

DRAFT FY 2022 Minneapolis

HUD Consolidated Annual Performance and Evaluation Report (CAPER)

Comment Period: August 14-August 28, 2023

- Community Development Block Grant
- Emergency Solutions Grant
- Housing Opportunities for Persons with AIDS
- HOME Investment Partnerships
- HUD COVID-19 Supplemental Funds



Contents

CR-05 - Goals and Outcomes	2
CR-10 - Racial and Ethnic composition of families assisted	11
CR-15 - Resources and Investments 91.520(a)	12
CR-20 - Affordable Housing 91.520(b)	17
CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)	20
CR-30 - Public Housing 91.220(h); 91.320(j)	23
CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j).....	24
CR-40 - Monitoring 91.220 and 91.230.....	30
CR-45 - CDBG 91.520(c)	32
CR-50 - HOME 24 CFR 91.520(d).....	33
CR-55 - HOPWA 91.520(e)	35
CR-58 – Section 3	37
CR-60 - ESG 91.520(g) (ESG Recipients only)	39
Appendix	40

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

The 2022 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 Solutions Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons with AIDS (HOPWA). The CAPER also covers HUD funds provided to the City of Minneapolis to address the COVID-19 pandemic consisting of CDBG, ESG and HOPWA supplemental awards made in 2022. The 2022 CAPER covers the 12-month program year of 2022 which runs June 1, 2022 - May 31, 2023. The 2022 program year is the third year of the City's Five Year Consolidated Plan Strategy 2020-2024.

The 2022 program year had the City experiencing several conditions that these HUD funds made response more attainable. Even with some increase in annual HUD budget awards made in recent years, the City continues to be challenged in its efforts to address community development priorities, goals and strategies with HUD resources. Local conditions were impacted in 2020 with the civil unrest prompted by the murder of George Floyd and the economic and social impacts created by the COVID-19 pandemic. In spite of the challenges, the City continues to apply its HUD resources to programming that seeks to expand economic opportunities benefiting low and moderate income residents, preserve and create decent and affordable housing opportunities, address the needs faced by those who are homeless or are threatened with homelessness, provide accessible public services for vulnerable populations, affirmatively further fair housing, and leverage its federal HUD funding with other funds to address significant, sustainable change in the community. Although the COVID-19 pandemic has affected residents of the city, it did not slow down delivery of CDBG, HOME, ESG or HOPWA programming and has accelerated the City's efforts at addressing the needs.

Specifically during the 2022 Program Year, CDBG funds were directed to increased affordable housing investments to preserve existing affordable housing that is at risk of being lost for guaranteed affordability and to creating new affordable housing in an attempt to increase available supply. This year, Minneapolis Works, served 215 income qualified Minneapolis residents who were either unemployed or underemployed. Minneapolis Works is meeting the overwhelming demand of residents looking for increasing their wages and contributes significantly to the overall economic health of their families and the City.

The City is currently undertaking several affordable multifamily housing projects with its CDBG, HOME, and CDBG-CV funds that are scheduled to open in the next two years. Minneapolis contributed its CDBG-CV funds for operations of the recently opened homelessness shelters allowing for

24-7 access. Since March 2020 the City has invested \$13.4 million in Minneapolis shelters and to expand street outreach services. Because of these investments, there are 200 more shelter beds, including low barrier culturally specific shelter, available today and another 36-bed facility under construction.

The City can point to its efforts as success, however, great need still exists in the community, especially for those at the lowest of incomes. Housing costs in the city have continued to rise at a rate higher than personal income. Rental vacancy rates are historically low with low income renters shut out of limited rental market opportunities. Single family homes available for sale and priced at the most affordable levels and exhibiting quality still incur great demand.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee’s program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	114870				

COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	115240				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	0	463				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Direct Financial Assistance to Homebuyers	Households Assisted	239	239				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	0	419				

COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG- CV: \$ / ESG-CV: \$ / HOPWA- CV: \$	Homeless Person Overnight Shelter	Persons Assisted	5	329				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG- CV: \$ / ESG-CV: \$ / HOPWA- CV: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	150	111				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG- CV: \$ / ESG-CV: \$ / HOPWA- CV: \$	Jobs created/retained	Jobs	350	68				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG- CV: \$ / ESG-CV: \$ / HOPWA- CV: \$	Businesses assisted	Businesses Assisted	6	26				

COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	HIV/AIDS Housing Operations	Household Housing Unit	218	218				
COVID-19 Pandemic Response	Actions to prepare for, prevent and respond to the coronavirus pandemic	CDBG-CV: \$ / ESG-CV: \$ / HOPWA-CV: \$	Other	Other	11	0				
Develop housing and services for the homeless	Homeless	HOME: \$ / ESG: \$ / ESG-CV: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	750	1274	169.87%	150	1440	960.00%
Develop housing and services for the homeless	Homeless	HOME: \$ / ESG: \$ / ESG-CV: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	450	111	24.67%	90	47	52.22%
Develop housing and services for the homeless	Homeless	HOME: \$ / ESG: \$ / ESG-CV: \$	Homeless Person Overnight Shelter	Persons Assisted	5000	895	17.90%			
Develop housing and services for the homeless	Homeless	HOME: \$ / ESG: \$ / ESG-CV: \$	Housing for Homeless added	Household Housing Unit	327	100	30.58%	65	17	26.15%

Expand economic opportunities	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	80	106.67%	15	0	0.00%
Expand economic opportunities	Non-Housing Community Development	CDBG: \$	Facade treatment/business building rehabilitation	Business	0	0		0	1	100.00%
Expand economic opportunities	Non-Housing Community Development	CDBG: \$	Jobs created/retained	Jobs	1875	489	26.08%	375	231	61.60%
Expand economic opportunities	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	1000	517	51.70%	200	9	4.50%
Expand economic opportunities	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	0	4				
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	9625	223514	2,322.22%	1925	753	39.12%
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Homeowner Housing Added	Household Housing Unit	0	1		0	1	
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Homeowner Housing Rehabilitated	Household Housing Unit	0	1		0	1	
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Businesses assisted	Businesses Assisted	1	0	0.00%			

Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Housing for Homeless added	Household Housing Unit	0	0		0	0	
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Housing for People with HIV/AIDS added	Household Housing Unit	0	0		311	36	11.58%
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Buildings Demolished	Buildings	100	3	3.00%	20	0	0.00%
Improve neighborhood conditions	Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	375	0	0.00%	70	70	100.00%
Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Rental units constructed	Household Housing Unit	630	128	20.32%	126	117	92.86%
Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Rental units rehabilitated	Household Housing Unit	142	166	116.90%	28	25	89.29%
Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Homeowner Housing Added	Household Housing Unit	50	54	108.00%	10	11	110.00%
Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Homeowner Housing Rehabilitated	Household Housing Unit	125	57	45.60%	25	13	52.00%

Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Housing for People with HIV/AIDS added	Household Housing Unit	36	36	100%	36	36	100%
Provide decent affordable housing	Affordable Housing	CDBG: \$ / HOME: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	350	70	20.00%	0	0	
Provide special needs housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOPWA: \$ / HOME: \$	Rental units constructed	Household Housing Unit	425	5	1.18%	85	41	48.24%
Provide special needs housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOPWA: \$ / HOME: \$	Rental units rehabilitated	Household Housing Unit	200	0	0.00%	40	0	0.00%
Provide special needs housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOPWA: \$ / HOME: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	270	146	54.07%	150	178	118.67%
Provide special needs housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOPWA: \$ / HOME: \$	Housing for People with HIV/AIDS added	Household Housing Unit	40	0	0.00%	36	36	100%

Provide special needs housing	Affordable Housing Non-Homeless Special Needs	CDBG: \$ / HOPWA: \$ / HOME: \$	HIV/AIDS Housing Operations	Household Housing Unit	180	36	20.00%	36	36	100.00%
-------------------------------	---	---------------------------------	-----------------------------	------------------------	-----	----	--------	----	----	---------

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City uses its CDBG funding to address the following issues: making affordable housing investments to stimulate or stabilize housing markets; assisting emerging employment sectors through local technical assistance business providers, business development support and with residents who are trained to take advantage of job openings; and dedicating public service funds to addressing community needs. The City invests its HOME funds in first-time affordable homeownership opportunities and the creation of new long-term affordable rental housing. ESG funds programs addressing basic shelter and housing stabilization needs of those who are homeless. Finally, HOPWA funds are used to serve the housing needs of HIV+, medically fragile, low-income households throughout the metropolitan region.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).
91.520(a)

Table 2 – Table of assistance to racial and ethnic populations by source of funds

	CDBG	HOME	ESG	HOPWA
Race:				
White	5594	8	406	58
Black or African American	59270	9	762	116
Asian	5079	0	12	1
American Indian or American Native	9778	0	396	2
Native Hawaiian or Other Pacific Islander	49	0	8	1
Total	79770	17	1584	178
Ethnicity:				
Hispanic	259	0	151	5
Not Hispanic	79511	17	1571	173

Narrative

The HUD SAGE reporting tool for the ESG grant provides race/ethnicity status by households assisted.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	10,971,535	17,489,743
HOME	public - federal	2,848,250	3,545,041
HOPWA	public - federal	2,728,970	1,850,407
ESG	public - federal	949,746	1,034,094

Table 3 - Resources Made Available

Narrative

CDBG is directed on an area basis to census tracts in the city where the majority of residents are of low- and moderate-income. ESG funds are expended for eligible activities within the Hennepin County Continuum of Care for projects benefiting Minneapolis residents. HOPWA funds programs serving site-based initiatives and providing tenant based rental assistance throughout the metropolitan area. HOME rehabilitation funds are spent throughout the City for income-eligible units. If a new construction project receives HOME funds, that project is sited in an area that is a non-concentrated area of race or poverty. New affordable housing is targeted for designated growth areas and commercial and transit corridors that can benefit from and support increased housing density.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

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, and subrecipient in-kind goods and services.

Match requirements for the HOME and Emergency Solutions Grant (ESG) programs are met through funding provided by the project, Hennepin County or other government bodies. HOME match consisted of \$2,943,372 put toward projects in 2022. Due to the pandemic, the Amber Apartments match is corrected to account for an overreported amount in last year's CAPER. Match provided to the ESG program is met by funded programs and composed primarily of state pass through, local and private funding to covered programs. All request for proposals for these projects specify the need of committed match in order to qualify for funding.

As part of its compliance with the need to pursue all available resources to support its Consolidated Plan, the City does 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 address and are consistent with strategies identified in the City's Consolidated Plan. City staff reviews certification requests against Consolidated Plan strategies and recommends certification of eligible proposals.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	36,693,787
2. Match contributed during current Federal fiscal year	2,943,372
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	39,637,159
4. Match liability for current Federal fiscal year	152,995
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	39,484,164

Table 4 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
Malcolm Yards 3110	06/07/2022	1,461,399	0	0	0	0	0	1,461,399
Snelling Yards 3050-1	02/28/2023	391,627	0	0	0	0	0	391,627
Snelling Yards 3050-2	04/27/2023	364,768	0	0	0	0	0	364,768
Worth on Woods 3128	09/29/2022	725,579	0	0	0	0	0	725,579

Table 5 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
2,534,309	0	2,321,215	0	213,094

Table 6 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	13,368,802	103,887	0	195,000	0	13,069,915
Number	7	1	0	1	0	5
Sub-Contracts						
Number	169	4	0	8	1	156
Dollar Amount	10,968,251	152,590	0	478,503	250,800	10,086,358
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	13,368,802	184,650	13,184,152			
Number	13	7	6			
Sub-Contracts						
Number	169	15	154			
Dollar Amount	10,968,251	592,932	10,375,319			

Table 7 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 8 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		0		0		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 9 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	155	17
Number of Non-Homeless households to be provided affordable housing units	259	149
Number of Special-Needs households to be provided affordable housing units	311	41
Total	725	207

Table 10 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	240	189
Number of households supported through The Production of New Units	286	128
Number of households supported through Rehab of Existing Units	93	38
Number of households supported through Acquisition of Existing Units	20	9
Total	639	364

Table 11 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

No problems were encountered in addressing goals. Ongoing challenges in creation of affordable housing include the lack of funding to make units deeply affordable at <30% MMI, shortage of large family rental housing units (and the rising costs to produce those larger units), and the continuing challenge in providing location choice. Due to the deep subsidy required for new production, preservation of existing units is easier than creation of new units. It is a continuing challenge to the City and its development partners to leverage enough resources to meet this commitment. The COVID-19 pandemic had some effect on project delivery timeframes but those are temporary. The pandemic has had an effect of increased costs with building materials and labor costs for projects that can delay finishing financing packages.

Discuss how these outcomes will impact future annual action plans.

The City continues to budget approximately half of its CDBG resources to the support of affordable housing creation and stabilization and use its HOME funds to creatively bring new affordable housing into the market. Rental assistance will continue to be provided through ESG, ESG-CV, and HOPWA resources. Additionally, the City has received a one-time federal Emergency Rental Assistance award of \$23,035,440 to assist renters in 2021 as part of the COVID-19 pandemic response. Rental assistance under this program started in April 2021 and continued through 2022.

The City continues its work with housing foreclosures with funding for its foreclosure prevention program, stepped up enforcement of vacant properties, and the addition of new financing products for households threatened with foreclosure. Even though foreclosure numbers have stabilized, there is the risk of an increase due to COVID-19. The City will continue to evaluate these conditions and the market effects caused by foreclosed properties. Additional CDBG-CV resources have been budgeted for these efforts.

The City operates the Emergency Stabilization Pilot Program which served seven properties with CDBG assistance in the program year. The goal of the five-year Emergency Stabilization Pilot Program is to preserve and provide units of affordable and appropriately sized rental housing in north Minneapolis that were vacant and recently renovated under either a Minneapolis or Hennepin County housing program to help stabilize Minneapolis households facing imminent displacement. Financial counseling services will be offered to participating households and enrollment in a Family Assets for Independence in Minnesota (FAIM) program is recommended. Eligible applicants are households that face imminent displacement (within 90 days) from their rental unit due to the revocation of the landlord's rental license or condition of the property. Applicants must be at or below 60% of area median income at the time of application and appropriately sized for the number of bedrooms available in the unit.

The City of Minneapolis has completed a study to inform the expansion of capacity for long term affordability ownership housing (LTA) models. LTA housing is currently defined by the City Council as housing that is affordable for a minimum 30-year period to households below 80% of area median income (\$80,000 in 2019 for a family of four). LTA models typically fund the difference between what a homebuyer can afford as monthly payments on a first mortgage and a home's sale price. LTA models typically include an equity sharing provision to ensure that when the first homebuyer sells the home, it is affordable for the next homebuyer. Current LTA models in the City of Minneapolis include Twin Cities Habitat for Humanity and City of Lakes Community Land Trust (CLCLT). The study engaged community members and analyzed market data, resulting in a recommendation to make program changes to increase focus on serving extremely low-income, low-income, and moderate-income households through the City's homebuyer programs especially Black, Indigenous and Persons of Color. The City began implementation of the program model in 2020-2021.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	70	0
Low-income	45	0
Moderate-income	72	4
Total	187	4

Table 12 – Number of Households Served

Narrative Information

Numbers of persons served by activity is pulled from IDIS reports of CDBG and HOME summary of accomplishments. There were 4 first time homebuyers assisted with HOME funds with 1 of the first time homebuyers being BIPOC.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Minneapolis participates in the local Continuum of Care model. The lead administrative entity for the Continuum of Care in Hennepin County and the City of Minneapolis is the Hennepin County Office to End Homelessness. The Heading Home Hennepin Executive Committee is responsible for planning and implementing the Continuum of Care in the County with support of the Heading Home Hennepin Operations Board. The County Office to End Homelessness provides staff support for the overall Continuum of Care; soliciting, reviewing and recommending applications for HUD funding; providing certifications of consistency with other HUD and state funding programs and development of Continuum of Care documentation materials required for applicants for HUD homeless program funding.

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 and COVID-19 HUD program resources meet the funding priorities supporting the Continuum of Care. 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. Entitlement funds were used to assist the local Continuum of Care in 2020 by: continuing to coordinate outreach and assessment at shelter entrance points, emphasizing permanent supportive housing and prevention services versus continuing emergency shelter, and combining housing with appropriate supportive services. The City funds several street outreach programs with its ESG, CDBG-CV and ESG-CV funds. Street outreach services serve individuals meeting Category 1 and 4 definitions of homelessness with high barriers according to an assessment. Outreach services consist of engagement, case management, emergency and mental health services, transportation and unique services that work to connect users to housing opportunities and support services for which they are eligible.

Addressing the emergency shelter and transitional housing needs of homeless persons

ESG funding is used for rehabilitation and development of quality emergency shelter space and provision of essential services, rapid re-housing and homelessness prevention service options, and street outreach services for those who are unsheltered or chronically homeless. Over the past year the City has allocated both ESG and ESG-CV funding to these efforts. With an extremely low vacancy rate in the City of Minneapolis, it is difficult to find appropriate and affordable housing for clients with multiple barriers to accessing housing including those with a past criminal history or a history of housing evictions. There can be program restrictions realized when attempting to find a range of housing resources for clients. The City in coordination with the County Office to End Homelessness continues to

explore ways in which to effectively address these barriers at the program level. In terms of housing policy, the City has implemented a tenant protection ordinance to increase the ability of those who have trouble accessing rental opportunities to realize or keep appropriate housing. The City is also preparing to allow for single room occupancy housing options in the community.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City prioritizes funding rapid re-housing over homeless prevention. Rapid re-housing is used to benefit Minneapolis residents -- homeless families and single adults without children who reside in a Hennepin County sited homeless shelter (preferencing those whose previous permanent address was within Minneapolis) as well as unaccompanied youth who are verifiably homeless according to the HUD definition found at 24 CFR §576.2. City of Minneapolis ESG and ESG-CV funding for rapid re-housing is delivered through service providers selected under Hennepin County's request for proposals process that is combined with other family homelessness assistance funds to maximize coordination and results. The City is using CDBG-CV funding to support work in providing federal rental assistance funding to those who are in rent and utility arrears due to the COVID-19 pandemic. Hennepin County is the provider of programming to serve institutionalized persons being discharged from public health and correctional facilities and systems. The County and its Healthcare for the Homeless team provide discharge specialist services to work on preventing discharges from the Hennepin County Medical Center to homelessness. In 2019, Hennepin Health partnered with Hennepin Healthcare to develop a targeted program to connect Hennepin Health members who are experiencing homelessness and inpatient at Hennepin Healthcare to housing and other resources, and this work has shown a significant decrease in hospital readmissions among the engaged population. The County has also instituted training and capacity building through a 'Housing Resource Specialist' within Hennepin County's Housing Stability Area. Their focus is specifically on building capacity of front line workers across the County, including Corrections and Adult Behavioral health as well as Child Protection, to ensure that housing options are made known and available. While Hennepin County is the primary provider of most non-housing social services, the City does provide for some of these needs through use of its CDBG funds devoted to public services, workforce development and early childhood programming. As well, the City works to assist low-income individuals and families avoid becoming homeless through the homelessness prevention delivery of rental assistance services described above. The City will continue to work with the County and other partners to address system gaps that may result in a household finding themselves homeless.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to

permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City prioritizes funding rapid re-housing over homeless prevention. Rapid re-housing serves Minneapolis residents -- homeless families and single adults without children who reside in a Hennepin County sited homeless shelter (preferencing those whose previous permanent address was within Minneapolis) as well as unaccompanied youth who are verifiably homeless according to the HUD definition. City of Minneapolis ESG funding for rapid re-housing is delivered through service providers selected under Hennepin County's request for proposals process that is combined with other family homelessness assistance funds to maximize coordination and results.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

In the past the City has contributed CDBG funding to the Minneapolis Public Housing Authority (MPHA) for improvements to the housing inventory and support for resident initiatives. Funding for resident participation enables resident councils to promote resident citizen participation in the review of public housing programs, policies and community building activities. Federal funding reductions realized for the 2011 program year eliminated the use of CDBG for rehabilitation programming at MPHA public housing. Due to budget cuts there were no CDBG funds provided to MPHA and no accomplishments to report since 2013. Since 2020 though the City has renewed its financial commitment to addressing MPHA capital housing investment needs through the Affordable Housing Trust Fund. This has allowed CDBG dollars to fund rehabilitation work at MPHA high rise towers. The City does coordinate with the MPHA to site project-based vouchers in city-assisted affordable housing developments. The City has determined recently to provide CDBG funds to the Authority allowing for the installation of fire safety sprinkler improvements in the Authority's high rises.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The MPHA will continue its work in supporting public housing resident involvement and participation in agency activities that impact residents and their homes. MPHA will work with established resident councils and representation systems such as its resident committees including, Resident Advisory Board, Tenant Advisory Committee, Security Advisory Committee and the Maintenance, Modernization and Management Committee to support this goal.

Actions taken to provide assistance to troubled PHAs

HUD does not consider the Minneapolis Public Housing Authority as a troubled PHA.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Minneapolis is sensitive to the effects that public policies have on the cost of housing, or serve to dissuade development, maintenance or improvement of affordable housing. Although some of the barriers to the cost of producing affordable housing are beyond the control of local government, it is hoped that city policies do not create more barriers. The city works to establish positive marketing strategies and program criteria increasing housing choices for households with limited incomes, to provide geographical choice in assisted housing units, and to improve the physical quality of existing affordable housing units. As of 2018, the Minneapolis Civil Rights Ordinance prohibits discrimination against Housing Choice Vouchers (also known as “Section 8”) as a form of income for tenants seeking housing in the city. The City has adopted and implemented policies to provide lifecycle housing throughout the City, providing all residents with safe, quality and affordable housing, as a priority, in cooperation with public and private partners.

In the area of regulatory controls, the city has administratively reformed its licensing and examining boards to ensure objectivity and eliminate unnecessary regulation in housing development. The city continues to update unnecessary regulation in housing development. The city no longer limits the pool of contractors that can enter the city to facilitate housing development, which encourages a more competitive pricing environment.

In response to other regulatory controls and life safety issues that may affect the cost of affordable housing, the city’s housing agency continues to work with various regulatory departments to cancel special assessments and outstanding water charges on properties during the acquisition process. Construction Code Services waives the deposit on condemned buildings when the housing agency or the county requests to rehabilitate these buildings. The Minnesota Conservation Code has given the building official the opportunity to extend greater discretion when rehabilitating existing buildings.

The City’s land acquisition programs, (Higher Density Corridor Housing Program for multifamily housing projects and Capital Acquisition Revolving Fund for mixed-use projects) address a key barrier to affordable housing – the need to assemble sites for development. These initiatives allow the city to gain control of land for disposition to developers for affordable and mixed-income development on the city’s corridors, creating a critical linkage between affordable housing, jobs and transit.

The Department of Regulatory Services works to facilitate the rehabilitation of vacant homes through the Restoration Agreement program. These agreements suspend or hold in abeyance the Vacant Building Registration fee in exchange for completing the rehabilitation in a timely manner. In addition, this process pairs property owners with an inspector who is able to help them through the rehabilitation

process. Through the suspension of fees and the assistance of staff, this program makes it easier for low to moderate income property owners to rehabilitate and reoccupy vacant homes in Minneapolis.

In the area of Zoning, the City of Minneapolis in 2018 passed its updated Comprehensive Plan, the document that drives land use and zoning throughout the City for the next ten years (2019-2029). The 2040 Comprehensive Plan addresses barriers to developing affordable housing by elimination of restrictive zoning codes in residential areas. In 2019, the Minneapolis City Council voted to make inclusionary zoning permanent.

With the onset of COVID-19, the loss of income for residents combined with rising rents has affected residents' ability to retain housing. In response, the City is helping residents in the form of rental assistance and other measures.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Consolidated Plan resources to address priority needs are identified in the Consolidated Plan goals of 1) Providing decent affordable housing; 2) Developing housing and services for the homeless; 3) Providing special needs housing; 4) Expanding economic opportunities; 5) Improving neighborhood conditions; and 6) responding to the COVID-19 Pandemic. The City has sought additional funding for both its entitlement resources and complementary funding efforts. For example, the City holds a Promise Zone designation and is working on focusing leveraged resources for the communities within the zone, the City also continues to maintain and grow its lead paint hazard reduction efforts through competitive HUD grants.

In areas of public services and public facilities, the City still seeks to address its priority areas. Over the past several years national CDBG budgets have been reduced which has reduced funding available for Public Services (up to 15 percent of CDBG can be used on public service programming). Annually the City budgets the maximum of 15 percent of its CDBG grant for public services to address the needs of its residents.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City has worked for years to institute a comprehensive lead-based paint strategy to address the issue of lead hazards in the city's housing stock with the goal of eliminating these hazards from the overall City Housing stock. The City may not realistically be able to reach the goal of zero poisoned children; however, it will continue to sustain its goal through partnerships with rehab agencies, education, enforcing current lead law and community engagement. In 2014 the State changed the definition of when the City was allowed to respond to lead poisoning from 10ug/dl to 5ug/dl to align with the Center for Disease Controls change in level of concern.

The City of Minneapolis has taken a two pronged approach towards the goal of eliminating childhood lead poisoning. In 2022 the elevated blood lead (EBL) response program performs risk assessments,

writes corrective orders and issues administrative citations for non-compliance for all homes where a child with an EBL of > 5ug/dl resides. The program also combines CDBG funds with a HUD lead hazard control grant which is performing risk assessments and making properties lead safe in a targeted neighborhoods traditionally high for lead poisoning. 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.

These efforts have seen the level of child screening for lead vary over time while at the same time the number of children diagnosed with an elevated blood lead level has decreased.

In the City's Lead Hazard Reduction Program, CDBG funds were used for lead risk assessments, clearances, or rehab activities on 74 properties (48 rental properties and 26 owner households), all of which were properties belonging to households at or below 80% of the Area Median income. The Program also received a Lead Reduction Grant from HUD in 2020 and a Healthy Homes Grant in 2022 and has begun implementation of that work.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City of Minneapolis continued 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.

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 CPED programs and initiatives of the Minneapolis Public Housing Authority. In areas of economic development, the City has worked with private and non-profit partners to create an environment to develop opportunities for residents to leave poverty through workforce and business development assistance.

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 PY 2022, CDBG supported vocational training incentive efforts assisted 215 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 public service funds enabled 127 youth to receive job training skills and experience in PY 2022 through the Project Step-Up summer youth job training program.

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 cleanup 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 Brownfield's 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.

The City addresses economic development needs by providing business development assistance. Recognizing that jobs paying a living wage and strong, growing, local businesses are the cornerstone of economic stability in the Central Business District and neighborhood business districts throughout the City, the City of Minneapolis' CPED provides assistance to businesses with identifying locations for expansion or relocation and understanding and navigating various city regulatory processes, and establishes business-to-business connections in key economic sectors. CPED also funds local business organizations to provide assistance to entrepreneurs and small businesses with developing a business plan, accounting, marketing, merchandising and gaining access to capital. The City has a number of business financing programs for purchasing equipment and property, real estate development and tenant improvements, working capital and micro loans. In 2022 program year CDBG supported 365 of these small businesses through neighborhood-based technical assistance.

In 2017, the City of Minneapolis City Council approved a municipal minimum wage ordinance that requires large employers to pay Minneapolis workers \$15 an hour in five years and gives small employers seven years to reach the target wage. Increasing the municipal minimum wage is one tool that the city has used to assist in reducing the number of Minneapolis families living in poverty.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The institutional structure through which the city carries out its housing and community development plan consists of public, private and nonprofit partners. The primary public entities are the city of Minneapolis, the Minneapolis Public Housing Authority, Hennepin County, and the Minnesota Housing. Nonprofit organizations include nonprofit developers and community housing development organizations, the Family Housing Fund, and the Funder's Council. Private sector partners include local financial institutions, for-profit developers and the foundation community.

These partnerships have allowed the city to realize progress on its housing and community development work. However, much remains to be done especially in the area of delivering the benefits of progress equitably throughout the community. Communities of color and very low-income residents continue to

realize unequal outcomes in housing and service delivery compared with the broader community. How institutional actors work to address these gaps will be a continuing focus of the city.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

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 (CPED), the Minneapolis Public Housing Authority (MPHA), Hennepin County, and the Minnesota Housing Finance Agency. Nonprofit organizations include nonprofit developers, community housing development organizations, and the Family Housing Fund. The federal government and the state are key funding source for rental and ownership housing projects. Local funds are available for housing and non-housing activities. Private sector partners such as local financial institutions, community development finance institutions, for-profit developers, faith-based organizations and the philanthropic community continue to be valuable in assisting Minneapolis meet its housing and community development goals and strategies.

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 as well as strengthen interagency program coordination.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

According to the Minneapolis Department of Civil Rights, during the 2022 program year, 26 fair housing discrimination complaints were filed with the city. Of that number, 19 cases were closed prior to the filing of a charge; 5 resulted in a charge filing; one is now closed, the remaining 4 are in open statuses and 2 remain at the preliminary investigation stage.

The City continued its support of Mid-Minnesota Legal Aid's Housing Discrimination Law Project. In the 2022 program year this work supported 88 households. The most common legal issues relate to the rights of individuals with disabilities to live free from discrimination in housing. Fifty-nine households obtained favorable outcomes such as retained housing, changes in practices, obtaining court orders and monetary compensation. Twenty-nine households obtained advice and counsel.

Other recent fair housing actions undertaken by the City include:

Increasing funding for the Affordable Housing Trust Fund allowing for preservation of existing affordable housing through Naturally Occurring Affordable Housing (NOAH) programs; acquisition and funding for properties in need of immediate repairs; provide ongoing funding to HOMELine for tenant information and referral hotline and legal services.

The City Council approved changes to its Housing Maintenance Code and Zoning Code allowing for single room occupancy (SRO) units to be created.

The City of Minneapolis, through its Minneapolis Homes suite of programs, strives to reduce income disparities by building the capacity of underrepresented homebuyers, homeowners and developers to participate in City programs. Minneapolis Homes provides financing for financial wellness, homebuyer education and foreclosure prevention counseling. The City provides financial support to the Minnesota Homeownership Center to provide services through a network of providers for one-on-one counseling, online tutorials and in-person classes in a variety of languages, including Hmong, Spanish, Somali and English.

The City has adopted a “Renter First” policy that centers renters in rental licensing enforcement action, including hiring new tenant navigators to help renters resolve problems with building owners and managers. In addition, the City has increased investment to provide legal services to renters facing eviction and to represent low-income renters in habitability cases.

Minneapolis adopted a new occupancy ordinance in December of 2019 eliminating the maximum occupancy requirements in each zoning district and removing restrictions on the definition of family. The Minneapolis City Council adopted a permanent, comprehensive Inclusionary Zoning policy in December 2019. The policy applies to all new housing development projects in the City with 20 or more units. It will phase in over time for smaller projects (20-49 units) and ownership projects (condos). Developers must include affordable units in their projects or choose a compliance alternative, such as paying an in-lieu fee or producing affordable units off-site. The City is encouraging innovation to increase housing supply and diversity in other ways. In 2019, the City Council approved changes to the zoning code to allow for the development of intentional communities and cluster developments to provide more housing options for residents experiencing housing instability.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City Grants Office within the Finance and Property Services Department provides overall assurance that Consolidated Plan grant programs implemented through the City, its Subrecipient programs, and other community-based organizations are being carried-out as required. Each department who manages grant-funded programming is responsible for monitoring their respective program activity for compliance with City, federal Office of Management and Budget, and HUD program standards. The Grants Office will monitor these activities in cooperation with the department implementing Consolidated Plan programming.

Programmatic, regulatory and contract compliance is achieved through the City's administrative structure, its offices of contract management, and through the Grants Office. Structured reviews are conducted on-site to ensure consistency with the contract, for determining the adequacy of program performance and to ensure that reported information is accurate. The Grants Office monitors for program compliance and performance, as well as provide technical assistance to grant-funded program managers. This framework allows for an effective oversight of the monitoring and technical assistance process. This communication link, together with guidance offered from the Minneapolis HUD Field Office, provides the capacity to identify potential risk. The Grants Office uses a monitoring checklist which includes standard HUD monitoring guidelines; the Finance department monitors compliance using a checklist specific to minimum standards determined by the City, State and Federal government. If potential issues of non-compliance are identified a corrective action is implemented based on City policy to prevent continuance of a violation and to mitigate adverse effects of violation.

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 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, and 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).

A third-party contracted provider monitors all HOME-funded rental projects, including on-site property and property management file inspections, on at least an annual basis to verify compliance with HOME requirements including tenant income, rent restrictions, unit mix and occupancy, lease provisions, and affirmative marketing. Further information on this monitoring work is found in Section CR-50 – HOME of this report.

The Civil Rights Department monitors City-funded projects (including HOME) through its Contract

Compliance unit for Davis Bacon and Section 3 and sets development participation goals for women/minority-owned businesses through its Small and Underutilized Business Program.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The 2022 CAPER was made available for a 15-day review period before its August 29, 2023 submission to HUD. 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.

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 and CAPER 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.

The public comment period for the draft 2022 CAPER ran August 14-28, 2023. The City's Business, Inspections, Housing and Zoning Committee will hold a public hearing on the 2022 CAPER on August 22, 2023. TBD for comments on the 2022 CAPER were received during the comment period or at the public hearing.

Copies of the draft CAPER will be made available at the Office of Grants & Special Projects, Community Planning and Economic Development, Hennepin County Public Libraries located in the City of Minneapolis, Mid-Minnesota Legal Aid offices and upon request. The draft report was posted at the following website <https://www2.minneapolismn.gov/government/departments/finance/grants-special-projects/consolidated-plan/>. Digital copies of the final 2022 CAPER to be submitted to HUD is made available for public review by emailing Rachel Kennedy at Rachel.kennedy@minneapolismn.gov and when the CAPER is approved by HUD, the final report will also be posted on the above noted website.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

No changes in programming objectives have been made.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

CR-50 - HOME 24 CFR 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in 24 CFR §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The City of Minneapolis contracts with Affordable Housing Connections, Inc. (AHC) to provide ongoing compliance monitoring of its HOME funded rental projects.

During the 2022 program year, AHC will review a total of 55 annual reports covering 552 units for HOME compliance. A CHART, or Consolidated Housing Annual Reporting Tool, collects move in/move out, income and rent information of each household residing in a HOME unit in a HOME assisted property.

If a HOME assisted property is due for a site visit as dictated by its inspection schedule, AHC will review at least 20% (minimum of 4, or all if less than 4 HOME units) of the tenant files of HOME assisted units. A tenant file review consists of reviewing the documentation provided by the tenant household and the information collected and verified by the owner/manager to determine if the household is income eligible under the HOME Program. Leasing documents and rent ledgers are also reviewed to determine that gross rents are within the HOME rent limits.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)

Prior to properties being held open to the public, CPED-contracted marketing agents 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.

Affirmative marketing actions and outreach to minority- and women-owned businesses continue to be performed in a satisfactory manner. It indicates continued efforts on the parts of owners to affirmatively market available units.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

No program income was used this program year.

Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)

The City continues to pursue the following actions for the development of rental housing to grow the population and to have no net loss of affordable housing across all income levels. City housing policy is the positive gain on affordable housing units through:

- Annually seeking to create more units affordable at 30-60% of Area Median Income (AMI) through new construction/positive conversion than the number of habitable units affordable to 30-60% of AMI that are demolished as a result of City sponsored projects.
- Funding housing programs serving those above 60% of Area Median Income shall continue and those programs will remain a vital part of the City's housing policy.
- Twenty percent (20%) of the units of each City assisted housing project of ten or more units will be affordable to households earning 60% or less of the Area Median Income. It is understood that these affordable units may include any mix of rental and/or homeownership, and can be located on the project site or anywhere within the City of Minneapolis.
- Projects which utilize any funding from the Affordable Housing Trust Fund (CDBG/HOME) must have 20% of the housing units available to households at or below 50% of area median income.

In the past year the City has provided financing for the development and preservation of affordable ownership housing by;

- Preserving and improving the physical condition of existing ownership housing through home improvement offerings.
- Supporting in-fill development of new three or more bedroom houses for large families through a combination of construction gap financing and affordability loans.
- Promoting and supporting first-time homeownership opportunities and outreach for traditionally underserved populations.

CR-55 - HOPWA 91.520(e)

Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0	0
Tenant-based rental assistance	150	142
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	36	36
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0	0

Table 13 – HOPWA Number of Households Served

Narrative

City of Minneapolis HOPWA resources provide Project Sponsors with the opportunity to offer tenant-based rental assistance, client advocacy, case management services, and/or capital projects to develop permanent housing units based on the needs identified by responses to its annual request for proposal (RFP) and by recommendations from the MN HIV Housing Coalition. Project Sponsors under grant year 2022 were the Metropolitan Council Housing and Redevelopment Authority (HRA), Rainbow Health and Clare Housing.

In program year 2022, 142 households served with rental assistance, while 57 households were provided HOPWA-funded supportive services. An additional 16 households with persons affected by HIV were provided with short term housing options through HOPWA-CV (COVID-19 pandemic response) funds in 2022. In late 2022 Clare Housing opened its 36 unit housing development Bloom Lake Flats adding much needed larger bedroom units to the local HIV housing continuum of housing options. This work was supported in part with City HOPWA funding.

The City works with Project Sponsors, funding partners and the Minnesota HIV Housing Coalition to identify and develop its funding plans and priorities for HOPWA expenditures. The need to obtain or keep affordable housing remains significant, and the programming design for HOPWA assistance helps

meet the housing needs of families and persons with HIV/AIDS. Stable housing situations are often second only to health care in importance for this population, and it is widely asserted among the HIV/AIDS-affected population and service providers that “housing is healthcare.” Rainbow Health and Metropolitan Council Housing and Redevelopment Authority (Metro HRA) coordinate to offer continued rental assistance to persons with HIV/AIDS when they expire their time limits in Rainbow Health’s transitional housing program. Clare Housing provides community-located supportive housing units and supportive services for these units.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA
Total Number of Activities	3	0	0	0
Total Labor Hours	68,217			
Total Section 3 Worker Hours	16,491			
Total Targeted Section 3 Worker Hours	11,955			

Table 14 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA
Outreach efforts to generate job applicants who are Public Housing Targeted Workers				
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	3			
Direct, on-the job training (including apprenticeships).				
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.				
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).				
Outreach efforts to identify and secure bids from Section 3 business concerns.	3			
Technical assistance to help Section 3 business concerns understand and bid on contracts.				
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.				
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.				
Held one or more job fairs.				
Provided or connected residents with supportive services that can provide direct services or referrals.				
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.				
Assisted residents with finding child care.				
Assisted residents to apply for, or attend community college or a four year educational institution.				
Assisted residents to apply for, or attend vocational/technical training.				
Assisted residents to obtain financial literacy training and/or coaching.				
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.				
Provided or connected residents with training on computer use or online technologies.				
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.				
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.				

Other.				
--------	--	--	--	--

Table 15 – Qualitative Efforts - Number of Activities by Program

Narrative

Section 3 promotes local economic development and individual self-sufficiency. The Section 3 program is race and gender neutral. Qualification for Section 3 is based solely on the following: income and residency in the service area or the neighborhood of a covered construction project. Section 3 applies to all projects and activities involving housing construction, rehabilitation, or other public construction that is funded with covered HUD funding. Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 residents or award contracts to Section 3 businesses other than what is needed to complete covered projects/activities. If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements have not been triggered.

Under Section 3, goals are that 25% of all labor hours are performed by Section 3 Workers and 5% of all labor hours are to be performed by Section 3 Targeted Workers. The 5% goal counts towards the overall 25% Section 3 Worker goal.

Definition of a "Section 3 Worker" (must meet at least one of the following criteria):

- The worker's gross income for the previous or annualized calendar year is below the HUD-established low income limit of 80% area median income.
- The worker is employed by a Section 3 business concern.
- The worker is a YouthBuild participant.

Definition of a "Targeted Section 3 Worker" (must meet at least one of the following criteria):

- The worker is employed by a Section 3 business concern.
- The worker is a YouthBuild participant.
- The worker is a resident in public housing, Section 8-assisted housing, and/or a resident of other public housing projects or Section 8-assisted housing managed by the Minneapolis Public Housing Agency that is providing the assistance (applies only to Public Housing Assistance Projects).
- The worker lives within the service area or the neighborhood of the project.

During the reporting period, the City had two activities subject to section 3 requirements. The activities are the Stonehouse Square Apartments rehabilitation and the Juxtaposition Arts campus expansion projects. Section 3 goals information is still being collected but contracts for these projects were set with Section 3 goals. The Section 3 hours for these projects will be reported on upon project completion and

in its relevant CAPER. The City shares with all bidders and contractors its registry of certified Section 3 Residents and certified Section 3 Business Concerns to disseminate employment and contracting opportunities; and is monitoring applicable contracts and projects for compliance.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG reporting outcomes are found in the attached ESG CAPER found in the Appendix. The report is generated from the HUD SAGE Reporting System.

Appendix

Report: CAPER

Period: 6/1/2022 - 5/31/2023

Your user level here: Data Entry and Account Admin

Contains all user-entered forms and aggregate CAPER-CSV data.

Report Date Range

6/1/2022 to 5/31/2023

Contact Information

First Name	Matt
Middle Name	
Last Name	Bower
Suffix	
Title	Manager Resource Coordination
Street Address 1	350 South Fifth St.
Street Address 2	307M City Hall
City	Minneapolis
State	Minnesota
ZIP Code	55415
E-mail Address	matthew.bower@minneapolismn.gov
Phone Number	(612)673-2188
Extension	
Fax Number	

Project types carried out during the program year			
Components	Projects	Total Persons Reported	Total Households Reported
Emergency Shelter	1	289	108
Day Shelter	0	0	0
Transitional Housing	0	0	0
Total Emergency Shelter Component	1	289	108
Total Street Outreach	2	1444	1424
Total PH - Rapid Re-Housing	2	47	28
Total Homelessness Prevention	0	0	0

Grant Information

Emergency Shelter Rehab/Conversion	
Did you create additional shelter beds/units through an ESG-funded rehab project	No
Did you create additional shelter beds/units through an ESG-funded conversion project	No

Data Participation Information	
Are there any funded projects, except HMIS or Admin, which are <u>not listed on the Project, Links and Uploads form</u> ? This includes projects in the HMIS and from VSP	No

From the Action Plan that covered ESG for this reporting period copy and paste or retype the information in Question 5 on screen AP-90: "Describe performance standards for evaluating ESG."

Street Outreach:

- HMIS data will be entered in accordance with local HMIS data quality policies on timeliness, completeness and accuracy, per the community's Data Quality Plan
- At least 50% of persons contacted and who are eligible for the street outreach project, will be engaged within 30 days of initial contact by the outreach team
- All clients who become engaged will be offered a coordinated entry assessment completed within 30 days of their date of engagement
- At least 50% of engaged Street Outreach clients will be referred to a housing program within 90 days of their date of engagement.

Emergency Shelter:

- HMIS data will be entered in accordance with local HMIS data quality policies, per the community's Data Quality Plan
- After 14 days, 100% of emergency shelter clients should be connected to the coordinated entry system to ensure that they are assessed.
- Single adult emergency shelter clients (persons 18 years of age and older) should be offered a referral to the local coordinated entry system within 45 days of their entry into the emergency shelter
- Decrease length of time homeless: 1047 days (baseline – decrease over time)
- Increase exits to stable housing (TH, PSH, RRH): 7.2% (baseline – increase to 10%)

Rapid Re-housing

- HMIS data will be entered in accordance with local HMIS data quality policies, per the community's Data Quality Plan
- Exits to Permanent destinations: Permanent Housing Exits > 84 %
- Maintain or increase Employment Income: Qualifying adult participants > 41%
- Maintain or increase Non-Employment Income: Qualifying adult participants > 53%
- Maintain or Increase Total Income: Qualifying adult participants > 78%
- Number of days from program start to housing move in date 54 days

Homelessness Prevention:

- HMIS data will be entered in accordance with local HMIS data quality policies, per the community's Data Quality Plan
- No shelter entry within 6 months > 97%
- No shelter entry within 12 months > 95%
- Reduce First time homeless

Based on the information from the Action Plan response previously provided to HUD:

1. Briefly describe how you met the performance standards identified in A-90 this program year. *If they are not measurable as written type in N/A as the answer.*

N/A

2. Briefly describe what you did not meet and why. *If they are not measurable as written type in N/A as the answer.*

N/A

OR

3. If your standards were not written as measurable, provide a sample of what you will change them to in the future? *If they were measurable and you answered above type in N/A as the answer.*

We will be working with the local Continuum of Care at obtaining dashboard reports on above measures at a project specific level.

ESG Information from IDIS

As of 8/11/2023

FY	Grant Number	Current Authorized Amount	Funds Committed By Recipient	Funds Drawn	Balance Remaining	Obligation Date	Expenditure Deadline
2022	E22MC270003	\$949,746.00	\$613,136.00	\$0	\$949,746.00	8/19/2022	8/19/2024
2021	E21MC270003	\$963,048.00	\$963,048.00	\$638,755.09	\$324,292.91	7/30/2021	7/30/2023
2020	E20MC270003	\$971,353.00	\$971,353.00	\$971,353.00	\$0	5/21/2020	5/21/2022
2019	E19MC270003	\$947,515.00	\$947,515.00	\$947,515.00	\$0	7/31/2019	7/31/2021
2018	E18MC270003	\$922,113.00	\$922,113.00	\$922,113.00	\$0	7/20/2018	7/20/2020
2017	E17MC270003	\$922,657.00	\$915,977.40	\$915,977.40	\$6,679.60	10/19/2017	10/19/2019
2016	E16MC270003	\$940,966.00	\$936,585.08	\$936,585.08	\$4,380.92	9/16/2016	9/16/2018
2015	E15MC270003	\$922,245.84	\$922,245.84	\$922,245.84	\$0	6/15/2015	6/15/2017
Total		\$9,215,290.11	\$8,867,619.59	\$7,930,190.68	\$1,285,099.43		

Expenditures	2022	2021	2020	2019	2018	2017	2016	2015
	Yes	Yes	Yes	No	No	No	No	No
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for					
Homelessness Prevention	Non-COVID	Non-COVID	Non-COVID	COVID				
Rental Assistance	0.00	0.00	0.00					
Relocation and Stabilization Services - Financial Assistance	0.00	0.00	0.00					
Relocation and Stabilization Services - Services	0.00	0.00	0.00					
Hazard Pay <i>(unique activity)</i>								
Landlord Incentives <i>(unique activity)</i>								
Volunteer Incentives <i>(unique activity)</i>								
Training <i>(unique activity)</i>								
Homeless Prevention Expenses	0.00	0.00	0.00	0.00				
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for					

Rapid Re-Housing	Non-COVID	Non-COVID	Non-COVID	COVID
Rental Assistance	0.00	54,500.14	50,651.23	
Relocation and Stabilization Services - Financial Assistance	0.00	0.00	0.00	
Relocation and Stabilization Services - Services	0.00	0.00	0.00	
Hazard Pay <i>(unique activity)</i>				
Landlord Incentives <i>(unique activity)</i>				
Volunteer Incentives <i>(unique activity)</i>				
Training <i>(unique activity)</i>				
RRH Expenses	0.00	54,500.14	50,651.23	0.00
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for	
Emergency Shelter	Non-COVID	Non-COVID	Non-COVID	COVID
Essential Services	0.00	0.00	0.00	
Operations	0.00	0.00	0.00	
Renovation	0.00	0.00	0.00	
Major Rehab	0.00	334,231.19	332,812.00	
Conversion	0.00	0.00	0.00	
Hazard Pay <i>(unique activity)</i>				
Volunteer Incentives <i>(unique activity)</i>				
Training <i>(unique activity)</i>				
Emergency Shelter Expenses	0.00	334,231.19	332,812.00	0.00
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for	
Temporary Emergency Shelter	Non-COVID	Non-COVID	Non-COVID	COVID
Essential Services				
Operations				

Leasing existing real property or temporary structures				
Acquisition				
Renovation				
Hazard Pay <i>(unique activity)</i>				
Volunteer Incentives <i>(unique activity)</i>				
Training <i>(unique activity)</i>				
Other Shelter Costs				
Temporary Emergency Shelter Expenses				0.00
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for	
Street Outreach	Non-COVID	Non-COVID	Non-COVID	COVID
Essential Services	0.00	183,145.36	13,301.15	
Hazard Pay <i>(unique activity)</i>				
Volunteer Incentives <i>(unique activity)</i>				
Training <i>(unique activity)</i>				
Handwashing Stations/Portable Bathrooms <i>(unique activity)</i>				
Street Outreach Expenses	0.00	183,145.36	13,301.15	0.00
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for	
Other ESG Expenditures	Non-COVID	Non-COVID	Non-COVID	COVID
Cell Phones - for persons in CoC/YHDP funded projects <i>(unique activity)</i>				
Coordinated Entry COVID Enhancements <i>(unique activity)</i>				
Training <i>(unique activity)</i>				

Vaccine Incentives (unique activity)				
HMIS	0.00	18,918.00	7,668.69	
Administration	0.00	47,960.40	24,374.97	
Other Expenses	0.00	66,878.40	32,043.66	0.00
	FY2022 Annual ESG Funds for	FY2021 Annual ESG Funds for	FY2020 Annual ESG Funds for	
	Non-COVID	Non-COVID	Non-COVID	COVID
Total Expenditures	0.00	638,755.09	428,808.04	0.00
Match	379,753.91			
Total ESG expenditures plus match	379,753.91	638,755.09	428,808.04	

Total expenditures plus match for all years

1,447,317.04

Sources of Match

	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
Total regular ESG plus COVID expenditures brought forward	\$0.00	\$638,755.09	\$428,808.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total ESG used for COVID brought forward	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total ESG used for regular expenses which requires a match	\$0.00	\$638,755.09	\$428,808.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Match numbers from financial form	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Match Percentage	0%	0.00%	0.00%	0%	0%	0%	0%	0%

Match Source **FY2022** **FY2021** **FY2020** **FY2019** **FY2018** **FY2017** **FY2016** **FY2015**

Other Non-ESG HUD Funds

Other Federal Funds

State Government

Local Government **150,000.00**

Private Funds

Other **229,753.91**

Fees

Program Income

Total Cash Match **379,753.91** **0.00** **0.00** **0.00** **0.00** **0.00** **0.00**

Non Cash Match

Total Match **379,753.91** **0.00** **0.00** **0.00** **0.00** **0.00** **0.00**

