



**U.S. Department of Housing and Urban Development**

Minneapolis Field Office  
212 3rd Avenue South, Suite 150  
Minneapolis, Minnesota 55401

July 18, 2022

Commissioner Jennifer Ho  
Minnesota Housing  
400 Wabasha St. N; Suite #400  
St. Paul, MN 55102

Commissioner Steve Grove  
Minnesota Department of Employment and Economic Development  
1<sup>st</sup> National Bank Building  
332 Minnesota St. Suite E-200  
St. Paul, MN 55101

Commissioner Jodi Harpstead  
Minnesota Department of Human Services  
P.O. Box 64998  
Elmer C. Anderson Building  
St. Paul, MN 55164

Dear Commissioners Ho, Grove and Harpstead:

SUBJECT: End-of-Year Review  
Program Year 2021  
State of Minnesota

HUD is required to conduct an annual review of performance by grant recipients. This is to report to you the results of our review. Additionally, the Secretary must determine that the grant recipient is compliant with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

## **Report**

This review is based upon the information we received concerning the State's 2021 program year of October 1, 2020, through September 30, 2021. We congratulate you on your many accomplishments during this past year on the achievement of departmental objectives. Enclosed is a report showing the use of CDBG, HOME, HTF, ESG, and HOPWA funds during the reporting period. Some specific accomplishments during the year included:

- Rehabilitated 155 units of rental housing and 223 units of owner-occupied housing (CDBG)
- Benefitted 2,821 households through public facility and infrastructure activities (CDBG)

- Prevented the homelessness of 178 special needs households through short-term rent, mortgage, and utility assistance (HOPWA)
- Provided emergency shelter to 7,132 individuals (ESG)
- Served 91 households with homelessness prevention services and 181 households with rapid re-housing assistance (ESG)
- Made progress on HOME and HTF projects despite pandemic delays

## **Background Information**

HUD's Office of Community Planning and Development has sought to establish partnerships with State and local governments. The focus of our partnership has been to work with communities to ensure that our joint efforts result in housing and community development programs and policies that benefit and serve low and moderate-income persons. These efforts occur within the framework of the statutes we administer and the regulations and policies that are designed to improve program performance.

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary, that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

With the implementation of the Consolidated Planning Regulations of January 5, 1995, the Department began making comprehensive performance reviews of grantee's overall progress at least annually, as required by the statutes and section 91.525 of the regulations. The review consists of analyzing the consolidated planning process; reviewing management of funds; determining the progress made in carrying out policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; as well as evaluating accomplishments in meeting key Departmental objectives.

This assessment not only meets the mandates of the statutes, but it also provides a basis for working together collaboratively to help grantee's achieve housing and community development goals. One critical outcome of this collaboration should be the development of a more comprehensive, effective, and concise Consolidated Plan and improved performance in achieving specific goals that correspond to the activities outlined in your forthcoming Action Plan.

## **Public Access**

This Report must be made readily available to the public within 30 days of receipt of your comments. There are several ways the report can be made available to the public. You can assist us in this regard by sharing HUD's report with the media; with members of your advisory committee; or with those who attended hearings or meetings, placing it on your web site or

distributing it through a listserv. HUD will make this information available to the public upon request and may provide copies of future reports to interested citizens and groups.

### **Conclusion**

We have determined that your overall progress is satisfactory, and the State of Minnesota has the continuing capacity to implement these programs.

If there are any questions, please do not hesitate to contact Emily Trump, CPD Representative, at [Emily.K.Trump@hud.gov](mailto:Emily.K.Trump@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Marcia A. Kolb". The signature is written in a cursive style with a large, sweeping initial 'M'.

Marcia A. Kolb, Director  
Office of Community Planning and Development



U.S. Department of Housing and Urban Development  
 Office of Community Planning and Development  
 Integrated Disbursement and Information System  
 CDBG and CDBG-CV Community Development Block Grant Performance Profile  
 PR54 - MINNESOTA  
 Program Year From 10-01-2020 To 09-30-2021

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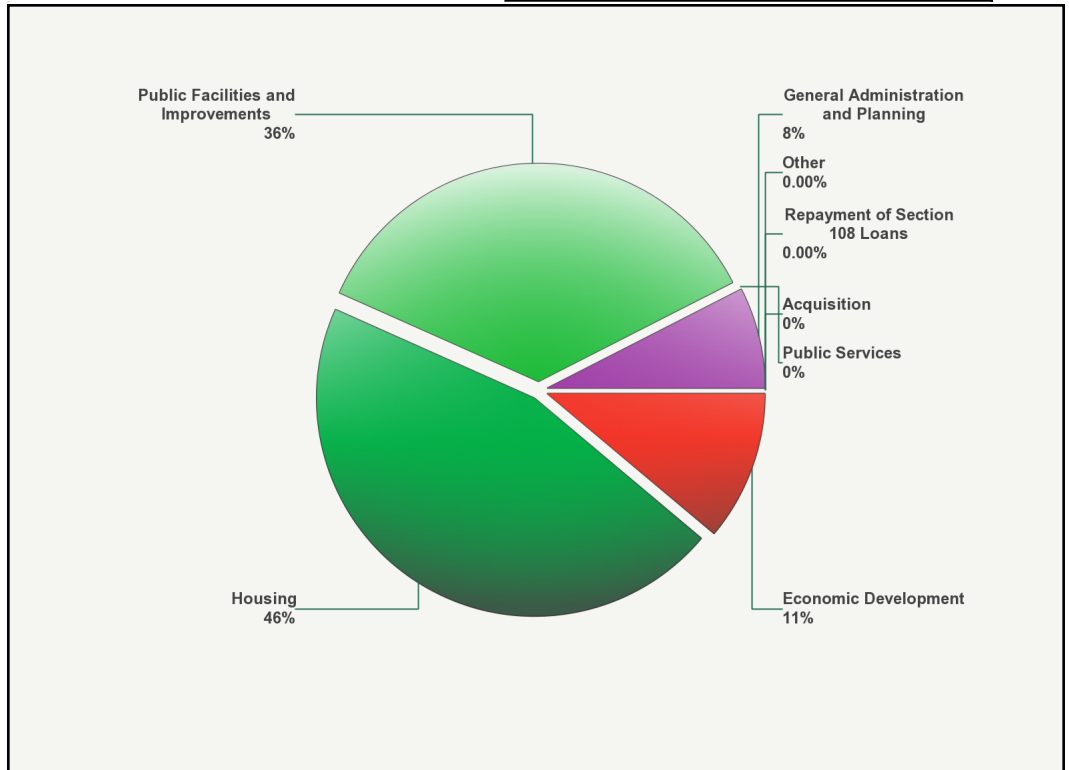
**Program Year 2021 Funds**

2021 CDBG and CDBG-CV Allocation	\$19,522,759.00
Program Income Received During Program Year 2021	\$496,855.15
Funds Returned to Local Program Account	\$0.00
During Program Year 2021	
<b>Total Available<sup>1</sup></b>	<b>\$20,019,614.15</b>

**Expenditures<sup>2</sup>**

Type of Activity	Expenditure	Percentage
Acquisition	\$0.00	0.00%
Economic Development	\$2,593,570.68	11.08%
Housing	\$10,677,478.48	45.63%
Public Facilities and Improvements	\$8,355,577.03	35.71%
Public Services	\$0.00	0.00%
General Administration and Planning	\$1,772,709.94	7.58%
Other	\$0.00	0.00%
Repayment of Section 108 Loans	\$0.00	0.00%
<b>Total</b>	<b>\$23,399,336.13</b>	<b>100.00%</b>

**Expenditures by Type of Activity (%)      Expenditures by Type of Activity (\$)**

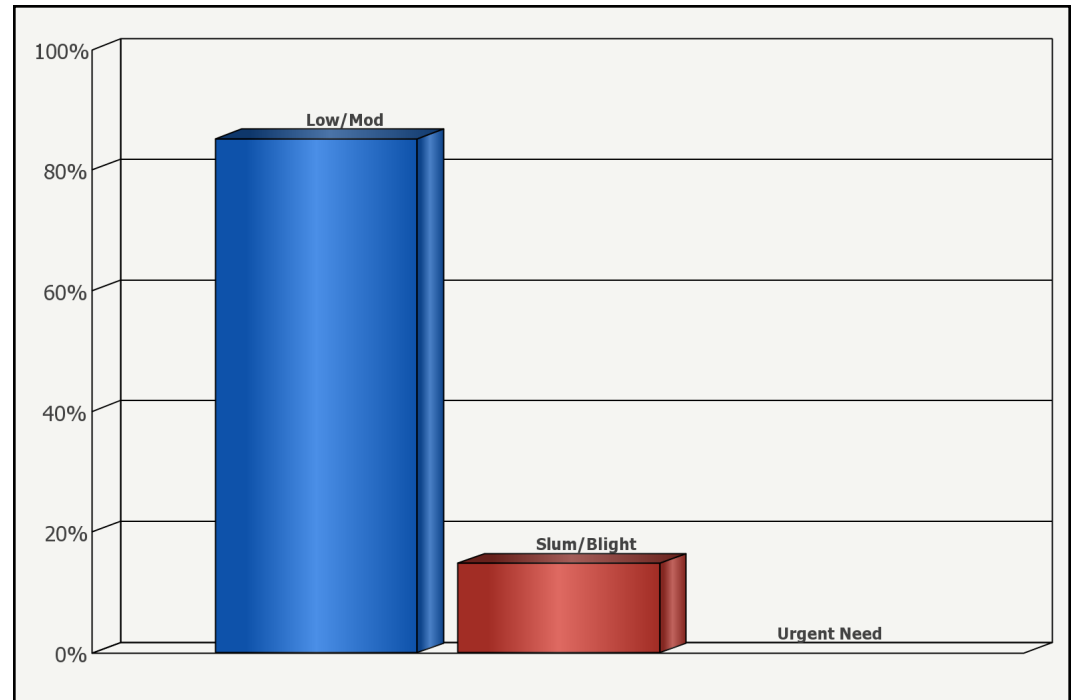




CDBG and CDBG-CV Community Development Block Grant Performance Profile  
 PR54 - MINNESOTA  
 Program Year From 10-01-2020 To 09-30-2021

**Program Targeting**

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis <sup>3</sup>	85.16%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	35.79%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	14.84%
4 -Percentage of Expenditures Addressing Urgent Needs	0.00%
5 -Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution.	\$0.00
6 -Percentage of Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution	0.00%



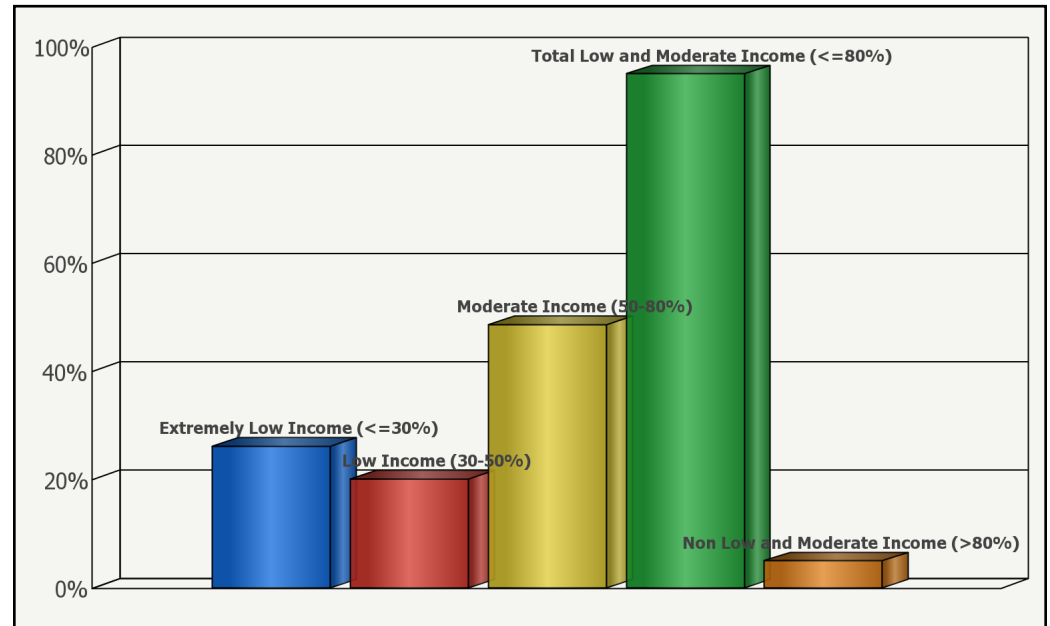


**CDBG Beneficiaries by Racial/Ethnic Category<sup>4</sup>**

Race	Total	Hispanic
White	96.30%	100.00%
Black/African American	0.00%	0.00%
Asian	0.79%	0.00%
American Indian/Alaskan Native	0.53%	0.00%
Native Hawaiian/Other Pacific Islander	0.00%	0.00%
American Indian/Alaskan Native & White	0.26%	0.00%
Asian & White	0.00%	0.00%
Black/African American & White	1.06%	0.00%
Amer. Indian/Alaskan Native & Black/African Amer.	0.00%	0.00%
Other multi-racial	1.06%	0.00%
Asian/Pacific Islander (valid until 03-31-04)	0.00%	0.00%
Hispanic (valid until 03-31-04)	0.00%	0.00%

**Income of CDBG Beneficiaries**

Income Level	Percentage
Extremely Low Income (<=30%)	26.19%
Low Income (30-50%)	20.11%
Moderate Income (50-80%)	48.68%
Total Low and Moderate Income (<=80%)	94.97%
Non Low and Moderate Income (>80%)	5.03%





U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
CDBG and CDBG-CV Community Development Block Grant Performance Profile  
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Accomplishment	Number
Actual Jobs Created or Retained	0
Households Receiving Housing Assistance	378
Persons Assisted Directly, Primarily By Public Services and Public Facilities	1,261
Persons for Whom Services and Facilities were Available	2,323 <sup>5</sup>
Units Rehabilitated-Single Units	226
Units Rehabilitated-Multi Unit Housing	152

**Funds Leveraged for Activities Completed: \$5,690,516.24**

### Notes

1 Also, additional funds may have been available from prior years.

2 The return of grant funds is not reflected in these expenditures.

3 Derived by dividing annual expenditures for low-and moderate-income activities by the total expenditures for all activities (excluding planning and administration, except when State planning activities have a national objective) during the program year.

4 For entitlement communities, these data are only for those activities that directly benefit low- and moderate-income persons or households. They do not include data for activities that provide assistance to low- and moderate-income persons on an area basis, activities that aid in the prevention and elimination of slums and blight, and activities that address urgent needs. For states, these data are reported for all activities that benefit low- and moderate-income persons or households, aid in the prevention and elimination of slums and blight, and address urgent needs.

5 This number represents the total number of persons/households for whom services/facilities were available for [in many cases] multiple area benefit activities as reported by grantees. A service or facility meeting the national objective of benefiting low- and moderate-income persons on an area basis is available to all residents of the area served by the activity. If one or more activities had the same or overlapping service areas, the number of persons served by each activity was used to calculate the total number served; e.g., if two activities providing different services had the same service area, the number of persons in the service area would be counted twice; once for each activity.



**State of Minnesota  
Consolidated Annual Performance  
and Evaluation Report  
for Federal Fiscal Year 2021**

**December 2021**



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## CR-05 - Goals and Outcomes

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

**This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.**

As designed by the U.S. Department of Housing and Urban Development (HUD), this report primarily pertains to those programs funded through federal assistance allocated to Minnesota state agencies under Community Development Block Grants (CDBG), Emergency Solutions Grants (ESG), HOME Investment Partnership (HOME), the National Housing Trust Fund (NHTF), and Housing Opportunities for Persons with AIDS (HOPWA). The state makes this report available on behalf of the Minnesota Department of Employment and Economic Development (DEED), the Minnesota Department of Human Services (DHS), and Minnesota Housing Finance Agency (Minnesota Housing).

It is important to note that the state provides affordable housing and community development through a variety of programs, many of which are funded through agency resources or state and federal appropriations. In Federal Fiscal Year (FFY) 2021, Minnesota Housing alone reserved/committed funds to assist over 28,000 households with rent assistance, down payment and first mortgage financing, home improvement financing, homebuyer education, the rehabilitation or construction of affordable rental housing, and other assistance (not including 30,000 units of Section 8 housing for which Minnesota Housing administers the housing assistance contract). In addition, over 25,000 households received assistance through the COVID Housing Assistance Program, and the COVID Emergency Rental Assistance Program (RentHelpMN) assisted over 15,000 households through September 30, 2021. Additional information about other housing and community development may be obtained through Minnesota Housing, DEED and DHS.

The state has identified objectives and expected outcomes for federally funded housing and community development assistance through a process of public hearings and forums held throughout the state. Housing advocates, service providers, residents, and other stakeholders are invited to participate in these events and to provide input on local needs, priorities, and problems (see the citizen participation plan and public comments attached to the *Consolidated Housing and Community Development Plan, FY 2017-2021*). The Annual Action Plan addresses how objectives are to be met each year. Under most federal programs covered in this report, the state has been close to meeting its previous annual projections. In the past year unemployment has decreased significantly due the impact of the pandemic on the economy from 7.9 percent in September of 2020, to 3.7 percent in September 2021. Nationally unemployment was 4.8 percent in September 2021. The year prior to the pandemic, unemployment in Minnesota was 3.2 percent (September 2019).

As of the end of 2021, the fifth year in its five-year plan (2017-2021), Minnesota had achieved 112% of its five-year goals.

DEED's Small Cities Development Program had experienced challenges in matching the goals set in the annual action plan. Not meeting some of the goals were due to several factors, mainly COVID-19 pandemic. Grantees were experiencing difficulties with construction being stalled, short construction season, difficulty in obtaining lead certified contractors and the cost of materials skyrocketing. Commercial projects have 58 accomplishments compared to the expected goal of 90. Owner occupied housing rehabilitation projects have 223 accomplishments compared to the expected goal of 320. Two activities of the Small Cities Program did exceed the goals set in the annual action plan. Rental housing rehabilitation projects have 155 accomplishments compared to the expected goal of 55.

The unit of measurement for public facilities projects is based on persons assisted for both Low and Moderate Income (LMI) and other than LMI. Public facility projects have exceeded the goal of 1,250 assisted persons with a total accomplishment of 5,035 assisted persons, consisting of 2,821 LMI persons and 2,214 other than LMI persons. DEED's Minnesota Investment Fund (MIF) projected zero LMI jobs with zero accomplishments. Due to elevated funding levels from other state funded sources, federal resources have not been used, hence with the authority of the DEED Commissioner, these funds have been reallocated to the Small Cities Development Program.

It is important to note for budgeting and planning purposes that Minnesota Housing projects the number of units for which it expects to make funding commitments; projecting the completion of HOME and NHTF-assisted units is difficult because multifamily projects may take a few years to complete. In addition, as the COVID-19 pandemic persisted the entire year, project delays and an waiver approved by HUD at the end of the fiscal year (June 9, 2021) for project completion inspections resulted in significant progress made, but no projects completed during the year. Three projects will quickly close in this coming fiscal year as a result.

**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 made Available	Indicator	Unit of Measure	Expected Program Year 2021	Actual Program Year 2021	Percent Complete
Create suitable living environment - DEED	Affordable Housing	CDBG: \$8,437,050	Rental units rehabilitated	Household Housing Unit	55	155	281%
			Homeowner housing rehabilitated	Household Housing Unit	320	223	70%
Enhance Affordable Housing Opportunities- Minnesota Housing	Affordable Housing	HOME: \$9,397,210 NHTF: \$9,252,948	Rental units rehabilitated	Household Housing Unit	30	0	0%
			Rental housing constructed	Household Housing Unit	30	0	0%
Promote Economic Development	Non-Housing Community Development	CDBG: \$2,884,000	Façade treatment/business building rehabilitation	Business	90	58	64%
			Jobs created/retained	Jobs	0	0	-
			Businesses Assisted	Businesses Assisted	0	0	-
Facilitate Housing and Service for the Homeless	Homeless	ESG: \$2,201,143	Tenant-based rental assistance/rapid rehousing	Households Assisted	150	181	121%
			Homeless person Overnight Shelter	Persons Assisted	9,300	7,519	81%
			Homelessness Prevention	Persons Assisted	125	91	73%
Provide Funds for Special-Needs Housing and Services	Non-Homeless Special Needs	HOPWA: \$283,537	Homelessness Prevention	Persons Assisted	210	178	85%
Address Public Facility and Infrastructure Needs- DEED	Non-Housing Community Development	CDBG: \$5,308,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing	Persons Assisted	625	2,214	354%
			Public Facility or Infrastructure Activities for Low/Moderate Income Housing	Persons Assisted	1,250	2,821	226%

**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.**

Minnesota’s objectives in the distribution of housing and community development resources are to create suitable living environments; provide decent, affordable housing; and create economic opportunities within the state. In working to achieve those objectives, the state has prioritized populations with the greatest need for assistance (see SP-25 “Priority Needs” in the **2017-2021 Consolidated Plan for Housing and Community Development**).

Priorities include renters with incomes at or below 30% of area median income (AMI), homeowners with incomes of 51% to 80% of AMI, and non-homeless people with special needs.

In addition to general affordable housing, Minnesota Housing assists the homeless or people with special needs at risk of being homeless who struggle with housing stability through several programs funded by the state legislature, including the Family Homeless Prevention and Assistance Program, Bridges rental assistance, the state Housing Trust Fund rent assistance, and Housing Infrastructure Bonds. These programs assisted nearly than 8,000 households in 2021. The agency also deployed federal resources for emergency rental assistance during the pandemic through the U.S. Treasury funded programs of the COVID Housing Assistance Program and the COVID Emergency Rental Assistance Program.

With its federal resources, the state assists the greatest number of people through the Emergency Solutions Grant (ESG). ESG assistance includes operating and supportive service costs for emergency shelter facilities and rental assistance and housing relocation and stabilization services for homeless persons and those at imminent risk of homelessness who need to be re-housed.

With its federal resources, the state provides the greatest amount of assistance through the Community Development Block Grant (CDBG) Small Cities Development Program (SCDP). As noted in the Action Plan, CDBG focused on creating suitable living environments, economic development and public facilities and infrastructure. The unit of measure for public facilities projects is based on persons assisted. The goal for Table 1 and Table 2 for housing is to create suitable living environments as noted in the Action Plan instead of the listed providing decent affordable housing. These spending priorities have been established through the planning process, which determines where the most need is, as well as the capacity to make an impact on those in need in the State of Minnesota. The amount spent on each category is determined both by past performance and the current ability to meet housing and community development needs in Minnesota. Current economic development funds will be utilized for the SCDP program. State resources with fewer restrictions were made available to assist with the creation of jobs for low to moderate income persons. With the authority of the DEED Commissioner, CDBG funds set aside for those activities that were not used were reallocated to other CDBG activities.

## 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)

	CDBG	HOME	ESG	HOPWA	NHTF
White	1053	0	4587	94	0
Black or African American	5	0	3257	66	0
Asian	5	0	192	5	0
American Indian or American Native	2	0	1493	4	0
Native Hawaiian or Other Pacific Islander	2	0	46	0	0
More than one race	13	0	0	9	0
<b>Total</b>	<b>1080</b>	<b>0</b>	<b>9575</b>	<b>178</b>	<b>0</b>
Hispanic	23	0	807	10	0
Not Hispanic	1057	0	8768	168	0

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

### Narrative

According to the Census Bureau's estimates in the *American Community Survey, 2019*, low and moderate income households (those earning less than \$50,000 in 2019) of a race other than white comprise an estimated 19% of the households in Minnesota, and households of Hispanic or Latino ethnicity comprise an estimated 5% of the households in Minnesota.

CDBG assisted 1,080 households in FFY 2021. Of that number, 1053 were white, 5 Black/African American, 5 Asian, 2 American Indian/Alaskan Native, 2 Native Hawaiian/Other Pacific Islander, 2 American Indian/Alaskan Native & white, 4 Black/African American and white and 13 other multi-racial. Of the total, 23 were Hispanic households. Among CDBG-assisted households, 97% of households were white, less than 1% Black/African American, less than 1% American Indian/Alaskan Native, less than 1% Native Hawaiian/Other Pacific Islander, less than 1% Indian/Alaskan Native & white, less than 1% Black/African American and white and less than 1% other multi-racial. Households with two or more races do not fit into the CAPER table above.

As noted, no units were completed for HOME or NHTF resources during the fiscal year. With the approved HUD waiver for project completion approved in June of 2021, we were not able to close units before the end of the program year.

Note that HOME funds historically were available primarily in non-entitlement areas, which are less diverse and may have had limited opportunity for HOME-funded projects to serve a higher percentage of people of color or Hispanic ethnicity.

With ESG funding, DHS assisted 9,575 households during Program Year 2021 with shelter, prevention and rapid re-housing assistance. Of those, 48% identified as white, 34% as Black/African American, 16% as American Indian or Alaskan Native, 2% as Asian/Asian American. Ninety-one percent of persons in ESG-funded programs identified as Non-Hispanic ethnicity.

DEED’s, Minnesota Housing’s, and DHS’s current *Analysis of Impediments to Fair Housing Choice* report and action plan corresponds with the final three years of the Consolidated Plan. A full disclosure of the impediments can be found in the *2020 Analysis of Impediments to Fair Housing Choice for Minnesota* available at: [Analysis of Impediments to Fair Housing Choice](#)

Each year, the state documents agency actions taken to overcome impediments (see CR 35 of this report).

## CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Resources Made Available	Amount Expended During Program Year
CDBG	27,331,484	\$23,399,336
HOME	9,397,210	\$7,987,833
HOPWA	289,269	\$259,333
ESG	2,202,778	\$2,202,778
NHTF	9,252,948	\$6,794,904

**Table 3 – Resources Made Available**

### Narrative

In addition to CDBG’s normal allocation, HUD has awarded the State of Minnesota with three special allocations of CDBG funds to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). The State of Minnesota Small Cities Development Program had made CDBG-CV funds of \$37,600,868 available to non-entitlement and entitlement communities throughout the State of Minnesota in order to prevent, prepare for, and respond to coronavirus.

The funds for HOPWA in Table 3 include \$36,749 in HOPWA-CV funds made available and \$6,855 in HOPWA-CV funds expended.

Funding provided by HUD to Minnesota for FFY 2021 under housing and community development programs is shown above. The expended amounts during a program year could be higher or lower than resources made available due to timing of projects completions, particularly capital funding for projects via CDBG, HOME and NHTF, which can take a few years to complete from the time the funds are made available.

State agencies provide a large amount of assistance other than federal funds for affordable housing. For example, in FFY 2021, Minnesota Housing reserved/committed loans/grants for approximately \$1.95 billion in housing assistance to non-Section 8 households. Minnesota Housing resources include bond sale proceeds and other mortgage capital, federal housing tax credits, state appropriations, and its own resources. (These figures from the agency’s most recent reporting are shown for context and differ from expenditures shown in IDIS because Minnesota Housing reports on loans/grants reserved/committed for funding while IDIS includes funds for projects that are completed and occupied in the reporting year.)

In addition, HUD awarded funding to Minnesota (\$3.1 million in 2013, \$3 million in 2015, and most recently a third round of \$7 million was awarded in August 2020) for the Section 811 demonstration that Minnesota Housing and DHS currently are jointly implementing. Under this demonstration, Minnesota Housing provides rent assistance on behalf of households with a member who is disabled.

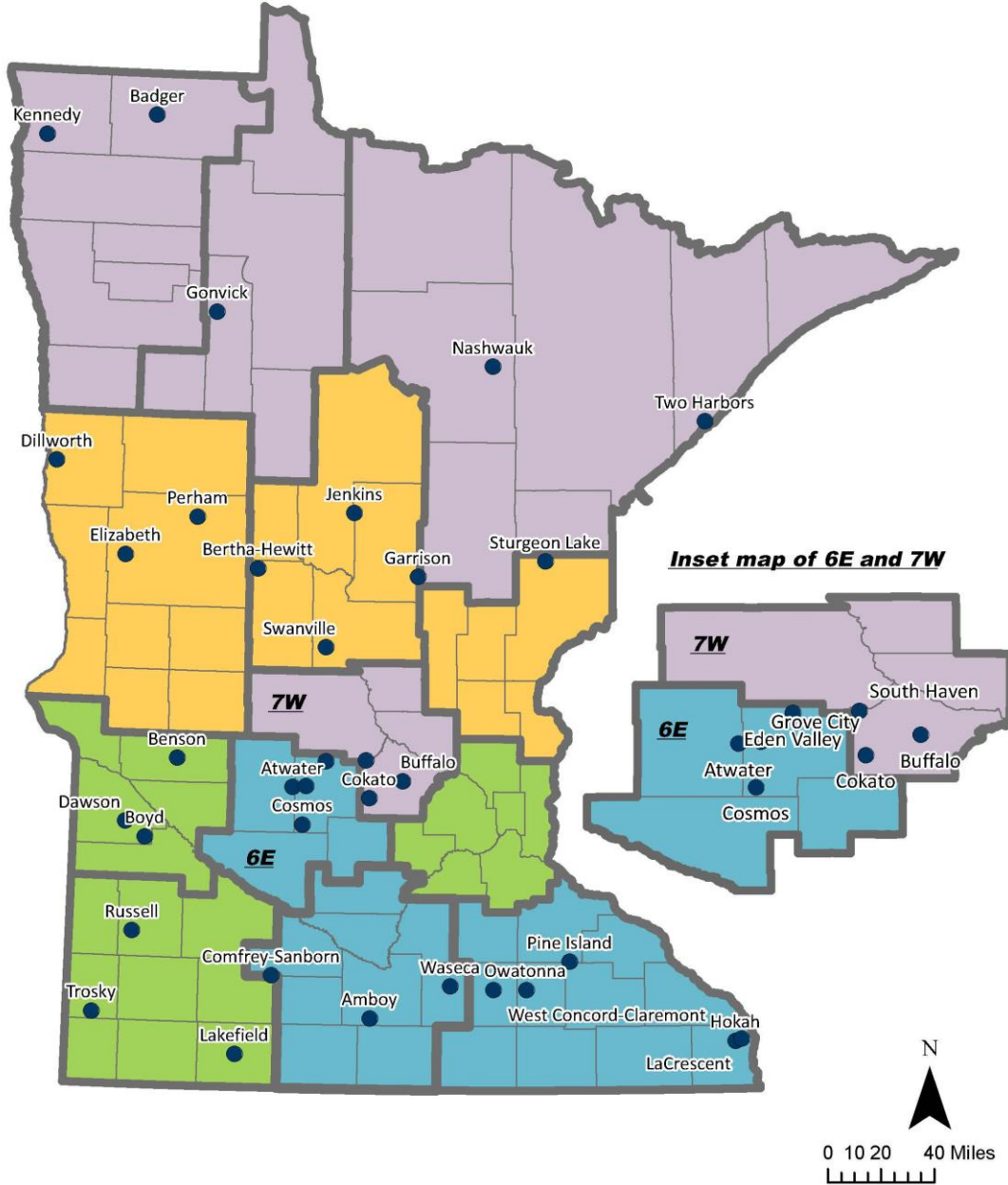
**Identify the geographic distribution and location of investments**

<b>Target Area</b>	<b>Planned Percentage of Allocation</b>	<b>Actual Percentage of Allocation</b>	<b>Narrative Description</b>
Non-Entitlement	100	100	Funding Distribution for CDBG Small Cities program
Statewide	100	100	ESG, HOME and NHTF are available statewide

**Table 4 – Identify the geographic distribution and location of investments**



## Small Cities Development Program: 2021 Applicants



Prepared by: Economic Analysis Unit,  
Operations Division, DEED (April 2021)

2021 AWARDED PROJECTS SMALL CITIES DEVELOPMENT PROGRAM

AWARD DATE: MAY 24, 2021

Atwater, \$740,360. The funds will be used for public facility improvements and owner-occupied housing.

Boyd, \$600,000. The funds will be used for public facility improvements.

Cosmos, \$600,000. The funds will be used for public facility improvements.

Elizabeth, \$600,000. The funds will be used for public facility improvements.

Kennedy, \$600,000. The funds will be used for public facility improvements.

Russell, \$600,000. The funds will be used for public facility improvements.

Trosky, \$600,000. The funds will be used for public facility improvements.

South Haven, \$600,000. The funds will be used for public facility improvements.

Two Harbors, \$600,000. The funds will be used for public facility improvements.

2021 AWARDED PROJECTS SMALL CITIES DEVELOPMENT PROGRAM

AWARD DATE: August 24, 2021

Amboy, \$419,750. The funds will be used for rental rehabilitation and commercial rehabilitation.

Badger, \$220,800. The funds will be used for owner occupied housing rehabilitation.

Benson, \$1,035,000. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Bertha-Hewitt, \$386,400. The funds will be used for owner occupied housing rehabilitation.

Buffalo, \$493,350. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Cokato, \$772,110. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Comfrey-Sanborn, \$599,725. The funds will be used for owner occupied housing rehabilitation.

Dawson, \$701,500. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Dillworth, \$922,000. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Eden Valley, \$823,400. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Garrison, \$201,250. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Grove City, \$557,405. The funds will be used for owner occupied housing and rental rehabilitation.

Hokah, \$721,625. The funds will be used for owner occupied housing rehabilitation, rental rehabilitation and commercial rehabilitation.

Jenkins, \$132,250. The funds will be used for owner occupied housing rehabilitation.

La Crescent, \$552,000. The funds will be used for owner occupied housing rehabilitation.

Lakefield, \$906,200. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Nashwauk, \$816,500. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

Perham, \$912,500. The funds will be used for owner occupied housing rehabilitation and commercial rehabilitation.

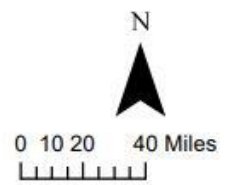
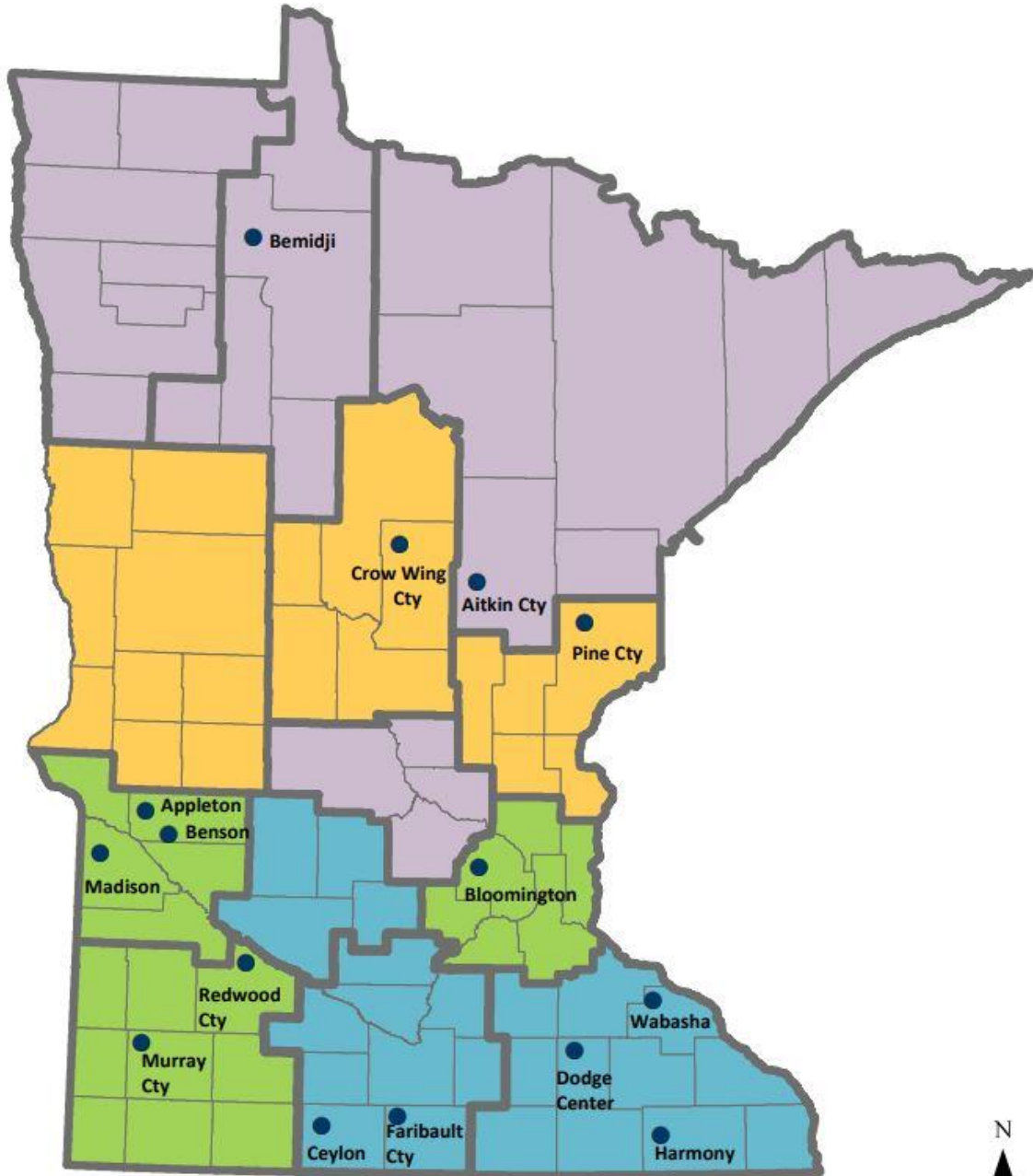
Pine Island, \$513,475. The funds will be used for owner occupied housing rehabilitation.

Sturgeon Lake, \$287,500. The funds will be used for owner occupied housing rehabilitation.

Waseca, \$345,000. The funds will be used for owner occupied housing rehabilitation.

West Concord/Claremont, \$594,550. The funds will be used for owner occupied housing rehabilitation.

# 2021 CDBG-CV Grants Awards



## 2021 AWARDED PROJECTS

### CDBG-CV GRANT

AWARD DATE: AUGUST 9, 2021

The funds for the grantee's will be used for the following:

Aitkin County, \$4,823,654. Broadband Improvement  
City of Appleton, \$3,699,000. Broadband Improvement and Commercial Rehabilitation  
City of Benson, \$678,000. Retrofitting Buildings  
City of Bemidji, \$600,000. Retrofitting Buildings  
City of Bloomington, \$154,430. Housing Assistance and Food Shelf Assistance  
City of Ceylon, \$983,105. Broadband Improvement  
Crow Wing County, \$4,495,340. Broadband Improvement  
City of Dodge Center, \$3,142,747. Broadband Improvement  
Faribault County, \$2,886,206. Broadband Improvement  
City of Harmony, \$2,245,849. Broadband Improvement  
City of Madison, \$2,560,000. Broadband Improvement  
City of Slayton/Murray County, \$2,822,278. Broadband Improvement  
Pine County, \$3,743,390. Broadband Improvement & Retrofitting Buildings  
Redwood County, \$1,715,607. Broadband Improvement  
City of Wabasha, \$107,350. Commercial Rehabilitation

## **Narrative**

The largest percentage of assistance covered in this report that the state provided with federal resources is through CDBG, particularly for the rehabilitation of residential homes, commercial and the improvements on public facilities. In 2021, 11% of the distribution of funds were for publicly or privately owned commercial buildings, 46% for housing which included owner occupied housing projects and rental housing, 36% for public facility improvements and, 7% for general administration. A map showing the distribution of projects awarded funding in 2021 is attached in IDIS. In addition to the normal CDBG allocation, the State of Minnesota has awarded \$34,656,956 of CDBG-CV funds to several projects, including Broadband Improvements, Housing Assistance, Food Shelf Assistance, Retrofitting Buildings/Commercial Rehabilitation projects. A map showing the distribution of projects awarded funding in 2021 is attached in IDIS. Listed below are outreach and training sessions (both in-person and remote) conducted this fiscal year.

October 2020 – Public Facility Roundtable with Public Facilities Authority (PFA), USDA/Rural Development (RD), Minnesota Department of Health (MDH) and (Minnesota Pollution Control Agency (MPCA).

March 2021 – Participated in the Governor’s Task Force Meeting on Broadband Services.

March 2021 – Conducted outreach on HUD CARES Act Funding for Broadband Services to Land O’ Lakes American Connection Project.

April 2021 – Conducted MN CDBG-CV Webinar training.

September 2021 – Participated in MN Department of Health Stakeholder meeting to discuss current rule draft for Renovation, Repair and Paint (RRP).

September 2021 – 2021 SCDP Implementation Training.

September 2021 – Participated as panelist in CDBG-CV Best Practices Public Facility Improvements during a Pandemic.

October 2021 – SCDP program presentation during meeting for City/County Clerks/Administrators/Community /Economic Developers & Partners organized by Chisago County HRA/EDA.

October 2021 – SCDP program presentation for Renville County HRA/EDA Advisory Committee.

October 2021 - 2022 SCDP Application Training Webinar.

Minnesota targets HOPWA funds to areas outside the 13-county Twin Cities metropolitan area, which is served by the City of Minneapolis HOPWA grant.

HOME and NHTF funds are available statewide. In 2021, no projects were completed.

ESG Shelter resources are distributed statewide, with priority given for non-entitlement areas, and secondly to entitlement areas which have used their full ESG allocation for emergency shelter operations and have additional need for emergency shelter resources. For ESG Prevention and Rapid Re-Housing funding, funds are only awarded to applications from non-ESG entitlement areas of the state, resulting in all ESG Housing funds being expended in these Balance of State areas.

## **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.**

ESG requires a one-to-one matching of funds. The State and its ESG sub-recipients expended \$2,202,778 in non-ESG funds. These funds which were awarded through the State Emergency Service Program (ESP) appropriation and funds emergency shelter across the state.

DEED leverages its CDBG housing rehabilitation funds with Minnesota Housing, USDA Rural Development, lender, and property owner contributions. Each applicant jurisdiction is expected to provide as much local money as practicable, contingent upon the financial capability of the applicant. DEED, the Public Facility Authority, and Rural Development coordinate funds for correcting or improving public infrastructure, especially for low- and moderate-income communities. DEED staff estimates that CDBG projects historically have leveraged nonfederal funds in an amount at least equal to CDBG funds.

HOME requires that each participating jurisdiction make contributions to housing that qualifies as affordable housing under the HOME program. These contributions must total not less than 25 percent of the funds drawn from the jurisdiction’s HOME Investment Trust Fund Treasury account. Minnesota Housing satisfies this requirement through investments in two rental assistance programs funded by the Minnesota State Legislature as detailed in Table 6 – Match Contribution for the Federal Fiscal Year:

- 1) The State Housing Trust Fund provides rental assistance to high priority homeless families and individuals, defined as households prioritize for permanent supportive housing by the Coordinated Entry System.
- 2) The Bridges program provides assistance to households in which one or more adult members has a serious mental illness. This program helps people with disabilities live in a more community-based and integrated setting while receiving services.

Minnesota Housing allocates Low-Income Housing Tax Credits for the development of affordable rental housing, often in conjunction with agency-financed first mortgages and/or other contributions, such as deferred or gap funding including HOME and NHTF. In 2021, Minnesota Housing closed \$120.3 million in loans and gap funding for developments with 1,388 tax credit units that also received nearly \$139.4 million in syndication proceeds from investors.

A scoring criterion used to evaluate projects with respect to competitive HOME fund awards is efficient use of scarce resources and leverage. It includes measurements related to readiness to proceed by evaluating the percentage of the development’s funding that is secured/committed, in addition to a scoring measurement for other non-capital contributions, and low intermediary costs.

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	164,638,783.00
2. Match contributed during current Federal fiscal year	13,940,055.00
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	178,578,838.00
4. Match liability for current Federal fiscal year	483,374.40
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	178,095,463.60

**Table 5 – 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
1	09/30/2021	\$ 10,466,805	0	0	0	0	0	\$ 10,466,805
2	09/30/2021	\$3,473,250	0	0	0	0	0	\$3,473,250

Table 6 – 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 beginning 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
8,344,520	1,668,779	125,040	0	9,888,259

Table 7 – Program Income



<b>Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period</b>						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
<b>Contracts</b>						
Dollar Amount	0	0	0	0	0	0
Number	0	0	0	0	0	0
<b>Sub-Contracts</b>						
Number	0	0	0		0	0
Dollar Amount	0	0	0		0	0
	Total	Women Business Enterprises	Male			
<b>Contracts</b>						
Dollar Amount	0	0	0			
Number	0	0	0			
<b>Sub-Contracts</b>						
Number	0	0	0			
Dollar Amount	0	0	0			

**Table 8 – Minority Business and Women Business Enterprises**

<b>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</b>						
	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 9 – Minority Owners of Rental Property**

<b>Relocation and Real Property Acquisition</b> – 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 10 – 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	0	0
Number of Non-Homeless households to be provided affordable housing units	435	378
Number of Special-Needs households to be provided affordable housing units	210	178
<b>Total</b>	<b>645</b>	<b>556</b>

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	150	181
Number of households supported through the Production of New Units	30	0
Number of households supported through Rehab of Existing Units	405	378
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>585</b>	<b>559</b>

Table 12 – Number of Households Supported

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

The one-year goal of 645 units (Table 11), set out in the state's 2021 Action Plan, was stated as the goal for rehabilitated and newly constructed rental units funded through HOME, NHTF, or CDBG.

In most years with completed projects, we anticipate variation in funding new construction versus rehabilitation in HOME and NHTF, and while the plan evenly splits the activities (30 units for each new construction and rehabilitation, as cited in Table 1), actual activities year to year will not reflect an even split depending on market need, and applications received by Minnesota Housing.

For Emergency Solutions Grant (ESG) funding, the goal of providing rapid re-housing assistance to 150 households (Table 12) was achieved and exceeded, with ESG providers assisting 181 households with rapid re-housing. The goal of serving 125 households with homelessness prevention was only partially achieved, with 91 households receiving assistance during the program year.

A variety of factors to contribute to the actual number of households served (versus planned) and outcomes achieved, including the ratio of households in need of prevention or rapid re-housing assistance, lengths of stay in the program, and difficulty accessing housing due to extremely limited affordable housing vacancies and limited housing turnover during the pandemic and eviction moratorium.

**Discuss how these outcomes will impact future annual action plans.**

Outcomes for activities in FFY 2021 do not seem to suggest a need to change activities in the next action plan, however the state will undergo a full Consolidated Plan for FY 2022-2026.

The state will continue to solicit input from stakeholders and partners annually in order to respond to the housing and community development needs of Minnesota communities and will write future annual action plans based on that process, e.g., based on new or changing assistance needs identified by communities, stakeholders, and other assistance providers.

**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	NHTF Actual
Extremely Low-income	99	0	0
Low-income	76	0	0
Moderate-income	181	0	0
<b>Total</b>	<b>356</b>	<b>0</b>	<b>0</b>

**Table 13 – Number of Households Served**

**Narrative Information**

As reported in IDIS, 94% of beneficiaries of CDBG rehabilitation housing programs in 2021 had incomes at or below 80% of HUD median income. Non low-mod income participants accounted for the other 6%. The 94% meets HUD’s CDBG requirements of 51% of rental units be occupied by LMI participants. No units were completed for HOME or NHTF to provide data on households served.

All HOPWA-assisted households had gross incomes at or below 80% of area median income; 52% had incomes at or below 30% of area median.

**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 annual Point in Time count for Minnesota was only partially completed in January 2021, due to the COVID-19 pandemic, difficulty conducting an unsheltered count, and waivers provided by the Department of Housing and Urban Development. Nine out of ten Continuum of Care (CoC)s in Minnesota did not collect information on people experiencing unsheltered homelessness in the 2021 Point-in-Time count, resulting in a significant undercount of persons experiencing homelessness.

The most recent complete Point in Time Count of persons experiencing homelessness in Minnesota comes from the 2020 Point-in-Time (PIT) count. The 2020 PIT identified 7,940 individuals and people in families experiencing homelessness on a single night in January, relatively unchanged from 2019. However, the number of people experiencing unsheltered homelessness (living outdoors, in vehicles, etc.) rose by 18 percent. In a normal year, the annual Point In Time (PIT) count is viewed by many as a significant undercount of persons who experience homelessness over the course of the year, or even a single night. Limitations include HUD's requirement that the PIT be conducted in January, and lack of additional funding to support this major undertaking. In addition, the 2020 Point-in-Time count occurred prior to the onset of the COVID-19 pandemic and does not reflect how the pandemic has impacted the availability of housing and shelter.

The Minnesota Interagency Council on Homelessness is led by the Lieutenant Governor and includes 13 Cabinet-level agencies and the Metropolitan Council and it is accountable for leading the State's efforts to achieve housing stability for all Minnesotans. When the Council initially convened in 2013, it established *Heading Home: Minnesota's Plan to Prevent and End Homelessness*, the first plan to focus on the vision of achieving housing stability for all Minnesotans.

The most recent plan, which ended in December 2020, was [Heading Home Together: Minnesota's 2018-2020 Action Plan to Prevent and End Homelessness](#). As its name implied, it was a more ambitious, collaborative approach than its predecessors and acknowledged that we all have a role to play to prevent and end homelessness in Minnesota. The plan focused on four population goals to drive and measure progress, in an effort to build momentum, capacity, and understanding to end homelessness for all Minnesotans.

Over the past year and a half, the shared experience of working together across Minnesota to support people experiencing homelessness confronting COVID, racism, and civil unrest has been remarkable and instructive. It has led many to see homelessness differently and brought into clearer focus what solutions our neighbors and relatives facing homelessness need and should expect. Recognizing homelessness as the most egregious form of housing injustice, the Minnesota Interagency Council on Homelessness (MICH) has committed to focus its next strategic plan on housing, racial, and health justice.

Creating housing, racial, and health justice for people experiencing homelessness will require a concrete framework, bold commitments and active engagement from partners across the state, including every

level of government, the nonprofit and charitable sectors, concerned citizens and volunteers, and people experiencing homelessness. MICH is beginning the process to engage partners around the first phase of developing a justice oriented plan. The first phase will focus on developing the defining elements of housing, racial, and health justice for people experiencing homelessness.

The shift to framing to focus on housing, racial, and health justice has come out of the statewide response to protect people experiencing homelessness and the staff who support them from COVID-19. Beginning in March 2020, in response to the COVID-19 pandemic, the Minnesota Interagency Council on Homelessness has convened and led an interagency response team to respond to the needs of people experiencing homelessness. The collective efforts have proven effective in several ways. Most importantly, we believe they have prevented greater spread of COVID-19 among people experiencing homelessness. Based on initial modeling of potential infection rates, in March and April of 2020 there was potential for thousands of people experiencing homelessness to become infected within a few months, with the potential for these infections to result in significant adverse health outcomes, deaths, and a significant strain on the health care system.

This modeling helped organize and reinforce the statewide push to create physical distancing within emergency shelters and extend their operating hours, to increase support for people living outdoors including better sanitation and access to care, to organize testing events for people experiencing homelessness, to contain outbreaks when they occur, and ultimately to create over 2,300 additional safe indoor spaces for people experiencing homelessness. This response was only possible with the mobilization of State agencies and the largest increase in homeless-specific funding in state history. The incredible dedication and creativity in the homeless response system has been remarkable. The Minnesota Interagency Council on homelessness has been hosting a weekly provider webinar and publishing weekly newsletters to share the latest information, resources, and guidance in responding to COVID-19 and protecting people experiencing homelessness since March 2020. The interagency response team continues to provide response Delta outbreaks at shelters and to provide resources to support the immediate needs of providers. Additionally, the Department of Human Services is working to issue a request for proposal for funding for shelter settings to improve their ability to prevent transmission of infectious diseases through modifications or by acquiring new space designed to operate effectively for staff and guests in the context of an infectious disease.

In January of 2021, the interagency response team supporting the COVID-19 response for people experiencing homelessness focused on providing accessible opportunities for vaccinations. The State gave priority to people living or working in homeless settings during its initial vaccine roll-out and ensured that all homeless settings, including congregate transitional housing facilities, had an opportunity to host a vaccine clinic or transport clients to a clinic. The Minnesota Department of Health contracted with several healthcare providers to conduct COVID-19 vaccine clinics in homeless settings, including one contractor specifically focused on vaccinations in encampments. Alarming, vaccination rates among people experiencing homelessness remain far lower than the general population. As of October 9, 2021, less than a quarter (24.8%) of individuals active in an HMIS project between June and August of 2021 had completed their full vaccine series. Vaccination rates among Black, Indigenous, and People of Color experiencing homeless remain far lower than their white, non-Hispanic counterparts. Slightly less than a third (31.6%) of white, non-Hispanic individuals in HMIS have completed their vaccine series whereas only a fifth of Black (20.3%) and Hispanic (20.4%) individuals in HMIS have done so.

The Minnesota Interagency Council on Homelessness has provided technical assistance to assist in the establishment of CoCs, which have developed regional plans that identify assistance needs of people experiencing homelessness or people at risk of becoming homeless, gaps in regional service delivery for the homeless, and a strategy for addressing those gaps. Currently, 10 CoC regions exist in Minnesota covering the entire state. DHS has offered each CoC committee the opportunity to review and provide recommendations on each ESG application submitted from their region, as well as other DHS-administered homeless programs. This ensures that ESG funding is used to address locally determined priorities for shelter, prevention and rapid re-housing. In addition, in 2021 Minnesota Housing supported six CoCs in Greater Minnesota with grants ranging from \$42,000 to \$55,500 each for operating costs.

During the past two years, the Minnesota Department of Human Services (DHS) has initiated a Best Practices and Technical Assistance effort to encourage shelter providers to reduce the number of barriers faced by vulnerable populations seeking emergency shelter. These populations facing barriers may be part of the increase in unsheltered persons who are unable to access emergency shelter due to limited space as well as sobriety, criminal background exclusions, work or case management participation requirements and other barriers to entry.

Additionally, DHS has implemented a new structure for the RFP and granting process in 2019 with the goal to make the process more equitable and accessible. The RFP process incorporated several new strategies including having focus groups with people with lived experience to determine priorities for funding, having people with lived experience on the review panel, conducting interviews with applicant agencies about their projects before making funding decisions to honor oral tradition as opposed to simply relying on a written proposal.

During the 2021 Special Legislative Session, Minnesota Housing received a \$100 million authorization for Housing Infrastructure Bonds (HIB). The HIB authority is contingent on potential federal action. If Congress passes a federal infrastructure bill in 2021 that includes funding for the same purposes as HIB, then bonds cannot be issued for those purposes. Additionally, \$33.333 million of the \$100 million is set aside for single-family development (\$18.333 million) and manufactured home community acquisition and infrastructure (\$15 million). The set-asides are available until January 16, 2024. Since 2012, Minnesota Housing has financed more than 1,500 units of permanent supportive housing using Housing Infrastructure Bonds. Additional permanent supportive housing resources are financed with federal low-income housing tax credits.

To promote early identification and more effective responses to the needs of Minnesota students experiencing housing instability and homelessness, Minnesota Housing, the Minnesota Department of Education, the Minnesota Department of Human Services, the Minnesota Interagency Council on Homelessness, and the Heading Home Minnesota Funders Collaborative have developed an program called Homework Starts with Home. Under this program, school- and community-based collaborative programs will help homeless or at-risk families with school-age children achieve housing stability and promote academic success. These efforts are supported with grants totaling \$3.5 million from three sources: Housing Trust Fund and Family Homeless Prevention and Assistance Program.

In 2015, 2017, 2019 and 2021 the Minnesota Legislature made an appropriation of \$125,000 per year to support the statewide Homeless Management Information System (HMIS). This system helps housing and service providers to more effectively coordinate assistance and services to meet the needs of the homeless or near-homeless people. Minnesota Housing and the Department of Human Services

annually supports the operation of HMIS, along with contributions from providers and CoCs. In 2021, Minnesota Housing contributed \$350,000 to HMIS.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

ESG funding is used to strengthen the Continuum of Care (CoC) systems by providing direct services to homeless persons. ESG funds were provided to sub-recipients in every CoC region, each of which has a priority to provide shelter and supportive services for homeless individuals and families. ESG funds also were provided to shelters in all CoC regions to pay for the operating and service costs of these programs, and to re-housing providers to rapidly re-house persons experiencing homelessness.

CoC organizations apply to HUD annually for funding under the McKinney Vento Homeless Assistance Program to address homelessness. In addition, the state funds both site-based and scattered-site transitional housing with approximately \$3.2 million in state funds each year. In State Fiscal Year 2021, the state provided \$2.2M in Emergency Services Program (ESP) funding, and approved a \$5M annual increase in ESP base funding for emergency shelter and street outreach.

During the past four years, the Minnesota Department of Human Services (DHS) has initiated a Best Practices and Technical Assistance effort to encourage shelter providers to reduce the number of barriers faced by vulnerable populations seeking emergency shelter. These populations facing barriers may be part of the increase in unsheltered persons who are unable to access emergency shelter due to limited space as well as sobriety, criminal background exclusions, work or case management participation requirements and other barriers to entry.

Additionally, DHS has implemented a new structure for the RFP and granting process in 2019 with the goal to make the process more equitable and accessible. The RFP process incorporated several new strategies including having focus groups with people with lived experience to determine priorities for funding, having people with lived experience on the review panel, conducting interviews with applicant agencies about their projects before making funding decisions to honor oral tradition as opposed to simply relying on a written proposal.

In August 2019, the Center for Medicare and Medicaid Services (CMS) approved the Minnesota Department of Human Services (DHS) plan to add Housing Stabilization Services to the state's Medicaid plan. The new services for seniors and people with disabilities were launched by DHS in July 2020. The purpose of the services are to support an individual's transition into housing, increase long-term stability in housing in the community, and avoid future periods of homelessness or institutionalization. These new services are a major step forward for Minnesota to support thousands of extremely low-income seniors, people with disabilities and people experiencing homeless to access and maintain housing in their community and are a critical component to advance the state's Olmstead Plan and the plan to prevent and end homelessness.

This is an important step in meeting the needs of a growing population of persons in emergency shelter who are 55 and older. While HUD's annual Point in Time count unfortunately does not break down the reported persons experiencing homelessness by detailed age grouping, the triennial Wilder Research Homelessness in Minnesota report does, and in the most recent data available (2018) found 10 percent of persons experiencing homelessness were over age 55, a figure which had increased 25 percent from 2015. ESG shelter data is consistent with this finding, with 13 percent of single adults served in 2021 in the ESG program over age 55.



**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 state received \$2,202,778 in FFY 2020 in ESG program funding to support sub-recipients' ongoing efforts to provide shelter and rapid re-housing and prevention assistance to homeless and at-risk households. This included \$110,152 for state administrative costs. ESG funds were used to provide supportive services to persons through the emergency shelter where they were staying, as well as prevent and rapidly re-house households who were at-risk of or experiencing homeless. Supportive services included case management, transportation, mental health care, substance abuse treatment, childcare, and legal advice and assistance.

One of the state's most significant strategies for providing homelessness prevention assistance is the Family Homeless Prevention and Assistance Program (FHPAP). The Minnesota Legislature provided \$20.5 million for the next two-year period. With these resources, Minnesota Housing assisted over 4,500 households in 2020 by providing short-term housing and services, primarily to families with children with median incomes below \$10,000. The state also provides \$23.3 million in base appropriation funding for the state Housing Trust Fund. The program served around 2,100 households in 2020. This funding is used for rental assistance for families and individuals, many of whom have experienced homelessness. The Legislature provided \$8.7 million for the Bridges rental assistance program for the next two years. Under the Bridges program, Minnesota Housing provides rental assistance to households in which one or more adult members has a serious mental illness, annually serving around 750 households in 2020. This program helps people with disabilities live in a more community-based and integrated setting while receiving services.

In FY 2021, Minnesota Housing received \$100 million in federal Coronavirus Relief Funds for the COVID-19 Housing Assistance Program. The program provided housing assistance payments to help prevent eviction, prevent homelessness and maintain housing stability for eligible renters and homeowners. The program covered past due housing expenses such as rent, mortgage and utility payments. The program was available statewide through local administrators and prioritizes individuals and families at 200% of federal poverty guidelines or below. At the end of the program, over \$70.3 million was spent on direct assistance to nearly 27,000 households and \$11.4 million was spent on administrative costs for the 52 local program administration, online application system and centralized intake.

The COVID-19 Housing Assistance Program and the Governor's Executive Order suspending evictions during COVID-19 and the peacetime emergency were the State's main response to housing instability during the pandemic until Congress enacted the COVID-19 Emergency Rental Assistance Program in December 2020. Minnesota Housing received approximately \$300 million for Emergency Rental Assistance through the Consolidated Appropriations Act and up to another \$228 million through the American Rescue Plan Act. This program began operating in April 2021 and through September had assisted over 15,000 households.

The Minnesota Interagency Council on Homelessness has also provided technical assistance to assist in the establishment of CoCs, which have developed regional plans that identify assistance needs of people experiencing homelessness or people at risk of becoming homeless, gaps in regional service delivery for the homeless, and a strategy for addressing those gaps. Currently, 10 CoC regions exist in Minnesota

covering the entire state. In 2021 Minnesota Housing supported six CoCs in Greater Minnesota with grants ranging from \$42,000 to \$55,500 each for operating costs.

**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**

People experiencing homelessness are often unable to access and use mainstream programs because of the inherent conditions of homelessness, as well as the structure and operations of the programs themselves. While all low-income populations face barriers to applying for, retaining, and using the services provided by mainstream programs, these barriers are compounded by the inherent conditions of homelessness, such as transience, instability, and a lack of basic resources.

In response, the Minnesota Interagency Council on Homelessness and the Department of Human Service developed and continues to advance and train agency staff on implementing five Foundational Services Practices intended to help our “mainstream” programs – those not specifically targeted to people experiencing homelessness – work better for people experiencing homelessness.

The five Foundational Service Practices are:

1. Know the housing status of people served
2. Actively reach out to the homeless
3. Limit requirements for in-person appointments
4. Assist with gathering required verifications/ documentation
5. Allow for multiple methods of communication about benefits and services.

Currently, nine of the Council agencies have implemented these practices across one or more programs in their agency, including Minnesota Housing, and are seeing increasing accessibility to programs and also an increase in innovation in how agencies are working with individuals and families experiencing homelessness.

The Council, primarily through the work of the Minnesota Department of Veterans Affairs, developed a Veterans Registry that enables service providers to identify the resources each individual veteran experiencing homelessness needs and to make the appropriate connections with those resources. The annual Point-in-Time count shows that veterans’ homelessness in Minnesota has been drastically reduced since 2010. Between the 2010 and 2020 counts, the number of veterans experiencing homelessness decreased by 51 percent. However, this number increased by six percent between the 2019 and 2020 counts. Five regions of the state, representing 65 of the state’s 87 counties, have been confirmed by the Federal government as having met all criteria to show they have ended Veteran homelessness. These regions have also presented evidence that they have systems in place to meet the needs of Veterans at-risk of or experiencing homelessness on an ongoing basis. As of October 18, 2021, 289 Veterans remain on the Veterans Registry statewide.

Minnesota's Homeless Youth Act (HYA) program funds outreach, emergency shelter, transitional living programs, supportive housing and service to homeless youth across the state. In 2020, the HYA program was appropriated \$5,619,000 in state funding and served 12,412 youth who were at-risk or experiencing homelessness.

During the 2021 Special Legislative Session, Minnesota Housing received a \$100 million authorization for Housing Infrastructure Bonds (HIB). The HIB authority is contingent on potential federal action. If Congress passes a federal infrastructure bill in 2021 that includes funding for the same purposes as HIB, then bonds cannot be issued for those purposes. Additionally, \$33.333 million of the \$100 million is set aside for single-family development (\$18.333 million) and manufactured home community acquisition and infrastructure (\$15 million). The set-asides are available until January 16, 2024. Since 2012, Minnesota Housing has financed more than 1,500 units of permanent supportive housing using Housing Infrastructure Bonds. Additional permanent supportive housing resources are financed with federal low-income housing tax credits.

Minnesota Housing places a priority in its Request for Proposals and funding selection process on rental housing development that includes units of supportive housing for high priority homeless individuals. Most developments that receive funding have at least some supportive housing units.

As a part of the COVID-19 response for people experiencing homelessness, providers have partnered with the with county, city, and state to support a “hotel-to-home” that has been used to bring hundreds of people sleeping outside into hotel units and on a path to housing. DHS adapted the state’s Housing Support and Emergency Services Program resources for this “hotel-to-home” model, people eligible for Housing Support could ultimately leave their hotel to move to a private-market affordable rental housing.

**CR-30 - Public Housing 91.220(h); 91.320(j)**  
**Actions taken to address the needs of public housing**

In 2020, the Legislature appropriated \$16 million in general obligation bond proceeds for the purpose of preserving public housing. The funds are used for health, safety and energy efficiency improvements in existing public housing in all 87 counties. The funding went to 21 developments across the state, impacting 1,870 housing units. Since 2012, the Legislature has authorized \$61.5 million in resources specifically for the preservation of public housing:

Year	Amount	# of Projects	# of Units
2012	\$5.5 million	14	950
2014	\$20 million	35	2,438
2017	\$10 million	27	1,844
2018	\$10 million	20	1,622
2020	\$16 million	21	1,870
<b>Total</b>	<b>\$61.5 million</b>	<b>117</b>	<b>8,724</b>

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

Minnesota does not own or manage public housing and does not have access to public housing residents to encourage them to participate in management or homeownership.

Minnesota Housing encourages homeownership for lower income households through outreach and education under the Homeownership Capacity Program and the Homeownership Education, Counseling, and Training Program. Minnesota Housing's affordable mortgage financing and down payment loans are available to first-time and repeat homebuyers that meet income requirements. In 2021, these programs served over 7,000 potential homebuyers.

### **Actions taken to provide assistance to troubled PHAs**

The state recognizes the need for preservation and rehabilitation of federally assisted affordable housing, and provides General Obligation Bond proceeds for rehabilitation under Minnesota Housing's Publicly Owned Housing Program, but Minnesota had no specific goal in the Action Plan for 2021 to provide financial or other assistance to troubled PHAs in the state.

### **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)**

Minnesota Housing through its annual allocation of development resources is encouraging different construction methods that can reduce the cost of housing construction, including but not limited to modular construction.

Minnesota Housing has implemented cost containment measures in its funding selection process by identifying projects with high costs (based on Agency and industry standards) and requiring justification for those with higher-than-expected costs. Details can be found here: [Annual Cost Containment Report](#)

The state has identified limited resources as a barrier to the provision of affordable housing development. To increase the development of affordable housing, Minnesota Housing work with partners has consistently requested funds in the bonding bill for Housing Infrastructure Bonds to address the barrier of a lack of financing. Since 2012, the Legislature has authorized \$415 million in resources specifically for Housing Infrastructure Bonds:

<b>Year</b>	<b>Amount Appropriated (Millions)</b>	<b>Amount Awarded (Millions)</b>	<b># of Multifamily Projects</b>	<b># of Single Family Projects</b>	<b># of Units</b>
2012	\$30	\$30	8	5	472
2014	\$80	\$70	11	5	1,239
2015	\$10	\$20	4	4	162
2017	\$55	\$42	7	5	555
2018	\$80	\$29	14	6	464
2019	\$60	\$118	16	5	946
2020	\$100	\$102	14	10	872
<b>Totals</b>	<b>\$415</b>	<b>\$411</b>	<b>74</b>	<b>30</b>	<b>4,710</b>

The Legislature also provides additional development resources in the agency's biennial budget. For FY 2022-23 they authorized:

1. \$28.650 million for the Economic Development and Housing Challenge program to fund both multifamily rental and singly family homeownership new construction and redevelopment.
2. \$4 million in the Greater Minnesota Workforce Housing Program for financial assistance to build market-rate and mix-income residential rental properties.

3. \$8.436 million in preservation resources to assist with repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs
4. \$7.486 million in rental rehabilitation loans to preserve rental housing in small communities
5. \$5.544 million in single family rehabilitation loans to help low-income homeowners make basic health and safety improvements to their homes.
6. \$3.750 million in funding for the manufactured home park redevelopment to provide grants for manufactured home park acquisition, improvements and infrastructure.
7. \$3.750 million for the workforce homeownership program to provide development resources to increase the supply of homeownership opportunities.

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

In its five-year plan, Minnesota identifies that the greatest unmet housing need is among extremely low-income renters (<30% are median income) and moderate income homeowners (51%-80% of are median income). To address that need: 1) DEED uses 85% of CDBG funds to assist low- and moderate-income households (i.e., defined by HUD as 85% or less of median income); and the remaining funds are used for community development; 2) Minnesota Housing allocates HOME and NHTF resources to rental new construction and rehabilitation serving low-income households, and for NHTF, extremely low income.

Under the Section 811 PRA Supportive Housing Program, HUD has awarded Minnesota three rounds of funding for a total of 325 units of project-based rental assistance to create integrated supportive housing for people with disabilities who are extremely low-income. Minnesota is focusing these units to serve people who are long-term homeless or leaving institutions of care. Minnesota Housing is implementing this program in collaboration with the Minnesota Department of Human Services (DHS). DHS coordinates outreach and referrals for 811 applicants and ensures that tenants are connected to service providers. The 811 PRA program is an important tool to support the goals of the state's Olmstead Plan to provide integrated housing options for people with disabilities. Minnesota Housing has awarded contracts to property owners for 159 units at 24 properties, there are currently 147 households living in Section 811 PRA units. Round Three awards (from Spring 2021) will serve an additional 160 households over the next three years.

For the 2022-2023 biennium, the Minnesota Legislature appropriated funds to people with some of the greatest housing needs, including: \$8.7 million through the Bridges program to provide rent assistance to households experiencing mental illness; \$20.5 million for family homeless prevention and assistance; and \$23.3 million for the state Housing Trust Fund, which provides rent assistance to households at the lowest income levels. In 2019, median annual household income for these programs were \$10,368, \$9,972 and \$9,636 respectively.

In addition, Minnesota Legislature provided \$3.5 million in base funding for the Homework Starts with Home initiative to provide rental assistance to families with school age children that are homeless or highly mobile.

The Workforce Housing Development program received \$4 million in base funding which provide development resources for housing in underserved, smaller communities in Greater Minnesota.

Minnesota Housing is also directing more development resources to projects intended to serve people with incomes at or below 30% AMI, people with disabilities and people experiencing homelessness or at-risk of homelessness. With the 2020 RFP, we selected for funding the construction of 578 new deeply

affordable rental units (generally affordable to renters with incomes at or below 30% of AMI). These units are 41% of the new construction units selected for funding and include 440 that are permanent supportive housing for people experiencing homelessness and/or have a disability. In addition to the 440 new supportive housing units, the RFP selections included another 377 supportive housing for rehabilitation.

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

DEED requires that all proposed housing rehabilitation projects on homes built prior to 1978 complete a lead risk assessment by a certified risk assessor. All lead hazards identified must be included in the rehabilitation work conducted by a certified renovator (EPA RRP training) and workers. A lead based paint abatement supervisor is required if the total lead work of the project exceeds \$25,000. Grantees must provide all housing occupants the required handouts and lead hazard information pamphlet and collect owner acknowledgement of receipt. If lead is found through an assessment, all notices in 24 CFR Part 35 must be provided.

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

The Minnesota Family Investment Program (MFIP) is the state's major public assistance initiative for low-income families with children (funded with a combination of federal TANF and state funds). MFIP's three main goals are to help people leave and remain independent of welfare, obtain and keep jobs, and increase income/decrease poverty. Efforts to ensure that the state meets MFIP goals include: employment and job training services, health care assistance, and child care subsidies for MFIP families. This includes a diversionary work program that helps people to find employment before they reach the need for MFIP. The 2019 Minnesota Legislature approved the first increase (of \$100/month) in 33 years to the MFIP monthly cash benefit.

In addition to administering ESG and state-funded homeless assistance programs, the Office of Economic Opportunity (OEO) at the Department of Human Services administers a variety of federal and state funded anti-poverty and self-sufficiency programs, allocating approximately \$110 million a year in federal and state appropriations to more than 200 organizations and programs working with low-income families in Minnesota. These programs address families' basic social needs while providing opportunities for the development of the skills necessary for economic self-sufficiency, and include Federal and State Community Action Grants, Individual Development Accounts (IDA) programs, Supplemental Nutrition Assistance Program (SNAP) Education and Outreach, USDA Commodities (TEFAP) and Minnesota Food Shelf Funding (MFSP).

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

Affordable housing and community development assistance in Minnesota depends upon a large network of local lenders, developers, housing authorities, real estate agents, community action agencies, nonprofit organizations, faith-based organizations, and local governments throughout the state. The state fosters cooperation through interagency task forces, councils, and other cooperative efforts identified in its ***Consolidated Plan for Housing and Community Development 2017-2021***.

DEED, DHS, and Minnesota Housing work to minimize assistance gaps and to coordinate available resources in a variety of ways: Minnesota Housing and its partners, such as the Metropolitan Council, issue joint requests for proposals and coordinate the process of reviewing and selecting proposals for funding with other agencies. HUD, the U.S. Department of Agriculture, and Minnesota Housing have an interagency agreement to align/reduce state and federal physical inspections of subsidized rental housing. Minnesota Housing and DHS have been working together to develop a more coordinated grant-

making process for resources available through both agencies to address the needs of people experiencing homelessness.

In 2021 Minnesota Housing allocated \$1.85 million in grants to local organizations under the Technical Assistance and Operating Support Program, which is funded through both legislative appropriations and Minnesota Housing resources.

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

The state hosts a number of councils or work groups, including:

1. The Metro Interagency Stabilization Group (ISG), which works cooperatively to address policy and financing issues related to the stabilization and preservation of federally assisted and publicly funded rental housing in the Twin Cities metro area. ISG members include Minnesota Housing, the Family Housing Fund, the Minneapolis Community, Planning and Economic Development Department, the Saint Paul Planning and Economic Development Department, Hennepin County, HUD, and the Federal Home Loan Bank of Des Moines.
2. The Greater Minnesota Interagency Stabilization Group (ISG), is a consortium of public and nonprofit funders created to cooperatively address policy issues and financing for the preservation of federally assisted rental housing outside of the Twin Cities metro area. The participants include Minnesota Housing, HUD, USDA, DEED, Minnesota National Association of Housing and Redevelopment Officials (NAHRO), Federal Home Loan Bank of Des Moines, Duluth LISC, and the Greater Minnesota Housing Fund. By coordinating information about properties at risk of converting to market rate housing or at risk of loss due to physical deterioration, the participants are able to strategically target their combined resources.
3. The Minnesota Interagency Council on Homelessness, which includes 14 state agencies, works to investigate, review, and improve the current system of service delivery to people who are homeless or at risk of becoming homeless; improve coordination of resources and activities of all state agencies relating to homelessness; and advise Minnesota Housing in managing the Family Homelessness Prevention and Assistance Program (FHPAP). Some work of the council is supported by private foundations that fund certain activities under the state's action plan.
4. The Stewardship Council, works to address the capital, service, and operating needs of supportive housing for homeless families and individuals. The council includes representatives from federal, state, and local agencies as well as private philanthropic organizations and nonprofit agencies.
5. The Minnesota HIV Housing Coalition, which facilitates access to quality housing and appropriate support services for individuals and families living with HIV in Minnesota. The Coalition advises the City of Minneapolis and Minnesota Housing on the expenditure of HOPWA funds.
6. The Olmstead Subcabinet, which includes 13 state agencies/entities responsible for the development and implementation of the state's Olmstead Plan. The plan strives to ensure that Minnesotans with disabilities will have the opportunity to live, learn, work, and enjoy life in the most integrated setting of their choice.
7. A NOAH Working Group has been formed as a spin-off of the Interagency Stabilization Group. The group is an intergovernmental policy group focused on coordinating advocacy and funding efforts around the preservation of naturally-occurring-affordable-housing (NOAH) properties (which are affordable without government subsidies and income/rent restrictions) in the Twin Cities Metro

Area. The group started meeting in the summer of 2020, and includes metro area cities, counties, The Metropolitan Council and intermediaries working on NOAH preservation. The first effort of the Working Group was to coordinate on NOAH data in order to have clear and consistent data (and methodology) about the number of NOAH properties and units in the Metro area. The group also developed a “fact sheet” about NOAH that was used during the 2021 Legislative Session and to help educate local councils on NOAH issues. The group meets monthly, and exchanges information about best practices in preserving NOAH housing, efforts to obtain new funding, and other NOAH related initiatives. This group plans to work to determine priority projects for preservation, as well as to continue to advocate for funding to help preserve NOAH properties.

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

State Agencies adopted the most current Analysis of Impediments to Fair Housing Choice in 2018 for FFY 2019-2021 and continue taking actions based on that three year plan.

The state submits the following actions taken in FFY 2021 to address impediments in its 2020 ***Analysis of Impediments to Fair Housing:***



# **State of Minnesota Analysis of Impediments to Fair Housing Choice**

## ***Federal Fiscal Year 2021 Report***

### ***Introduction***

It is the policy of Minnesota Housing to affirmatively further fair housing throughout its programs so that individuals of similar income levels have equal access, regardless of protected class status.

Minnesota Housing's fair housing policy incorporates the requirements of the Fair Housing Act, Title VII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendment Act of 1988, as well as the Minnesota Human Rights Act. Fair Housing is an important issue across the country; it is crucial that low-income households have access to affordable housing free from discrimination in communities of their choice.

The State of Minnesota's current Analysis of Impediments to Fair Housing Choice (AI) and Action Plan were approved by Minnesota Housing's Board of Directors in September of 2018. Staff developed a three-year action plan to address challenges to fair housing choice for protected classes identified in the AI. This plan was developed to be flexible to respond to market or other forces that impact fair housing challenges. Work in 2021 continued to face challenges not contemplated in the 2018 report, especially as we continue working in an emergency response environment as a result of the COVID-19 pandemic. In addition, HUD issued a new interim final rule in 2021, "Restoring Affirmatively Furthering Fair Housing Definitions and Certifications" which reinstates certifications and definitions from the 2015 Affirmatively Furthering Fair Housing Rule.

The following report reflects activities through all of Minnesota Housing's programming as well as includes actions in collaboration with the following state partners:

- Department of Human Services (DHS)
- Department of Human Rights (DHR)
- Department of Employment and Economic Development (DEED)
- Minnesota Interagency Council on Homelessness
- Olmstead Implementation Office

The goals areas reflect in the AI are to:

- 1) Address Disproportionate Housing Needs
- 2) Address Discrimination and Improve Opportunities for Mobility
- 3) Expand Access to Housing for Persons with Disabilities
- 4) Address Limited Knowledge of Fair Housing Laws through Education, Outreach and Developing Tools and Resources
- 5) Decrease the Loss of Housing Through Displacement and Eviction

## **Goal 1: Address Disproportionate Housing Needs**

In this goal area, the State of Minnesota seeks to identify programmatic funding or collaborative responses that can support efforts to increase housing opportunities through expanded or streamlined existing funding resources and through collaboration with a variety of partners to provide services and information and identify other resources.

This goal area addresses a variety of challenges in the housing market faced by households of color and Indigenous communities<sup>1</sup>, persons with disabilities, and large families to achieve access to safe quality housing in a community of their choice.

### **Challenge 1.a. | Rental Housing in Poor Condition**

Rental housing in poor condition is the top barrier found across the state, particularly for the most vulnerable low-income renters from protected classes under fair housing law. Minnesota Housing and partners prioritize preserving federally assisted housing and existing affordable housing to ensure conditions are safe as part of the state's key actions to improve conditions. Additionally, supporting tenant education of their rights helps to address this challenge.

***Action: Continue and consider expanding programs to support small rental developments (5-50 units) through continued funding of public housing rehabilitation programs and supporting smaller PHAs to build capacity.***

#### **Publicly Owned Housing Program (POHP):**

POHP is a competitive funding program that uses the proceeds of General Obligation Bonds (GO) to provide financing in the form of a 20-year, deferred, forgivable loan with a 35-year affordability period to public housing authorities and agencies (PHAs). PHAs use these loans to rehabilitate and preserve public housing in the state. Funds can be used only for capital costs that add value or life to the buildings.

In order to balance PHA capacity with program requirements, POHP program staff has worked to streamline the POHP application to a more concept-based approach. Applicants no longer need to order third party reports, nor provide an exact development budget at application. If the applicant moves beyond the application phase, those elements are completed with the assistance of POHP staff post-selection.

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<sup>1</sup> The Analysis of Impediments plan uses the term "People of Color or Hispanic Ethnicity" – in this report, the term "People of Color and Indigenous Communities" will be used interchangeably as consistent with Minnesota Housing's most recently adopted Strategic Plan.

A POHP RFP for \$15 million was launched in February 2021 with GO bond funding provided by the State Legislature. Applications were due in late April 2021.

Minnesota Housing staff provided over 25 POHP applicants with individual technical assistance sessions prior to the application deadline. During these technical assistance sessions, POHP staff explained general program guidelines and learned more about each applicant's proposed rehabilitation project. This year the requirement for the applicant to have a minimum Public Housing Assessment Score (PHAS) of 80 score was removed. This enabled new PHAs and HRAs to apply for the first time. Selections were made in July 2021 and included 5 new HRAs that had never received POHP funding. After selection, POHP staff held individual "launch meetings" with each selected PHA to review the due diligence process. These launch meetings took place from August to October 2021.

Technical assistance is also provided post-selection to applicants during the due diligence process and prior to the loan closing process. Program staff has also previously participated in the Minnesota NAHRO conference to provide program information and additional technical assistance. These changes have benefitted PHA applicants by simplifying the process and reducing the cost of applying for Agency funds. It has also benefitted POHP staff by allowing them to provide more in-depth technical assistance and help boost the capacity of the smaller number of selected borrowers.

**Rental Rehabilitation Deferred Loan Program (RRDL):**

The RRDL program provides resources to rehabilitate existing rental housing in Greater Minnesota so that affordability is preserved and low to moderate income households have access to safe and decent housing.

Due to the recent impact of shortages and escalating costs of certain materials, the developments selected during the 2019 RRDL RD RFP are facing funding gaps after receiving construction bids for their projects. The RRDL program guide states that the maximum loan amount per unit is \$35,000 and \$500,000 per project. Most of the RRDL RD RFP projects selected were awarded the maximum loan amount, leaving no room for a funding increase under the current program requirements. Program staff is proposing a program guide change which will allow funding increases up to a maximum loan amount per unit of \$50,000 and \$700,000 for previously selected projects under certain conditions. Hopefully, this will allow many projects to proceed without eliminating critical needs items from their scope of work. Staff is continuing to provide technical assistance to help borrowers meet due diligence requirements and get their projects to closing.

***Action: Investigate resources for quick response fund for life/safety concerns by continuing and considering expansion of resources for developments currently in Minnesota Housing's portfolio and considering establishment of a receivership revolving loan fund under state statute 504B.451.***

**Asset Management Loan Program (FA/FAF):**

The Asset Management Loan program provides resources on a pipeline basis to address immediate critical repairs, and deferred maintenance. Part of the funding for this program comes from Financing Adjustment and Financing Adjustment Factor (FA/FAF), which are federal funds.

***Action: Continue support for HOME Line as a hotline for tenants' rights.***

Minnesota Housing extended a one-year funding contract with HOME Line in the amount of \$200,000 in July of 2021, continuing funding from previous years at similar amounts. In Federal Fiscal Year 2021, HOME Line fielded 14,696 tenant calls, most common reasons related to repairs, security deposits, and evictions.

**Challenge 1.b. | Insufficient housing for large families**

In Minnesota, large families and immigrant families face much higher rates of cost burden and overcrowding than other types of renters. Large families are also disproportionately affected by difficulties in finding landlords who accept Section 8 and are met with markets with smaller units. Single family homes are often better sized and configured for larger families.

***Action: For rental development resources, continue to provide points for large family housing in selection criteria of Minnesota Housing funding resources, including through the Low Income Housing Tax Credit Qualified Allocation Plan.***

Minnesota Housing recognizes the need to improve the housing system. This includes focusing on the people and places most impacted, especially children. The Large Family Housing scoring criterion was revised for the 2022-2023 Qualified Allocation Plan and the 2022-2023 Self-Scoring Worksheet (SSW) to further incentivized the development of affordable rental housing for families with children in two ways.

The QAP still contains a family housing threshold option reserved for tax credit projects in the metropolitan area where at least 75 percent of the total tax credit units contained two or more bedrooms and at least one-third of the 75 percent contained three or more bedrooms. Outside of the metropolitan area, projects could meet a locally identified housing need, which could include family housing.

Second, the SSW offered opportunities for projects to claim points for large family housing with two or more bedrooms if the proposal is for a project that provides family housing that is not restricted to persons 55 years old or older. The owner agrees to market to families with minor children. Additionally, Greater Minnesota proposals were eligible for additional points for proposals that contained units with three or more bedrooms. The new SSW provides an opportunity for 12-15 points for large family housing (previously 5-7 points). In addition, the SSW provides opportunity for additional points for 4-5 bedroom units (previously 3-4). These changes were incorporated to reflect the changing landscape of Minnesotan households.

***Action: For homeownership activities, continue to support the enhanced financial capacity program in reaching large immigrant families, prioritize large family housing in the Impact Fund, provide priorities for large families in down payment assistance, and evaluate how these priorities reach large families.***

In FFY 2021 Minnesota Housing provided affordable first mortgage loans to 1,240 households with four or more people.

In FFY 2021, 37% of households receiving financial wellness coaching in the Homeownership Capacity program had 4 or more people.

In FFY 2021, 32% of the households served under the Agency's Impact Fund development program had four or more people.

### **Challenge 1.c. | Homeownership and mortgage lending gaps**

Minnesota experiences one of the largest racial disparities in homeownership in the country, consistently in the bottom four states. Homeownership represents one of the most common wealth building opportunities for households and provides stability for families. A disparity in homeownership rates for Black, Indigenous, and people of color (BIPOC) exacerbates racial disparities in education, health and other outcomes.

***Action: Enhance and continue partnerships to remove barriers to homeownership and reduce the lending gaps between BIPOC and white non-Hispanic households, as well as continue supporting and strengthening the Homeownership Opportunity Alliance.***

In FFY 2021, 37.2% of Minnesota Housing's Start Up program first time homebuyer loans went to BIPOC households (1,633 of 4,386 loans).

#### **Homeownership Opportunity Alliance:**

Minnesota Housing co-leads (with the Minnesota Homeownership Center) an industry-wide coalition to expand homeownership for households of color, called the Homeownership Opportunity Alliance (HOA). The ultimate goal of this coalition is to collaboratively develop partnerships, programs, resources and best practices as a catalyst to systemic change that advances homeownership equity in Minnesota. The HOA provides outreach to BIPOC

communities through their “Get Ready. Be Ready!” campaign to connect BIPOC households with homebuyer education services and build awareness that homeownership is possible.

In FFY 2021 the HOA accomplished the following:

- Expanded participation to 50 organizations with over 150 individual members.
- Continued the “Get Ready. Be Ready!” campaign outreach and marketing to the African American and African Immigrant communities, including radio, print, and social media efforts. Examples include:
  - Participated in a podcast to dispel myths about homeownership
  - Developed short video clips to be shared through social media
- Expanded social media presence and activity through Facebook and LinkedIn
- Provided outreach to community grass tops leaders to share information about the HOA
- Participated in a number of speaking engagements to share information about the HOA (e.g. Minnesota Mortgage Association, Minnesota Africans United, etc.)
- Refined a tool for lenders to assess and measure progress towards serving more BIPOC households
- Developed and released a guide to non-interest-bearing financing in Minnesota

***Action: Identify homeownership education activities occurring in the market and evaluate program activities; this includes the Homebuyer Education Counseling, and Training (HECAT) program at Minnesota Housing, supporting partners in working on initiatives to help households save for down payments, and other homeownership capacity activities:***

Homeownership education, counseling, and coaching programs

As the Agency’s two homeownership education, counseling, and coaching programs moved from a one-year to two-year cycle, it has given better opportunities to proactively reach out to new potential providers, especially those reaching BIPOC communities and underserved geographic areas of the state. We have also been able to work with our key program partners regarding potential increases in foreclosure counseling due to the COVID-19 pandemic.

***Action: Partner with Tribal Nations to consider strategies to increase homeownership for American Indian households both on and off tribal lands, including continued work on the feasibility of eventual tenant ownership for eligible tax credit properties and conducting a mortgage lending session at bi-annual Indian Housing conference.***

After initial baseline work in Year 2, multifamily programs and legal staff made substantial changes to the Eventual Tenant Ownership (ETO) guide, pulling out restrictive language that created barriers to accessing homeownership. The ETO Guide is now more general and flexible, giving the agency more discretion and owners more flexibility in how they structure their tenant to ownership transition plans.

In Year 3, the Housing Tax Credit (HTC) team worked with three owners to start the process of ETO, which included two tribal entities(Bois Forte Housing Department and Red Lake Reservation Housing Authority) and the City of Moorhead. The HTC team provided several check-in meetings with Bois Forte and worked with legal to amend the Declaration of Land Use Restrictive Covenants (LURA) to add the ETO provision to their property. Bois Forte is now working on their transition plan, which is required to finalize the ETO.

For Red Lake, the agency Tribal Liaison convened a meeting with Red Lake staff, Agency leadership, and Multifamily Staff in June 2021 to kick start the ETO process. Since this time, multifamily staff has drafted amendments to the LURAs where ETO needed to be added in order for ETO to be eligible.

Multifamily staff have worked with the City of Moorhead to start the ETO process through technical assistance support. The City anticipates ETO is a 1-2 year goal for their renters. City staff are working with tenants to help them become mortgage ready.

Multifamily staff, in coordination with the legal team, will continue to provide ongoing support to these three organizations as needed and will keep the ETO process moving. The agency will also provide technical assistance to other organizations seeking ETO.

#### **Challenge 1.d. | Very high standards for rentals**

When rental properties require standards out of reach for many renters, the barriers to getting housing increase dramatically, especially in a very tight rental market, and impact people of color, people with disabilities and large families most dramatically. Properties often require three times income, high security deposits, and require no past record of criminal activities or credit problems.

***Action: If found effective, seek additional resources to expand the Landlord Risk Mitigation Fund program to help address housing needs of persons with criminal records, substance abuse challenges and other barriers.***

The Landlord Risk Mitigation Fund program (which can provide funds to landlord for non-payment of rent and damages and provide other supports) ended its fourth year of a five-year pilot on August 31, 2020. As of this date, 178 households have exited the program. Data indicates that the program is effectively targeting households with high barriers including:

- 71% of participants have experienced more than one episode of homelessness
- 37% of participants have a disability
- 42% of adults or heads of household had an unlawful detainer on their record
- 12% of adults or heads of household had been released from jail or prison within three months of program entry
- 59% had at least one criminal offense (drug, violent, sex, arson) and 38% of those had multiple offenses.

More than half (56%) of households identify as Black, Indigenous or Persons of Color (BIPOC) We continue to evaluate outcomes by race and ethnicity, and one notable disparity is that it takes BIPOC households approximately twice as long to obtain housing as white, non-Hispanic households.

Of those that have exited the program, 92% did not return to homelessness within a year after program exit, indicating that households with multiple barriers, including criminal and poor rental histories, are able to maintain housing stability at least 12 months after exit.

Eight percent of households (17) had a landlord claim, and the median claim amount was \$1,860. After four years, only 15% of the landlord claim fund has been expended.

Annual landlord survey results in the area of program satisfaction remain similar in each of the four years. In 2021, 61% of landlords stated they would be willing to utilize the program again, while 32% stated they may utilize the program again. In addition, 63% would recommend this program to other landlords, and 24% stated they may recommend this to other landlords.

The most appealing feature to landlords when considering participation in the program was having access to the fund if needed (39%). After participating in the program, however, only 25% consider this the most appealing feature. The majority of landlords indicate having someone to contact if issues arise (41%) or having a case manager that is providing support to the household (28%) are the most important features of the program. Both landlord and grant administrator feedback indicate that additional funding for housing navigation is needed in order to provide more intensive support for households and more effectively address any landlord issues or concerns.

We are exploring options to extend this program beyond the pilot including expanding our statewide coverage, and we continue to seek feedback from both landlords and grant administrators on ways to improve the program, including increasing landlord participation and satisfaction as well as increasing access for high barrier households.

***Action: Regularly provide informational materials on best practices related to tenant selection plans to owners and manager of properties of Minnesota Housing financed rental developments.***

Minnesota Housing adopted new Tenant Screening Guidelines in December 2020. The new guidelines add specific tenant screening criteria and processes to address housing access barriers experienced by people most impacted by exclusionary screening criteria. Changes include:

- Added a requirement for all properties to review supplemental evidence at the time of application from applicants who want to refute information in a screening report and/or provide additional information to demonstrate their ability to be a good tenant
- Added criteria for all properties to limit review of housing history, credit and income requirements



- Added criteria for supportive housing units that removes or limits screening criteria for people experiencing homelessness and/or with disabilities:
  - Applicants cannot be rejected based on housing and credit history and owner cannot require an income to rent ratio. These are common barriers for people experiencing homelessness and housing instability.

Limits criminal background screening criteria to address the disparate impact of typical criminal screening criteria for Black, Indigenous and People of color and people who have been homeless.

**Challenge 1.e. | Affordable housing and landlords accepting housing choice vouchers only located in higher poverty areas**

When a household receives a tenant-based Housing Choice Voucher, they are able to find housing of their choice in the marketplace. However, voucher holders face many barriers in utilizing vouchers and often face landlords who do not accept the voucher or have rents above payment standards.

***Action: Continue to prohibit properties with funding through Minnesota Housing from refusing to lease to a tenant based on the status of the tenant as a voucher-holder or recipient of similar rental assistance.***

Owners of properties financed through Minnesota Housing cannot refuse to lease a unit in the project because the applicant holds a voucher. Compliance of this requirement is monitored through affordability period.

We have made two significant policy changes to the 2022-2023 LIHTC Qualified Allocation Plan.

First, we added the following requirements for LIHTC (9% and 4%) and deferred projects: Must set aside a minimum of 2% of units with rents restricted at 30% MTSP rent levels and must set aside a minimum of 3% of unit rents at or below the housing assistance payment (HAP) standard, which may be the same units as the 30% MTSP units or different units.

Second, we created a pointing incentive for deeper rent targeting with four new point tiers ranging from 5-9%, 10-19%, 20-29%, and 30-40% of total units with rents at 30% of MTSP. Rents at the lower 30% MTSP limits align much better with HAP standards than LIHTC rents at 50% or 60% MTSP limits, which exceed the HAP payment standard in some markets.

The QAP also provides geographic scoring incentives for locations with greater housing affordability needs, which are defined as places with a low share of affordable rental housing as compared to all housing options in a community or a large share of renters that are cost burdened by their rent.

## **Goal 2: Address Discrimination and Improve Opportunities for Mobility**

In this goal area, the State of Minnesota intends to identify strategic and collaborative approaches to consider both place-based solutions and mobility solutions to provide households access to housing in communities of their choice.

### **Challenge 2.a. | Non-white and Hispanic residents are disproportionately segregated into some, often high poverty neighborhoods**

Decades of housing policies that racially segregated communities and continued implicit and explicit practices disproportionately limit choice of households of color and Indigenous communities in Minnesota.

***Action: Support efforts to review where investments in creation, preservation, and rehabilitation of affordable housing is occurring relative to areas of concentrated poverty and economic opportunity to encourage a full range of housing choices. (For example, helping to keep HousingLink's Low Income Housing Tax Credit development database current to report distributions).***

Minnesota Housing annually reviews the distribution of investments in affordable housing. The Low income Housing Tax Credit is the predominant tool for financing new affordable housing. New LIHTC unit financed by Minnesota Housing between 2005 and 2019 are spread throughout the Twin Cities Metropolitan Region, with 10 percent of these units located in HUD's defined "Racially and Ethnically Concentrated Areas of Poverty".

Minnesota Housing provides ongoing support of the HousingLink Streams database, which includes LIHTC and other affordable housing to make data accessible for analysis.

### **Challenge 2.b. | Challenges in accessing housing in concentrated areas of wealth or other opportunities**

Households of color or Indigenous communities, large families, and voucher holders disproportionately lack access to housing in concentrated areas of wealth or other opportunities.

***Action: Evaluate and continue solutions that mitigate barriers to developing housing in areas of wealth or other opportunities. (For example, address barrier of NIMBYism).***

Minnesota Housing worked with Greater Minnesota Housing Fund to convene three virtual regional housing forums in Greater Minnesota. These forums convened a variety of housing partners including housing developers, city and county staff, community based organizations, social service providers and others to highlight resources, provide examples of development projects, and highlight the work of organizations leading equity and inclusion efforts in the region.

Through its Capacity Building Initiatives and Intermediary Capacity Building Program, Minnesota Housing has provided grants to organizations whose work focuses on addressing root causes of housing instability, challenges, and disparities. These grants also prioritize efforts to support the self-determination and elevate the voices of those most impacted by housing challenges to define the housing types and locations that fulfill their vision of opportunity.

A few examples of projects funded by the Capacity Building Initiatives Program include grants to:

- The City of Golden Valley, a city with higher land and property values, to fund research on transferring MN Department of Transportation lands (an affordable source of land) for use for affordable single family housing development and to fund community engagement work to inform the plans for those lands.
- African Career, Education, and Resource, Inc. to work with tenants in the northwest suburbs to build their leadership and agency in advancing housing solutions. This work includes support to tenants to work with their local Council, County and State staff and policy makers to advocate for policies that will support tenants' rights and advance safe and healthy affordable housing.
- Minnesota Engagement on Shelter and Housing (MESH) to fund their Minnesota Supporting Partnerships for Anti-Racist Communities (SPARC) Learning Collaborative (MN-SLC) Phase Two, Action Plan Implementation. This project convene Regional Racial Equity Leadership Teams across Minnesota to build shared buy-in, promote alignment and collaboration, and grow promising practices to address disparities in the homeless response system.
- Tasks Unlimited, Inc. and their "Envision Leaders" project to grow leaders among people with lived expertise of homelessness and mentor them as they go through leadership training, engaging them in weekly sessions that walk through the key aspects of leading affordable housing development to inform affordable housing development.
- Through an Intermediary Capacity Building grant to the Metropolitan Consortium of Community Developers (MCCD), they are strengthening the affordable housing ecosystem by building the capacity of community based organization to understand the housing development field, and the capacity of developers to understand how to site and design housing that works best for the individuals and communities it is designed for.
- Finally, Minnesota Housing added a new pointing category, the Equitable Development Initiative, to its 2020 Qualified Allocation Plan. This new category is the first in the nation, and awards points to projects where communities most impacted by housing disparities and instability have had a meaningful role in the project design and offerings.

***Action: Monitor any proposed regulatory changes regarding source of income protections.***

Minnesota Housing is evaluating source of income protection work at the City of Minneapolis and other local jurisdictions through policy and community development efforts.

Minnesota Housing also had a state level proposal supported by the Governor during the 2021 legislative session on this topic.

**Challenge 2.c. | Challenges accessing economic and other opportunities**

Racially segregated communities have experienced disinvestment and continue to experience disinvestment that reduces economic opportunities in these communities. Accessing opportunities disproportionately impacts persons with Limited English Proficiency.

***Action: Promote contracting opportunities for women and Black, Indigenous, and People of Color-owned business entities in all programs.***

Minnesota Housing promotes contracting opportunities for women and BIPOC business entities through multifamily and single family programs.

For single family programs, the Impact Fund development program provides an incentive for applicants led by BIPOC and women.

For multifamily, Minnesota Housing's Qualified Allocation Plan (QAP) is the principle document that guides the housing priorities of Housing Tax Credits and other deferred Multifamily funding resources. This plan also incorporates elements of Minnesota Housing's broader Strategic Plan which aims to create an inclusive and equitable housing system, preserve existing affordable housing, and strengthen disinvested communities.

Creating an inclusive and equitable housing system includes diversifying the development partners we work with and promoting opportunities for Woman and Black, Indigenous, and People of Color-owned Business Enterprises. We implemented new inclusive elements of the 2022-2023 QAP in the 2021 Request For Proposal funding round where additional points are available for development teams that include multiple Women and Black, Indigenous, and People of Color-owned Business Enterprise partners, and for development teams that partner with a Woman and Black, Indigenous, and People of Color-owned Business Enterprise entity with the specific goal of building their capacity to develop, manage, construct, design or own affordable housing in the future.

Agency staff also made significant updates to the Minority-Owned/Women-Owned Business Enterprise (MBE/WBE) Compliance Guide, which addresses equitable marketing and outreach requirements for contracting and purchasing opportunities resulting from Minnesota Housing - financed developments including:

- Changing the term and name of the guide from MBE/WBE to Black, Indigenous, and People of Color-owned Business Enterprise and Women-owned Business Enterprise
- A thorough analysis of our review practices
- The inclusion of new funding resources to the list of programs that trigger the guide's requirements

The 2022-2023 QAP also includes significant policy improvements designed to further promote community and economic development, increasing geographic choice, and promoting preservation activities that preserved existing affordable housing, including:

- Greater priority placed in communities with a low share of affordable rental housing options
- New selection points for Equitable Development made available which aims to empower communities to drive and meaningfully participate in development to be responsive to their needs
- New selection points made available for developments that are in Opportunity Zones to foster greater community investment
- Increased selection points for preservation developments

Minnesota Housing also has hiring process goals for BIPOCBE/WBE that apply to all projects receiving Agency deferred loan funding, including federal and non-federal sources. The goals are designed to achieve certain outcomes of BIPOCBE/WBE participation at the development and subcontractor level. The participation goals are:

- BIPOCBE:
  - Twin Cities metro: 13% of the total amount of all contracts
  - Greater Minnesota: 4% of the total amount of all contracts
- WBE:
  - Entire state: 6% of the total amount of all contracts

Staff evaluated Contractor Compliance Activity Reports (CCAR) and other data that provides evidence for dedicated work in this space.

- Of 15 Twin Cities Metro projects, two met the MBE goal of 13% and 13 met the WBE goal of 6%
- Of 13 Greater Minnesota projects, two met the MBE goal of 4% and six met the WBE goal of 6%

***Action: Continue to support the preservation of affordable housing opportunities as a strategy for community investment.***

Minnesota Housing continues to be involved in a rural preservation workgroup. USDA Rural Development 515 properties have unique preservation challenges, and Minnesota Housing includes a set aside in the Low-Income Housing Tax Credit program to support USDA-RD properties and has partnered with USDA RD to create a specific initiative under the Rental Rehabilitation Deferred Loan program for 515 properties.

Minnesota Housing is also the contract administrator for the Performance Based and Traditional Contract administration programs for project-based Section 8 properties in Minnesota. This administrative work with these properties allows the state to better understand and address the preservation needs of these properties.

### ***Goal 3: Expand Access to Housing for Persons with Disabilities***

The State of Minnesota seeks to identify collaborative and programmatic funding responses to rehabilitate and create new accessible affordable housing options, support accessibility improvements in single units, and help people with disabilities transition into independent living settings.

#### **Challenge 3.a. | Shortage of affordable, accessible housing**

For people with disabilities, simply acquiring housing and remaining housed are significant challenges. Wait lists for affordable, accessible housing are years long in many rural areas.

***Action: Evaluate and enhance existing funding resources to provide preference in housing developments for persons with disabilities, including preference points in the Low Income Housing Tax Credit Qualified Allocation Plan and other competitive capital funding resources.***

#### **Multifamily Request for Proposals and Low Income Housing Tax Credit Allocation:**

Minnesota Housing recognizes the need to improve the housing system. This includes supporting people with disabilities. The 2022-2023 Qualified Allocation Plan (QAP) and 2022-2023 Self-Scoring Worksheet (SSW) incentivizes the development of affordable rental housing serving people with disabilities in two ways.

First, projects selected through the QAP must meet one of five threshold areas and one specifically pertains to housing persons with disabilities. Projects without age restrictions can achieve this threshold through a percentage of the units set aside and rented to persons who meet one of five definitions related to disabilities.

Second, the SSW offered opportunities for projects to claim 7-13 selection points for units set aside for people with disabilities.

#### **Publicly Owned Housing Program:**

Out of the 2020 POHP projects (which were approved in July 2021, and just getting underway), Aitkin County HRA is planning on adding ADA compliant entry doors to the building to improve accessibility for disabled residents. The 2020 POHP projects also included four elevator modernizations which improves accessibility and safety for all residents. Other 2020 projects that received funding included fire safety and sprinkler installations, which were prioritized after a tragic fire in a Minneapolis public housing building in 2019.

#### **Rental Rehabilitation Deferred Loan Program (RRDL):**

In 2019 an RRDL RFP was held specifically for RD projects. RRDL resources were made available to any owner of RD buildings of eight or more units in the form of a 20-year deferred loan up to \$500,000 (or \$35,000/unit maximum) with 10% forgiveness at the end of the loan term. In March 2020, selections were approved. Selections included 21 projects, encompassing 544 units. Funds have been committed to address critical deferred maintenance and accessibility

issues in these projects. Approximately 65% of USDA Rural Development households are elderly or disabled, and the average household income is \$13,551. Projects selected included improvement such as walkway and pavement fixes, elevator upgrades, and other items designed to improve the overall accessibility and livability of these buildings. (see note about RRDL RD RFP in Section 1a above)

***Action: If found effective, seek additional resources to expand the Landlord Risk Mitigation Fund program.***

Action within Challenge 1.b. above discusses the LRMF program activities.

### **Challenge 3.b. | Shortage of resources to make accessibility improvements**

If a voucher holder requires a reasonable accommodation, PHAs may not have the resources available to assist with the accommodation. There are also not resources to assist non voucher holders in accessibility improvements more broadly.

***Action: Provide education and outreach of existing homeownership programs to make accessibility improvements, including streamlining Minnesota Housing's Rehab Loan Program to make program more accessible to lenders, and promote to seniors and persons with disabilities, evaluating the Impact Fund projects for accessibility improvements, continuing to promote Minnesota Housing's Fix Up Fund for persons with disabilities, and continuing to provide priorities for down payment assistance***

#### **Fix Up loan program:**

During FFY 2021, Minnesota Housing provided home improvement loans to at least 30 households with a disability.

#### **Rehabilitation Loan Program (RLP):**

In FFY 2021, 43% of the households served by the income-targeted RLP (an income at or below 30% area median income) had at least one household member with a disability.

#### **Homeownership Programs:**

In FFY 2021, Minnesota Housing provided affordable first mortgage loans to at least 74 households with disabilities, 73 of whom also received a Minnesota Housing down payment and closing cost loan.

### **Challenge 3.c. | Shortage of resources to transition to independent living settings**

There is a shortage of workers to help transition to and support independent living, and processes to apply for supports are complex and onerous.



***Action: Collaborate with housing and supports activities in the state's Olmstead Plan and initiatives that increase the number of people with disabilities who live in the most integrated housing of their choice.***

There are several key activities in the [Olmstead workplan](#) related to housing and services in partnership with Minnesota Housing. These include:

- The Bridges program (described below)
- The Section 811 program (described below)
- Ensuring HousingLink's products and services serve people with disabilities.

***Action: Minnesota Housing will continue to provide rental assistance to persons with serious mental illness and evaluate program effectiveness.***

Minnesota Housing was awarded a third round of Section 811 funding bringing an additional \$6,972,000 to the state to assist transitioning people from institutions and homelessness into independent living settings. The Bridges Program (rental assistance to people with a mental illness) is also expanding its eligibility definition to include people exiting correctional facilities. To integrate this population into the program, the Olmstead team will be building advisory groups and assisting Bridges Program development with the expansion.

Bridges served 750 households, and Section 811 served 147 households and will serve an additional 160 households over the next 3 years with Round 3.

***Action: Minnesota Housing and DHS will continue implementation of the Section 811 rental assistance pilot, partner with HUD in program evaluation, and if found effective, consider other funding sources available for similar program should no further federal assistance become available.***

Under the Section 811 PRA Supportive Housing Program, HUD has awarded Minnesota three rounds of funding for a total of 325 units of project-based rental assistance to create integrated supportive housing for people with disabilities who are extremely low-income. Minnesota is focusing these units to serve people who are long-term homeless or leaving institutions of care. The 811 program households have average incomes less than \$10,000 annually and are receiving on average, monthly assistance of about \$580. All households include an individual with a disability and half of households identify as a person of color or from Indigenous communities. Minnesota Housing is implementing this program in collaboration with the Minnesota Department of Human Services (DHS). DHS coordinates outreach and referrals for 811 applicants and ensures that tenants are connected to service providers. The 811 PRA program is an important tool to support the goals of the state's Olmstead Plan to provide integrated housing options for people with disabilities. Minnesota Housing has awarded contracts to property owners for 159 units at 24 properties, and there are currently 147

households living in Section 811 PRA units. Round Three will be awarded through a pipeline application and through the RFP process starting in Spring, 2021.

***Action: Other programmatic action to provide resources to transition into independent living settings, Housing Infrastructure Bonds***

Minnesota Housing continues to make significant advancements in addressing statewide housing needs for people with disabilities. Providing pointing incentives for many types of multifamily developments to include units for persons with disabilities has been an Agency priority for over a decade. Project selections continue to advance the objectives of Minnesota's Olmstead Plan, and in the 2020 Request for Proposal funding round, Minnesota Housing created or preserved 158 units specifically set-aside to serve people with disabilities.

Minnesota Housing also prioritizes the creation of units to prevent and end homelessness in support of the 5,000-unit goal in the Heading Home Together Plan. Data from supportive housing providers, service providers, and local HUD Continuum of Care point-in-time counts provide evidence that many individuals who experience homelessness may also have Behavioral Health needs (people with mental illness or substance use disorders). Thus, the new permanent supportive housing units created via Minnesota Housing's funding resources provide independent-living housing for these populations. In the 2020 Request for Proposal funding round, Minnesota Housing created or preserved 804 units specifically set aside for households experiencing homelessness.

Also, new units of Section 811 Rental Assistance were made available in the 2021 Request for Proposal funding round and pointing incentives were added to the 2022-2023 QAP to encourage projects to incorporate this federal subsidy.

## ***Goal 4: Address Limited Knowledge of Fair Housing Laws Through Education, Outreach, and Developing Tools and Resources***

The State of Minnesota will engage in collaborative approaches to expand education efforts by partnering with the Department of Human Rights, participation in conferences, and sustaining and improving tools like the Affirmative Fair Housing Marketing Toolkit.

### **Challenge 4.a. | Limited knowledge of fair housing laws and resources**

A perennial fair housing issue is lack of knowledge. Tenants, landlords, lenders, and borrowers do not always know their rights or responsibilities. In addition, we need to strengthen relationships with other Fair Housing entities and partners.

***Action: Support efforts to maintain and promote the FairHousingMN.org website and online tool to develop Affirmative Fair Housing Marketing Plans and expand education and oversight of AFHMPs in Minnesota Housing's portfolios***

In FFY 2021, reviews of AFHMP's were included with all physical inspections conducted by compliance officers on properties financed with Housing Tax Credits, HOME, National Housing Trust, and/or agency deferred loans. The task was added to each physical inspection to track these reviews in Minnesota Housing's system. The AFHMP review task is considered completed after the review or the compliance officer determines that the review is not applicable because the property is not required to have an AFHMP or the AFHMP is already reviewed by another staff person or entity.

As of September 30, 2020, of the 278 inspections due in CY 2020, 76 AFHMP's have been successfully reviewed, 110 were not applicable, and the remaining inspections are not yet completed.

***Action: Work with Minnesota Department of Human Rights, Minnesota NAHRO, Minnesota Multi Housing Association and similar organizations to provide education regarding housing discrimination laws through their annual conferences.***

Minnesota Housing staff continues to meet with industry partners to explore the possibilities of training multifamily property owners, managers and service providers on fair housing. Meetings are conducted with Minnesota Multi Housing Association, Minnesota NAHRO and HUD to brainstorm and develop trainings on current issues to draw attendees in and educate them in fair housing.

Training session topics are developed by reaching out to MMHA members, as well as our staff and customers, to determine where gaps in knowledge exist and further training is desired.

Training sessions were available during the 2021 Working Together Conference and were publicized by Minnesota Housing via email blasts to owners, agents and service providers, as well as having the information displayed and promoted on our website. Minnesota Multi Housing Association and Minnesota NAHRO sent multiple email blasts as well as hard copy

mailings. Due to the ongoing COVID pandemic, the conference was a virtual event comprised of only four sessions. The fair housing educational opportunities were offered to attendees in a live stream setting.

2021 virtual Working Together Conference included one specific fair housing session, *The Latest in Fair Housing*, and an additional session to address questions related to Fair Housing, *Ask the Attorney*.

***Action: Continue to support educational opportunities and outreach efforts with suburban community elected and appointed officials to understand the important and effectively plan for a full range of housing choices.***

Minnesota Housing regularly participates in Regional Council of Mayor's meetings and Metro Cities housing policy meetings, and Minnesota Housing's Commissioner has spoken to both of these constituencies about the importance of housing that is affordable and equitable.

***Action: Distribute fair housing educational materials at annual conferences, public venues, and other opportunities.***

COVID restrictions prevented Minnesota Housing from promoting fair housing at public events.

Minnesota Housing's internal cultural competency committee hosts monthly events that are often directly related to fair housing issues. The agency hosted a specific fair housing training in April for Fair Housing month. Agency staff are required to attend 4 hours of training through this program each year.

***Action: Each State CDBG Grantee must complete at least one fair housing activity each year.***

Each of the 139 State CDBG grantees completed at least one unique fair housing activity each reporting period.

DEED Small Cities Development Program (SCDP) staff carries out education efforts for grantees and potential grantees on fair housing and equal opportunity topics during SCDP implementation trainings and application webinar trainings.

DEED staff distributed Fair Housing and Equal Opportunity brochures and posters (multiple languages) to attendees during events focused on engagement and outreach efforts and during individual technical assistance with grantees throughout the year.

***Action: Build relationships and internal capacity for Fair Housing related work***

The agency continued to focus on three key areas with respect to Fair Housing work this year. This year, we finalized the reporting process with HUD and provided updated data on LIHTC selected projects to ensure their Fair Housing team's LIHTC database is current. The second involves coordination with both HUD and the Minnesota Department of Human Rights where we identify a list of properties and management companies that have been found to be in violation with Minnesota Housing's Fair Housing policy. This year our outreach has increased to quarterly. This information is then used to report any Fair Housing violation to the IRS through the 8823 process for LIHTC projects and is used to determine applicable penalties associated with any new applicants for LIHTC funding as outlined in the paragraph below.

Minnesota Housing has clarified in the approved 2022-2023 LIHTC Qualified Allocation Plan that failure to comply with Minnesota Housing's policies, procedures or requirements may be penalized according to Minnesota Housing's Fair Housing Policy, up to an including disqualification of the application. In addition, Minnesota Housing may impose up to a -35 point penalty on future HTC development to all parties involved in the ownership and/or management on the development(s) that are in non-compliance. The penalty points will be assessed in four funding rounds (generally two calendar years).

## ***Goal 5: Decrease the Loss of Housing Through Displacement and Eviction***

To move towards this goal, the State of Minnesota will identify opportunities to support preservation of Naturally Occurring Affordable Housing (NOAH) and other ways to mitigate the effects of displacement or evictions.

### ***Challenge 5.a. | Redevelopment displacing current renters of Naturally Occurring Affordable Housing (NOAH)***

NOAH properties reflect a large stock of homes that are affordable to lower income households and are without subsidy. Redevelopment of NOAH properties is displacing current residents, and is predominantly occurring in the Twin Cities Region. It is estimated that Minnesota is losing 2,000 units every year.

***Action: Continue support of the NOAH Impact Fund and partner with the Greater Minnesota Housing Fund to evaluate the effectiveness of the fund.***

Naturally occurring affordable housing (NOAH) is unsubsidized housing without income or rent restrictions that is affordable to moderate- and low-income renters. A substantial number of naturally affordable rental developments are being converted to higher-market rents or are simply operated under poor management and in disrepair. These conditions threaten the stability of families and communities, and these impacts disproportionately impact persons of color and persons with disabilities. Minnesota Housing has joined with the Greater Minnesota Housing Fund to invest in the NOAH Impact Fund to finance the acquisition and preservation of naturally affordable class B and Class C rental housing in partnership with high performing owner-operators with the shared social goal of preserving affordability for the long term.

***Action: Monitor state legislation regarding right of first refusal and opportunity to purchase measures for manufactured home parks (tenant purchase rights) and consider the next steps for Minnesota Housing related to the preservation of manufactured home parks to address critical infrastructure issues that limit preservation opportunities, or offset/replace opportunities that are no longer available.***

Minnesota Housing is in the process of awarding its second round of Manufactured Home Community Redevelopment Program infrastructure grants with \$3.75 million from the Minnesota state legislature. Manufactured home park infrastructure is also an eligible use of Housing Infrastructure Bond proceeds.

***Action: Other NOAH actions – NOAH Working Group***

A NOAH Working Group has been formed as a spin-off of the Interagency Stabilization Group. The group is an intergovernmental policy group focused on coordinating advocacy and funding efforts around the preservation of NOAH properties in the Twin Cities Metro Area. The group started meeting in the summer of 2020, and includes metro area cities, counties, The

Metropolitan Council and intermediaries working on NOAH preservation. The first effort of the Working group was to coordinate on NOAH data in order to have clear and consistent data (and methodology) about the number of NOAH properties and units in the Metro area. The group also developed a “fact sheet” about NOAH that was used during the 2021 Legislative Session. The group meets monthly, and exchanges information about best practices in preserving NOAH housing, efforts to obtain new funding, and other NOAH related initiatives.

**Challenge 5.b. | Eviction filings negatively impact renters regardless of outcome**

Evictions disproportionately impact households of color and Indigenous communities and even an eviction filing will raise ongoing barriers to accessing housing.

***Action: Monitor work to define and limit predatory rental practices, including questionable eviction practices and poor conditions of rental units.***

Minnesota Housing policy and community development staff are tracking and evaluating the work of local jurisdictions related to this, including in Minneapolis. Minnesota Housing worked closely with the Governor and Lt. Governor through COVID Response workgroups on the eviction moratorium and off-ramp law put into place June 30 2021.

The RentHelpMN program, funded by the federal COVID Emergency Rental Assistance Program, is a key part of the off-ramp protections. Eligible applicants with a pending COVID Emergency Rental Assistance Program application cannot be evicted for non-payment of rent through June 1, 2022. To be eligible for a COVID-19 emergency rental assistance program, federal requirements state a household must:

- Be a renter in Minnesota
- Have a household income under 80% of the area median income
- Have a member of the household that can demonstrate the COVID-19 pandemic has negatively impacted their ability to pay rent
- Be at risk for housing instability or homelessness
- Households are limited to 15 months of assistance under the first round of federal assistance and 18 months under the second round of assistance.

***Action: Eviction Prevention Programming Activities***

The **Family Homeless Prevention and Assistance Program** provide financial assistance to households at risk of losing their housing.

Funds for the FHPAP program are specifically targeted to households most at risk of eviction, such as households who will lose their housing within 14-30 days. From July 1, 2020 to June 30, 2021, FHPAP provided 2,337 households with assistance to prevent the loss of housing. This is slightly lower than the prior year and may be due to households needing longer assistance as a result of the pandemic.

Achieving equitable outcomes is important to the FHPAP program. From July 1, 2020-June 30, 2021, 53% of all FHPAP households were non-white. Although non-white homeless households are less likely to achieve stable housing than their white counterparts, 95% of all households receiving prevention assistance were able to achieve housing stability regardless of race or ethnicity.

Another asset of FHPAP is that it funds staff who can support clients and work with landlords to mitigate the housing emergency and prevent loss of housing. The programs are often marketed to landlords as an option for assisting households prior to filing evictions. As an example, Ramsey County providers have staff go to rental buildings or housing court to assist tenants to apply for assistance or mediate with landlords.

FHPAP also helped launch a landlord risk mitigation fund in three areas of the state to incentivize landlords to rent to households with barriers, such as an unlawful detainer. This program has received mostly positive feedback from landlords and assisted households who may not otherwise be able to attain housing.

Other eviction prevention activities occurred through two federally funded emergency response programs, the Coronavirus Relief Fund (implemented as COVID Housing Assistance Program), and the Emergency Rental Assistance program.

Supported by federal funds, Minnesota Housing established the COVID 19 Housing Assistance Program to provide financial assistance to households at risk of losing their housing. The program covered eligible costs that were incurred between March-December 2020 and served approximately 27,000 households.

To reach as many eligible Minnesotans as possible, Minnesota Housing contracted with over 50 providers to administer the program at the local level. Below are several important demographics from household served by the program:

- 6% of households served were Indigenous
- 48% of households served were Black or other People of Color
- 39% of households served were White
- 92% of households served had incomes of 200% or less of the federal poverty level
- 53% of households served were in urban settings (Metro)
- 47% of households served were in greater Minnesota



## **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**

For DEED's Small Cities Development Program (SCDP), grantees are monitored through desk and on-site monitoring. Desk monitoring is conducted on an ongoing basis which includes reviewing startup documents, policies and procedures, environmental documents, ongoing activities, disbursement requests, labor standards, annual reports/performance measurements, audits, final reporting, and closeouts reporting. On-Site monitoring is conducted at least once during the term of the funding agreement. The State decides to conduct desk versus on-site monitoring based on cost and time evaluation. Follow-up monitoring may occur if there are significant findings of noncompliance with program requirements or if other administrative difficulties become apparent from reviews. Monitoring of economic development projects uses the same process as those established through the state of Minnesota's CDBG competitive program. Monitoring has been conducted remotely due to the health emergency brought on by coronavirus disease (COVID-19) and actions taken to prevent the spread of the disease. All monitoring procedures remain the same.

DEED has developed a checklist to assist in the monitoring areas such as grant management, fair housing and equal opportunity employment, Davis Bacon Labor Standards, inspections and bidding, and contractor payments. Activities are reviewed for eligibility, meeting federal objectives, and if adequate progress has been made by the grantee within the time stated in the funding agreement. Below and attached in IDIS is the SCDP Internal Monitoring Procedures.

### **INTERNAL SCDP MONITORING PROCEDURES:**

All grants will be monitored to determine whether or not the grant activities meet the following: national objective, eligible activities, grant and financial management, activity specific and grant progress.

There are two types of monitoring conducted:

- Onsite Monitoring
- Desk Monitoring-ongoing

Onsite monitoring will be completed at least one time within the grant period. The goal is to monitor each grantee early enough to prevent problems but late enough to review grantee performance and progress. A monitoring checklist will be used at the visit with a description of a concern or a finding if applicable. Upon monitoring completion, staff will input data into the monitoring spreadsheet.

The onsite monitoring process includes:

- Notification of visit: The grantee and administrator will be emailed or called to set up the monitoring appointment and provided the monitoring checklist for preparation.
- Entrance meeting onsite(describing the process) will occur between the state, grantee, and administrator;
- State monitoring conducted using monitoring checklist: see areas reviewed in next section;
- Exit Meeting: Provide positive feedback and discuss findings/concerns;
- Cover letter and monitoring report written and approved by director prior to mail out;
- Notification of results to mayor and administrator: Cover letter and report;

- Follow up to clear findings within 60 days from report date (when possible).

Areas reviewed will consist of:

- Activity Eligibility and National Objective;
- Grant and Financial Management;
- General areas of review include environmental, fair housing, labor standards- if applicable, grant progress, policies/procedures, and individual case files

Desk monitoring consists of DEED reviewing the items below at any time during the grant period:

- Annual Reports/Performance Measurements
- Disbursement Requests
- Labor Standards-Notice of Contract Awards and Final Reports
- Policies and procedures
- Environmental
- Requested information

For ESG, each year DHS program staff review all ESG grantees using a risk analysis tool created with technical assistance from HUD. The tool has four broad areas of analysis: 1) General agency information, e.g., previous monitoring results, 2) program operations, e.g., compliance and reporting issues, 3) fiscal operations, and 4) organization Board of Directors/Executive Management.

The tool allows DHS staff to determine if a grantee needs immediate attention or can receive a visit as part of regular monitoring. A regular monitoring rotation ensures grantees are monitored at least once every two years. Staff review a random selection of files for specific documentation of: homelessness, disability status, target population, on-going assessment, follow-up, and supportive services. Staff verify the full number of participants being served, timeliness and eligibility of grant expenditures, and eligibility of matching fund expenditures.

For HOME, Minnesota Housing monitors HOME rental properties for compliance, requiring owners to submit tenant income and rent information for review annually. Requirements include: 1) owners annual submission of a Deferred Loan Owner Certification and report of unit events, including income and rent certifications, in the Property Online Reporting Tool; and 2) property inspections at least as frequently as required by 24 CFR §92.504(d) for compliance with property standards and to verify the accuracy of information owners submitted.

On-site inspection consists of a review of administrative records as well as a physical inspection and tenant file review of 20% of the HOME-assisted units. Minnesota Housing typically inspects a minimum of four HOME units (or all HOME units if property has four HOME units or less). If a property is found to be out of compliance, the owner receives notice of noncompliance. If noncompliance is not corrected within the allotted period, usually 30 days, the owner is given a 10-day grace period in which to address issues and, if any violations still remain, a failure to comply notice is sent with an additional 10-day correction period. If noncompliance remains uncorrected, possible action may be an extension of the effective period or calling the loan due.

For HOPWA, Minnesota Housing's inspection of HOPWA properties includes a physical inspection of the property, tenant file review to confirm eligibility, and a HOPWA Development Review, which uses a checklist that covers: 1) whether there are service plans in place, 2) whether HOPWA residents receive the services offered to them, 3) if any adverse actions have been taken against residents since the last

HOPWA review, 4) if residents who were terminated from the program were provided due process, and 5) if the property complies with audit and record retention requirements.

Minnesota Housing requirements include: 1) owners annual submission of a Deferred Loan Owner Certification and report of unit events, including income and rent certifications, into the Property Online Reporting Tool; and 2) property inspections per Minnesota Housing Board-approved inspection cycle unless there have been compliance issues that require more frequent inspections. The inspection cycle is every three years for properties with \$500,000 or more of deferred loan financing and every five years for deferred loan amounts less than \$500,000, unless the property also received Low-Income Housing Tax Credits, in which case the property is inspected according to the tax credit schedule. If a property is found to be out of compliance, the owner receives a notice of noncompliance. If noncompliance is not corrected within the allotted period, usually 30 days, the owner is given a 10-day grace period in which to address issues and, if any violations still remain, a failure to comply notice is sent with an additional 10-day correction period. If noncompliance remains uncorrected, possible action may be an extension of the effective period or calling the loan due.

Monitoring of emergency rent and mortgage assistance includes: monthly review of administrative budget, production, and utilization of funding; evidence that the grantee is collecting appropriate demographic data; and biennial site visits to the grantee to review the following:

Policies and procedures

Compliance with audit and data practices requirements

Documentation of compliance with time limits for assistance

Documentation of all aspects of tenant eligibility

Documentation that each participant was provided an opportunity to receive case management services

Source documentation of rental, mortgage, or utility expense

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

The state notified the public of the availability of the draft the State Register and through state social media outlets and eNews, including to organizations and partners that work directly with minorities, non-English speaking persons and persons with disabilities. For example, per our Citizen Participation Plan, we reach out to a wide network of councils and coalitions focusing on specific populations, including the Council on Asian Pacific Minnesotans, Central Cultural Chicano, CLUES, Council for Minnesotans of African Heritage, Minnesota Council on Latino Affairs, and the Upper Midwest American Indian Center. In addition, our eNews distribution includes an extensive network of providers for persons with disabilities, through the Olmstead Implementation Office currently located at Minnesota Housing. The draft CAPER for 2021 was available for public comment for 16 days beginning November 15, 2021 and extending through the close of the business day on November 30, 2021. Minnesota Housing and DEED posted copies of the CAPER on their websites and hard copies were available from Minnesota Housing, DEED, and DHS upon request. The electronic copies of the CAPER we created were fully accessible documents suitable for screen readers.

Public input into the draft CAPER is considered in preparing the final report to HUD and the state responds in writing to each commenter. One public comment letter was received on the 2021 CAPER draft.

**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.**

The state does not plan on changing its objectives. Our experiences indicate that requests for DEED’s CDBG funds are twice as much as our allocation. Therefore we think our objectives align with the interest shown.

However, during these unprecedented times of the COVID-19 pandemic, Minnesota Department of Employment and Economic Development thru the supplemental allocation of the CARES Act have developed and funded new CDBG-CV activities based on community outreach for both entitlement and non entitlement communities to prevent, prepare for and respond to the coronavirus/COVID19 pandemic. Projects include broadband development, public services, retrofitting buildings and commercial rehabilitation. Projects are currently underway and are set to meet the CDBG-CV grant deadline.

<b>Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?</b>	No
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**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

**CR-50 - HOME 91.520(e)**

**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 §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.**

Minnesota Housing has used past HOME allocations to fund down payment assistance to first-time homebuyers, rehabilitation loans to homeowners, and rehabilitation loans to owners of rental property. Currently, based on the critical need to both preserve existing affordable rental housing and develop new housing to meet a very large gap in the availability of affordable housing, all HOME funds have been allocated to fund rental housing activities, including rehabilitation and new construction.

In 2018, Minnesota Housing realigned its HOME inspections to be conducted once every three years in accordance with the 2013 HOME rule. Current HUD guidance allows PJ’s to complete the 2020 and 2021 on-site inspections no later than 120 days after September 30, 2021.

Minnesota Housing conducted a remote review of administrative records and tenant files for properties due to be inspected in 2021 and, late in the year, also completed the on-site habitability inspections. In addition, Minnesota Housing also completed the on-site habitability inspection for properties that were due to be inspected in 2020 (remote reviews of tenant files and administrative records for those properties were already conducted in 2020). The following table lists the inspection dates and results of all of these reviews. The table also notes the one (1) property whose HOME affordability period ended in FFY2021.

With respect to Violence Against Women Reauthorization Act of 2013, Minnesota Housing implemented the final rule of VAWA, promulgated in 2016 and effective December 16, 2016. For HOME (and National

Housing Trust Fund) properties, this implementation included: 1) notice of occupancy rights and certification forms distributed at appropriate times, and 2) the development and adoption of an emergency transfer plan (found here: [Minnesota Housing Finance Agency Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking](#)). Policies and procedures were put in place to ensure privacy and data security for reporting of VAWA transfer requests and results. For FFY 2020, there were no transfer requests made.

**Inspection Date Range: 1/1/2020 to 12/31/2020**

Property Number	Property Name	City	Total HOME Units	IDIS #	Compliance End Date	No Longer Monitored Date	No Longer Monitored Reason	Year on-site inspection due	Date of Physical Inspection	Physical Inspection Findings	Date of Admin Records & File Review	Admin Records & File Review Findings	Compliance Status	# of units with violations
D0012	Northbridge Apartments	Albert Lea	26	8936	2/6/2024			2020	9/14/2021	N	11/20/2020	Y	All violations corrected	
D0232	Unity Place	Brooklyn Center	98	8339	7/10/2024			2020	9/23/2021	Y	8/10/2020	Y	Habitability violations noted in 8 units. No tenant file violations. Correction in process	8
D0246	Woodmere Apartments	Buffalo	54	7043	1/9/2023			2020	8/25/2021	Y	7/16/2020	N	All violations corrected	
D0489	Yorkdale Townhomes	Edina	22	8933	11/13/2028									
D0665	Jackson Family Housing	Jackson	12		8/8/2021	8/11/2021	Compliance obligations successfully fulfilled for full term							
D0703	Edgewood Townhomes (fka Groveland Estates)	Litchfield	29	7115	7/17/2023			2020	8/26/2021	Y	7/14/2020	N	All violations corrected	
D0734	Gus Johnson Plaza	Mankato	26	9345	3/16/2026			2020	1/29/2020	Y	12/31/2020	Y	All violations corrected	
D0854	Seward Square	Minneapolis	19	9238	4/22/2025									
D1130	Storybrook Apartments	Pipestone	12	8231	8/9/2023			2020	8/12/2021	N	7/15/2020	N		
D1194	Jordan Tower II	Red Wing	86	9850	12/10/2039									

D1552	Lewis Park Apartments	Saint Paul	63	9239	5/9/2025			2020	8/27/2021	Y	7/22/2020	N	All violations corrected	
D1886	Northern Oaks (aka Three Rivers Duplexes)	Northfield	8		12/31/2026			2020	9/14/2021	N	10/26/2020	N		
D1893	Fisher Townhomes	Fisher	10		11/21/2030									
D2391	West Birch Estates	Princeton	8		10/12/2028			2021	9/9/2021	Y	9/8/2021	Y	Habitability violations in one unit and tenant file violations in 2 units. Correction in process.	3
D2393	Ridgeview Court Townhomes	Paynesville	8		11/1/2028			2020	9/16/2021	N	8/20/2020	N		
D3370	Ebenezer Tower	Minneapolis	43	9344	7/1/2031			2020	8/18/2021	Y	10/6/2020	N	All violations corrected	
D3468	Como By The Lake	Saint Paul	24	10068	10/22/2033									
D3475	Maryland Park	Saint Paul	32	9381	1/5/2026			2020	9/20/2021	Y	10/28/2020	N	Habitability violations noted in 1619 building and in 5 units. No tenant file violations. Correction in process	5
D3524	Morningside Terrace / Bluff View Flats	Winona	26	9709	4/5/2027			2020	10/1/2021	Y	9/3/2020	N	All violations corrected	
D3787	New San Marco Apartments	Duluth	6	4944	6/4/2028			2020	9/8/2021	N	8/25/2020	N		
D7586	Minneapolis Portfolio Preservation (MP3)	Minneapolis	183	9577	1/21/2027									
D7713	Seward Towers East and West	Minneapolis	122	9710	8/4/2027			2020	10/5/2021	N	12/22/2020	Y	All violations corrected	
D7717	Solace Apartments	Saint Peter	16	100090	12/6/2037			2020	9/22/2021	Y	9/10/2020	N	Habitability violation in one unit. Correction in process.	1

D7718	Maplewood Apartments	Saint Peter	24	9711	5/4/2032			2020	9/22/2021	N	12/17/2020	Y	Habitability violation noted in one unit. Correction in process.	1
D7858	Riverview Apartments & Hilltop Villas	Sebeka	23	9851	2/3/2034			2021	9/16/2021	N	9/28/2021	Y	Tenant file violations in two units and issue with occupancy data entry on one unit. Correction in process.	3
D7963	Amorce II	Robbinsdale	32	9958	4/2/2034									
D8108	Le Sueur Meadows II	Le Sueur	27	10347									Affordability period not started.	
D8118	North Moorhead Village	Moorhead	18	10354									Affordability period not started.	
D8121	Dublin Heights	Mankato	26	10197	11/6/2039			2021	6/3/2021	Y	6/2/2021	N	All violations corrected.	
D8122	White Oak Estates	Baxter	8	10198				2021	6/17/2021	N	6/17/2021	N		



**Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)**

Minnesota Housing has provided a *HOME Compliance Guide* to owners and management agents of each HOME-assisted rental property. The guide covers all HOME compliance issues including leases, rents, incomes, maintaining unit mix, affirmative marketing, and property standards.

Minnesota Housing's guides for lending or development promote and require compliance with fair housing laws and regulations. Minnesota Housing requires Affirmative Fair Housing Marketing Plans for the marketing and occupancy of assisted units in developments of five units or more. Owners are required to review Affirmative Fair Housing Marketing Plans every one to two years, and as part of its inspection procedures, Minnesota Housing will review to determine if updates are needed.

Note that HOME funds historically were available primarily in non-entitlement areas, which are less diverse and may have limited previous opportunity for HOME-funded projects to serve a higher percentage of people of color or Hispanic ethnicity.

**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**

Minnesota Housing does not separately track activities (or parts of activities) that are funded with program income, which the agency uses in accordance with grant specific accounting and which may be used simultaneously with new grant funds. Tracking project, owner, and/or tenant characteristics separately is impossible; however, since program income is not used for purposes different from entitlement funds, characteristics presumably would be the same as entitlement-funded activities.

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

Minnesota Housing requests funding proposals from housing sponsors under a consolidated application process. The agency combines tax credits with amortizing mortgages and deferred loans using state appropriations, agency resources, and contributions from funding partners to make tax credit developments more affordable to lower income households.

Based on an assessment of local housing needs, Minnesota Housing has developed and updated a tax credit allocation plan that gives preference to certain types of development, e.g., those that serve the lowest income households and/or high-priority homeless, preserve federally assisted housing, and/or provide increased geographic choice. The state's most recent Qualified Allocation Plan and priorities for housing tax credit allocation may be viewed at: [Tax Credits](#)

In 2020, Minnesota Housing awarded 9% housing tax credits in the amount of \$12.2 million that resulted in total of 605 affordable rental units; and suballocators allocated an additional \$3.9 million in tax credits for 269 units.

## 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	210	178
Tenant-based rental assistance		
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds		
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds		

Table 14 – HOPWA Number of Households Served

### Narrative

The state provided housing assistance to 178 households through the use of HOPWA funds for short-term rent, mortgage, and utility assistance payments to prevent homelessness for an individual or family. Eight of these households were assisted through HOPWA-CV funds. The five-year plan projected 210 households be served with HOPWA funds in 2021. Across the five years if the plan, the goal for HOPWA is to serve 1,100 households and is based upon HUD projections for Minnesota through formula modernization, which will be phased in over a five year period.

Since 1999, Minnesota Housing has received an annual allocation of HOPWA funds from HUD to provide housing assistance and support services to people outside the 13-county Twin Cities metro area (which is served through a grant to the City of Minneapolis). Minnesota Housing and the Department of Human Services collaborate to undertake outreach efforts to help meet the needs of people with HIV/AIDS living in Greater Minnesota. This collaboration allows for greater coordination in the implementation of HIV/AIDS related projects.

Minnesota Housing received \$252,520 in HOPWA funds and \$36,749 in HOPWA-CV funds in FFY2021 and committed this funding to Rainbow Health, formerly known as JustUs Health. Rainbow Health has established statewide networks to deliver assistance in areas of need throughout Greater Minnesota. Rainbow Health's Greater Minnesota emergency housing assistance program has worked closely with HIV service providers in Greater Minnesota, including the Mayo Clinic's HIV Clinic and Social Services, the Rural AIDS Action Network, and Rainbow Health's own case management program in Duluth.

Using HOPWA assistance, Rainbow Health provides short-term rent, mortgage, and utility (STRMU) assistance to prevent the homelessness of eligible individuals or families. The additional HOPWA-CV

funds will enable Rainbow Health to provide more STRMU assistance to eligible households affected by the COVID-19 pandemic through FFY21-22.

**CR-56 – HTF NEW SECTION**

**Describe the extent to which the grantee complied with its approved HTF allocation plan and the requirements of 24 CFR part 93.**

Tenure Type	0 – 30% AMI	0% of 30+ to poverty line (when poverty line is higher than 30% AMI)	% of the higher of 30+ AMI or poverty line to 50% AMI	Total Occupied Units	Units Completed, Not Occupied	Total Completed Units
Rental	0	0	0	0	0	0
Homebuyer	0	0	0	0	0	0

**Table 15 - CR-56 HTF Units in HTF activities completed during the period**

**Narrative**

No NHTF projects were completed in FY 2021.

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

## ESG Supplement to the CAPER in *e-snaps*

### For Paperwork Reduction Act

#### 1. Recipient Information—All Recipients Complete

##### Basic Grant Information

Recipient Name	MINNESOTA
Organizational DUNS Number	804832640
EIN/TIN Number	411599130
Identify the Field Office	MINNEAPOLIS
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Minneapolis/Hennepin County CoC

##### ESG Contact Name

Prefix	Mr
First Name	ISAAC
Middle Name	D
Last Name	WENGERD
Suffix	0
Title	Agency Policy Specialist

##### ESG Contact Address

Street Address 1	MN Dept Human Services
Street Address 2	444 Lafayette St.
City	St. Paul
State	MN
ZIP Code	55164-
Phone Number	6514313815
Extension	0
Fax Number	6514317309
Email Address	ISAAC.WENGERD@STATE.MN.US

##### ESG Secondary Contact

Prefix
First Name
Last Name
Suffix
Title
Phone Number
Extension
Email Address

## 2. Reporting Period—All Recipients Complete

**Program Year Start Date** 10/01/2020  
**Program Year End Date** 09/30/2021

### 3a. Subrecipient Form – Complete one form for each subrecipient

**Subrecipient or Contractor Name:** MINNESOTA

**City:** Saint Paul

**State:** MN

**Zip Code:** 55101, 1938

**DUNS Number:** 804832640

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Unit of Government

**ESG Subgrant or Contract Award Amount:** 0

**Subrecipient or Contractor Name:** THREE RIVERS COMMUNITY ACTION COUNCIL

**City:** Zumbrota

**State:** MN

**Zip Code:** 55992, 0157

**DUNS Number:**

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 70000

**Subrecipient or Contractor Name:** WEST CENTRAL MINNESOTA COMMUNITIES

**City:** ELBOW LAKE

**State:** MN

**Zip Code:** 56531,

**DUNS Number:**

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 42500

**Subrecipient or Contractor Name:** United Community Action Program

**City:** Willmar

**State:** MN

**Zip Code:** 56201, 3304

**DUNS Number:** 037473485

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 293812.5

**Subrecipient or Contractor Name:** KOOTASCA COMMUNITY ACTION, INC.

**City:** Grand Rapids

**State:** MN

**Zip Code:** 55744, 3982

**DUNS Number:**

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 30000

**Subrecipient or Contractor Name:** LAKES AND PRAIRIES COMMUNITY ACTION PARTNERSHIPS

**City:** Moorhead

**State:** MN

**Zip Code:** 56560, 2083

**DUNS Number:** 039375647

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 100000

**Subrecipient or Contractor Name:** RED LAKE HOMELESS SHELTER, INC

**City:** Redlake

**State:** MN

**Zip Code:** 56671, 0280

**DUNS Number:** 623149254

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 72500

**Subrecipient or Contractor Name:** SALVATION ARMY ROCHESTER

**City:** Rochester

**State:** MN

**Zip Code:** 55906, 3706

**DUNS Number:** 125485958

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Faith-Based Organization

**ESG Subgrant or Contract Award Amount:** 106000

**Subrecipient or Contractor Name:** SCOTT CARVER DAKOTA CAP

**City:** Shakopee

**State:** MN

**Zip Code:** 55379, 1840

**DUNS Number:** 085104610

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 186881

**Subrecipient or Contractor Name:** Churches United for the Homeless

**City:** Moorhead

**State:** MN

**Zip Code:** 56560, 2307

**DUNS Number:** 364422857

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Faith-Based Organization

**ESG Subgrant or Contract Award Amount:** 175000

**Subrecipient or Contractor Name:** Mahube-Otwa Community Action Partnership

**City:** Detroit Lakes

**State:** MN

**Zip Code:** 56501, 2722

**DUNS Number:** 037473071

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 80000

**Subrecipient or Contractor Name:** New Pathways  
**City:** Cambridge  
**State:** MN  
**Zip Code:** 55008, 1519  
**DUNS Number:** 044054570  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 51750

**Subrecipient or Contractor Name:** Ours to Serve House of Hospitality, Inc.  
**City:** Bemidji  
**State:** MN  
**Zip Code:** 56601, 2918  
**DUNS Number:** 962478096  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 100000

**Subrecipient or Contractor Name:** Partners for Affordable Housing  
**City:** Mankato  
**State:** MN  
**Zip Code:** 56001, 4430  
**DUNS Number:** 015129260  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 42464.5

**Subrecipient or Contractor Name:** Salvation Army - Brainerd  
**City:** Brainerd  
**State:** MN  
**Zip Code:** 56401, 3506  
**DUNS Number:** 081033115  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Faith-Based Organization  
**ESG Subgrant or Contract Award Amount:** 12000



**Subrecipient or Contractor Name:** Salvation Army - St. Cloud

**City:** Saint Cloud

**State:** MN

**Zip Code:** 56304, 1247

**DUNS Number:** 002805922

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Faith-Based Organization

**ESG Subgrant or Contract Award Amount:** 100000

**Subrecipient or Contractor Name:** Semcac

**City:** Rushford

**State:** MN

**Zip Code:** 55971, 8812

**DUNS Number:** 066860073

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 28000

**Subrecipient or Contractor Name:** Grace House of Itasca County

**City:** Grand Rapids

**State:** MN

**Zip Code:** 55744, 3835

**DUNS Number:** 799149344

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 85000

**Subrecipient or Contractor Name:** Arrowhead Economic Opportunity Agency

**City:** Virginia

**State:** MN

**Zip Code:** 55792, 2776

**DUNS Number:** 082523713

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 87500

**Subrecipient or Contractor Name:** A Place for You  
**City:** Pine City  
**State:** MN  
**Zip Code:** 55063, 1530  
**DUNS Number:** 758511277  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 70000

**Subrecipient or Contractor Name:** Servants of Shelter of Koochiching County  
**City:** International Falls  
**State:** MN  
**Zip Code:** 56649, 2241  
**DUNS Number:** 079386356  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 52500

**Subrecipient or Contractor Name:** Stepping Stone  
**City:** Anoka  
**State:** MN  
**Zip Code:** 55303, 1161  
**DUNS Number:** 362238870  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 112500

**Subrecipient or Contractor Name:** Inter-County Community Council, Inc.  
**City:** Oklee  
**State:** MN  
**Zip Code:** 56742, 0189  
**DUNS Number:** 964802607  
**Is subrecipient a victim services provider:** N  
**Subrecipient Organization Type:** Other Non-Profit Organization  
**ESG Subgrant or Contract Award Amount:** 37500

**Subrecipient or Contractor Name:** Prairie Five CAC

**City:** Montevideo

**State:** MN

**Zip Code:** 56265, 1352

**DUNS Number:** 055557813

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 40000

**Subrecipient or Contractor Name:** Bi-County Community Action Program, Inc.

**City:** Bemidji

**State:** MN

**Zip Code:** 56601, 8669

**DUNS Number:** 087682670

**Is subrecipient a victim services provider:** N

**Subrecipient Organization Type:** Other Non-Profit Organization

**ESG Subgrant or Contract Award Amount:** 45000

## **CR-65 - Persons Assisted**

### **Changes to CR-65 Persons Assisted Reporting**

HUD has transitioned ESG Persons Assisted reporting from CR-65 (embedded within the CAPER report) to the Sage Repository for HUD reporting. As a result, beginning in 2021 this section will no longer be completed. An ESG CAPER statewide report with similar data (downloaded from the Sage system) will be an attachment to the state's overall published CAPER.

## CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

### 8. Shelter Utilization

Number of New Units - Rehabbed	0
Number of New Units - Conversion	0
Total Number of bed-nights available	325,055
Total Number of bed-nights provided	304,282
Capacity Utilization	93.61%

Table 15 – Shelter Capacity

### 9. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

#### SHELTER GOAL

GOAL: 9,300 individuals in households receiving safe, adequate emergency shelter.

OUTCOME: 7,519

The goal of sheltering 9,300 individuals was not achieved in 2021, largely due to the pandemic and the required reductions in congregate shelter capacity and increased cost of quarantine and isolation hotels.

#### PREVENTION/RAPID RE-HOUSING GOALS

GOAL: 275 persons are stably re-housed.

OUTCOME: The goal of stably re-housing 275 persons in households (total for prevention and rapid re-housing) was not achieved, as 272 persons achieved this outcome in 2021

GOAL: 75 percent of households exiting rapid re-housing will exit to permanent destinations.

OUTCOME: Achieved. 81 percent of households exiting rapid re-housing (137 of 170) exited to permanent destinations.

## CR-75 – Expenditures

### 11. Expenditures

#### 11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Expenditures for Rental Assistance	0	0	40,203
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	20,147
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	149,044
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
<b>Subtotal Homelessness Prevention</b>	<b>0</b>	<b>0</b>	<b>209,394</b>

Table 16 – ESG Expenditures for Homelessness Prevention

#### 11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Expenditures for Rental Assistance	0	0	175,563
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	31,450
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	235,193
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
<b>Subtotal Rapid Re-Housing</b>	<b>0</b>	<b>0</b>	<b>442,206</b>

Table 17 – ESG Expenditures for Rapid Re-Housing

#### 11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Essential Services	0	0	697,520
Operations	0	0	487,709
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>1,185,229</b>

Table 18 – ESG Expenditures for Emergency Shelter

**11d. Other Grant Expenditures**

	Dollar Amount of Expenditures in Program Year		
	2019	2020	2021
Street Outreach	0	0	0
HMIS	0	0	18,184
Administration	0	0	157,951

**Table 19 - Other Grant Expenditures**

**11e. Total ESG Grant Funds**

Total ESG Funds Expended	2019	2020	2021
2,012,964	0	0	2,012,964

**Table 20 - Total ESG Funds Expended**

**11f. Match Source**

	2019	2020	2021
Other Non-ESG HUD Funds	0	0	0
Other Federal Funds	0	0	0
State Government	0	0	2,012,963
Local Government	0	0	0
Private Funds	0	0	0
Other	0	0	0
Fees	0	0	0
Program Income	0	0	0
<b>Total Match Amount</b>	<b>0</b>	<b>0</b>	<b>2,012,963</b>

**Table 21 - Other Funds Expended on Eligible ESG Activities**

**11g. Total**

Total Amount of Funds Expended on ESG Activities	2019	2020	2021
4,025,927	0	0	4,025,927

**Table 22 - Total Amount of Funds Expended on ESG Activities**

## Public Comments and State Responses

### Response to FFY2021 CAPER Public Comments

The state received one letter of public comment on the 2021 CAPER from MICAHA. The following is the letter from MICAHA with the state responses in italics font.

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METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING

*“Do justice, love mercy, walk humbly with your God.” Micah 6:8*



November 30, 2021.

**Thank you for the opportunity to comment on the Minnesota FY2021 CAPER. (MICAHA's Comments are in bold)**

**MICAHA appreciates that many of the comments we have made on previous Consolidated Plans and QAP plans have been implemented by the State over the past few years. We look forward to working together with the State agencies to prevent homelessness, assist people experiencing homelessness with their immediate needs as we work to ensure everyone in Minnesota has a safe, decent, accessible home (rental/homeownership) that is affordable for them.**

**MICAHA recommends that in addition to breaking out information by race and ethnicity, to also identify age of the Head of Households. We have a silver tsunami of seniors struggling with maintain and accessing housing that is affordable to them.**

**Senior s:62 and over**

**Youth: under age of 25**

**Adults: age 25-61**

*Thank you for highlighting this important emerging trend, and it has been included in the updated CAPER Section CR-25, Homeless and Other Special Needs.*

**It would be helpful to have information on those who do not have English as their primary oral language or are not literate in any language, depending on others for interpretation.**

*Unfortunately, for the ESG program this is not part of the HUD Universal Data Elements which are collected as part of the CAPER reporting process.*

Page 7

**a. Why did the use of CDBG funds have such a poor performance in only serving 13 people of color, 23 Hispanics and it served 1004 whites?**

*DEED's CDBG funds are specifically for non-entitlement communities in the Greater Minnesota area. Unlike the Metropolitan areas, populations of people of color are not represented in every Greater Minnesota community. Racial demographics are captured for housing projects as*



eligibility is determined based on the participating households. However, racial demographics are not being captured in the IDIS reporting system for public facility projects as eligibility is based on area benefit activity (LMA); 51% of the beneficiaries must be low and moderate households.

**It appears most of CDGG funds went to Caucasian business owners and Caucasian home owners  
What is the plan for CDBG funds to distributed in a more equitable way?**

*DEED continues to encourage grantees to conduct effective community outreach and to promote Fair Housing, Section 3 and CDBG programs to include households of color.*

*DEED's CDBG funds are provided to eligible non-entitlement local unit of government (cities, counties, townships) through a competitive application process. These funds must meet one of three national objectives: benefit to low-and-moderate income persons, aid in prevention or elimination of slum and blight conditions or to meet an urgent need. Since DEED's CDBG funds are only available to non-entitlement communities in the Greater Minnesota area, the number of households of color assisted is very different than in the metropolitan areas as the populations of people of color are not represented in every Greater Minnesota community. The racial demographics for commercial property owners are not collected in the IDIS reporting system as the emphasis is on prevention or elimination of slum and blight conditions. DEED recognizes the need for funds to be distributed in an equitable manner and encourages grantees to have a robust and inclusive community engagements to provide outreach to BIPOC households in their respective communities. Grantees are also encouraged to seek out interpreters to assist any potential eligible BIPOC household with the application and project rehabilitation process. DEED continues to promote Fair Housing, Section 3 and CDBG. In DEED's training workshops, the importance of citizen participation is emphasized to local units of government and implementing agencies. Through these efforts, DEED is striving to make definitive steps in recognizing and addressing disparities in the Greater Minnesota area.*

**b. Table ESG numbers I think it incorrect.**

Current table says  
Hispanic 8768  
Not Hispanic 807

*Thank you for noting this error; it has been corrected.*

Page 21

**With great need for Housing at incomes under 50% median income only about 41% went to these income groups with only about 20% going to people with incomes under 30% median income.**

Extremely Low-income 62  
Low-income 67  
Moderate-income 177  
Total 306

*We agree that we need more capital funding to develop deeply affordable rental housing. We are requesting \$250 million in Housing Infrastructure Bonds and are pursuing a new use for rental housing that would prioritize housing at 30-50% AMI because building housing at deeper affordability levels requires more resources.*

*Meanwhile the programs reported on in this CAPER only include a small subset of agency resources. This year, with no HOME or NHTF units showing as completed during the year, Minnesota Housing did not report on affordability achieved in these programs.*

*As per HUD requirements, CDBG funds for housing projects are available to assist low and moderate income (LMI) households with income at or below 80% county median income. As reported in IDIS, 94% of beneficiaries of CDBG rehabilitation housing programs in 2021 had*

*incomes at or below 80% of HUD median income. As part of the application process at the local unit of government level, gross incomes are reviewed to determine applicants eligibility. Funding opportunities are then provided to those that meet HUD's income limit threshold.*

**Page 22 The Homeless PIT has always been an under count of people experiencing homelessness. The archaic PIT system , of counting people experiencing homelessness does not account for people experiencing homeless outside of HUD's extremely restrictive definition and penalizes communities in accessing bonus funds, if they do a good unsheltered count and their numbers increase over the previous year**

*The limitations of the PIT have been more clearly delineated in the updated CAPER Section CR-25, Homeless and Other Special Needs. While the limitations are significant, it is currently the only statewide point in time or other count of homelessness conducted on a yearly basis.*

The Minnesota Interagency Council on Homelessness is led by the Lieutenant Governor and includes 13 Cabinet-level agencies and the Metropolitan Council and it is accountable for leading the State's efforts to achieve housing stability for all Minnesotans.. **MICAH continue to recommend the State includes people who have experienced homelessness, that are not a part of MN State Government, at decision making tables like the MICH so the solutions come from the people impacted not bureaucrats.**

*The Council seeks input in a variety of forums and will continue to explore ways to enhance our engagement with people who recently or are currently experiencing homelessness.*

#### **Page 23**

The Minnesota Interagency Council on Homelessness (MICH) has committed to focus its next strategic plan on housing, racial, and health justice.

**MICAH continues to recommend the expansion of this plan to include Housing as Basic Right/ Need, and to also include Livable Income, Education and Training , and Equity for everyone. It would be helpful to have information on serving those who do not have English as their primary oral language or are not literate in any language, depending on others for interpretation.**

*The Council appreciates these suggestions and hope MICAH will participate in the community engagement processes to further define and shape the plan.*

**Page 24 Please add information on Trusted Messenger Program and how it was designed and operated by diverse people many who have experienced homelessness and this program has assisted in increasing rate of people vaccinated that are experiencing homelessness. MICAH is honored to help coordinate this program with ACER for MDH.**

*Thank you for your work on this effort. The Trusted Messenger Program is beyond the scope of this report.*

DHS has implemented a new structure for the RFP and granting process in 2019 with the goal to make the process more equitable and accessible. The RFP process incorporated several new strategies including having focus groups with people with lived experience to determine priorities for funding, having people with lived experience on the review panel, conducting interviews with applicant agencies about their projects before making funding decisions to honor oral tradition as opposed to simply relying on a written proposal. **MICAH strongly recommends all State agencies working on homelessness and housing crises to implement similar procedure.**

*The Council appreciates this comment and this recommendation; some other state programs do have similar or related processes in place and others are in the process of establishing similar processes.*

#### **Page 25**

Minnesota Legislature made an appropriation of **\$125,000 per year to support the statewide Homeless Management Information System (HMIS)**. This system helps housing and service providers to more effectively coordinate assistance and services to meet the needs of the homeless or near-homeless people. Minnesota Housing and the Department of Human Services annually supports the operation of HMIS, **How much does DHS support HMIS?** along with contributions from providers and CoCs **How much?. In 2021, Minnesota Housing contributed \$350,000 to HMIS. Thank you for identifying the amount MN Housing spends per year.**

*Under the current 27-month contract, DHS provided \$1.9 in funding to the state's HMIS Administrator. The contract deliverables included hundreds of reports and program-specific deliverables for 13 state and federal homeless and housing programs.*

**MICAH believes Minnesota, until the 2020 COVID-19 pandemic, was spending more on data collection than it appropriated for Emergency Shelters.**

*In SFY21, The state appropriated \$2.2M in Emergency Services Program (ESP) for shelters in SFY21 (not related to COVID-funding). To support data collection and reporting for Emergency Shelters receiving State or Federal Funds, DHS provided the HMIS administrator with \$75,000 in federal Emergency Solutions Grant (ESG) funding for SFY2021.*

In August 2019, the Center for Medicare and Medicaid Services (CMS) approved the Minnesota Department of Human Services (DHS) plan to add Housing Stabilization Services to the state's Medicaid plan. The new services for seniors and people with disabilities were launched by DHS in July 2020. **MICAH believes this can be very helpful but recognizes the limited capacity of many homeless providers to manage the Medicaid Billing system vs the simplicity of just receiving Long Term Supportive Services funding from the State or HUD. To increase the use of the Medicaid program, the State will need to create easy systems for billing through potentially an existing provider.**

*DHS recognizes some homeless providers may need additional capacity to make the most effective use of the new Medicaid Housing Stabilization benefit. The State has worked closely with Managed Care Organizations and has made new investments in technical assistance for providers as well as internal staffing and systems in an on-going effort to streamline and improve the enrollment and billing process for providers.*

**Page 27 Minnesota Department of Veterans Affairs- MICAH appreciates the work to reduce Homeless Veterans; but from reports we have heard from formerly Homeless Veterans the registry significantly undercounts the number of Veterans still homeless in MN.**

*The Council appreciates you flagging this concern and welcomes assistance promoting the streamlined way that Veterans experiencing homelessness can get connected to appropriate supports, by calling 1-888-LinkVet (546-5838) or by completing this online form: [https://mn.gov/mdva/assets/2020-05-21-statewide-tennessen-warning\\_tcm1066-433087.pdf](https://mn.gov/mdva/assets/2020-05-21-statewide-tennessen-warning_tcm1066-433087.pdf)*

**MICAH strongly supports the HYA programs and Hotel to Home models. While we believe that some youth and adults may need and want supportive housing; supportive housing should not be the only/primary option for you to get housing- just because you are poor doesn't mean you need supportive housing. Probably many of us writing and responding to comments have been poor at some point in our lives too and did not need or use supportive housing.**

Minnesota's Homeless Youth Act (HYA) program funds outreach, emergency shelter, transitional living programs, supportive housing and service to homeless youth across the state. The annual funding levels and number of youth served are as follows:

2015 \$3,119,000 5,594 Youth  
2016 \$4,119,000 14,961 Youth  
2017 \$4,152,000 12,332 Youth  
2018 \$5,619,000 12,662 Youth  
2019 \$5,619,000 12,165 Youth  
2020 \$5,619,000 12,412 Youth

*The Homeless Youth Act is unique in its flexibility to provide a range of services, assistance and housing models depending on the need of the youth experiencing homelessness. This continuum of services available from service providers across the state include outreach, drop-in services, emergency shelter, transitional living and supportive housing.*

Minnesota Housing places a priority in its Request for Proposals and funding selection process on rental housing development that includes units of supportive housing for high priority homeless individuals. Most developments that receive funding have at least some supportive housing units.

As a part of the COVID-19 response for people experiencing homelessness, providers have partnered with the with county, city, and state to support a "hotel-to-home" that has been used to bring hundreds of people sleeping outside into hotel units and on a path to housing. DHS adapted the state's Housing Support and Emergency Services Program resources for this "hotel-to-home" model, people eligible for Housing Support could ultimately leave their hotel to move to a private-market affordable rental housing

Pages 26-27

The five Foundational Service Practices are: 1. Know the housing status of people served 2. Actively reach out to the homeless 3. Limit requirements for in-person appointments 4. Assist with gathering required verifications/ documentation 27 5. Allow for multiple methods of communication about benefits and services. **What is the plan to have all agencies implement this plan across all programs?**

*A number of Council agencies have implemented program changes to promote these practices resulting in improved access for people experiencing homelessness and others, and they remain recommendations for all programs to adopt to the greatest extent possible.*

Page 28

The state recognizes the need for preservation and rehabilitation of federally assisted affordable housing, and provides General Obligation Bond proceeds for rehabilitation under Minnesota Housing's Publicly Owned Housing Program, but Minnesota had no specific goal in the Action Plan for 2021 to provide financial or other assistance to troubled PHAs in the state. **Do you know the racial ethnic breakdown of people served with GO Bonds? Will the state have goals in next 5 year plan to address the need for preservation and rehabilitation of federally assisted affordable housing?**

*As reported in the 2020 program assessment, 24.1% of households in properties assisted by GO Bonds through the Publicly Owned Housing Program are Black, Indigenous, and People of Color.*

*Minnesota Housing currently has a strategic priority to preserve federally assisted affordable housing. The planning efforts for the next five year plan are just underway and we encourage participation in that process in early spring 2022.*

Page 29

In its five-year plan, Minnesota identifies that the greatest unmet housing need is among extremely low income renters (<30% are median income) and moderate income homeowners (51%-80% of are median income) **If these are the priorities, then the resources in all programs should be targeted to these priorities. Why is that not happening?**

*The State balances several of the priorities in the five year plan, including meeting the needs of low and moderate-income households for the CDBG program. Minnesota Housing allocates HOME and NHTF resources to rental new construction and rehabilitation serving low-income households, and for NHTF, extremely low income (30% AMI). While HOME units are available to low-income households, the median income of households served by HOME units is just 13.3% of the state median income as of the 2020 Program Assessment.*

[https://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA\\_250150.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533152629695&ssbinary=true](https://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA_250150.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533152629695&ssbinary=true)

*As per HUD requirements, CDBG funds for housing projects are available to assist low and moderate income (LMI) households with income at or below 80% county median income and CDBG funds for public facility projects are available to assist cities/counties where eligibility is based on the community meeting 51% low and moderate beneficiaries on an area basis (LMA). As reported in IDIS, 94% of beneficiaries of CDBG rehabilitation housing programs in 2021 had incomes at or below 80% of HUD median income. Grantees are processing applications based on HUD's income eligibility requirements on a first come first serve basis.*

### **Page 30**

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j) DEED requires that all proposed housing rehabilitation projects on homes built prior to 1978 complete a lead risk assessment by a certified risk assessor. All lead hazards identified must be included in the rehabilitation work conducted by a certified renovator (EPA RRP training) and workers. A lead based paint abatement supervisor is required if the total lead work of the project exceeds \$25,000. Grantees must provide all housing occupants the required handouts and lead hazard information pamphlet and collect owner acknowledgement of receipt. If lead is found through an assessment, all notices in 24 CFR Part 35 must be provided. **This is very helpful; but about 1 in 3 homes in Minnesota, (according to MDH) have lead paint. MICAH recommends the State support the Lead Safe Homes Bill and use Federal ARP funds to immediately test and encapsulate the paint of any home with lead paint.**

*The MFIP payment standard is set by the Minnesota Legislature and administered by the Department of Human Services.*

### **Pages 30-31**

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j) The Minnesota Family Investment Program (MFIP) is the state's major public assistance initiative for low-income families with children (funded with a combination of federal TANF and state funds). MFIP's three main goals are to help people leave and remain independent of welfare, obtain and keep jobs, and increase income/decrease poverty. **MFIP payment standards must be a livable income so people can take care of their basis needs like housing, food, utilities, and clothing. If those needs are not met, it creates additional barriers to make transition to self- reliance successful**

*The MFIP payment standard is set by the Minnesota Legislature and administered by the Department of Human Services. While the standard remains insufficient to cover the cost of housing, the Legislature did increase the maximum possible grant a family could receive by \$100/month in 2020, and introduced an annual cost of living adjustment in 2021.*

Actions taken to develop institutional structure. 91.220(k); 91.320(j): **MICAH recommends including people have experienced homelessness and/or housing crises at decision making tables to help identify and make recommendations for changes in these areas.**

*The state is beginning the 2022-2026 Consolidated Planning process and expects to conduct engagement during early 2022. We appreciate the comment to include people who have experienced homelessness and/or other housing crises in these efforts.*

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j) **MICAH recommends including people who have experienced homelessness and/or housing crises at decision making tables to help identify and make recommendations for changes in these areas. MICAH also recommends developing set asides in funding in each program for newer non- profits from diverse communities and/ or have experienced homelessness housing crises.**

**Page 33** State of Minnesota Analysis of Impediments to Fair Housing Choice Federal Fiscal Year 2021 Report **MICAH very pleased to see Minnesota has significantly increase its in emphasis on Affirmatively Furthering Fair Housing with specific plans to address disparities and discrimination.**

Fair Housing is an important issue across the country; it is crucial that low-income households have access to affordable housing free from discrimination in communities of their choice. **MICAH recommends you add: and access to opportunities in every community.**

*The Analysis of Impediments to Fair Housing Choice will be amended in the planning for the 2022-2026 Consolidated Plan in 2022. At that time, new or modified action items may be added.*

*Thank you for the input, we encourage you to participate in the engagement opportunities that will be available during the planning process.*

**Page 34**

Challenge 1.a. | Rental Housing in Poor Condition Rental housing in poor condition is the top barrier found across the state, particularly for the most vulnerable low-income renters from protected classes under fair housing law. Minnesota Housing and partners prioritize preserving federally assisted housing and existing affordable housing to ensure conditions are safe as part of the state's key actions to improve conditions. Additionally, supporting tenant education of their rights helps to address this challenge. **MICAH recommends addressing lead paint and lead pipes as a part of the work in this area. Disproportionate number of the at least 700 children poisoned by lead ( primarily from lead paint according to MDH) are from diverse communities.**

*The Analysis of Impediments to Fair Housing Choice will be amended in the planning for the 2022-2026 Consolidated Plan in 2022. At that time, new or modified action items may be added.*

*Thank you for the input, we encourage you to participate in the engagement opportunities that will be available during the planning process.*

**Page 36** Action: Continue support for HOME Line as a hotline for tenants' rights. **MICAH strongly supports this action.**

Challenge 1.b. | Insufficient housing for large families In Minnesota, large families and immigrant families face much higher rates of cost burden and overcrowding than other types of renters. Large families are also disproportionately affected by difficulties in finding landlords who accept Section 8 and are met with markets with smaller units. Single family homes are often better sized and configured for larger families. **In addition to single family homes available for larger families, MICAH recommends flexibility in design of 3 and 4 Bedroom rental units to allow for a common door between units ( similar to how motel connect rooms) to allow the flexibility to create 7 Bedroom units in rental properties as needed.**

*Thank you for the comment to consider flexibility in rental units to allow a common door between units. Minnesota Housing establishes minimum design standards to help meet Minnesotans' needs for decent, safe and sustainable affordable housing that can be found here:*

[https://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA\\_247791.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533153076560&ssbinary=true](https://www.mnhousing.gov/sites/Satellite?blobcol=urldata&blobheadername1=Content-Type&blobheadername2=Content-Disposition&blobheadername3=MDT-Type&blobheadervalue1=application%2Fpdf&blobheadervalue2=attachment%3B+filename%3DMHFA_247791.pdf&blobheadervalue3=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1533153076560&ssbinary=true)

### Pages 37-39

Action: For homeownership activities, continue to support the enhanced financial capacity program in reaching large immigrant families, prioritize large family housing in the Impact Fund, provide priorities for large families in down payment assistance, and evaluate how these priorities reach large families. **MICAH was pleased to work with MHFA, African Leadership Forum and 30 diverse organizations in development and implementation of this program in 2013-14 and it becoming a permanent program at MN Housing. We support significantly expanding this program, implementing and funding the HOME Law passed in 2014 and involving the diversity of community members in developing and designing appropriate programs for their community. We support working through social service agencies serving refugee cultures and others whose primary language is not English so that training is culturally appropriate in terms of educational level and financial understanding.**

*Thank you for your involvement in the enhanced financial capacity program. We appreciate the comments about expanding the program. Priorities for HOME investments for the next five years will be set in the 2022-2026 consolidated plan, which will occur during the first part of 2022.*

Page 39 The Landlord Risk Mitigation Fund program ended its fourth year of a five-year pilot on 8/31/21. As of this date, 178 households have exited the program. Data indicates that the program is effectively targeting households with high barriers. **MICAH strongly supports this program and was pleased to have the MICAH South Chapter develop and get this passed with bi partisan support!**

**Page 41** Action: Continue to prohibit properties with funding through Minnesota Housing from refusing to lease to a tenant based on the status of the tenant as a voucher-holder or recipient of similar rental assistance. **MICAH strongly supports this action. MICAH believes the State should support all (legal) sources of income protections- which would require landlords to accept Housing Choice Vouchers.**

**Page 43** Action: Support efforts to review where investments in creation, preservation, and rehabilitation of affordable housing is occurring relative to areas of concentrated poverty and economic opportunity to encourage a full range of housing choices. (For example, helping to keep HousingLink's Low Income Housing Tax Credit development database current to report distributions). **MICAH supports this and requested this in our Fair Housing Complaint against the State in 2015.**

### Page 44

Challenge 2.c. | Challenges accessing economic and other opportunities Racially segregated communities have experienced disinvestment and continue to experience disinvestment that reduces economic opportunities in these communities. Accessing opportunities disproportionately impacts persons with Limited English Proficiency. Action: Promote contracting opportunities for women and Black, Indigenous, and People of Color-owned business entities in all programs. **MICAH recommends you require this type of contracting to access State and Federal funds.**

*Minnesota Housing has established specific goals for contracting with Black, Indigenous, or People of Color owned businesses or Women owned businesses. Projects with deferred financing through Minnesota Housing trigger the Black, Indigenous, and People of Color-owned Business Enterprise and Women-owned Business Enterprise marketing and outreach requirements and performance goals. Deferred financing includes the following state and federal programs: Economic Development and Housing Challenge (EDHC), Preservation Affordable*

Rental Investment Fund (PARIF), Publicly Owned Housing Program (POHP), Rental Rehabilitation Deferred Loan (RRDL), Housing Infrastructure Bonds (HIB), HOME Investment Partnerships (HOME), and National Housing Trust Fund (NHTF).

The owner/developer must take all necessary affirmative steps to help ensure that it and its contractors use Black, Indigenous, and People of Color-owned Business Enterprises and Women-owned Business Enterprises when possible, in accordance with Minnesota Housing's Multifamily Division Black, Indigenous, and People of Color-owned Business Enterprise and Women-owned Business Enterprise Compliance Guide, for all project related contract awards that exceed \$25,000.

**Page 47-50** Goal 3: Expand Access to Housing for Persons with Disabilities. **MICAH recommends use of operationalized goals with specific targets, not just encouragement.**

*Thank you for the comment. The State will be conducting an addendum to the current AI to update goals in 2022.*

**Page 51-53**

Goal 4: Address Limited Knowledge of Fair Housing Laws Through Education, Outreach, and Developing Tools and Resources The State of Minnesota will engage in collaborative approaches to expand education efforts . **In addition, MICAH recommends MN Department of Education to require middle school and high school student complete, prior to graduation, a landlord tenant class, financial literacy and impact of credit and criminal record on accessing housing and jobs. We support working through social service agencies serving refugee cultures and others whose primary language is not English so that training is culturally appropriate in terms of educational level and financial understanding.**

*Thank you for the comment. The State will be conducting an addendum to the current AI to update goals in 2022.*

**Pages 54- 56**

Goal 5: Decrease the Loss of Housing Through Displacement and Eviction: **MICAH recommends significant investment in this area. We cannot build new units fast enough to replace the 2000 units we are losing /year to just stay even and not address the growing need for housing for people at 30% median income and below. WE must prevent evictions whenever possible the impact to the people in the household, the cost to move and try to find housing in a tight market and potential of households becoming homeless- cost 5-10x more to tax payers than preventing the homelessness through financial resources and/or mediation.**

*Thank you for the comment. The State will be conducting an addendum to the current AI to update goals in 2022.*

God's peace,

Sue Watlov Phillips, M.A.

Executive Director MICAH

President, National Coalition For The Homeless

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