

2003 Consolidated Annual Performance and Evaluation Report

**Community Development Block Grant
Emergency Shelter Grant
Housing Opportunities for Persons with
AIDS
HOME Investment Partnerships**

August 29, 2004



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I) Introduction

The FY 2003 Consolidated Annual Performance and Evaluation Report (CAPER) is a consolidated report on activities in the following U.S. Department of Housing and Urban Development (HUD) entitlement formula grants received by the City of Minneapolis: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons with AIDS (HOPWA).

HUD would like to see that communities provide citizens with a comprehensive report on Consolidated Plan activities in a format that is understandable and demonstrates strategies undertaken. The CAPER is an attempt to do this. This report summarizes the variety of HUD-funded activities which assist City residents, especially its low- and moderate-income residents, in furthering and achieving economic opportunities. While the report attempts to provide information in a readable format, it still needs to meet statutory and regulatory information requirements. Therefore, additional statistical reports for purposes of monitoring and review are accessible to HUD through the Integrated Disbursement and Information System (IDIS). This report and its narrative summarizes information found on IDIS reports. Selected detailed IDIS reports are contained in the Appendix.

The FY 2003 CAPER covers the 12-month program year June 1, 2003-May 31, 2004. In addition to being an annual report covering FY 2003, the 2003 CAPER provides an updated performance review of the City's 2000 Five-Year Consolidated Plan, Fiscal Years 2000-2004.

The Office of Grants & Special Projects in the Intergovernmental Relations Department of the Minneapolis City Coordinator oversees and produces the CAPER with assistance and input from the City's Finance Office and various other city and community partners. The contact person for any questions on the CAPER is:

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II) Citizen Participation

The 2003 CAPER is required to be made available for at least a 15-day review period before its August 27, 2004 submission to HUD. City of Minneapolis has many processes for involving citizens in its decision making; including city council committee meetings, neighborhood revitalization meetings, numerous boards and public hearings designed to solicit public comments.

a) Public Hearings

The City's Consolidated Plan citizen participation plan encourages the inclusion of all City residents throughout the Consolidated Plan development process--especially low-income residents who are the primary clients for HUD programs, non-profit organizations and other interested parties. At least three public hearings are held each year to address housing and community development needs, development of proposed activities, and review of program performance.

b) Notification and Access to Hearings

To ensure broad-based participation, extensive communication efforts are used during the implementation of the City's Consolidated Plan citizen participation plan. A mailing distribution list of approximately 200 names is revised continuously. The list includes public, private and social service agencies and individuals requesting notification of Consolidated Plan meetings, hearings and materials. Public notices for public hearings are published in *Finance and Commerce*, following City notification practices.

The various printed notices notify where copies of the Consolidated Plan are available and invite persons to either speak at the public hearings and/or submit written comments. Public hearings are accessible and sign language interpretation is available for public hearings. Call for sign language interpreting, TTY 612-673-2626.

The City Council authorized the submission of the 2003 Consolidated Plan for submittal to HUD in April 2003. The City Council adopted the 2003 Consolidated Plan budget in December 2002 and March 2003.

The public comment period for the 2003 CAPER is August 9-25, 2004. The City's Community Development Committee will hold a public hearing on the 2003 CAPER on August 24, 2004. Public comments received during the public comment period will be included in the Appendix. Copies of the draft 2003 CAPER were made available at the Office of Grants & Special Projects, Community Planning and Economic Development, Minneapolis Public Libraries, Legal Aid Society offices and upon request. Copies of the final 2003 CAPER

submitted to HUD on August 27, 2004 will be available for public review at the Office of Grants & Special Projects (307M City Hall).

c) Technical Assistance

A range of assistance is available to all groups needing help in understanding the Consolidated Plan application process and development of proposals. This service, as well as referrals to appropriate agencies in the community, is available from the Office of Grants and Special Projects. For technical assistance, call 612-673-2188.

In the event that a significant number of non-English speaking residents of Minneapolis wish to participate in the Consolidated Plan citizen participation process, a request for assistance should be forwarded to the City Clerk's Office or Office of Grants and Special Projects. The City Clerk's Office maintains a file of bilingual individuals from whom assistance may be requested for non-English speaking groups. The number for requesting non-English speaking personnel is 612-673-2255.

d) Comments/Complaints

It is City policy to respond to written comments or complaints pertaining to the Consolidated Plan within 15 days of receipt. All written comments and the city's response are included in the Appendix of the Consolidated Plan.

III) Displacement /Relocation

The City of Minneapolis considered existing policies designed to minimize displacement in the CDBG program when developing the Consolidated Plan. For example, MCDA adheres to ongoing administrative policies to limit displacement when implementing CDBG-funded activities. These policies limit displacement by using land inventories, available vacant land and substandard vacant structures. Where displacement does occur, the city provides a full range of relocation benefits and services to those displaced according to its relocation policy. The Consolidated Plan complies with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and implementing regulations at 49 CFR 24. The City has and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974 as amended in connection with any activity assisted with funding under the CDBG or HOME programs.

There were no displacements or relocations triggering the requirements of 49 CFR 24.

IV) Consolidated Plan Resources Made Available

The City of Minneapolis received the following 2003 Consolidated Plan amounts:

| | |
|-------|--------------|
| CDBG | \$16,463,000 |
| HOME | \$ 3,898,199 |
| ESG | \$ 576,000 |
| HOPWA | \$ 839,000 |

All FY03 awards were budgeted to programming.

a) Program Income

The City realized \$ 3,512,099 of CDBG program income during FY 2003, all through CPED housing activities. Program income is retained within the program it originated to further eligible program activities. Programs creating the income were the Homeownership Scattered Site, Homeownership-Vacant and Boarded Recycling, and Multifamily Rental programs of CPED. The HOME program realized \$87,602.55 in program income. That income was derived from the Home Ownership Works program (\$75,023.07) and the Evergreen multifamily project (\$12,578.48). All income was recycled in the Home Ownerships Work program.

b) 2003 Program Expenditures

The following table illustrates how Consolidated Plan funds were spent in program year 2003. Twelve percent (12%) of CDBG expenditures were public service activities and planning/administration accounted for fifteen percent (15%) of CDBG expenditures.

| | Community Development Block Grant | |
|--|---|-------------------------------|
| Strategy | Capital/Economic Development Programs | 2003 IDIS Expenditures |
| Public Facilities-Accessibility Improvements | Sidewalk/Curb Cuts | 6,607 |
| Child Care Centers Capital Improvements, Lead Hazard Removal | Childcare Facilities Loan/Grant | 384,052 |
| Econ. Development Assistance/ Anti-Poverty Strategy | Industry Cluster Program (Living Wage Jobs) | 56,299 |
| Econ. Development Assistance/ Anti-Poverty Strategy | Adult Training, Placement and Retention | 408,308 |
| Clearance & Demolition | Boarded Buildings Demolition | 14,900 |
| Neighborhood Facilities | Community Center Operations | 6,697 |
| Neighborhood Facilities | Minneapolis American Indian Center | 118,000 |
| Public Facilities | Mill Ruins Park | 96,459 |
| Economic Development Assistance | Neighborhood Business Associations | 174,000 |
| Economic Development Assistance | Seward Redesign-Movement Center | 75,000 |
| Economic Development Assistance | Franklin Bakery | 350,000 |
| Economic Development Assistance | Hollywood Theater | 18,410 |
| Economic Development Assistance | Franklin Circles Shopping Center | 23,313 |
| | Capital/Economic Development Programs Total Expenditures | 1,732,046 |
| | | |
| Strategy | Public Services | 2003 IDIS Expenditures |
| Health Services | NHCN Community Health Clinics | 324,461 |
| Youth Services | Curfew/Truancy Center | 87,028 |
| Domestic Violence Services | Domestic Abuse Project | 65,000 |
| Health Services | Child Dental Services | 17,000 |
| Child Care Services | GMDCA Coordinated Child Development | 346,811 |
| Homeless Services | Tubman Family Alliance | 103,167 |
| Child Care Services | Head Start | 81,277 |
| Employment Training | Youth Employment | 515,472 |
| Health Services | Minnesota AIDS Project | 30,097 |
| Senior Services | Volunteers of America/MAO | 111,667 |
| Senior Services | SE Seniors Block Nurse Program | 35,229 |
| Senior Services | Healthy Seniors | 56,914 |
| Youth Services | Way to Grow | 246,604 |
| Senior Services | Pilot City/Handyworks Chore Services | 74,135 |
| Employment Training | Teen Teamworks | 23,000 |
| Public Services- Cleanup | Public Property Graffiti Removal | 5,991 |
| Public Services-Cleanup | Groundworks | 21,668 |
| | Public Services Total Expenditures | 2,145,519 |
| | | |
| Strategy | CDBG Housing Programs | 2003 IDIS Expenditures |
| Rehab;Multi-Unit Residential, Homeless and Senior Housing | MPHA General Rehabilitation | 67,638 |
| Housing Counseling | MPHA Mobility Counseling | 41,695 |
| Rehab;Single-Unit Residential | Loan and Grant Programs (Deferred, Code, NHS, Lead) | 575,990 |
| Acquisition-for Future Development | Homeownership Vacant and Boarded Housing | 2,820,166 |
| Rehab;Single-Unit Residential | Homeownership Rehab Support Program | 2,213 |
| Construction Housing | Homeownership GMMHC | 1,093,167 |
| Rehab;Multi-Unit Residential, Homeless | Multifamily Program Administration Delivery | 489,021 |

| | | |
|--|--|-------------------------------|
| and Senior Housing | | |
| Rehab;Multi-Unit Residential | Armadillo Flats | 531,709 |
| Rehab;Multi-Unit Residential | Olson Townhomes | 400,331 |
| Rehab;Multi-Unit Residential- Special Needs | Lydia Apartments | 60,000 |
| Rehab;Multi-Unit Residential | Restart | 10,500 |
| Rehab;Multi-Unit Residential | Womens Community Housing | 231,439 |
| Develop;Multi-Unit Residential | Heritage Park II Loan | 568,300 |
| Develop;Multi-Unit Residential | Heritage Park II Grant | 697,500 |
| Rehab;Multi-Unit Residential | Little Earth | 30,000 |
| Rehab;Multi-Unit Residential | Collaborative Village | 218,300 |
| Lead-based Paint Remediation | Round VIII HUD Match Activities | 19,908 |
| Lead-based Paint Remediation | Risk Assessments | 94,853 |
| | Housing Programs Total Expenditures | 7,952,730 |
| Strategy | Administration, Fair Housing, Public Engagement | 2003 IDIS Expenditures |
| Fair Housing/Compliance | Civil Rights Fair Housing/CDBG Compliance | 275,924 |
| General Administration/ Additional Resources | General Administration | 1,754,624 |
| Fair Housing Activities | Legal Aid Society | 49,001 |
| General Administration | MCDA General Administration | 30,677 |
| Program Support Administration | MCDA Program Administration | 14,851 |
| Public Information - CDBG neighborhoods | MCDA Citizen Participation | 433,649 |
| Public Information- PHA Properties | MPHA Resident Participation | 16,605 |
| Planning | Youth Coordinating Board | 48,000 |
| | Administration, Fair Housing, Public Engagement- Total Expenditures | 2,623,330 |
| | CDBG Total | 14,453,626 |
| | | |
| Strategy | HOME Investment Partnerships | 2003 IDIS Expenditures |
| Rehab;Multi-Unit Residential | 1+1 Coop | 1,935 |
| Rehab;Multi-Unit Residential | Many Rivers | 49,910 |
| Rehab;Multi-Unit Residential | West River Commons | 500,000 |
| Rehab;Multi-Unit Residential | Trinity Gateway | 845,000 |
| Rehab;Multi-Unit Residential | Little Earth | 500,000 |
| Rehab;Multi-Unit Residential | The Boulevard | 497,975 |
| Rehab;Multi-Unit Residential | Collaborative Village | 400,000 |
| Acquisition/Rehab;Single-Unit Residential | Single Family Home Ownership | 391,406 |
| | HOME Investment Partnerships Total Expenditures | 3,186,226 |
| | | |
| Strategy | Emergency Shelter Grants (ESG) | 2003 IDIS Expenditures |
| Rehab;Multi-Unit Residential- Special Needs | St. Annes Shelter Capital | 4,720 |
| Rehab;Multi-Unit Residential- Special Needs | St. Stephens Capital | 2,020 |
| Rehab;Multi-Unit Residential- Special Needs | Secure Waiting Facility 1000 Currie Ave. Capital | 130,020 |
| Rehab;Multi-Unit Residential- Special Needs | Ascension Place Capital | 11,240 |
| Rehab;Multi-Unit Residential- Special Needs | Sojourner Project Operating | 75,000 |
| Rehab;Multi-Unit Residential- Special Needs | The Lorraine Capital | 87,114 |

| | | |
|--|---|-------------------------------|
| Rehab;Multi-Unit Residential- Special Needs | Cabrini House Capital | 75,000 |
| Rehab;Multi-Unit Residential- Special Needs | CES Shelter Capital | 125,657 |
| Rehab;Multi-Unit Residential- Special Needs | County Overflow Shelter Rehab | 66,015 |
| General Administration | Administration | 21,579 |
| | Emergency Shelter Grant Total Expenditures | 595,481 |
| Housing Opportunities for Persons with AIDS (HOPWA) | | |
| Strategy | | 2003 IDIS Expenditures |
| Rental Subsidies | Metro HRA | 151,088 |
| Rental Subsidies | Minnesota Aids Project | 478,647 |
| Administration | Minneapolis | 8,953 |
| Conversion;Multi-Unit Residential-Special Needs | Lydia Apartments | 200,000 |
| | HOPWA Total Expenditures | 838,688 |

c) Timely Expenditure of CDBG Funds

HUD requires that City should not have more than 1.5 times their annual grant amount unexpended 60 days prior to the start of a new grant program year. The City has met this benchmark measure, with a 1.25 ratio on April 2, 2004, remaining in compliance.

d) Reprogramming

In March 2004, the City reprogrammed \$846,218 of unspent CDBG funds from several projects to the Block E deficit account.

e) Other Resources Made Available

Other resources made available to support Consolidated Plan strategies include General Fund dollars; federal grants made available from the U.S. Departments of Justice, Housing and Urban Development, Commerce, Health and Human Services, Environmental Protection Agency; state grants made available by Trade and Economic Development; Human Services; Children, Families and Learning; Metropolitan Council; and local resources through foundations, financial institutions, the Family Housing Fund, Neighborhood Revitalization Program and subrecipient in-kind goods and services.

| MultiFamily Production | 2003 Completed Projects, Budget Summary | | |
|------------------------|---|-----------------------|---------------|
| City Funding | | Other Public Sources | |
| CDBG | \$ 598,500 | MHFA | \$ 18,129,111 |
| HOME | \$ 2,337,209 | MPHA | \$ 10,546,600 |
| ESG | \$ 804,915 | Hennepin County | \$1,057,616 |
| Housing Revenue Bonds | \$ 51,255,000 | HUD | \$ 400,000 |
| NRP | \$1,400,000 | Met Council | \$770,000 |
| TIF | \$ 480,000 | Other | \$91,200 |
| NP Dev | \$ 120,000 | Total | \$30,993,927 |
| EZ | \$ 833,562 | Other Private Sources | |
| Other CPED | \$ 4,701,200 | Family Housing Fund | \$1,400,000 |
| Total | \$64,025,705 | Fed Home Loan Bd | \$420,000 |
| | | Syndication | \$ 30,123,417 |
| Total Development Cost | | Other Private | \$ 34,122,874 |
| \$ 161,085,923 | | Total | \$66,066,291 |

Source: MCDA 2003 Affordable Housing Report

Match requirements for HOME and ESG grants are met through funding provided by the project, Hennepin County or other government bodies. All RFPs for these projects specify the need of committed match in order to qualify for funding.

HOME match provided in FY 2003 was \$7,733,129 consisting of cash. Match to the HOME program is listed by project in the HOME Match Report in the Appendix.

ESG project matches totaled \$564,327 (pending final verification). 2003 ESG match is detailed in the following chart.

| Project | Provided FY 2003 Match* |
|----------------|--------------------------------|
| Cabrini House | \$ 414,327 |
| The Lorraine | \$150,000 |

*Eligible match provided project during period 6/1/03-5/31/04

f) Administrative Activities

The following chart documents CDBG administrative expenditures of the city during the 2003 program year.

| Strategy | Administration, Fair Housing, Public Engagement | 2003 IDIS Expenditures | Accomplishments |
|--|--|-------------------------------|---|
| Fair Housing/Compliance | Civil Rights Fair Housing/CDBG Compliance | 275,924 | Fair housing enforcement/training; Davis-Bacon wage monitoring; contract compliance monitoring; affirmative action compliance |
| General Administration/ Additional Resources | General Administration | 1,754,624 | Planning, resource development, financial accounting/monitoring, program monitoring and management |
| Fair Housing Activities | Legal Aid Society | 49,001 | 227 households served |
| General Administration | MCDA General Administration | 30,677 | Planning, resource development, financial accounting/monitoring, program monitoring and management |
| Program Support Administration | MCDA Program Administration | 14,851 | General overhead program administration |
| Public Information - CDBG neighborhoods | MCDA Citizen Participation | 433,649 | 31 neighborhood participation contracts |
| Public Information- PHA Properties | MPHA Resident Participation | 16,605 | 40 resident councils supported |
| Planning | Youth Coordinating Board | 48,000 | Planning and program implementation of healthy youth development outcomes |
| | Administration, Fair Housing, Public Engagement- Total Expenditures | 2,623,330 | |

g) Section 108 Loan Program Funds

The City has received during the current five year plan three HUD Section 108 Loans and has another 108 loan pending for projects in support of the Consolidated Plan.

Section 108 Projects

| Portland Place | |
|---|---|
| Description: Housing Development in the south Minneapolis Empowerment Zone. Mixed-income, owner-occupied housing. Rehabilitation of one existing single family unit. | Location: Area is bounded by 26 th Street on the north, 28 th Street East on the south, Fifth Avenue South on the west, and Portland Avenue South on the east. Approximately 6.7 acre site formerly pocketed with vacant/boarded structures and substandard housing. |
| Eligibility: § 570.703(2)(h) and § 570.703 (2)(j) | CDBG National Objective: Low and Moderate Income Benefit; Elimination of Slum and Blight Serves south Minneapolis EZ (85% LMI) |
| Number of People Served: 51 3- and 4- bedroom units developed | Activity Status: Project is completed. Affordable homes developed and sold. |
| Loan Proceeds: \$610,000 | Repayment Method: Tax increment financing |

| Heritage Park | |
|---|--|
| Description: Redevelopment of former public housing site into a mixed-income housing community. Section 108 funds will be used for park, water and infrastructure design work associated with the redevelopment. | Location: North Minneapolis Empowerment Zone bounded by Lyndale Avenue North on the east, 12 th Avenue North on the north, Humboldt Avenue North and Girard Terrace North on the west and Third Avenue North on the south. |
| Eligibility: § 570.703(1) | CDBG National Objective: Low and Moderate Income Benefit; Elimination of Slum and Blight Serves north Minneapolis EZ (83% LMI) |
| Number of People Served: 450 units of market rate and public housing | Activity Status: Infrastructure improvements continue to be implemented. 118 units have been designed and built. |
| Loan Proceeds: | Repayment Method: |

| | |
|---------------|-------------------|
| \$3.9 million | EZ and Bond funds |
|---------------|-------------------|

| Midtown Exchange | |
|--|--|
| Description: Former Lake Street Sears property being managed for mixed-use commercial development. Contaminated property excavations have occurred. | Location: Phillips neighborhood; Block bounded by Lake Street on south, 28 th Street on north, 11 th Avenue South on east and Chicago Avenue on the west |
| Eligibility: § 570.703(I) | CDBG National Objective: Low and Moderate Income Benefit through job creation/retention 24 CFR 570 (a)(4). Serves south Minneapolis EZ (85% LMI) |
| Number of People Served: To be proposed | Activity Status: Due to a change in project developers and extension granted for development proposal, contracts between HUD and City have yet to be signed. Ryan Companies will develop property under contract to CPED. |
| Loan Proceeds: \$6.5 million to be received; project also has \$2 million EDI grant | Repayment Method: Tax Increment Financing |

| Green Institute-Phillips Eco-Enterprise Center | |
|--|---|
| Description: Funding used to complete capital improvements buildout and to buy out mortgage | Location: 2801 21 st Avenue South |
| Eligibility: § 570.703 (i)(2) | CDBG National Objective: Low and Moderate Income Area Benefit Serves south Minneapolis EZ (85% LMI) |
| Number of People Served: 150 employed, 50 of which are EZ residents. | Activity Status: Completed |
| Loan Proceeds: \$ 3.5 million | Repayment Method: Building Revenues |

h) Empowerment Zone

The City of Minneapolis received a federal Empowerment Zone (EZ) designation from HUD in 1998. The Empowerment Zone neighborhoods in the City qualify as Neighborhood Revitalization Strategy Areas for purposes of HUD programming and determining program beneficiaries. The Empowerment Zone is an important strategy and leveraging resource for Consolidated Plan priorities in community and human development. To date the Minneapolis Empowerment Zone has received \$23.9 million in funding from HUD, \$5.8 million from the State of Minnesota, as well as leveraging a variety of other grants, tax credits, and equity commitments. Performance information is annually reported to HUD. The latest report is available at <http://www.ci.minneapolis.mn.us/citywork/ez/annualreport.asp>

i) Certifications of Consistency

As part of its compliance with the need to pursue all available resources to support its Consolidated Plan, the City is required to provide Certifications of Consistency to its Consolidated Plan to organizations seeking federal HUD funding. These certifications testify to the fact that the proposed funding application meets strategies identified in the City's Consolidated Plan. City staff reviews certification requests against Consolidated Plan strategies and recommends certification of eligible proposals. All requests for certifications received by the City during the past year were certified as addressing Consolidated Plan strategies.

V) Assessment Summary of Minneapolis Implementation of Consolidated Plan – 2003

The City continues to strive in allocating its Consolidated Plan resources appropriately among its high and medium priority housing and community development strategies. There has been an increased budgeting commitment to allocating CDBG resources to the preservation and creation of affordable housing units at or below 50 percent of median family income to support the City's Affordable Housing Policy. Unfortunately, due to the deep subsidy required preservation of existing units is easier than creation of new units. It is a continuing challenge to the City to leverage enough resources to meet this commitment. However, preservation activities are just as important in holding an inventory of affordable housing units, though the City recognizes that a shortage in this market still exists.

In the areas of assisting those experiencing homelessness and special needs populations having adequate shelter and housing, the City does allocate for this need with all of its Consolidated Plan resources. Through the Affordable Housing Trust Fund, the City has been creative in using its CDBG and HOME resources to play a role in the development of homeless and special needs housing. While

not at a level that the community feels may be adequate, the City continues to encourage development of these housing units.

In areas of public services and public facilities, the City still meets its priority areas. Annually the City budgets the maximum of 15 percent of its CDBG grant for public services, allowing these community-based programs to assist the City in meeting the needs of its low-income residents. This is an area that the City is reviewing its role and exploring options to continue to meet these high priority public service and facility strategies.

VI) Fostering And Maintaining Affordable Housing

The City through its Community Planning and Economic Development department (CPED) and the Minneapolis Public Housing Authority (MPHA) work to meet the housing needs identified in the Priority Housing Needs Table in the 2000 Five-Year Consolidated Plan strategy.

The following analysis of city performance in addressing affordable housing needs is based on the CPED's annual Affordable Housing Reports. The Affordable Housing Report is an annual report required by City Council to document progress in achievement of Minneapolis Affordable Housing goals. The report undergoes a public hearing. The analysis also consulted several other documents produced during the past year such as Consolidated Plan project reports, the 2003 Continuum of Care Exhibit I narrative, Community Advisory Board on Homelessness "Pipeline" reports, and other funding reports.

Table 1. 2000-04 Consolidated Plan Housing Production summarizes unit performance progress for 2000-03.

Table 1. 2000-04 Consolidated Plan Housing Production

| | | <30% Median Family Income | 31-50% Median Family Income | 51-80% Median Family Income | Disabled/Special Needs | Homeless |
|---------------------|----------------------------------|---------------------------|-----------------------------|-----------------------------|------------------------|----------|
| Small Rental | | | | | | |
| New | 3rd Avenue Townhomes | 1 | | | 1 | |
| | Bloomington Lake Phase I | 6 | 1 | 18 | | |
| | Bottineau Lofts and Townhomes | 11 | | 11 | 9 | |
| | Franklin Gateway Phase I | 18 | 9 | | 7 | |
| | Heritage Park Phase 1A | 34 | | 27 | | |
| | Jeremiah Project Addition | 21 | | | | 21 |
| | Keeler Apartments | | 2 | | | |
| | Lamoreaux | 20 | 19 | | | |
| | Lydia House | 40 | | | 40 | |
| | Many Rivers East | | 27 | | | |
| | Stone Arch Apartments | | 44 | 47 | | |
| | Trinity Gateway | 16 | | | 8 | |
| | Total Units Completed in FY 2003 | 167 | 102 | 103 | 65 | 21 |
| | Number of Units Planned/Underway | 501 | 312 | 299 | 228 | 0 |
| | FY 2000-03 Units Completed | 443 | 445 | 248 | 279 | 140 |
| Preserved | | | | | | |
| | Armadillo Flats | | 26 | | | |
| | Ascension Place | 32 | | | | 32 |
| | Cabrini House | 13 | | | | 13 |
| | Elliot Park I Stabilization | 19 | 3 | | | |
| | Mulberry Flats | | 8 | | | |
| | Pinecliff Apartments | 7 | 23 | | | |
| | Seven Corners | | 95 | 47 | | |
| | Seward Towers | 623 | | | | |
| | Talmage Green | 13 | | | | |
| | Tension Envelope | | 8 | | | |
| | The Lorraine | 9 | | | | 9 |
| | Total Units Completed in FY 2003 | 716 | 163 | 47 | 0 | 54 |
| | Number of Units Planned/Underway | 458 | 45 | 0 | 20 | 580 |
| | FY 2000-03 Units Completed | 1119 | 477 | 230 | 12 | 178 |
| | | <30% Median Family Income | 31-50% Median Family Income | 51-80% Median Family Income | Disabled/Special Needs | Homeless |
| Large Rental | | | | | | |
| New | 3rd Avenue Townhomes | 11 | | | 11 | |
| | Bloomington Lake Phase I | | | 9 | | |
| | Bottineau Lofts and Townhomes | | | 7 | | |
| | Franklin Gateway Phase I | 5 | 4 | | | |
| | Heritage Park Phase 1A | 26 | | 3 | | |
| | Keeler Apartments | | 6 | | | |
| | Many Rivers East | 7 | | 3 | | |
| | Urban Garden | 6 | | | | |
| | Phillips Park (II C) | | 12 | | | |
| | Total Units Completed in FY 2003 | 55 | 22 | 22 | 11 | 0 |
| | Number of Units Planned/Underway | 115 | 20 | 53 | 14 | 0 |
| | FY 2000-03 Units Completed | 101 | 50 | 51 | 11 | |

| | | | | | | |
|-------------------------------------|--|-------------------------------------|------------------------------------|------------------------------------|-------------------------------|-----------------|
| Preserved | Armadillo Flats | 8 | 4 | | | |
| | Elliot Park I Stabilization | 8 | | | | |
| | Jefferson Townhomes | 5 | | | | |
| | Seven Corners | | 5 | 2 | | |
| | Talmage Green | 13 | | | | |
| | The Lorraine | 7 | | | | 7 |
| | MPHA Rehab/Modernization | | 73 | | | |
| | Total Units Completed in FY 2003 | 41 | 82 | 2 | 0 | 7 |
| | Number of Units Planned/Underway | 156 | 9 | 0 | 0 | 0 |
| | FY 2000-03 Units Completed | 73 | 738 | 21 | 0 | 7 |
| | | <30% Median Family Income | 31-50% Median Family Income | 51-80% Median Family Income | Disabled/Special Needs | Homeless |
| Owner- Occupied- (all Large) | | | | | | |
| New | | | | | | |
| | Franklin Gateway I (ownership Childrens Village) | | | 4 | | |
| | Hawthorne Homestead | | | 1 | | |
| | Lot Reduction Program | | | | | |
| | GMHC | | | 9 | | |
| | Habitat for Humanity | 2 | 7 | | | |
| | Homeownership Works | | | 3 | | |
| | Total Units Completed in FY 2003 | 2 | 7 | 17 | | |
| | Number of Units Planned/Underway | 0 | 6 | 29 | | |
| | FY 2000-03 Units Completed | 10 | 68 | 138 | | |
| Preserved | | | | | | |
| | Rehab Support | 3 | | 9 | | |
| | Loan and Grant | 21 | 3 | 4 | | |
| | Mortgage Assistance | 1 | | 11 | | |
| | Foreclosure Prevention | 1 | 5 | 7 | | |
| | Total Units Completed in FY 2003 | 26 | 8 | 31 | | |
| | Number of Units Planned/Underway | | | | | |
| | FY 2000-03 Units Completed | 411 | 414 | 552 | | |

Both Consolidated Plan funds and non-Consolidated Plan funds are included in the discussion of listed actions below. CDBG and HOME funds are generally directed towards the production/preservation of housing units targeted to those less than or equal to 80 percent of median income. ESG funds are used for emergency shelter and transitional housing stabilization/rehabilitation while HOPWA is directed toward unit production and subsidies for those with special needs. Non-Consolidated Plan funds could be targeted towards all income ranges. This report focuses on units made available at income levels at/or below 80 percent of median income.

Unit numbers may not necessarily correspond with the IDIS program accomplishment summary found in the appendix. The City only reports units in the affordable housing reports as units are completed and made available. IDIS records may not necessarily correspond. If Consolidated Plan funds remain to be drawn against a project, units will not appear as completed in the IDIS system.

The following summarizes the housing strategies by income level discussed in the 2000-04 Consolidated Plan Five-Year Strategy. The City provided for 1,522 rental and 45 owner-occupied units of Section 215-qualified housing.

a) Very Low-Income (0-30% of median income)

The strategies set forth in the 2000 Consolidated Plan addressing the housing needs of individuals and families at or below 30 percent of median income are:

- Direct a majority of rental housing assistance to this income group
- Work to preserve and improve the physical condition of existing subsidized housing
- Replace family rental units with new three or more bedroom units
- Create additional transitional housing units with appropriate supportive services
- Identify opportunities for placing new housing along transportation corridors
- Encourage development of mixed-income housing
- Continue to seek opportunities to develop affordable housing in non-concentrated areas of the City.

The City worked to incorporate these strategies to the following extent among renters and owners at very low-income levels. The five year (2000-04) goals for housing units supported by the Consolidated Plan at this income level are:

Small related renters--- 275
 Large related renters--- 600
 Elderly renters--- 50
 Owners--- No goal identified

**i) Renters
 2003 Housing Production 0-30% Median Family Income**

| | 2003 Placed in service | New Units | Preserved Units | 2000-03 Placed in service | 2000 Consolidated Plan Goal |
|---------------|------------------------|-----------|-----------------|---------------------------|-----------------------------|
| Small Related | 883 | 167 | 716 | 1,119 | 275 |
| Large Related | 96 | 55 | 41 | 174 | 600 |
| Elderly* | 0 | 0 | 0 | 120 | 50 |

*Subset of total

There are 1,230 units either planned or underway for this income level. This includes 616 new units of which 115 will be 3 bedrooms or more (large related).

The City provided CDBG, HOME, and ESG to projects in this income category. The Minnesota Housing Finance Agency also allocated HOPWA funding from the City to projects assisting residents in this income category. HOPWA project support included rental assistance. HOPWA unit numbers are not included in the

Consolidated Plan Housing Production 2003 numbers since there was only one Minneapolis (Lydia Apartments) HOPWA-funded capital project that came on line. Its six HOPWA units are already counted in the totals for Lydia Apartments in the 2003 housing production table.

Assessment of Progress Towards Goals

Progress is slow in regards to completion of units for large related households. Appropriate units for large households consist of three or more bedrooms. It is difficult to develop units of this type in the current market. The MCDA does prioritize and award bonus points to projects creating large household units in its multifamily RFPs for housing. The MCDA also awards more points for projects producing affordable units in non-impacted areas of the city. It is anticipated that in the next several years, elderly renters will receive Consolidated Plan resources for additional units consistent with the Senior Housing Policy. The city added 78 new special needs housing units to the inventory.

ii) Owners

The City assisted 28 owner-occupied properties in the very low-income category. There has been a substantial reduction in units provided with assistance in the owner-occupant category across all income categories with the new lead-based paint requirements combined with the availability of lower interest rates for refinancing. Assistance was provided through the Home Ownership Works, Rehab Support, and Loan and Grant programs. Minnesota Housing Finance Agency nearly matched production of assisted units in the Loan and Grant program. Two Habitat for Humanity properties were completed.

Assessment of Progress towards Goals

No goal was identified for owner-occupied units at the very low-income level in the 2000-04 Consolidated Plan. To create new owner-occupant units at this income level requires a deep subsidy. The primary strategy at this level is to provide programs that allow a very low-income owner occupant keep their unit in code compliance to prevent inspection orders.

b) Low-Income (31-50% of median income)

Strategies for the low-income level housing needs (at/or below 50 percent of median income are:

- Direct a majority of rental housing assistance to this income group
- Work to preserve and improve the physical condition of existing subsidized housing
- Replace family rental units with new three or more bedroom units

- Create additional transitional housing units with appropriate supportive services
- Link employment programs to redevelopment efforts
- Link housing programs to programs for supportive services, income assistance and public housing
- Work to improve low income housing options for households throughout the metropolitan area
- Identify opportunities for placing new housing along transportation corridors
- Encourage development of mixed-income housing
- Continue to seek opportunities to develop affordable housing in non-concentrated areas of the City.

The City worked to incorporate these strategies to the following extent among renters and owners at low-income levels. The five year (2000-04) goals for housing units supported by the Consolidated Plan at this income level are:

| | |
|--------------------------|-----|
| Small related renters--- | 275 |
| Large related renters--- | 600 |
| Elderly renters--- | 50 |
| Owners--- | 320 |

i) Renters

2003 Housing Production 31-50% Median Family Income

| | 2003 Placed in service | New Units | Preserved Units | 2000-03 Placed in service | 2000 Consolidated Plan Goal |
|---------------|------------------------|-----------|-----------------|---------------------------|-----------------------------|
| Small Related | 265 | 102 | 163 | 922 | 275 |
| Large Related | 124 | 22 | 82 | 788 | 600 |
| Elderly* | 0 | 0 | 0 | 0 | 50 |

*Subset of total

The vast majority of preserved large related units consisted of the Public Housing Authority's rehab of its stock using city-provided CDBG rehab assistance. There are 386 units either planned or underway for this income level. This includes 332 new units of which 20 will be 3 bedrooms or more (large related).

The City provides HOME and CDBG funds to projects in this income category. The Minnesota Housing Finance Agency also allocates HOPWA funding from the City to projects assisting residents in this income category.

All City-assisted projects are required to accept Section 8 certificates and vouchers. The City also works to assist projects in obtaining Section 8 project-based rental assistance to ensure project affordability.

Assessment of Progress Towards Goals

Again, the City did well in regards to smaller multifamily units as compared with large multifamily units (the higher number for large sized units attributed to CDBG support of MPHA's renovation/modernization program, skewing results). With projects that were funded subsequent to the adoption of the city's Affordable Housing Policy continuing to come on line, new and stabilized unit production for this income level continues to improve. Though the improvement will be more with smaller bedroom units as opposed to larger bedroom units. The MCDA is trying to counteract this by offering more application points for projects that propose 3+ bedroom units.

ii) Owners

The City assisted 15 owner-occupied units (7 new) at the low-income level. Assistance was provided through the Loan and Grant, Mortgage Foreclosure Prevention and Habitat for Humanity programs. Minnesota Housing Finance Agency resources were provided to the Loan and Grant program.

| | 2003 Placed in service | New Units | Preserved Units | 2000-03 Placed in service | 2000 Consolidated Plan Goal |
|----------------|------------------------|-----------|-----------------|---------------------------|-----------------------------|
| Owner-Occupied | 15 | 7 | 8 | 482 | 320 |

Assessment of Progress Towards Goals

The goal identified for owner-occupied units at the low-income level in the 2000 Consolidated Plan has been met. The primary strategy at this level is to provide programs that allow a low-income owner occupant keep their unit in code compliance to prevent loss to the housing inventory. The number of units assisted at this level compare positively with single family housing at other income levels. A concern will be the impact of new lead-based paint hazard screening requirements on the production numbers at this level. To keep rehabilitation costs reasonable, the City will continue to try to contribute non-HUD financial resources to units at this level.

c) Moderate-Income (51-80% of median income)

The 2000 Consolidated Plan set forth the following strategies for addressing the housing needs of those at or below 80 percent of median income. These

strategies are intended to reduce the housing imbalance that is present in the City, thereby increasing diversity of available housing options. The strategies are:

- Replace lost single family units due to condemnation and demolition through rehabilitation or new construction on in-fill sites
- Rehabilitate duplex and smaller three or four unit apartment buildings
- Market neighborhood livability and revitalization programs
- Provide both home ownership and credit financial counseling for potential home buyers in the city
- Identify opportunities for placing new housing on transportation corridors
- Encourage development of mixed-income housing
- Encourage and assist production of housing products varied in style, size, type and price in a manner attractive to families

The City worked to incorporate these strategies to the following extent among renters and owners at moderate-income levels. The five year (2000-04) goals for housing units supported by the Consolidated Plan at this income level are:

Small related renters--- 125
 Large related renters--- 375
 Elderly renters--- 25
 Owners--- 1,100

i) Renters

2003 Housing Production 51-80% Median Family Income

| | 2003 Placed in service | New Units | Preserved Units | 2000-03 Placed in service | 2000 Consolidated Plan Goal |
|---------------|------------------------|-----------|-----------------|---------------------------|-----------------------------|
| Small Related | 150 | 103 | 47 | 478 | 125 |
| Large Related | 24 | 22 | 2 | 72 | 375 |
| Elderly* | 0 | 0 | 0 | 0 | 25 |

*Subset of total

There are 352 units either planned or underway for this income level. This includes 53 new units which 28 are 3-bedrooms or more (large related).

The City provided CDBG and HOME funds to projects in this income category. All City-assisted projects are required to accept Section 8 certificates and vouchers. Other resources available to housing at this income level includes MHFA, and other private resources.

Assessment of Progress Towards Goals

Progress toward unit goals at the moderate-income level continues to exceed the goal for small rental units though on-line production numbers fell over the past year. Large rental unit production continues to lag. It is becoming apparent that the City's increasing commitment to providing Consolidated Plan resources at or below 50 percent of median income will stem annual production increases at the moderate-income level. Recent tax changes at the State Legislature for multifamily properties may produce a developer incentive to increase unit production at this level, though that remains to be seen. The City continues to monitor this environment.

ii) Owners

The City assisted 48 owner-occupied properties (17 new units) in the moderate-income category. Assistance was provided through the Home Ownership Works, Rehab Support, Recycling and Loan and Grant programs as well as Mortgage Foreclosure Prevention. Consolidated Plan funding for owners at the moderate-income level consisted of CDBG and HOME. Other resources at this level include MHFA, Met Council and private resources.

| | 2003 Placed in service | New Units | Preserved Units | 2000-03 Placed in service | 2000 Consolidated Plan Goal |
|----------------|------------------------|-----------|-----------------|---------------------------|-----------------------------|
| Owner-Occupied | 48 | 17 | 31 | 690 | 1,100 |

Assessment of Progress Towards Goals

The goal identified for owner-occupied units at the moderate-income level in the 2000 Consolidated Plan is tracking to fall short of a perhaps too aggressive five-year goal. The primary strategy at this level is to provide programs that allow a moderate-income owner occupant keep their unit in code compliance to prevent inspection orders. The number of units assisted at this level compare positively with single family housing at other income levels. A continuing concern is the impact of new lead-based paint hazard screening requirements on the production numbers at this level. At this income level, the requirements may induce owners to seek private financing for moderate renovation projects. To keep rehabilitation costs reasonable, increased non-HUD financial resources may need to be devoted to units at this level, which would reduce the threshold level of required lead-based paint response strategies. CPED is developing strategies to mitigate the effect of the new lead-based paint requirements on unit production, for instance, offering \$5,000 moderate rehabilitation loans.

d) **Disabled/Special Needs**

No unit goals were set forth in the Five-Year strategy; however, the City continues to work in supporting housing needs for disabled and special needs residents. For example, the City is funding Clare House and Collaborative Village projects. These are both new and converted units. In 2003, the City placed into service 76 new units of special needs/disabled housing.

City strategies for addressing special needs populations are:

Elderly Priority: Medium

- ◆ Seek opportunities for development of a range of affordable senior housing units as part of larger housing or redevelopment initiatives consistent with approved Senior Housing Policy.
- ◆ Use available resources to assist the development of Section 202 Elderly housing through land acquisition, site improvements and other eligible appropriate ways.

Frail Elderly Priority: Medium

- ◆ Seek opportunities for development of new supportive housing for frail elderly as part of larger housing or redevelopment initiatives consistent with approved Senior Housing Policy.
- ◆ Seek to retain existing housing stock through rehabilitation activities.
- ◆ Use available federal, state, and local resources to assist in the development of supportive housing units for frail elderly persons.

Severe Mental Illness Priority: Medium

- ◆ Seek opportunities for development of new supportive housing units for persons with mental illness as part of larger housing or redevelopment initiatives.
- ◆ Seek to retain existing housing stock through rehabilitation activities.
- ◆ Encourage the development of practice apartments within new developments to give people the chance to learn independent living without jeopardizing their rental history and for mental health services to realistically assess service needs.
- ◆ Use available federal, state, and local resources to assist in the development of supportive housing units for persons with mental illness.

Developmentally Disabled Priority: Medium

- ◆ Seek opportunities for development of new supportive housing units for developmentally disabled persons as part of larger housing or redevelopment initiatives.
- ◆ Seek to retain existing housing stock through rehabilitation activities.

Physically Disabled Priority: High

- ◆ Seek opportunities for development of new supportive housing units for physically disabled persons as part of larger housing or redevelopment initiatives.
- ◆ Seek to retain and increase accessibility to existing housing stock through rehabilitation activities.
- ◆ Ensure availability of accessible units in city-assisted housing developments.

Persons with Alcohol/Other Drug Addiction Priority: Medium

- ◆ Seek opportunities for development of new supportive housing units for persons who suffer from chemical dependency as part of larger housing or redevelopment initiatives.
- ◆ Seek to retain existing housing stock through rehabilitation activities.

HIV/AIDS Priority: High

- ◆ Seek opportunities for development of new supportive housing units for persons with HIV/AIDS as part of larger housing or redevelopment initiatives.
- ◆ Seek to retain existing housing stock through rehabilitation activities.
- ◆ Leverage existing HOPWA funding with other federal, state, and local funds in the creation of housing units and housing-related services.

Through the HOPWA program, housing subsidies are made available for special needs through the Minnesota AIDS Project and Metro HRA. Capital projects have been supported as well. Use of HOPWA is discussed later in the report.

e) Summary of Consolidated Plan Expenditures on Housing Production Numbers in 2003 (by Strategy)

| Strategy | CDBG Housing Programs | 2003 IDIS Expenditures | Accomplishments |
|---|--|------------------------|--|
| Rehab;Multi-Unit Residential, Homeless and Senior Housing | MPHA General Rehabilitation | 67,638 | 73 housing units |
| Housing Counseling | MPHA Mobility Counseling | 41,695 | 125 households provided with vouchers and counseling |
| Rehab;Single-Unit Residential | Loan and Grant Program (Deferred, Code, NHS, Lead) | 575,990 | 25 loans in process, 13 loans closed |
| Acquisition-for Future Development | Homeownership Vacant and Boarded Housing | 2,820,166 | Elimination of condemned residential structures with sale of resulting lot to low/moderate-income buyers for housing development |
| Rehab;Single-Unit Residential | Homeownership Rehab Support Program | 2,213 | Project was closed out this year |
| Construction Housing | Homeownership GMMHC | 1,093,167 | 6 Single Family homes acquired, developed and sold to low/moderate-income buyers |
| Rehab;Multi-Unit Residential, Homeless and Senior Housing | Multifamily Program Administration Delivery | 489,021 | |
| Rehab;Multi-Unit Residential | Armadillo Flats | 531,709 | Rehab of 8 very low-income and 30 low-income housing units; |

| | | | |
|---|---|------------------|---|
| | | | 12 large family |
| Rehab;Multi-Unit Residential | Olson Townhomes | 400,331 | 92 very low-income housing units rehabbed; 13 large family |
| Rehab;Multi-Unit Residential | Restart | 10,500 | Rehab 24 low-income housing units |
| Rehab;Multi-Unit Residential | Womens' Community Housing | 231,439 | Rehab 17 very low-income shelter bed units; 7 large family; special needs |
| Rehab;Multi-Unit Residential | Heritage Park II Loan | 568,300 | Infrastructure development for 113 units of low income housing |
| Rehab;Multi-Unit Residential | Heritage Park II Grant | 697,500 | Infrastructure development for 113 units of low income housing |
| Rehab;Multi-Unit Residential | Little Earth | 30,000 | Rehab development assistance for rehab of 212 low-income housing units |
| Rehab;Multi-Unit Residential | Collaborative Village | 218,300 | Development of 20 low-income special needs housing units |
| Rehab;Multi-Unit Residential- Special Needs | Lydia Apartments | 60,000 | Development of 40 very-low income special needs housing units |
| Residential Lead Paint Mitigation | Lead Risk Assessments | 94,853 | 317 households assisted |
| Lead-based Paint Remediation | Round VIII HUD Match Activities | 19,908 | See above |
| | Housing Programs Total Expenditures (CDBG) | 7,952,730 | |

| Strategy | HOME Investment Partnerships | 2003 IDIS Expenditures | Accomplishments |
|---|--|-------------------------------|---|
| Rehab;Multi-Unit Residential | 1+1 Coop | 1,935 | 8 units of affordable housing rehabbed |
| Construction;Multi-Unit Residential | Many Rivers | 49,910 | 37 new affordable units; 2 HOME-assisted |
| Construction;Multi-Unit Residential | West River Commons | 500,000 | 12 new very low-income units |
| Rehab;Multi-Unit Residential | Trinity Gateway | 845,000 | 16 new very low-income, 8 for special needs |
| Rehab;Multi-Unit Residential | Little Earth | 500,000 | 212 very low-income units |
| Construction;Multi-Unit Residential | The Boulevard | 497,975 | 6 new very low-income and 9 new low-income units |
| Rehab;Multi-Unit Residential | Collaborative Village | 400,000 | 16 new very low-income and 2 new low-income special needs units |
| Acquisition/Rehab;Single-Unit Residential | Single Family Home Ownership | 391,406 | 22 affordable single family residences developed |
| | HOME Investment Partnerships Total Expenditures | 3,186,226 | |
| | | | |
| Strategy | Emergency Shelter Grants (ESG) | 2003 IDIS Expenditures | Accomplishments |

| | | | |
|---|---|----------------|--|
| Rehab;Multi-Unit Residential- Special Needs | St. Annes Shelter Capital | 4,720 | Rehab- 16 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | St. Stephens Capital | 2,020 | Rehab- 35 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | Secure Waiting Facility 1000 Currie Ave. Capital | 130,020 | Rehab- 250 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | Ascension Place Capital | 11,240 | Rehab- 30 very low-income shelter units |
| Rehab;Multi-Unit Residential- Special Needs | Sojourner Project Operating | 75,000 | New Construction- 20 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | The Lorraine Capital | 87,114 | Rehab- 16 very low-income units (7 large family) |
| Rehab;Multi-Unit Residential- Special Needs | Cabrini House Capital | 75,000 | Rehab- 13 very low-income shelter units |
| Rehab;Multi-Unit Residential- Special Needs | Women's CES Shelter Capital | 125,657 | Rehab of 20 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | County Overflow Shelter Rehab | 66,015 | Rehab of 251 very low-income shelter bed units |
| General Administration | Administration | 18,695 | |
| | Emergency Shelter Grant Total Expenditures | 595,481 | |
| New Units | HOPWA- Lydia Apartments | 200,000 | 6 HOPWA reserved units |

VII) Assistance To Homeless And Special Needs Population- Continuum Of Care

a) Those Experiencing Homelessness

Local Continuum of Care planning is accomplished through the Hennepin County Continuum of Care and implemented through the Community Advisory Board on Homelessness. County staff provides technical assistance to the Board with additional assistance from city staff. The City of Minneapolis through its participation in the group is able to closely coordinate projects with other State and County agencies giving the development of homeless housing solutions a better and more focused approach. Board members include Hennepin County, Minneapolis CPED, Corporation for Supportive Housing and other non-profit organizations, Family Housing Fund, homelessness advocacy organizations, those suffering homelessness or formerly homeless, Minnesota Housing Finance Agency and Minnesota Department of Human Services. The other group that assists in the Continuum is the Funders Council. The Council discusses projects seeking funds to compare notes as well as strategize on which projects should be targeted for funding in any given funding round. This increased communication results in projects being completed sooner as opposed to later and better target resources towards projects filling specific gaps in the continuum. Members of the Funders Council include representatives from the primary public and private capital and service funding providers.

In the Spring of 2000, a Joint City/County Task Force on Homeless Individuals and Youth issued their five-year strategies and priorities for housing homeless individuals and youth. The City incorporated these strategies into the 2000 Consolidated Plan. In 2001, a Task Force on Families issued strategies and priorities for this segment of the homeless population. The City Council and the Hennepin County Board adopted their report and recommendations. A development from these recommendations was the establishment of two entities to coordinate and implement strategies in support of the Task Forces' findings- a shelter advisory board and a metropolitan area level advocacy/advisory group. The Community Advisory Board on Homelessness began meeting in 2001 while Metro-wide Engagement on Shelter and Housing (MESH) was formally organized in 2001.

Through these entities, the City of Minneapolis works closely with a number of local and state agencies to ensure that Federal entitlement opportunities such as HOPWA, HOME, and ESG continue to meet funding priorities. For instance, the City works to direct funding to increasing the number of housing units as well as expansion of the scope of services provided to homeless persons. Descriptions of how these entitlement funds were used to assist the local Continuum of Care during the past program year follow.

To address needs and gaps in the Continuum of Care strategy, the City of Minneapolis supported the applications of Year 2003 Continuum of Care projects. Twenty-two applications received funding totaling \$6.5 million. Projects received funding for transitional and permanent supportive housing along with services. The following table describes the funded applications.

2003 Continuum of Care Awards

| Project | Award | Description |
|---|------------|---|
| Metro HRA- Hennepin II Shelter + Care | \$781,380 | 15 tenant-based rental subsidies for single adults and families disabled by mental illness |
| Pillsbury United Communities- Northeast Family Housing | \$420,000 | Capital funding for 10 new permanent supportive housing units for disabled families |
| Simpson Housing Services- Family Housing Program | \$102,319 | Renewal funding for transitional housing support services and leasing expense for 10 homeless families, including those disabled by domestic violence |
| Central Community Housing Trust- Youth Housing | \$473,606 | Renewal funding for support services and operating costs for 20 transitional housing units for youth |
| Perspectives-Transitional Housing | \$171,173 | Renewal funding for support services and operating expenses for transitional housing serving 22 families disabled by chemical dependency, dual-diagnosis and domestic abuse |
| RS Eden- Portland Village | \$149,100 | Renewal funding for support services and operating costs for 24 permanent supportive housing units serving families disabled by chemical abuse |
| Hennepin County-Project Connect | \$347,549 | Renewal funding for support services to assist 30 chronically homeless families |
| Tubman Family Alliance- Transitional Housing | \$97,085 | Renewal funding for support services and operating costs for 11 transitional housing units for victims of domestic violence |
| Community Involvement Programs-Shared Housing | \$25,480 | Renewal funding for support services for 5 permanent supportive housing units for single adults with mental illness |
| Families Moving Forward- Mel's Place | \$ 105,555 | Renewal funding for support services for 5 permanent supportive housing units for disabled families |
| Elim Transitional Housing- Permanent Supportive Housing | \$165,000 | Renewal funding for support services and leasing expense for 8 permanent supportive housing units for families disabled by dual diagnosis |
| Central Community Housing Trust- Alliance Apartments | \$ 154,010 | Renewal funding for support services for 20 units of |

| | | |
|--|------------|--|
| | | supportive housing for single adults |
| American Indian Housing & Community Development-Anishinabe Waikiagun | \$ 162,222 | Renewal funding for operation of 40 units of permanent supportive housing for single adults disabled by chronic substance abuse |
| StreetWorks | \$242,887 | Renewal funding for support services for youth-serving street-based outreach and case management |
| Minnesota Veterans Home Board-Transitional Housing | \$ 227,583 | Renewal funding for support services and operating costs for 16 transitional housing units for disabled veterans |
| Mental Health Resources-Stevens Supportive Housing I | \$ 152,410 | Renewal funding for operating costs, support services, and leasing costs for 14 permanent supportive housing units for single adults with dual diagnosis of mental illness and chemical dependency |
| Mental Health Resources-Stevens Supportive Housing II | \$ 198,299 | Renewal funding for operating costs, support services, and leasing costs for 14 permanent supportive housing units for single adults with dual diagnosis of mental illness and chemical dependency |
| Our Savior's Housing | \$ 139,811 | Renewal funding for support services and operating costs for transitional housing serving 16 single adults and families |
| Elim Transitional Housing-St. Stephens Church | \$ 489,874 | Funding for support and operating costs for 40 single adults |
| Alliance Housing | \$ 406,284 | |
| Resource-Spectrum Project | \$ 571,732 | Renewal funding for support services and leading for permanent supportive housing for 45 adults with mental illness |
| Metro HRA Hennepin County Shelter + Care | \$ 923,700 | Renewal funding for rental assistance to serve 50 families |

In order to address the needs of those experiencing homelessness and the needs of persons threatened with homelessness and requiring supportive housing, the Continuum of Care process recommended the following as appropriate elements of the Continuum of Care system:

- Coordinate inter-agency and inter-jurisdictional action.
- Coordinated outreach and assessment.

- Emphasize permanent supportive housing and prevention services versus emergency shelter.
- Combine housing with appropriate supportive services.
- Tailor a variety of supportive services to appropriate needs of intended recipients.
- Involve the private sector to a more significant degree.
- Reduce use of emergency services to promote cost-effectiveness.
- Preserve existing capacity and expand.
- Prioritize projects that serve under served constituencies.

The Continuum of Care process worked to identify activities that:

- prevent homelessness,
- provide outreach and assessment,
- provide emergency shelter space along with appropriate linkages to other services,
- fund transitional housing programs that utilize supportive services,
- assist special needs persons and families with appropriate permanent supportive housing options, and
- work to place very low-income households into permanent, affordable housing units.

Over the past five years, city efforts at funding homeless needs in line with City/County Continuum priorities have made available units and services for homeless needs. The recognition has been to support housing programs offering the homeless a transition out of homelessness. However, demand for shelter use has increased, in part due to the gap between incomes and housing costs. The situation facing those most vulnerable to homelessness due to this gap has not improved. The Continuum process continues to examine available community service options to expand opportunities for persons to transition out of homelessness. The City continues to work on producing and stabilizing affordable units to meet the housing needs of this population.

The City directs its ESG, HOME, and HOPWA funds toward housing opportunities for those persons who are homeless and those threatened with homelessness, both special needs and regular populations.

Emergency Shelter Grant (ESG) Program

The MCDA includes ESG funds in its MultiFamily Housing RFP issued annually. Projects funded through this process are capital projects that assist in preserving the capacity to house those that are homeless. The City has also used ESG funding to support operating services for the summer months at the County Overflow and Community Emergency Shelters. Since the County declines to fully fund these shelters during the summer months, the ESG funding allowed these facilities to extend their operating periods.

The following table shows 2003 ESG expenditures by the City.

| Strategy | Emergency Shelter Grants (ESG) | 2003 IDIS Expenditures | Accomplishments |
|---|---|------------------------|--|
| Rehab;Multi-Unit Residential- Special Needs | St. Annes Shelter Capital | 4,720 | Rehab- 16 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | St. Stephens Capital | 2,020 | Rehab- 35 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | Secure Waiting Facility 1000 Currie Ave. Capital | 130,020 | Rehab- 250 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | Ascension Place Capital | 11,240 | Rehab- 30 very low-income shelter units |
| Rehab;Multi-Unit Residential- Special Needs | Sojourner Project Operating | 75,000 | New Construction- 20 very low-income shelter bed units |
| Rehab;Multi-Unit Residential- Special Needs | The Lorraine Capital | 87,114 | Rehab- 16 very low-income units (7 large family) |
| Rehab;Multi-Unit Residential- Special Needs | Cabrini House Capital | 75,000 | Rehab- 13 very low-income shelter units |
| Rehab;Multi-Unit Residential- Special Needs | Women's CES Shelter Capital | 125,657 | Rehab of 20 bed shelter |
| Rehab;Multi-Unit Residential- Special Needs | County Overflow Shelter Rehab | 66,015 | Rehab of 251 shelter bed facility |
| General Administration | Administration | 18,695 | |
| | Emergency Shelter Grant Total Expenditures | 595,481 | |

Housing Opportunities for Persons With AIDS (HOPWA)

In order to ensure coordination with other housing/services related programs, the City of Minneapolis designates its annual HOPWA allocation to the Minnesota Housing Finance Agency (MHFA) so that it can be used to leverage with other MHFA programs. The funds are published as part of the MHFA's SuperRFP round to provide a "one-stop shopping" approach. MHFA administration also allows the funds to be used throughout the eligible metropolitan service area. Funding priorities were developed by the Minnesota HIV Housing Coalition.

Priority populations are:

- Households with children
- Individuals whose rental histories, pre-existing conditions, and other life circumstances increase difficulty of accessing affordable housing
- People from communities of color
- Adolescents and young adults 13-24 years of age
- Households who are homeless or at risk of homelessness

The Minnesota HIV Housing Coalition updated their needs assessment in 2002 and have the following priorities for funding. These recommendations address the use of HOPWA funds, funds that HOPWA can be linked with, and other potential funding sources.

- Promote the use of HOPWA funds for rental subsidies, or other housing expenses to secure and expand access to affordable housing for households affected by HIV. Ongoing subsidy renewal should be a priority. Maintain funding flexibility reflecting the changing needs of people living with HIV and changes in the housing market.
- Promote flexibility in funding for capital projects. This flexibility is needed to reflect the changing needs of people living with HIV and changes in the housing market.
- Promote work with developers to market HOPWA rental subsidies in their development projects.
- Promote use of HUD programs such as HUD's Homeless Assistance Programs, Programs for Persons with Disabilities, Section 811 and HOME Initiatives to be directed to persons living with HIV/AIDS and their families.
- Seek competitive HUD funds, including HOPWA competitive (encompassing ten percent of national HOPWA allocation), for capital projects to increase the supply of affordable housing responding to specific needs of people living with HIV.
- Encourage Consolidated Plans to allow the use of Community Development Block Grants (CDBG) and Emergency Shelter Grant (ESG) for HIV housing, and HOME funds for rental subsidies and HIV housing.
- Provide training and systems development services to support capacity of HIV and other service providers to use these programs.
- Stabilize funding for support services in adult foster care and supportive housing. While HOPWA funds in Minnesota have not traditionally funded this, this emerging issue will be more critical in the future with awareness of increased service needs with HIV disease progression.
- Increase reimbursement levels for adult foster care
- Increase access to funding through established adult foster care and supportive housing programs including CADI, TBI waivers, Supportive Housing Program (SHP) and other waiver services.
- Use HOPWA as funding source of last resort to fill gaps where established adult foster care and supportive housing programs fail to meet needs.

The following are targeted strategies that are priorities:

Targeted Strategies

Increased affordable housing stock through housing development and utilization of housing subsidies

- ◆ Provide outreach to and cultivate relationships with landlords.
- ◆ Provide seamless movement from transitional into permanent housing.
- ◆ Create affordable housing units, where rent is no more than 30% of adjusted income, including expansion of specialized housing stock with more units dedicated to special needs populations.
- ◆ Create mixed-use, high tolerance and harm reduction models of housing including SROs, apartments, and family housing.
- ◆ Projects that include assisted living programs, including adult foster care, and proposals from adult foster care providers that address recent changes in the HIV health spectrum.
- ◆ Outreach to non-profit developers as well as other housing professionals to leverage additional funds for new projects.

Intensive housing intervention

- ◆ Programs emphasizing advocacy.
- ◆ Programs prepared to assist clients through the housing search process, with staff/case managers trained in such areas as skill building and discrimination issues.
- ◆ Advocate assisting all HIV service agencies.
- ◆ Short-term rental assistance subsidy programs that include one-to-one interaction between staff and clients to improve client's capacity for greater self-sufficiency.

Emergency housing assistance

- ◆ Emergency programs modeled on existing emergency funds from agencies experienced in the administration of emergency housing funds.
- ◆ Programs that emphasize "essential" services and limit "non-essential" services, such as past due long distance telephone bills.
- ◆ Proposals for short-term housing/emergency housing units.

Clearinghouse

- ◆ Projects which would partner with The Housing Link's to improve their capacity to effectively serve the housing needs of individuals and families living with HIV and AIDS.

The HIV Application Review Committee reviews and recommends application proposals for funding. If a proposal requests other funds in addition to HOPWA, that proposal is also presented to a selection committee composed of all funders

to the MHFA RFP. Recommended proposals for funding are brought to the MHFA Board for final approval.

The majority of current HOPWA resources have been dedicated to the provision of tenant-based rental assistance and client advocacy and case management services. The Metropolitan Council HRA and Minnesota AIDS Project sponsor these activities. Martin Luther King Court also received project-based HOPWA assistance for eight units. Since 2000, MHFA has also provided HOPWA funding for capital projects by the Urban League (MLK Court-St. Paul) and Salvation Army (Hope Harbor-Minneapolis/ Harvest Hills-Coon Rapids). Recently completed capital projects include Lydia Apartments (Minneapolis) and Christopher Apartments (St. Paul)

| Current 2000-04 HOPWA Projects | Purpose |
|---|---|
| Met Council HRA | Rental subsidies |
| St. Paul Urban League | MLK Court Housing Capital project, rental assistance, 8 units |
| Salvation Army/Harvest Hills | Capital project, 8 permanent supportive housing units |
| Salvation Army/Hope Harbor | Capital project, 6 permanent supportive housing units |
| Catholic Charities/Christopher Apartments | Capital project, 5 permanent supportive housing units |
| Lydia Apartments | Capital project, 6 permanent supportive housing units |
| Minnesota AIDS Project (MAP) | Supportive services, transitional housing rental assistance |

The following summarizes barriers and recommendations for addressing them articulated by projects in the HOPWA Annual Performance Report forms located in the Appendix.

| Barriers | Recommendations |
|---|--|
| <ul style="list-style-type: none"> • Lack of tenant rent subsidy • Lack of operating funds • Limited available grant opportunities • Difficulty implementing this program • Program is at capacity • Lack of affordable housing in the metro area, resulting from: <ol style="list-style-type: none"> 1. Lengthy waiting lists for rental housing. 2. Applicant rental threshold requirements set high by landlords. | <ul style="list-style-type: none"> • Provide technical assistance about available funding opportunities and project management • Provide waiting list material to referring case managers. • Renew allocation for HOPWA tenant based housing subsidies funding • Assure referrals are on waiting lists |

| | |
|--|--|
| <ol style="list-style-type: none"> 3. Limited suitable job opportunities to earn a stable income at necessary income levels. 4. Unstable housing the result of eviction for unpaid rent. 5. Estimated 80% of the clients cannot afford their housing expenses 6. Reduction in Section 8 certificates <ul style="list-style-type: none"> • Limited available capital funds | |
|--|--|

The Appendix contains the Annual Performance Reports from project providers receiving HOPWA funds in the past year. Since there is a time lag between the date they incur HOPWA expenditures and the City draws these funds from HUD, these performance reports differ slightly from the IDIS HOPWA reports found in the Appendix as well.

Name of HOPWA Grantee: Minneapolis

Report covers the period: 06/01/2003 to 05/31/2004

Performance Chart 1 -- Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS which were Supported during the Operating Year

| Type of Unit: | Number of units with HOPWA funds | Amount of HOPWA funds | Number of units with Grantee and other funds | Amount of Grantee and other funds | Deduction for units reported in more than one column | TOTAL by type of unit |
|---|----------------------------------|-----------------------|--|-----------------------------------|--|-----------------------|
| 1. Rental Assistance | 110 | \$629,735 | - | - | - | 110 |
| 2. Short term/emergency housing payments | - | - | - | - | - | - |
| 3-a. Units in facilities supported with operating costs | - | - | - | - | - | - |
| 3-b. Units in facilities that were developed with capital costs and opened and served clients | 6 | \$200,000 | - | - | - | 6 |
| 3-c. Units in facilities being developed with capital costs but not yet opened | 18 | \$554,631 | - | - | - | 18 |
| Subtotal | 134 | \$1,384,366 | - | - | - | 134 |
| Deduction for units reported in more than one category | - | - | - | - | - | - |
| TOTAL | 134 | \$829,735 | - | - | - | 134 |

Name of HOPWA Grantee: Minneapolis

Report covers the period: 06_/01_/2003_ to 05_/31_/2004_

Performance Chart 2 -- Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Numbers of Units)

| Type of Unit: | Estimated number of units by type in the approved Consolidated Plan/Action Plan for this operating year | Comment, on comparison with actual accomplishments |
|---|---|--|
| 1. Rental Assistance | - | * Refer to narrative below |
| 2. Short-term/emergency housing payments | - | * Refer to narrative below |
| 3-a. Units in facilities supported with operating costs | - | * Refer to narrative below |
| 3-b. Units in facilities that were developed with capital costs and opened and served clients | - | * Refer to narrative below |
| 3-c. Units in facilities being developed with capital costs but not yet opened | -28 -Clare House, Christopher Apartments | * Refer to narrative below |
| Subtotal | -28 | |
| Deduction for units reported in more than one category | - | * Refer to narrative below |
| TOTAL | -28 | * Refer to narrative below |

** Minneapolis does not set forth in its Annual Consolidated Action Plan, any number of units projected to be assisted with HOPWA funding. Since the annual project solicitation for annual funds occurs subsequent to Consolidated Plan submission, it is unknown what demand will be anticipated for the funds, whether for capital unit production/stabilization, or for rental assistance. The Minnesota Housing Finance Agency uses a HOPWA housing steering committee composed of service providers and assistance constituents to determine how received proposals can best maximize the impact of annual HOPWA awards.*

HOME Investment Partnerships

The City of Minneapolis designates the Minneapolis Community Planning and Economic Development department (CPED) as recipient of all HOME entitlement allocations for use in rehabilitation of single family homes and multi-family rental units as well as for the production of new multi-family rental units. The creation of additional affordable housing units through either new construction or rehabilitation increases the housing choices available to persons moving through the homeless continuum of care in the City of Minneapolis and Hennepin County. Some of those persons who have moved through the continuum - from being on the street in the beginning on up to supportive housing - eventually will be able to move into a safe, affordable, independent housing unit created with HOME funding.

The following table illustrates 2003 HOME expenditures:

| Strategy | HOME Investment Partnerships | 2003 IDIS Expenditures | Accomplishments |
|---|--|------------------------|---|
| Rehab;Multi-Unit Residential | 1+1 Coop | 1,935 | 8 units of affordable housing rehabbed |
| Construction;Multi-Unit Residential | Many Rivers | 49,910 | 37 new affordable units; 2 HOME-assisted |
| Construction;Multi-Unit Residential | West River Commons | 500,000 | 12 new very low-income units |
| Rehab;Multi-Unit Residential | Trinity Gateway | 845,000 | 16 new very low-income, 8 for special needs |
| Rehab;Multi-Unit Residential | Little Earth | 500,000 | 212 very low-income units |
| Construction;Multi-Unit Residential | The Boulevard | 497,975 | 6 new very low-income and 9 new low-income units |
| Rehab;Multi-Unit Residential | Collaborative Village | 400,000 | 16 new very low-income and 2 new low-income special needs units |
| Acquisition/Rehab;Single-Unit Residential | Single Family Home Ownership | 391,406 | 22 affordable single family residences developed |
| | HOME Investment Partnerships Total Expenditures | 3,186,226 | |

VIII) Actions Taken To Prevent Homelessness

a) Address Emergency Shelter And Transitional Housing Needs Of Homeless Individuals And Families

In the provision of homeless and special needs facilities within the Consolidated Plan budget, the City emphasizes the use of its ESG and HOPWA entitlements to meet gaps. The City also assists these facilities with CDBG and HOME stabilization resources. The following sections review how the City used

Consolidated Plan funds to address homeless and special needs in both the City and the surrounding metropolitan area.

Emergency Shelter Grant

As noted above, CPED annually issues an RFP for use of Emergency Shelter Grant funds for capital needs.

Housing Opportunities for Persons with AIDS

The City also allocates HOPWA funds to the MHFA for capital and permanent and short-term rental subsidy assistance for low-income families and persons with HIV/AIDS as described previously. This is an important resource for meeting the housing needs of families and persons with HIV/AIDS. This population's need to obtain or keep affordable housing is great. Stable housing situations are often second to health care in importance for this population. HOPWA funding for the Minnesota AIDS Project's THP project provides a temporary subsidy of up to six months for individuals and up to 24 months for families with children.

b) Transition To Permanent Housing And Independent Living

The City works with programs that offer assistance to families to make the transition to permanent housing. Funding for the Minnesota AIDS Project Transitional Housing Program is one example. Family Housing Fund research recommends that time limits for transitional program participation be eased due to complexities of conditions faced by clients and the tight rental market which makes it difficult for clients to secure permanent housing. The Minnesota AIDS Project (MAP) and Metro HRA work to offer continued rental assistance to persons with HIV/AIDS when they expire their time limits in the transitional program. MAP staff works with clients to pursue alternative subsidy options: increased income, other public forms of assistance or personal rent supports.

Minneapolis through CPED uses its Affordable Housing Trust Fund to create additional supportive housing opportunities. Hennepin County also works to address permanent housing barriers with the Family Homeless Prevention Assistance Program.

Hennepin County subcontracts the SSO grant from HUD to provide Rapid Exit Services. Elim Transitional Housing utilizes Housing Trust Fund and RAFS funds to move families and individuals out of shelter directly into housing.

IX) Evaluation And Treatment Of Lead-Based Paint Hazards

The City has instituted a comprehensive lead-based paint strategy to address the issue of lead hazards in the city's housing stock with the goal, consistent with the State and Federal goals, of eliminating these hazards from the city by 2010.

In 2000, HUD comprehensively revised the regulations regarding treatment of lead-based paint hazards in housing programs operated by the agency. Since then, CPED and local contractor staff have attended training on the new HUD lead-based paint hazard regulations. The primary city office charged with implementing and monitoring lead-based paint hazard mitigation strategies is Healthy Homes and Lead Hazard Control. Using resources from the City, Hennepin County and HUD, this office addresses lead-based paint hazards through:

- Identification and mitigation of lead hazards from units occupied by children with elevated blood lead levels.
- Education and outreach to the parents/guardians of children most impacted by lead hazards in dwellings.
- Lead-based paint hazard awareness training for housing inspectors and education materials on the disclosure rules and lead safe work practices distributed to rental property owners.
- Prevention of lead poisoning by incorporating lead hazard reduction into the maximum numbers of dwelling units undergoing rehabilitation activities.

The City completed project activities of a \$3 million Round VIII Lead Grant from HUD on July 31, 2003. Reduction of lead hazards in dwelling units occupied by children with elevated blood lead levels was a priority of this funding. Project activities also included addressing the new federal regulations. The grant funds also provided additional training opportunities for risk assessors and certified contractors and workers. During Round VIII, lead hazards were identified and reduced in over 1,000 dwelling units.

At the end of Round VIII, over one hundred-thirty dwelling units were identified as having outstanding lead orders that could potentially lead to condemnation. City staff worked to reduce this number with the assistance of HUD and Hennepin County funding.

Two years ago, the federal Departments of Housing and Urban Development and Justice conducted an enforcement effort in the City of Minneapolis. During this effort, several rental property owners representing over one thousand housing units were cited as being out of compliance with federal laws concerning the disclosure of lead paint in housing. The City cooperated with HUD/DOJ in bringing these units into compliance. City staff continues to work with HUD/DOJ to reduce lead in rental housing within the city. This will result in well over one thousand housing units made safer for children and occupants.

During the 2003 program year, CDBG funding allowed risk assessments to be performed on 86 residential and common area units, work specifications were written on 113 residential and common area units and 317 clearance inspections were performed.

In September 2003, Hennepin County was awarded HUD Round XI funding. The majority of properties to be served by this grant are anticipated to be in Minneapolis.

To supplement these efforts, the MCDA offers a loan and grant program providing a \$5,000 loan for single family owners to remediate any lead-based paint hazards. This program processed two loans in the past year.

These efforts have seen the level of child screening for lead increase while at the same time the number of children diagnosed with an elevated blood lead level has decreased. The city also issued no property condemnations.

X) Anti-Poverty Strategy

The City of Minneapolis continues its efforts to reduce the number of poverty-level families in the city through focusing its development resources on programs and activities that facilitate the creation or retention of job opportunities. A city goal the creation of job opportunities and equipping city residents to take advantage of those resultant opportunities.

The following chart details economic development projects funded through the 2003 Consolidated Plan.

| Strategy | Capital/Economic Development Programs | 2003 IDIS Expenditures | Accomplishments |
|---|---|------------------------|--|
| Econ. Development Assistance/ Anti-Poverty Strategy | Industry Cluster Program (Living Wage Jobs) | 56,299 | 15 job placements |
| Econ. Development Assistance/ Anti-Poverty Strategy | Adult Training, Placement and Retention | 408,308 | 238 job placements |
| Economic Development Assistance | Neighborhood Business Associations | 174,000 | 34 business associations assisted |
| Economic Development Assistance | Seward Redesign-Movement Center | 75,000 | Redevelopment of community non-profit studio space |
| Economic Development Assistance | Franklin Bakery | 350,000 | Commercial reconstruction allowing creation/retention of 86 jobs |
| Economic Development Assistance | Hollywood Theater | 18,410 | Environmental abatement |
| Economic Development Assistance | Franklin Circles Shopping Center | 23,313 | Parking lot and façade improvements |

Improved housing and human development activities are essential components of the City's anti-poverty strategy. Various programs are utilized by the City in this effort, including among others, the Neighborhood Revitalization Program, MCDA programs, and initiatives of the Minneapolis Public Housing Authority. These programs have made progress in diversifying the City's housing market. In areas of economic development, the City has worked with private and non-profit partners to create an environment where opportunities for residents to leave poverty can develop.

Businesses provided with public funds for economic assistance from the City are required to post job openings with the City's Employment and Training Program in an attempt to link City residents with these jobs. In FY 2003, CDBG-funded vocational training efforts assisted 238 adults in obtaining private sector, permanent jobs.

The City also funds programs that prepare youth for their future by equipping them with job and career building skills. Youth employment training programs funded through CDBG funds enabled 329 youth to receive job training skills in FY 2003.

The City works to clean up polluted industrial sites in order to attract new light industrial businesses, or to site new housing or commercial development opportunities. Minneapolis CPED is the key public agency in coordinating the clean up of sites. Funding assistance is received from the Environmental Protection Agency, the Minnesota Pollution Control Agency and Department of Trade and Economic Development, the Metropolitan Council and other local sources. The benefits to brownfields redevelopment is an increase in the tax base, provision of job opportunities to city residents, improvement in the environment, and recycling of city land to productive uses.

Another method by which the City has attempted to address an economic development needs in the City has been the development of the Business Link office. Operated by CPED, Business Link is a one-stop, service center for businesses. The program assists businesses in understanding and working with various city regulatory services. It also assists in locating appropriate affordable business financing for equipment, land or building purchases, building improvements or expansions, working capital and micro loans. CPED and Operations and Regulatory Department staffs are also implementing a similar effort to assist developers and individuals with navigating the City's development process.

Commercial corridor revitalization is another economic development strategy being pursued by the City. The goal is to strengthen the commercial market for these areas, and to attempt to efficiently tie together commercial, housing, and transportation options in commercial corridors. Minneapolis' ability to creatively think how these corridors can work to underpin accessible job, commercial, housing and transportation objectives has led to the City receiving several Livable Communities grants from the Metropolitan Council. The City's Empowerment Zone initiative has also participated in commercial corridor revitalization for benefit of EZ residents of the city. The Empowerment Zone has allocated \$2.5 million for commercial corridors. Areas of the city identified for assistance are East Franklin Avenue, Fourth and Lake Street, Portland Avenue and Central Avenue.

XI) Public Housing Improvements And Resident Initiatives

The City provides CDBG funding to the Minneapolis Public Housing Authority for improvements to the housing inventory for the Agency and provides support for resident initiatives. CDBG funding for resident participation enabled resident councils to promote resident participation in the review of public housing programs, policies and community building activities. Rehabilitation funds assisted 73 households to obtain housing improvements through the MPHA's modernization program. The City also provided CDBG assistance to the public housing authority's mobility counseling program targeted to Section 8 Housing Choice Voucher recipients and former Hollman residents.

XII) Affirmatively Furthering Fair Housing

The City acts through its Consolidated Plan to affirmatively further fair housing in its jurisdiction. These actions include providing fair housing information to the community and educating community groups and businesses on fair housing issues. Fair housing principles have been incorporated into the City's Housing Principles to ensure that availability of housing in the city is available in an affirmative manner. The City also enforces fair housing actions through its Civil Rights Department. The Civil Rights Department investigates claims of discrimination of various types (housing, jobs, employment). During the past program year, nine fair housing complaints were filed. Six complaints were due to race, two for disability and one for family status. Nine complaints were resolved with five determined to be no probable cause, two transferred, one case withdrawn and one closed for failure to locate a party to charge. The Department's community outreach and education efforts over the past year included tenant training for clients of Ruben Lindh Family Center and a presentation at Minnesota Human Rights Day. Focus of training is on protected classes [e.g. GLBT community, physically challenged, communities of color, new immigrant, etc.]

a) Analysis Of Impediments to Fair Housing

HUD requires its recipients of Consolidated Plan funding to conduct an Analysis of Impediments to Fair Housing for each five-year Consolidated Plan strategic plan. For the 2000 Consolidated Plan, the City joined with other metropolitan area entitlement jurisdictions to conduct a metro area Analysis of Impediments to Fair Housing. This Regional Analysis of Impediments contains recommended actions that each jurisdiction can take to address barriers for the period 2000-04. This analysis was completed by the Legal Services Advocacy Project in 2001. In April 2002, an Action Guide to the 2000 Analysis of Impediments was developed. Since then the jurisdictions have created an Implementation Committee composed of jurisdiction and stakeholder representatives to determine annual strategic actions. The two publications, the Analysis of Impediments and Action

Guide, are available from the Metropolitan Council. They can also be viewed on the Council's website (www.metrocouncil.org/planning/housing/fairhousing.htm).

Representatives from the City's Civil Rights Department and Office of Grants & Special Projects sit on the Fair Housing Implementation Committee. In June 2003, the Fair Housing Implementation Committee approved the following action items for which metro jurisdictions are implementing for 2003-04.

- Implement strategies to improve access to accessible units in the housing market by disabled persons
- Institute a metro-wide complaint-based fair housing testing and enforcement program
- Survey and support programs addressing homebuyer rights
- Evaluate tenant screening best practices and train case managers and service providers on them
- Support passage of predatory lending legislation

City staff for the Fair Housing Implementation Committee are working with other city departments on how to implement these items within respective work programs.

b) Affirmative Actions Undertaken in Support of 2000 Analysis of Impediments

Over the past year, the City and others continue to undertake the following actions in response to fair housing impediments raised in the 2000 Analysis of Impediments:

- ◆ CPED requires any developer who plans to demolish existing housing to provide a relocation plan, as well as the HUD one-for-one replacement requirement as well as meeting the City of Minneapolis' affordable housing policy. No city sponsored demolition resulted in any displacement and the City met its annual goal of producing more new units in both impacted and non-impacted areas than the City removed from the housing inventory.
- ◆ CPED provides direct funding and support to First Call for Help and Housing Link. Each of these organizations provides information about housing programs throughout the City of Minneapolis in other languages. The City of Minneapolis Department of Health and Family Support provides Spanish and Somali interpretive services for CPED housing programs.

- ◆ CPED provides direct funding to the Homeownership Center. The Homeownership Center provides training and counseling services to individuals purchasing homes. These services are offered in several languages and provide the necessary information needed to navigate the home buying process.
- ◆ The City strongly supported state legislative efforts on predatory lending reform legislation.
- ◆ The Minneapolis Public Housing Authority provides advertisement of openings for the waiting lists for public housing and Section 8 housing in the major circulation newspaper as well as community and neighborhood newspapers in several languages. CPED requires as part of affirmative marketing agreements, the advertisement of developed units in community newspapers.
- ◆ The Minneapolis Public Housing Authority utilizes a marketing person to recruit new Section 8 landlords. The recruitment has taken on various concerns, one of which are larger family units.
- ◆ CPED requires that all city-assisted development projects provide for Section 8 acceptance.

XIII) Action Coordination Between Public And Private Housing And Social Service Agencies

The institutional structure through which the City carries out its housing and community development plan consists of public, private and nonprofit partners. Many have worked with and supported the city in carrying out the affordable and supportive housing strategy for the community.

The primary public entities are the City of Minneapolis, Minneapolis Community Planning and Economic Development, the Minneapolis Public Housing Authority, Hennepin County, and the Minnesota Housing Finance Agency. Nonprofit organizations include nonprofit developers, community housing development organizations, and the Family Housing Fund. Private sector partners include local financial institutions, for-profit developers and the foundation community.

The City works with these partners to design programs that effectively work to better the conditions present in the city. However, gaps in program delivery still occur whether through funding shortfalls, differing timetables, and contrary regulations. The City seeks to resolve these gaps through its commitment to its institutional relationships evidenced by its close working relations with its partners. The city will continue to meet with and inform its partners of its housing and community development needs, goals and strategies.

The organizational relationship between the MPHA and the City is an important component of the city's institutional structure for carrying out its housing and community development plan. The MPHA is governed by a nine member Board of Commissioners; four of these members are city council-appointed, and five members, including the chairperson, are mayoral appointees. One appointee of the council and mayor respectively must be a public housing resident.

The MPHA functions as an independent housing authority; it has its own personnel and purchasing systems. The city provides financial support to various MPHA programs. City staff sits on the Comprehensive Grant Committee of MPHA and MPHA staffs contribute to the development of the city's Consolidated Plan. The city funds resident participation initiatives that encourage local resident management of public housing sites.

XIV) Addressing Non-Housing Community Development Needs

An important component to the Consolidated Plan is the role that non-housing community development needs play in a comprehensive redevelopment strategy. CDBG funds can be used to address these needs outside of housing in order to provide benefits to the community's low- and moderate-income households. The City undertook the following actions in FY 2003 to support non-housing community development needs in support of its Consolidated Plan.

a) Public Services

| Strategy | Public Services | 2003 IDIS Expenditures | Accomplishments |
|----------------------------|--------------------------------------|-------------------------------|--|
| Health Services | NHCN Community Health Clinics | 324,461 | 1,319 persons served |
| Youth Services | Curfew/Truancy Center | 87,028 | 1,222 youth assisted |
| Domestic Violence Services | Domestic Abuse Project | 65,000 | 1,727 domestic violence persons served |
| Health Services | Child Dental Services | 17,000 | 133 patients served |
| Child Care Services | GMDCA Coordinated Child Development | 346,811 | 45 households assisted |
| Homeless Services | Tubman Family Alliance | 103,167 | 169 domestic violence victims served |
| Child Care Services | Head Start | 81,277 | 14 households assisted with early childhood development issues |
| Employment Training | Youth Employment | 515,472 | 329 youth trained |
| Health Services | Minnesota AIDS Project | 30,097 | 16,999 persons served |
| Senior Services | Volunteers of America/MAO | 111,667 | 636 seniors served to preserve independence |
| Senior Services | SE Seniors Block Nurse Program | 35,229 | 37 seniors served to preserve independence |
| Senior Services | Healthy Seniors | 56,914 | 454 seniors served to preserve independence |
| Youth Services | Way to Grow | 246,604 | 1,874 persons provided with early childhood development activities |
| Senior Services | Pilot City/Handyworks Chore Services | 74,135 | 339 seniors served |

| | | | |
|---------------------|---|------------------|---|
| Employment Training | Teen Teamworks | 23,000 | 110 youth participated in park service projects |
| Community Services | Public Property Graffiti Removal | 5,991 | Public right of way property cleaned in CDBG target neighborhoods |
| Community Services | Groundworks | 21,668 | One organization assisted |
| | Public Services Total Expenditures | 2,145,519 | |

b) Public Facilities

The 2000 Consolidated Plan also set out estimated funding needs for public and community facilities in the city. The City through the Consolidated Plan process annually earmarks a portion of its CDBG budget for capital projects. Capital priorities are derived from the City's Capital Improvement Process (CLIC). Capital infrastructure projects are selected through a comprehensive citizen/staff review and prioritization process. Consolidated Plan funds are used as leverage for projects funded through other public and private funding sources.

For public facilities needs such as handicapped centers, child care centers, etc., the Consolidated Plan proposed funding for several new projects. The following table shows public facilities assisted with CDBG during the past year.

| Strategy | Capital/Economic Development Programs | 2003 IDIS Expenditures | Accomplishments |
|--|---------------------------------------|------------------------|---|
| Public Facilities-Accessibility Improvements | Sidewalk/Curb Cuts | 6,607 | Final curb accessibility cuts made |
| Child Care Centers Capital Improvements, Lead Hazard Removal | Childcare Facilities Loan/Grant | 384,052 | 21 Child care center loans/grant made |
| Neighborhood Facilities | Community Center Operations | 6,697 | Support of Pilot City and Minneapolis American Indian Center community facilities |
| Neighborhood Facilities | Minneapolis American Indian Center | 118,000 | 1 community facility |
| Public Facilities | Mill Ruins Park | 96,459 | Design engineering, environmental remediation, construction testing, bid work |
| Public Facilities | Boarded Buildings Demolition | 14,900 | Demolition of one substandard structure |

XV) Addressing Barriers To Affordable Housing

Regulatory Controls. To reduce the number of affordable housing units that may be condemned, abandoned, foreclosed or have cash flow problems in the future due to regulatory controls, the city works with other public and private agencies to develop stabilization strategies. Stabilization needs are approached in a comprehensive and coordinated manner, working directly with owners to accomplish goals. This approach deals directly with the problems of existing units to make sure that they remain affordable.

In response to other related regulatory controls and life safety issues that may affect the cost of affordable housing, the city through CPED continues to work with various departments to request that special assessments and outstanding water charges be canceled on certain properties during the acquisition process. Environmental and soil testing issues will be discussed and reviewed with other city departments and entities. The city may decide on a project-by-project basis if testing can be waived. Additionally, as lead-based paint abatement can serve as a barrier to safe and affordable housing, the city will continue multi-faceted efforts with partners such as the Sustainable Resources Center and Hennepin County and HUD to address this issue. These efforts include training contractors to mitigate lead-based paint hazards on rehabilitation projects.

The City is currently streamlining and integrating its development process to allow for ease of development through the work of Community Planning and Economic Development.

Transportation. To address the barrier that lack of transportation links for those in affordable housing encounter in accessing job opportunities that promote economic self-sufficiency, the city continued its efforts to link its housing and commercial corridor strategies. An example of this is the city study of commercial corridor revitalization and implementing programs attaching new housing development along public transportation routes. A example is the partnership of Fannie Mae, Greater Minneapolis Metropolitan Housing Corporation and the Empowerment Zone working to assist twenty Empowerment Zone homeowners with a Smart Commute mortgage program. With Smart Commute, each new homeowner is eligible for \$2,500 in down payment assistance based on projected savings that a home location near a public transportation route may provide.

Discrimination. Although not intended in housing policy program design, discrimination because of race, class or other protected categories may also play a part in the production and location of affordable housing. To eliminate lack of access to fair housing, the city, along with community organizations work to implement and enforce its fair housing ordinance and the federal Fair Housing Act. Projects that receive HOME funds are required to market affirmatively their units.

XVI) Monitoring

The City monitors Consolidated Plan projects to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements.

The objectives of the city's monitoring system are:

- To satisfy the statutory requirements of grantor agencies.
- To assist contractors in properly administering grant funded programs being implemented on behalf of the city.
- To minimize the city's liability by identifying and correcting major program deficiencies before they result in financial penalties and/or funding sanctions.
- To provide city management and grantor agencies with performance information to guide them in making future funding decisions (i.e. verify the quantity and assess the quality of the services being delivered).

The Civil Rights Department monitors city-funded projects (including HOME) through its Contract Compliance unit and sets development participation goals for women/minority-owned businesses through its Small and Underutilized Business Program.

Fuller detail on the monitoring the City performs in its implementation of the Consolidated Plan funds is found in the annual Consolidated Plan.

XVII) HOME Investment Partnerships

The City and MCDA uses HOME funds to provide for affordable multifamily rental production and stabilization and new housing production for qualified income first-time homeowners.

New housing production is produced through the Home Ownership Works program. All properties acquired/donated for this program are vacant and/or boarded. During the past year, six properties were completed. These are large family units, most affordable to those at 50 or 60 percent of metro median income. After renovation repairs are complete, an after rehab appraisal is ordered to establish the sales price. Properties have resale restrictions placed on them. Historically, CPED has concentrated on foreclosed properties offered by the federal government and privately offered properties in need of extensive renovation, such as condemned structures for inclusion in the Home Ownership Works program.

The Home Ownership Works program targets low- and moderate-income persons and their families for home ownership. However, the minimal number of properties purchased recently for renovation reflects the general real estate market in the city. Low interest rates combined with increasing purchase prices have severely reduced acquisition activity. While the market for homes in this program has been reduced, it is anticipated that this trend will moderate within the near future if interest rates begin to rise.

Prior to properties being held open to the public, the MCDA's marketing agents, the Northside Residents Redevelopment Council and the Powderhorn Residents Group, mail out information to their mailing lists. In addition, properties are advertised for sale in various community newspapers as well as the *Minneapolis Star Tribune* and marketing signs on the property. Open houses are held allowing prospective buyers a review of the home interiors. All buyers are given the option of being represented by their choice of agent, who is paid by seller at time of closing. All interested in purchasing a property may submit purchase offers with accompanying documentation by a specified date. When multiple offers are received, an impartial in-house lottery is used to rank order offers.

Due to the volume of multiple offers and to assist larger households, properties with 4 bedrooms are sold to purchasers comprised of two or more persons and properties with 5 or more bedrooms are sold to purchasers comprised of three or more persons. All properties are sold to first-time low-to-moderate income purchasers who are required to owner occupy the dwelling as their principal residence. All purchasers are required to complete a certified homeownership-counseling course before closing. In addition, all homebuyers are provided with a post-purchase manual at closing and given information about a hands-on post-purchase workshop offered throughout the year through Northside Neighborhood Housing Services. These workshops provide new homeowners with basic household and fall maintenance tips along with cost saving energy tips.

Affordable rental units developed with HOME funds are subject to ongoing compliance which includes monitoring income requirements, rent requirements, on-site inspections of unit conditions, and affirmative marketing by the owner/manager. Twenty-five HOME-financed projects were physically inspected during the program year and most graded as in good condition. Four properties required additional corrective maintenance actions which are being monitored by CPED staff. Affirmative marketing actions and outreach to minority- and women-owned businesses continue to be performed in a satisfactory manner. It indicates continued good work on the parts of owners to affirmatively market available units. IDIS reports indicate that 70 percent of developed units belong to minority households. The HOME Annual Performance Report in the Appendix documents affirmative contracting information for program year 2003.

| HOME Disbursements and Unit Completions | Disbursed Amount | Units Completed | Units Occupied |
|--|-------------------------|------------------------|-----------------------|
| Rentals | \$ 894,910 | 15 | 14 |
| First-Time Homebuyers | \$ 49,632 | 3 | 3 |

Source: IDIS 2003 Summary of Accomplishments 8/5/04

| Home Unit Completions by % of Area Median Income | 0-30% | 31-50% | 51-60% | 61-80% | Total 0-60% | Total 0-80% |
|---|--------------|---------------|---------------|---------------|--------------------|--------------------|
| Rentals | 12 | 2 | 0 | 0 | 14 | 14 |
| First-time Homebuyers | 0 | 0 | 1 | 2 | 1 | 3 |

Source: IDIS 2003 Summary of Accomplishments 8/5/04- 1 rental vacancy reported.

Home Unit Completions by Racial/Ethnic Category

| | Rentals | | First-time Homebuyers | |
|--|----------------|----------|------------------------------|----------|
| | Total | Hispanic | Total | Hispanic |
| White | 4 | 0 | 1 | 0 |
| Black/African American | 4 | 0 | 2 | 0 |
| Asian | 0 | 0 | 0 | 0 |
| American Indian/Alaskan Native | 2 | 0 | 0 | 0 |
| Native Hawaiian/Other Pacific Islander | 1 | 0 | 0 | 0 |
| American Indian/Alaskan Native & White | 0 | 0 | 0 | 0 |
| Asian & White | 0 | 0 | 0 | 0 |
| Black/African American & White | 0 | 0 | 0 | 0 |
| Am. Indian/Alaskan Native & Black/African American | 0 | 0 | 0 | 0 |
| Other/Multi-Racial | 3 | 0 | 0 | 0 |

Source: IDIS 2003 Summary of Accomplishments 8/5/04

XVIII) Appendix

The Appendix contains various supplemental reports made available from HUD IDIS system as well as other items mentioned in the CAPER which provide additional information on performance aspects to the 2000-04 Five-Year and 2003 Consolidated Plan. The IDIS reports provide additional detail on specific Consolidated Plan project activities such as annual and cumulative accomplishments since the activity was set up in the IDIS system (may be as early as 1997) as well as financial information of funding that has been requested of HUD for each activity. Accomplishment data is cumulative since the City converted to IDIS in 1997 and may not necessarily be specific to the 2003 Program Year.

APPENDIX

2003 HOPWA Annual Performance Reports (not available online)

Public Comments Received (to be inserted)

Annual Performance Report – HOME Program (not available online)

HOME Match Report (not available online)

IDIS Tables Reports

- **CDBG Financial Summary Grantee Performance Report (to be inserted pending verification audit)**
- **Grantee Activity Summary Report**
- **Accomplishments Summary Report**
- **CDBG Housing Activities Report**
- **ESG Program Grantee Statistics Report**
- **Summary of Activities Report- CDBG**