistance Programs

On April 8th, 2020, the federal government began releasing Community Development Block Grant (CDBG) funds provided by the federal Coronavirus Aid, Relief, and Economic Security (CARES) act. CDBG funds are provided to both state governments and directly to some local governments to be used to improve housing, living environments, and economic opportunities, principally for persons with low and moderate incomes. **State and local officials should prioritize the use of CDBG funds to provide housing assistance, including assistance for rent payments, mortgage payments, and utility expenses, to ensure that impacted families can remain stably housed during and after the COVID-19 crisis.**

Renters need immediate relief for rent payments amid the COVID-19 crisis. Renters have lower incomes and savings and have greater difficulty in paying for their housing costs, making them particularly vulnerable to economic shocks.<sup>1</sup> According to the National Multifamily Housing Council, nearly one-third of renters were unable to pay their rent in April.<sup>2</sup> The National Low Income Housing Coalition estimates that the number of extremely- and very-low-income renters who pay more than 50% of their income on rent will increase by nearly 20% as a result of the COVID-19 economic crisis.<sup>3</sup>

Rental assistance programs in particular are critical to maintain stable housing for under-resourced households. Using CDBG funds to create new or supplement existing rental assistance programs will have multiple benefits:

- Rental assistance is a necessary complement to eviction moratoriums. Eviction moratoriums do not eliminate the obligation to pay rent. Unless relief is provided, renters who are impacted by the economic downturn and unable to pay back rents risk being evicted when the moratoriums expire.
- Rental assistance helps to ensure that rental housing owners can continue to operate their buildings safely. Many affordable rental units are in buildings that do not generate enough operating revenue to withstand a sudden loss of income. Deferred maintenance could put renters at risk and lead to a loss of much needed affordable housing.
- Rental assistance will benefit the local economy. Providing relief to renters will help them stretch their limited income so they can afford other essential household needs. Helping building owners to maintain their properties allows them to continue to employ their staff and purchase local goods and services.
- Rental assistance will protect renters in need who do not currently receive federal rental subsidies. Only 25% of renters who are in need of rental assistance currently receive it through federal housing programs. Tens of millions of renters living in naturally occurring affordable housing do not currently benefit from any rent subsidies.

More than 16 million Americans filed for unemployment over the past three weeks. At a time when Americans are being ordered to stay home, a person's immediate and devastating loss of income cannot be allowed to increase their risk of displacement. Rental assistance to families and individuals is needed now.

---

<sup>1</sup><https://www.urban.org/urban-wire/covid-19-policy-responses-must-consider-pandemics-impact-young-renters-and-renters-color>

<sup>2</sup> <https://www.nmhc.org/research-insight/nmhc-rent-payment-tracker/>

<sup>3</sup><https://nlihc.org/sites/default/files/Need-for-Rental-Assistance-During-the-COVID-19-and-Economic-Crisis.pdf>

- Search [here](#) for funding allocation information provided by NLIHC.<sup>4</sup>
- For additional information, please contact Annika (Brink) Brindel at [abrindel@nhtinc.org](mailto:abrindel@nhtinc.org)

Signed,

Ben Passer  
Director, Energy Access and Equity  
Fresh Energy  
[passer@fresh-energy.org](mailto:passer@fresh-energy.org)

Aeon  
Alliance Housing Inc.  
Catholic Charities of St. Paul and Minneapolis  
Community Stabilization Project  
Family Housing Fund  
Housing Justice Center  
Inquilinxs Unidxs por Justicia  
Metropolitan Interfaith Council on Affordable Housing (MICAH)  
Midwest Energy Efficiency Alliance  
Minnesota Housing Partnership  
NAACP – Saint Paul  
National Housing Trust  
Natural Resources Defense Council  
New American Development Centre  
Project for Pride in Living  
Redeemer Center for Life

---

<sup>4</sup> See also: [https://nlihc.org/sites/default/files/Housing-Instability-and-Homelessness\\_Cares-Act.pdf](https://nlihc.org/sites/default/files/Housing-Instability-and-Homelessness_Cares-Act.pdf)