



The Zero Balance Project

KEY FACTS & FIGURES

About the Zero Balance Project

The Zero Balance Project allowed rental property owners to apply for Federal Emergency Rental Assistance (ERA) on behalf of renters impacted by the pandemic. Following the first round of pandemic rental assistance programs funded by the Federal CARES Act in 2020, local governments received unprecedented Federal funds to help impacted families remain current on rent in 2021-2022. Family Housing Fund was approached by Dakota County, Hennepin County, Ramsey County, the City of Minneapolis, and the City of Saint Paul to administer over \$31 million of pooled ERA funds to COVID-impacted households and individuals through the Zero Balance Project. Family Housing Fund subcontracted with Clifton Larson Allen (CLA) and HousingLink to design and administer the program in partnership with the local governments.

A key objective of the Zero Balance Project was to create another entry point to rent assistance and transfer some of the burden of the application process from renters to landlords, understanding that landlords are well-positioned to provide the necessary documentation for an application. The program built on the success of landlord-initiated rental assistance programs administered by Ramsey County and by the Family Housing Fund in partnership with Hennepin and Dakota Counties in 2020 using CARES Act dollars. Local government leaders observed that those programs reached a unique subset of COVID-impacted

renters, rental properties, and landlords – especially small, “mom and pop” landlords – who might not have otherwise heard about or accessed Federal rental assistance. Those programs also streamlined the application process for landlords seeking assistance for multiple COVID-impacted renters, while reducing costs associated with program administration.

Building on those successes and lessons learned, the outreach strategy of the Zero Balance Project – led by HousingLink – focused on engaging “DIY landlords” and landlords of color, while staffing a call center to provide technical and linguistic support to landlords who faced barriers within the application process. Later in the program, local government partners engaged community-based assist organizations who helped renters to complete their portion of the application as needed. These “helpers” supplemented the multilingual call center for renter-applicants staffed by CLA throughout the program.

This is a descriptive report summarizing key results of the Zero Balance Project; this is not a comparative analysis to other ERA programs or an evaluation of the Zero Balance Project. Data in this report is based on \$29.675 million in disbursements made as of February 22, 2022, a figure that constitutes about 92% of the overall Zero Balance Project budgeted funding.

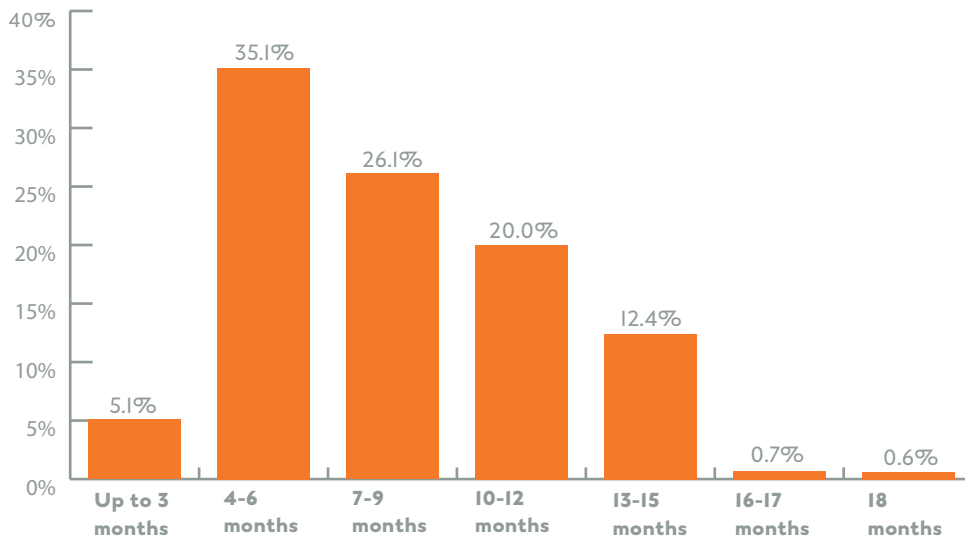
How much support was provided?

Between June 2021 and February 2022, the Zero Balance Project administered \$29,674,914, assisting 4,084 renter households (in total, the program administered \$31,018,513 in assistance). The average amount provided to each household was \$7,266. On average, assistance covered 7.2 months of rent. Higher amounts of assistance per household in Dakota County and Hennepin County reflect higher rents in those geographies (see Figure 1).

Figure 1: Households and assistance by participating jurisdiction

	Paid Renter Households	Average Funding Amount	Total Funding	Average Months of Rent Paid	Average Cost of Rent
Dakota County	427	\$9,650	\$4,120,338	8.0	\$1,244
Hennepin County	1,478	\$7,234	\$10,692,033	6.7	\$1,178
Minneapolis	811	\$6,869	\$5,571,051	7.7	\$1,042
Ramsey County	596	\$6,567	\$3,913,817	6.5	\$1,105
Saint Paul	772	\$6,966	\$5,377,675	7.8	\$1,060

Figure 2: Assisted renter households by number of months assisted



Of all households who received assistance, less than one percent (20 households) received the maximum 18 months of assistance allowed by Federal ERA guidelines. Just 1.3% of households received assistance covering more than 15 months of rent payments (see Figure 2). This could be in part because some renters received help from earlier pandemic support programs and did not need assistance dating back to 2020. It is also possible that assisted renters were not aware they were eligible to reapply for more ERA funds as time passed. Further study is needed to understand the stories of these renters and why very few received the maximum amount of assistance available.

Almost eleven-hundred (1,095) unique landlords initiated applications for renters through the Zero Balance Project. On average, four renter households were assisted per landlord, totaling an average of \$27,100 of assistance per participating landlord.

Demographic characteristics of renters served

To be eligible for the Zero Balance Project and other ERA programs, renter households were required to earn no more than 80% of the Area Median Income (\$79,900 for a family of four in 2021). To reduce barriers to support, Federal ERA guidelines allowed the use of “proxy zip codes” – zip codes where the average household income is less than 50% of AMI – to confirm income eligibility without gathering pay stubs or similar documents. Nineteen percent (19%) of households who received assistance through the Zero Balance Project income-qualified based on this provision. Of the other 81% who provided income documentation, over half the households (51%) earned incomes less than 30% of AMI.

Figure 3: Income range of all assisted renter households

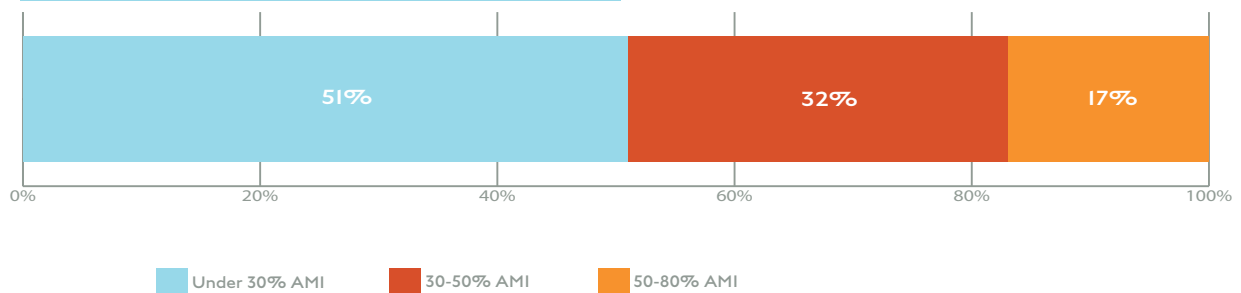
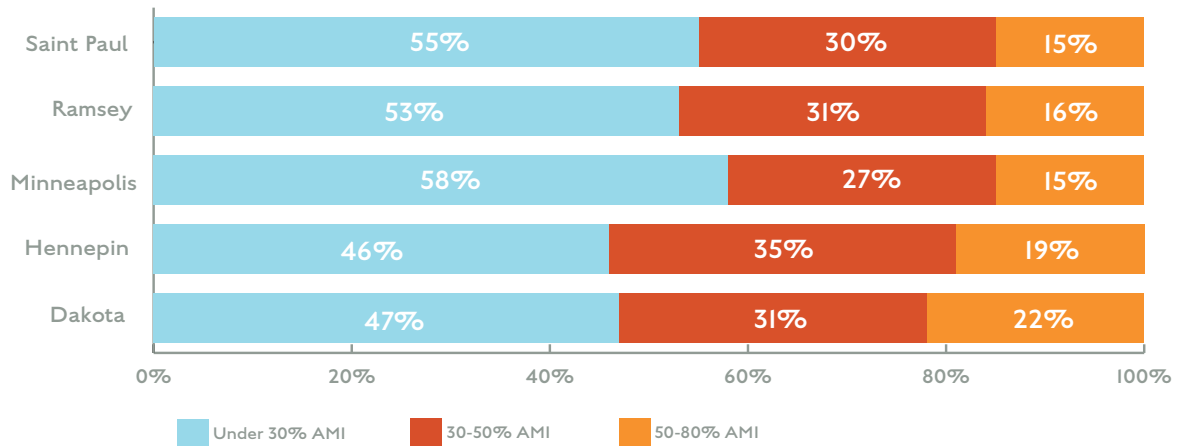


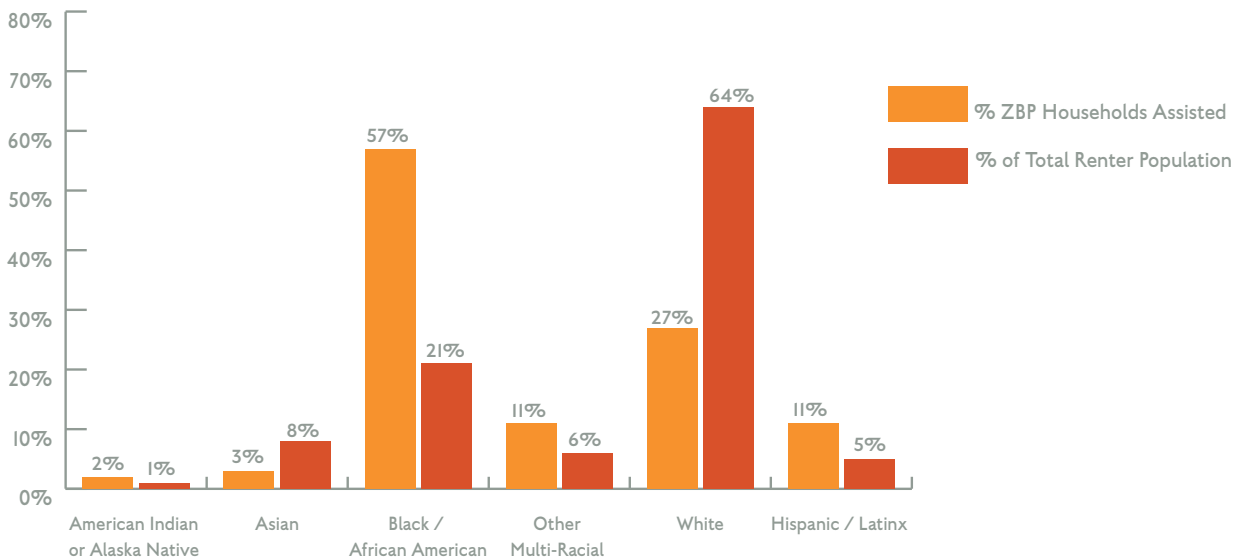
Figure 4: Income range of assisted renters by jurisdiction



Black, Indigenous, or People of Color (BIPOC) households are disproportionately renters and disproportionately cost-burdened. The pandemic had a disparate impact on job loss for BIPOC households, and the U.S. Census Pulse Survey showed that 64% of Minnesotans who were behind on rent at the beginning of 2021 identified as Black, Asian, Hispanic or Latinx, and/or two or more racial identifies.¹ As noted above, these dynamics informed the outreach strategy of the Zero Balance Project, and also drove ongoing attention to applicant data on race and ethnicity to ensure that the program served households most in need.

Identifying by race and ethnicity was optional for Zero Balance Project applicants, and racial categories conformed to the limited categories utilized by the U.S. Census. Ninety-one percent (91%) of assisted renter households opted to provide their racial identity, and 89% of assisted households opted to provide their ethnicity. Of these households, the majority (57%) identified as Black or African American.

Figure 5: Race and ethnicity of assisted renter households compared to race and ethnicity of all renter households in participating jurisdictions



¹ U.S. Census Bureau Household Pulse Survey, Week 22

Figure 6: Race and ethnicity of assisted renters by jurisdiction

	Dakota County	Hennepin County	Minneapolis	Ramsey County	Saint Paul
American Indian or Alaska Native	2%	2%	3%	3%	2%
Asian	2%	2%	2%	4%	5%
Black or African American	33%	64%	59%	51%	58%
Other Multi-Racial	13%	10%	12%	10%	10%
White	51%	22%	24%	32%	24%
Hispanic / Latinx	15%	9%	12%	11%	12%

Conclusion

In response to the COVID-19 pandemic’s devastating impact on housing stability, the Zero Balance Project provided Emergency Rental Assistance to thousands of households in crisis. Family Housing Fund and our partners are hopeful that we can contribute additional learnings from the Zero Balance Project to the collective efforts of the broader housing system to further support rental housing stability in the Twin Cities region.



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