

Annual Estimation of Emergency Rental Needs for Minnesotans with Low-Incomes, 2026

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 2026. The funding estimate is derived from the estimated number of months households with low incomes are behind on their rent over the course of a year and the average gross monthly rent of those households. At the end of 2024, the Census Bureau retired the Pulse Survey, a key dataset used to estimate the number of months that low-income Minnesota households are behind on their rent over the course of a year.

The 2026 updated estimate only includes new data from the Census Bureau's American Community Survey on the average gross rent for households at or below 200% of the poverty line who are severely cost-burdened. As a result, the estimated annual need for emergency rental assistance for households with low-income ranges between $350 - $400 million to reflect the uncertainty in updating the estimated number of months households with low incomes are behind on their rent in 2026. Minnesota Housing is exploring commissioning a survey to replace the Pulse Survey for the 2027 report to get more current data on the number of months that households are behind on their rent.

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.[1] Households who are cost-burdened often struggle to pay their rent and are at greater risk for experiencing a housing crisis, such

[1] Minnesota Housing analysis of 2024 5-year American Community Survey data.

as an eviction or homelessness. Property owners filed approximately 26,000 evictions in the past year[2] and approximately 50,000 people experience homelessness annually.[3] Households with low incomes face even more limited rental opportunities that are affordable. Of the approximately 240,000 renter-households with incomes at or below 200% of the Federal Poverty Guidelines (FPG), more than three-quarters (78%) are cost-burdened and half (51%) are severely cost-burdened, paying 50% or more of their income on rent.[4]

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, the annual funding for these programs provide approximately $30 million in assistance ($10 million for FHPAP, $7 million for EGA and $13 million for EA) to cover a broader range of emergency expenses and more than just rent and utility costs. The other types of expenses include mortgage payments and, in some instances, car repairs and childcare. In 2025 and 2026, the Legislature allocated one-time funding for FHPAP totaling $48 million to be spent in the 2026-2027 biennium.[5] However, even with this additional one-time funding, existing program funds for both renters and homeowners fall short of the estimated $350 to $400 million needed annually just for emergency assistance for income-eligible renters in the state.

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 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.

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[2] Eviction filings between January 1, 2025 and December 31, 2025 reported by the Minnesota Judicial Branch.

[3] Wilder Research's *Homelessness in Minnesota: Detailed Findings from the 2018 Homeless Study.*

[4] Minnesota Housing Analysis of 2024 5-year iPUMS American Community Survey data.

[5] FHPAP receives $20.5 million in base funding per biennium and received an additional $8.3 million for the 26-27 biennium in one-time funding in May 2025. In May of 2026, the legislature appropriated $40 million in one-time funding for FHPAP with a goal to be spent by December 31, 2026. The one-time funding is excluded from the $30 million base annual assistance across FHPAP, EA, and EGA.

At the end of 2024, the Census retired the Pulse Survey, a key dataset used to estimate the annual emergency rental assistance needs. As a result, the 2026 estimation only includes updated data from American Community Survey on the average gross rent for households at or below 200% of the poverty line and severely cost-burdened. The estimate accounts for a range of potential changes to the number of months Minnesotans with low incomes are behind on their rent since 2024 (the last year of Pulse Survey data), spanning from no change (~260,000 months) to a slight (5%) increase (~270,000 months). The 5% increase reflects the changes to rental eviction filings and rental assistance 211 calls in Minnesota between 2024 and 2026.

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 - 270,000 months	$1,445/month	$350,000,000 - $400,000,000
Estimate of the overall number of months Minnesota households with low incomes are behind on their rent in a year. **Source**: Minnesota Housing analysis of data from the Household Pulse Survey (Cycles 4.0.1-4.2.9) with an estimated adjustment for the 2026 report.	The average gross rent (rent and utilities) for households who are at or below 200% of poverty and severely cost-burdened. **Source**: Minnesota Housing analysis of 5-year iPUMS American Community Survey (2024) adjusted to 2026 dollars	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. **Note:** The estimated range is rounded to the nearest $50 million to reflect the limitations of the available data.

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 and long-term rental assistance 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, through expanded rental assistance vouchers and 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 Methods

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.[6] Additionally, evictions data does not include household income data needed to determine program eligibility, and an evictions filing is not a statewide program eligibility requirement.

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 released monthly data capturing household demographics, housing security and other factors. Respondents reported in the survey if they were behind on their rent and the number of months they were 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[7] 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.

At the end of 2024, the Census Bureau retired the Pulse survey and incorporated it into the new Household Trends and Outlook Pulse Survey (HTOPS).[8] Although the HTOPS survey will collect similar information about housing security, it is only conducted at a national level and does not produce any Minnesota-specific estimates. We adjusted the 2024 Pulse estimate for the 2026 report using two scenarios: (1) no change (260,000 months) and (2) a 5% increase (270,000 months). The second scenario reflects the change since 2024 in the number of annual evictions filings and statewide 211

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[6] Assuming all 26,000 annual eviction filings in Minnesota involved households who were income eligible for FHPAP, EA and/or EGA and owed on average $4,300 (3 months of the average gross rent for households who are at or below 200% of poverty and severely cost-burdened) the evictions data only captures approximately $110 million of the $350 - $400 million in needed assistance.

[7] Households making less than $50,000. The Pulse Survey does not provide detailed enough household income data to determine federal poverty status.

[8] United States Census Bureau, Household Pulse Survey

calls for rental assistance in Minnesota using the most recent available data in 2026 at the time of writing this report.[9]

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 households being behind on rent. In the survey, renter households who are severely cost-burdened with incomes at or below 200% of poverty reported paying on average $1,445 in monthly gross rent, which includes rent and utilities and is adjusted to 2026 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 on their rent, caught up, and behind again.

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 behind. If households are on average behind on their rent two months over the course of a year, between 130,000 and 135,000 households are involved in the cumulative 260,000 to 270,000 months behind. If households are on average behind on their rent three months over the course of a year, approximately 90,000 households would be involved in the 260,000 to 270,000 months. For context, based on data from the 2025 American Community Survey, we estimate that approximately 126,000 renter households in Minnesota have incomes at or below 200% of poverty and pay more than 50% of

[9] Source: Minnesota Housing analysis of Eviction Lab data on monthly Minnesota eviction filings and Greater Twin Cities United Way data on monthly 211 calls for rental assistance in Minnesota. Rental assistance calls to 211 reflect coverage in 86 of the 87 counties in Minnesota. Minnesota eviction filings between June 2025 – May 2026 were a 4.6% increase in the number of filings compared to June 2024 – May 2025. Calls for rental assistance to 211 between April 2025 – March 2026 were a 5.3% increase compared to April 2024- March 2025.

their income on rent.[10] These households are very likely one life event or unexpected bill away from falling behind on their rent.

Impacted Populations

The experimental nature and limited sample size 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 disproportionally 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.[11] The limited available resources to meet emergency rental assistance needs in the state could contribute to disparities in homelessness for people of color [12] and other populations, such as people with a disability [13] and those that identify as LGBTQIA2S+.[14]

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

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[10] Minnesota Housing Analysis of 2024 5-year iPUMS American Community Survey data.

[11] 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.

[12] Native American, Black, and Latino Minnesotans are 25, 10 and 5 times, respectively, more likely to experience homelessness than white Minnesotans. Minnesota Housing analysis of 1-year American Community Survey (2024) and data on HUD's 2025 Point-in-Time Count.

[13] In Minnesota, 13 percent of the general population reported having a disability compared to 19 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 who do not experience extended or repeated episodes of homelessness as defined by HUD. Minnesota Housing analysis of 1-year iPUMS American Community Survey (2024) and HUD's 2025 Point-in-Time Count.

[14] 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.*

26,000 households experience an eviction[15] and 50,000 people experience homelessness in Minnesota.[16] 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.

Administration Costs

The estimated $350 - $400 million of needed annual funding only reflects the emergency rental assistance payments for Minnesotans with low incomes who are behind on their rent and does not capture administrative costs necessary to ensure at-risk households can access rental assistance in a timely, equitable manner. Counties, Tribal Nations, 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 or $400 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

[15] Eviction filings between January 1, 2025 and December 31, 2025 reported by the Minnesota Judicial Branch.

[16] Wilder Research's *Homelessness in Minnesota: Detailed Findings from the 2018 Homeless Study.*

costs.[17] This translates to an additional $39 to $72 million on top of the $350 to $400 million in estimated direct assistance needed annually by households for emergency rental assistance. 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 have limited rental opportunities that are affordable in Minnesota. Of the approximately 240,000 renter households with incomes at or below 200% of poverty, half (51%) are severely cost-burdened and very likely one life event or unexpected bill away from falling behind on their rent. The base funding of $30 million in emergency assistance for renters and homeowners with low incomes through EA, EGA and FHPAP falls short of the estimated $350 to $400 million needed just for emergency assistance for income-eligible renters in the state. The gap between needed and available emergency rental assistance places these households at greater risk of eviction and/or experiencing homelessness.

No data source perfectly captures the emergency rental assistance needs of households 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.

Additionally, the Census Bureau retired the Pulse Survey at the end of 2024. The 2026 estimate includes a range of potential changes to the number of months Minnesotans with low incomes are behind on their rent since 2024. As a result, the 2026 estimate ranges between $350 - $400 million to reflect the limitations of available data.

The $350 - $400 million in estimated annual need 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. Expanding the supply of affordable housing and the availability of tenant-based and project-based rental assistance, especially for households with the lowest incomes, reduces housing cost burden and the need for

[17] U.S Department of the Treasury Emergency Rental Assistance Program FAQs

emergency assistance over time. Additionally, this report does not account for other factors that can influence a household's financial stability, like economic recessions, changes to other benefit programs like supportive housing, Supplemental Nutrition Assistance Program 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.