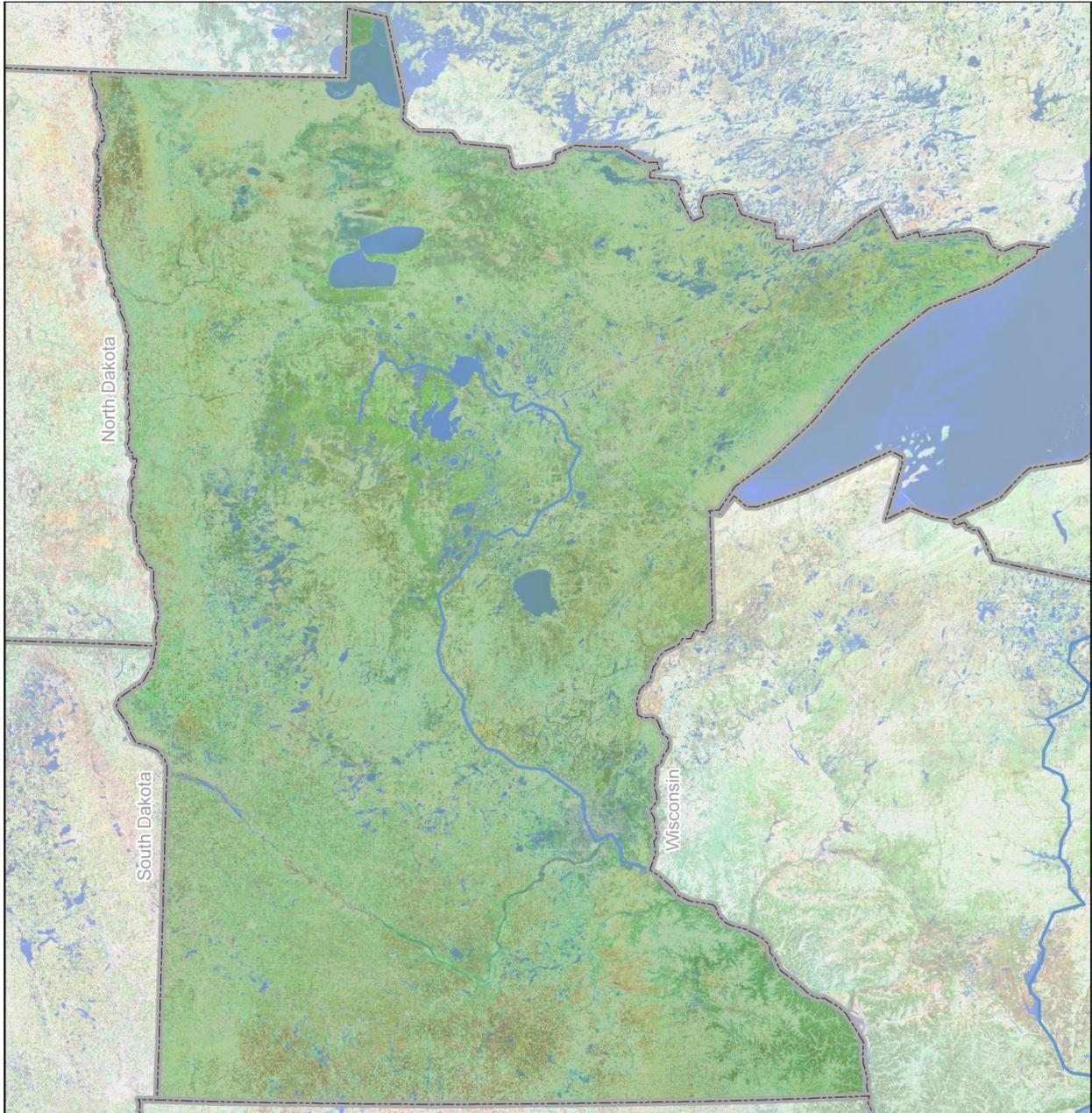


MINNESOTA CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT 2012 – 2016 VOLUME I



FINAL REPORT- REVISED
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MINNESOTA CONSOLIDATED PLAN FOR

HOUSING AND COMMUNITY DEVELOPMENT 2012 – 2016

Volume I

**Final Report
January 18, 2012**

Prepared for
Minnesota Department of Employment and Economic Development,
Minnesota Housing Finance Agency and
Minnesota Department of Human Services

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II. CONSOLIDATED PLAN DEVELOPMENT PROCESS

A. INTRODUCTION

In 1994, the U.S. Department of Housing and Urban Development (HUD) issued new rules consolidating the planning, application, reporting, and citizen participation processes for four formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grants (ESG),¹ and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process, termed the Consolidated Plan for Housing and Community Development, was intended to more comprehensively fulfill three basic goals: to offer decent housing, to provide a suitable living environment, and to expand economic opportunities.

According to HUD, the Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for housing and community development actions. It offers entitlements the opportunity to shape these housing and community development programs into effective, coordinated housing and community development strategies. It also allows for strategic planning and citizen participation to occur in a comprehensive context, thereby reducing duplication of effort.

As the lead agency for the Consolidated Plan for the State of Minnesota, the Minnesota Department of Employment and Economic Development (DEED), in coordination with the Minnesota Housing Finance Agency (Minnesota Housing), and the Department of Human Services (DHS), hereby follows HUD's guidelines for citizen and community involvement. Furthermore, these agencies are responsible for overseeing these citizen participation requirements, those that accompany the Consolidated Plan and the CDBG, HOME, HOPWA, and ESG programs, as well as those that complement the DEED planning processes already at work in the state.

PURPOSE OF THE CONSOLIDATED PLAN

The Minnesota Consolidated Plan for Housing and Community Development for 2012 to 2016 is the comprehensive five-year planning document identifying the needs and respective resource investments in satisfying the state's housing, homeless and non-homeless special population, community development, and economic development needs.

GOALS OF THE CONSOLIDATED PLAN

The goals of the programs administered by the DEED, Minnesota Housing, and DHS are to provide decent housing, a suitable living environment, and expanded economic opportunities for the state's low- and moderate-income residents. The agencies strive to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing needs and creating opportunities at the individual and local government levels, the agencies hope to improve the quality of life for all residents of the state. These goals are further explained as follows:

- *Providing decent housing* requires helping homeless persons obtain appropriate housing and assisting those at risk of homelessness, preserving the affordable

¹ Recently renamed the Emergency Solutions Grant

housing stock, increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination, and increasing the supply of supportive housing.

- *Providing a suitable living environment* entails improving the safety and livability of neighborhoods, increasing access to quality facilities and services, and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- *Expanding economic opportunities* involves creating jobs that are accessible to low- and moderate-income persons, making mortgage financing available for low- and moderate-income persons at reasonable rates, providing access to credit for development activities that promote long-term economic and social viability of the community, and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally-assisted and public housing.

B. MINNESOTA BACKGROUND AND TRENDS

DEMOGRAPHIC PROFILE

Between 2000 and 2010, the population in Minnesota increased from 4.9 million to 5.3 million persons, or by 7.8 percent. The majority of the population in 2000 and 2010 was white, and while this racial group showed an increase in population of 2.8 percent in the decade, all other racial and ethnic populations showed much larger increases. Notably, the black population increased by nearly 60 percent, and the Asian population increased by more than 50 percent, while the Hispanic ethnic population showed nearly a 75 percent growth rate. Geographic analysis of racial and ethnic data showed that most racial and ethnic minority populations were concentrated in and around the Twin Cities metro region and that concentrations have increased over time. Fifteen percent of the population aged 5 or older in Minnesota had one or more disabilities at the time of the 2000 census, and this population was also concentrated in some census tracts near the Minneapolis–St. Paul metropolitan area and in the tribal lands in the north central part of the state.

ECONOMIC PROFILE

From 1990 through 2010, the labor force in Minnesota, defined as persons either working or looking for work, rose from about 2.4 million to nearly 3 million persons. During the same time period, the unemployment rate generally stayed below 5 percent until 2008, when it increased due to the nationwide recession. In 2009, the unemployment rate stood at 8.1 percent, and in 2010, the rate was 7.3 percent, although both of these figures were below the national rate. In 2009, the real average earnings per job in Minnesota was \$48,863, and real per capita income was \$39,945, but both of these figures were just below national averages. In Minnesota, the poverty rate in 2000 was 7.9 percent, with 380,476 persons living in poverty, and more recent data suggest that the percentage may have increased to 10 percent. Persons in poverty were concentrated in some census tracts across the state such as in the tribal lands in the northern region and in and around Minneapolis.

HOUSING MARKET

In 2000, the State of Minnesota had 2.1 million total housing units, and the 2010 census count showed that the total housing stock increased to 2.3 million units. Of the housing stock counted in the 2000 census and reported in the 2009 ACS estimates, roughly 75 percent were single-family homes, followed by apartments at around 17 percent; the remaining housing stock was comprised of duplexes, tri-or four-plexes, mobile homes, or other housing types. Most housing units in Minnesota, around 90 percent in both the 2000 census and 2010 censuses, were counted as occupied units, with just under 75 percent of these units existing as owner-occupied housing and 25 percent as renter-occupied housing. However, homeownership declined from 74.5 percent in 2000 to 73 percent in 2010. The number of vacant units in the state increased from 2000 to 2010, by 52.2 percent, with the rental vacancy rate reaching nearly 7.9 percent in 2010. The number of “other vacant” housing units, or vacant units that are unavailable to the marketplace, increased by nearly 155 percent. The construction value of single-family dwellings generally increased from 1980 through 2010, with the 2010 value ending at \$216,953. Both homeowner and rental housing prices were higher in the urban areas of the state. Lead-based paint issues continued to be a problem in the state, but the number of children testing positive for unsafe levels of lead decreased over time. An evaluation of affordable housing in the state showed that assisted and supportive housing units are primarily available in the urban areas of Minnesota. There were 418,263 owner households and 255,287 renter households with an unmet housing need in 2010, such as a cost burden or overcrowding problem, and a disproportionate need existed for many minority racial and ethnic households. By 2016, there are expected to be roughly 610,023 owner and 271,832 renter households with housing problems in the state.

HOUSING AND HOMELESS NEEDS ASSESSMENT

Results from the 2011 Housing and Community Development Survey showed that the highest needs were indicated for activities in the rental housing market such as rental assistance, construction of affordable rental housing, and rental housing rehabilitation. Survey respondents suggested that there is a medium need for homeowner activities such as first-time homebuyer assistance and homeowner housing rehabilitation.

Homeless needs throughout the state are handled by 10 different Continuum of Care organizations. A count of the homeless population in the state showed that, on a given night in January 2011, more than 8,113 persons were homeless in Minnesota, including 1,509 homeless families with children and 1,083 chronically homeless persons.

Non-homeless special needs populations in the state include the elderly and frail elderly, persons living with disabilities, persons with alcohol or other drug addiction, victims of domestic violence, persons living with HIV and their families, persons recently released from prison, and veterans. These populations are not homeless but are at the risk of becoming homeless and, therefore, often require housing and service programs. The needs of special populations are relative to the programs currently provided. For example, the elderly population is expected to swell in the near future and will require increased access to home services as well as assisted living and nursing home facilities.

COMMUNITY DEVELOPMENT NEEDS ASSESSMENT

The 2011 Housing and Community Development Survey provided data on perceived community development needs. Some differences were seen in the perceived needs in the entitlement versus non-entitlement areas of the state. Business retention and attraction of new businesses were seen as high ranked needs in business and economic development activities, while street and road improvement received the highest need ranking in regard to infrastructure. In the entitlement areas of the state, childcare facilities and youth centers were seen as the highest need among community and public facilities, but these needs were not ranked as high in the non-entitlement areas of the state. Rankings for human and public services showed that transportation and employment services were viewed as a high need across the state. The highest-ranked needs in non-entitlement areas where state CDBG funds may be expended are in rental housing and retention of existing businesses.

C. FIVE-YEAR HOUSING AND COMMUNITY DEVELOPMENT GOALS, OBJECTIVES, AND STRATEGIES

The following list presents the overriding goals, objectives and strategies of the 2012 to 2016 Minnesota Five-Year Consolidated Plan for Housing and Community Development, including selected performance criteria associated with each strategy. Furthermore, there may be a need to direct such housing resources by use of project selection criteria, which may be updated annually based on year-to-year need and local circumstances.

HOUSING

Goal: Enhance affordable housing opportunities

Objective 1: Finance new opportunities for affordable housing

Strategy 1.1: Continue to provide entry-cost assistance to increase the ability of eligible borrowers to qualify for a mortgage loan

Performance Measurement: Number of homebuyers provided entry-cost assistance

Objective 2: Mitigate foreclosure impacts through prevention and remediation

Strategy 2.1: Provide entry-cost assistance to first-time homebuyers of foreclosed upon properties or properties in high foreclosure areas

Performance Measurement: Number of homebuyers provided entry-cost assistance to purchase foreclosed upon homes in high foreclosure areas

Objective 3: Preserve existing affordable housing stock

Strategy 3.1: Provide financing to preserve affordable rental housing through rehabilitation and/or purchase/rehabilitation.

Performance Measurement: Number of units preserved

Strategy 3.2: Provide financing to rehabilitate owner-occupied housing

Performance Measurement: Number of rehabilitated homeowner units

Strategy 3.3: Encourage and support the improvement of the capacity of nonprofit affordable housing developers and program administrators

Performance Measurement: Maintain or enhance the portion of high quality, successful applications for affordable housing development funding

Strategy 3.4: Provide funding in disaster situations when all other public and private funds have been exhausted

Performance Measurement: The measurement for the disaster activity that meets a federal objective

Objective 4: Increase the availability of affordable rental housing

Strategy 4.1: Finance affordable rental housing units through new construction

Performance Measurement: Number of new units awarded funds

Strategy 4.2: Encourage and support the improvement of the capacity of nonprofit affordable housing developers and program administrators

Performance Measurement: Maintain or enhance the portion of high quality, successful applications for affordable housing development funding

Strategy 4.3: Finance adaptive re-use of non-residential structures to rental uses

Performance Measurement: Number of non-residential structures converted to rental use

NON-HOUSING COMMUNITY DEVELOPMENT

Goal: Promote economic development and satisfy public facility needs throughout the non-entitlement areas of Minnesota, as administered through the Small Cities Development Program

Objective 1: Improve existing businesses through rehabilitation

Strategy 1.1: Improve existing commercial business through rehabilitation

Performance Measurement: Number of businesses rehabilitated

Objective 2: Enhance the economic climate of local communities

Strategy 2.1: Assist small communities through enhancement and expansion of existing business firms

Performance Measurement: Number of jobs created for low- to moderate-income persons

Strategy 2.2: Assist small communities through attracting start-up businesses

Performance Measurement: Number of jobs created for low- to moderate-income persons

Objective 3: Address community needs through improvements to public facilities and infrastructure throughout the non-entitlement communities of Minnesota

Strategy: 3.1: Assist small communities through enhancement of public facilities

Performance Measurement: Number of persons benefitting

Objective 4: Provide funding in disaster situations when all other public and private funds have been exhausted

Strategy: 4.1: Eligible funding and activities will be available through SCDP funds

Performance Measurement: The measurement for the disaster activity that meets a federal objective

HOMELESS AND SPECIAL NEEDS POPULATIONS

Goal 1: Homeless persons and those at-risk of homelessness are stably rehoused or diverted from shelter as quickly and effectively as possible;

Objective 1. Stably re-house homeless persons and those at-risk of homelessness.

Strategy 1.1: Provide short and medium-term tenant-based rental assistance and housing relocation and stabilization services.

Performance Measurement: # of individuals in households who are stably rehoused

Strategy 1.2: Provide emergency homeowner and renter assistance

Goal 2: Homeless families and individuals transition to stable, long-term housing situations.

Objective 2. Stably re-house homeless persons and those at-risk of homelessness.

Strategy 2.1: Provide short and medium-term tenant-based rental assistance and housing relocation and stabilization services.

Performance Indicator: # of individuals in households who remain stably rehoused at program exit.

Goal 3: Homeless persons, including special needs populations, have adequate emergency shelter;

Objective 3. Provide safe, adequate emergency shelter for homeless persons who have not yet been rehoused or diverted from shelter.

Strategy 3.1: Use available ESG funding (maximum amount allowable) to fund emergency shelters effectively serving these populations.

Performance Indicator: # of individuals in households receiving emergency shelter

II. Consolidated Plan Development Process

A. INTRODUCTION

In 1994, the U.S. Department of Housing and Urban Development issued new rules to consolidate the planning, application, reporting, and citizen participation processes for four formula grant programs: Community Development Block Grants (CDBG), Home Investment Partnerships (HOME), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The new single-planning process, termed the Consolidated Plan for Housing and Community Development, was intended to more comprehensively fulfill these basic goals:

1. *Provide decent housing*, which involves helping homeless persons obtain appropriate housing, retaining the affordable housing stock, and increasing the availability of permanent affordable housing for low-income households without discrimination and/or increasing supportive housing to assist persons with special needs.
2. *Provide a suitable living environment*, which entails improving the safety and livability of neighborhoods, including the provision of adequate public facilities; reducing isolation of income groups within communities through distribution of housing opportunities for persons of low-income; revitalizing deteriorating or deteriorated neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources.
3. *Expand economic opportunities*, which emphasizes job creation and retention, providing access to credit for community development, and assisting low-income persons achieve self-sufficiency in federally-assisted and public housing.

The Consolidated Plan is a three-part process comprising:

1. Developing a five-year strategic plan,
2. Preparing annual action plans, and
3. Submitting annual performance and evaluation reports.

The first element referred to above, the strategic plan, also has three parts:

1. A housing market analysis;
2. A housing, homeless, and community development needs assessment; and
3. Establishment of long-term strategies for meeting the priority needs of the state.

HUD asks that priority objectives be built upon specified goals that flow from quantitative and qualitative analyses of needs identified in the five-year planning process. Program funding is ensured by completing these documents on time and in a format acceptable to HUD.

Furthermore, the Minnesota Consolidated Plan is designed to be a collaborative process whereby the State can establish a unified vision for housing and community development actions. It offers the State the opportunity to shape housing and community development programs into effective and coordinated housing and community development strategies. It also creates the opportunity for citizen participation and strategic planning to take place in a comprehensive context and to reduce duplication of effort throughout Minnesota.

Thus, the Consolidated Plan functions as:

II. Consolidated Plan Development Process

- A planning document for the State of Minnesota, which builds on a participatory process among citizens, organizations, businesses, and other stakeholders;
- A submission document for federal funds under HUD's formula grant programs;
- A strategy document to be followed in carrying out HUD's programs; and
- A management tool for assessing performance and tracking results.

The Minnesota Consolidated Plan for Housing and Community Development for 2012 to 2016 is the comprehensive five-year planning document identifying needs and respective resource investments in satisfying the state's housing, homelessness and non-homeless special needs populations, community development, and economic development needs.

B. COMPLIANCE WITH HUD REGULATIONS

As the lead agency for the Consolidated Plan, the Minnesota Department of Employment and Economic Development (DEED) and its consolidated planning partners, the Housing Finance Agency (Minnesota Housing) and the Department of Human Services (DHS), followed the federal guidelines regarding public involvement, evaluation of quantitative and qualitative data, needs assessment, strategy development, priority setting, and the formulation of objectives. Minnesota's Consolidated Plan for 2012 to 2016 was prepared in accordance with 24 CFR Part 91 applicable to state government.

Furthermore, the DEED, Minnesota Housing, and DHS are responsible for overseeing citizen participation requirements, those that accompany the Consolidated Plan and the HOME Investment Partnerships (HOME), the Emergency Shelter Grant (ESG) programs, and the Housing Opportunities for Persons With AIDS (HOPWA). These agencies encourage citizens throughout Minnesota to participate in the development of the Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), and substantial amendments to the Consolidated Plan. As the plans are prepared, hearings are conducted for public input and comment. Consequently, these agencies strongly encourage public participation and consultation with other organizations as an essential means of identifying community needs. The citizen participation process was formulated at the beginning of the plan development process and is presented in the Citizen Participation Plan (CPP), as noted in the Technical Appendix.

The objectives of the CPP are to ensure that the citizens of Minnesota, particularly persons of low- and moderate-incomes, persons living in slum and blight areas, units of local government, public housing agencies, and other interested parties, are provided with the opportunity to participate in the planning and preparation of the Consolidated Plan, including amendments to the Consolidated Plan, Annual Action Plan, and the Annual Performance Report.

Map II.1, on the following page, shows the geographic study area for the Consolidated Plan.

Map II.1
State of Minnesota
 Census Bureau Data, 2010



LEGEND

Minnesota

Census Tract Boundaries	US Highways
Tribal Land	Interstate Highway
Forest Service Land	County Seats — Population > 10,000
Bureau of Land Management Land	Minnesota State Boundary
National Parks Service Land	

Data Source: ESRI Datasets, 2010 TIGER Data, USGS

0 50 Miles

C. INSTITUTIONAL STRUCTURE AND COORDINATION

The delivery of affordable housing programs, authorized by the federal government and Minnesota state legislature, is centralized in Minnesota Housing. DEED is the primary administrator and provider of CDBG funds in the non-entitlement areas of the state. Minnesota Housing and DHS share the delivery of supportive housing programs for persons experiencing homelessness. DHS is primarily responsible for the delivery of services for persons with special needs because many persons DHS serves are homeless.

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit and faith-based organizations, homeowner educators and counselors, and local governments throughout the state. The State relies on these entities to administer a number of affordable and supportive housing programs, to identify housing needs at the local level, and to encourage the development of affordable housing.

Recognizing the need for the accessibility and effectiveness of assistance programs for low- and very low-income persons, Minnesota Housing has worked to increase the participation of local nonprofits and other nontraditional lenders in delivering its programs. These nontraditional participants provide a greater opportunity to coordinate the delivery of assistance and to better target funds to persons with the greatest need.

Minnesota Housing chairs the Interagency Council on Homelessness, a group of state agencies that includes the following state departments: Corrections, Employment and Economic Development, Human Services, Housing, Public Safety, Education, Health, and Veterans Affairs, with the Department of Human Services represented by the offices of Mental Health, Chemical Health, Economic Opportunity, and Community Living Supports. The Interagency Council coordinates and supports the regional Continuum of Care committees, regional advisory groups to the Family Homeless Prevention and Assistance Program, Minnesota's work on the Homeless Management Information System (HMIS), and all state programs impacting homelessness.

To prevent and end homelessness, the Interagency Task Force on Homelessness has been established to:

- Investigate, review, and improve the current system of service delivery to persons 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 Homeless Prevention and Assistance Program.

The Minnesota HIV Housing Coalition was formed in 1993 to facilitate 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 in priorities for the expenditure of HOPWA funds. Minnesota Housing and the City of Minneapolis collaborate in allocating HOPWA funds to projects throughout the state for

which sponsors seek assistance through the Request for Proposal process. Minnesota Housing continues to seek input from DHS on outreach efforts to ensure that the State addresses the needs of the HIV/AIDS population outside of the 13-county Twin Cities metro area. The City of Minneapolis administers HOPWA inside the Twin Cities metro area. DHS, which has a broad understanding of regional HIV/AIDS issues and programs, is the official administrator of federal Ryan White Part B and AIDS Drug Assistance Program (ADAP) funding for Minnesota. As the Part B Grantee, DHS is charged with addressing the needs of persons living with HIV throughout the entire state of Minnesota. DHS has access to comprehensive needs assessment information through its involvement with the Minnesota Ryan White HIV Services Planning Council.

The Interagency Stabilization Group (ISG) has been working with local nonprofits and units of government since 1993. The ISG coordinated funds for the stabilization and preservation of qualifying assisted rental housing. ISG members include Minnesota Housing, the Family Housing Funds, the McKnight Foundation, the Minneapolis Community Development Agency, the St. Paul Planning and Economic Development Department, LISC, HUD and the Federal Home Loan Bank.

The Greater Minnesota Interagency Preservation Work Group is a consortium of public and nonprofit agencies created to work together to cooperatively address the preservation of federally-assisted rental housing in Minnesota outside of the Minneapolis–St. Paul metropolitan area. Participants include Minnesota Housing, HUD, USDA Rural Development, DEED, the 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 more strategically target their combined resources.

The Stewardship Council members represent the stakeholders involved in the development of supportive housing for previously homeless persons, including those created by the Minnesota Business Plan to End Homelessness. There is a Metropolitan Council for the seven-county metropolitan area and a Greater Minnesota Council. The Council believes that, to truly increase the supply of supportive housing units in Minnesota, it is essential to preserve the existing supply of units.

The Council membership includes housing development and human service representatives from federal, state, county, city, and private philanthropic agencies as well as from Minnesota's Business Plan to End Homelessness. The Stewardship Council also works closely with nonprofit agencies that offer training and technical assistance to owners such as Hart-Shegos & Associates, Minnesota Housing Partnership, Corporation for Supportive Housing, and others.

The State supports the development of Continuum of Care (CoC) plans throughout Minnesota. Minnesota Housing has provided funds for regional development of CoC plans with matching grants from the Greater Minnesota Housing Fund. Currently, there are 10 CoCs regions in Minnesota. Committees have developed plans that identify and describe regional homelessness, assistance needs of persons experiencing homelessness or persons at risk of becoming homeless, gaps in regional service delivery for persons who are

homeless, and a plan for addressing these gaps. The CoCs conduct annual point in time counts, track the homeless assistance housing inventory, and apply for annual funding through the HUD CoC Notice of Funding Availability (NOFA). These communities also develop region-wide plans to end homelessness in coordination with Minnesota's Business Plan to End Long-Term Homelessness and Heading Home Minnesota. Local plans align goals and objectives with the federal plan and the state's roadmap to end homelessness.

Both Minnesota Housing and DHS consult the CoC Committees in the process of reviewing and selecting proposals for funding under ESG, transitional housing programs, the Family Homelessness Prevention and Assistance Program (FHPAP), and permanent supportive housing for persons experiencing long-term homelessness. DHS offers each CoC committee the opportunity to participate in the proposal review process through which funding recommendations are determined for ESG as well as other DHS-administered programs. This allows CoC committees to have input into how ESG funds are spent in their community and ensures that funds are directed toward meeting gaps in their CoC systems. Developments with long-term homeless supportive housing units are awarded points based on the local CoC and Heading Home plan priorities. FHPAP applicants must coordinate planning efforts with the local CoCs.

Many areas of the state may find the competition for funds difficult or unsuccessful due to disparities in the ability of local providers to obtain or administer assistance. Minnesota Housing receives state appropriations for the Operating Support Program (formerly known as the Nonprofit Capacity Building Grant Program), which provides training to nonprofit organizations, tribal organizations, and local governments to increase their capacity to provide affordable housing. Minnesota Housing also funds a predevelopment Nonprofit Capacity Building Revolving Loan Program, using Minnesota Housing reserves to cover a portion of the pre-development costs typically incurred in developing an affordable housing project. Community Housing Development Organizations (CHDOs) working on HOME projects are eligible to apply for these predevelopment assistance programs.

Minnesota Housing has made an extensive effort to identify and work with CHDOs in its HOME programs since 1991. Minnesota Housing has certified 29 organizations as CHDOs. Since 1995, Minnesota Housing has used up to 5 percent each year of HOME funds to provide operating support to CHDOs.

GAPS IN THE DELIVERY SYSTEM

Although there is program delivery capacity in all areas of the state for some type of housing program, there are gaps in the current institutional structure in the development of capacity for long-term rental housing in rural and suburban areas and nonprofit development capacity for all types of affordable housing. Smaller communities with limited local and federal resources do not have the capacity to apply for or to deliver complicated programs from a variety of governmental sources. These capacity constraints were discussed at the public meetings. In some areas of the state, multi-county Housing Redevelopment Authority (HRA) and Community Action Agency (CAA) have provided the delivery capacity that individual communities could not provide or afford.

OVERCOMING GAPS

The State has worked hard to overcome the gaps in service delivery and to build capacity in the institutions that deliver housing and community development services. Organizations that address these issues include the Interagency Council on Homelessness (chaired by Minnesota Housing), the State Interagency Long Term Care Planning Committee, the Minnesota HIV Housing Coalition, the Minnesota Coalition for the Homeless, the Minnesota Housing Partnership, the Local Initiatives Support Corporation in both the Twin Cities and Duluth, the Minnesota Homeownership Center, the Emerging Markets Homeownership Initiative, the Metropolitan Interfaith Council on Affordable Housing, the Metro-wide Engagement on Shelter and Housing, the Corporation for Supportive Housing, the Minnesota Veterans Interagency Task Force, the Interagency Stabilization Group, the Stewardship Council, and the Greater Minnesota Interagency Preservation Work Group.

The Family Housing Fund and the Greater Minnesota Housing Fund are conduits of philanthropic resources to support affordable housing initiatives throughout the state. Both funds work closely with Minnesota Housing to distribute affordability and community development support resources for a variety of initiatives ranging from homeless prevention, development support for affordable single-family and multifamily projects, and homeowner education and counseling support. In the latter two instances, the funds provide resources in cooperation with Minnesota Housing to provide organizations with a “one-stop shop” to streamline funding distribution.

The Minnesota Homeownership Center is an umbrella organization that supports comprehensive homeowner training services throughout the state on both a pre-purchase and post-purchase basis, including foreclosure prevention. The Center provides a degree of standardization and quality control for the Homeownership Advisors Network that provides education and counseling throughout the state. At this point, such services are provided in most counties. The Minnesota Homeownership Center also works with Minnesota Housing, the Family Housing Fund, and the Greater Minnesota Housing Fund to provide capacity building and other funding support for the Network.

The Emerging Markets Homeownership Initiative (EMHI) is a program of the Minnesota Homeownership Center designed to increase homeownership opportunities for Minnesota’s emerging markets. The Minnesota Homeownership Center and its EMHI programming support the homeownership industry in service to communities of color by offering knowledge, tools, and connections.

ANTI-POVERTY STRATEGY

In Minnesota, there is a statewide network of Community Action Agencies (CAAs) and tribal governments with a common purpose: to fight poverty and the effects of poverty in Minnesota communities. The goals of these agencies are to better focus available local, state, private, and federal resources to assist low-income individuals and families to acquire useful skills and knowledge, gain access to new opportunities, and achieve economic self-sufficiency. Each agency assesses needs, establishes priorities, determines strategies to respond to local poverty issues, and delivers a broad range of services and activities to strengthen self-reliance.

The specific programs delivered by the CAAs and tribal governments include:

- Energy Assistance – financial assistance toward energy bills for low-income households;
- Weatherization – weatherization of homes of low-income households to reduce heat loss and increase heating efficiency;
- Financial Literacy Programming – includes Family Assets for Independence in Minnesota, a program that matches low-income households' income with state, federal, and private funding for the purpose of buying a home, furthering education, or starting a business. Other forms of financial literacy programming include tax preparation assistance, budget counseling, and general financial education;
- Food Shelves and various nutrition programs – food for households experiencing emergencies through the network of locally-run food shelves;
- Head Start – assists low-income families break the cycle of poverty by improving the health and social competence of children up to age 5 and pregnant women and by promoting economic self-sufficiency for parents;
- Homeless Programs – assists households or individuals who are at risk of being homeless, currently homeless, or who were previously homeless and are receiving follow-up services;
- Housing Construction, Rehabilitation, and Assistance – development of long-term, low-income housing including the rehabilitation of unoccupied housing and the provision of rental housing assistance;
- Congregate Dining and Meals on Wheels – provides meals for senior citizens in congregate setting or meals that are home-delivered to senior citizens or disabled individuals;
- Economic Development and Business Start-Up – subsidizes business ventures for low-income households; and
- Transit and Transportation Alternatives – provides bus passes, tokens, or rides to low-income persons and vehicle donation and repair programs.

These agencies also lead and participate in local collaborative efforts involving health departments, education institutions, employment and training providers, child care centers, governmental agencies, faith-based organizations, and others.

Obstacles to Meeting Underserved Needs

A major obstacle to meeting underserved needs is insufficient funding. While the State of Minnesota is a leader among states in appropriating funds for affordable housing, the need continues to exceed available resources, especially resources that are the most useful for providing housing for extremely low-income families.

D. CONSULTATION ACTIVITIES

As part of the consolidated planning process, the DEED, Minnesota Housing, and DHS consulted with a wide variety of organizations in order to gain understanding of the housing and community development stage. This Consolidated Plan represents a collective effort from a broad array of entities in Minnesota, ranging from advocacy groups for persons with disabilities to community development organizations. Economic development consultation activities were also undertaken, particularly in regard to CDBG funds, and included outreach to private industry, businesses, developers, and social service agencies.

Private, nonprofit, and public organization representatives, including mayors, county managers, and commissioners; county or planning and development district administrators; persons interested in the CDBG program; persons interested in the HOME program; persons associated with Continuum of Care organizations; and the State Department of Health were contacted through email correspondence, online surveys, and face-to-face interactions. These persons were solicited to discuss housing and community development needs in Minnesota, including the ranking of those needs and activities that the DEED, Minnesota Housing, and DHS might consider in better addressing needs throughout the state. Further, individuals were asked to provide additional insight into prospective barriers and constraints to addressing housing and community development needs in Minnesota.

In addition to the activities undertaken as part of the formal consolidated planning process, the DEED, Minnesota Housing and DHS participate in a host of consultative meetings with many of the groups identified in the Consolidated Planning regulations on the issues of community development, housing and homelessness. Following are some examples of these groups.

CONSULTATION WITH EDUCATION, HOMELESS YOUTH AND VETERANS-SERVING GROUPS

The Minnesota Department of Education (MDE) is a member of the Minnesota Interagency Council on Homelessness (MICH). MICH subcommittees include Continuum of Care Planning, Family Homelessness Prevention and Assistance Program implementation, and HMIS oversight. The work of the MDE to assist homeless youth in the school system is integrated into the work of all of these groups and subcommittees. Likewise, members of MICH assist in the review of MDE Education of Homeless Youth grants. Members of MICH who provide technical assistance to FHPAP advisory groups and Continuum of Care committees have encouraged these groups to recruit homeless school liaisons to be members of their committees.

Various members of the MICH participated in a one day planning retreat organized by the Veterans Administration on dealing with the needs of homeless veterans. The chair of the HMIS governing group is also the executive director of the Minnesota Assistance Council for Veterans (MACV), the largest service provider to homeless veterans in the state. MDHS has also consulted with MACV, a recipient of funding through the Veterans Administration to provide services and rental assistance to homeless veterans in throughout the state.

The Office of Economic Opportunity (OEO), which administers the ESG funds, is also the recipient of homeless youth funding from both the Minnesota legislature Runaway and Homeless Youth Act funding and the federal government Support Services for Rural Homeless Youth. The OEO has a staff person who specializes in the area of homelessness for the youth population. That person is a member of several committees aimed at addressing the homeless youth issue.

CONSULTATION WITH PUBLICLY FUNDED INSTITUTIONS AND SYSTEMS OF CARE

- Minnesota state statute directs Minnesota Housing to convene the Minnesota Interagency Council on Homelessness, through which State agencies, including DEED, Minnesota Housing, DHS, the Department of Health, the Department of Veterans Affairs, the Department of Corrections, the Department of Education, the Office of Justice Policy meet to discuss and plan the uses of state resources to address homelessness. Specifically DHS includes the following divisions: Chemical Health, Mental Health, Community Living Supports, and the Office of Economic Opportunity. Since the State oversees publicly funded mental health facilities and directly operates the state prison system, consultation on discharge planning from these institutions to the homeless response system is accomplished through these meetings. Other public institutions, such as the foster care system, is administered at the county level but overseen by the State

In the state of Minnesota we are working on improving the transition of youth coming out of foster care. Our state is working on incorporating the federal Fostering Connections law and strengthening our foster care transition services so that youth can stably transition into adulthood. The state Healthy Transitions Program provides funding to nonprofits to help youth who are aging out of foster care gain Independent Living Skills, first month's rent and damage deposits as well as identified goals within the state and local plans to end homelessness.

The state of Minnesota has a continuum of services for youth which includes homeless prevention, street outreach, drop-in center services, emergency shelter, transitional housing and permanent supportive housing. These programs are not at the capacity to serve the

entire need but do provide services and are working in collaboration with the McKinney Vento Homeless Liaisons through the school districts, the child welfare systems, juvenile justice systems and health related services.

CONSULTATION WITH BUSINESS AND CIVIC LEADERS

Business and civic leaders were included in the list of agencies that were sent the aforementioned Consolidated Plan survey seeking comment on community development, housing and homeless needs and priorities. Through the tri-partite boards of the Community Action Agencies, business and civic leaders play a role in the local implementation of programming administered by the CAP's.

CONSULTATION WITH HEALTH AND CHILD SERVICE ORGANIZATIONS ON LEAD-BASED PAINT HAZARDS

The State has provided training on lead-based paint hazards and has monitored ESG grantees to ensure that providers are knowledgeable and in compliance with HUD regulations. State health and child welfare departments were consulted and an examination of data related to lead-based paint hazards and poisonings were involved in the development of the plan see the discussion on page 59. The Department's Public Health Data Access provides facts and figures on blood lead testing, blood lead levels, and risk factors.

CONSULTATION WITH CONTINUUM OF CARE(S)

The DHS hosts a monthly meeting of all Continuum of Care Coordinators. Also in attendance are staff from various state administered homelessness programs as well as HUD CPD staff. Issues such as accessing HUD Super NOFA funding, the allocation of program resources, development of common assessment tools, performance measurement and HMIS as these issues relate to the CoC's are discussed at these meetings.

State government has a long standing relationship with the CoC's dating back to their inception in the 1990's. Representatives from the Minnesota Interagency Council on Homelessness subcommittee on Continuum of Care Planning send representatives to all Continuum of Care regional meetings.

Allocation: The State's competitive RFP process for ESG funds has always included, and will continue to include, the opportunity for each CoC representative(s) to participate in the evaluation of applications for funding. CoCs have taken advantage of this opportunity and offered meaningful and important input into the allocation of ESG funds in their regions.

Performance Standards and Evaluation: The State has initiated several meetings with CoC representatives from within the balance of state to discuss and solicit input for our

preliminary ESG performance standards and goals, particularly for the relatively new homelessness prevention and rapid re-housing activities. The initial set of outcomes for these ESG-funded activities are described in the Outcomes Measures and Performance Standards section of this Plan.

The State recognizes that the performance of ESG projects, particularly ESG homelessness prevention and rapid re-housing activities, will affect the performance of the CoC region as a whole. For this reason, the State will continue to engage CoC representatives (particularly after CoC performance standards are published in more detail) about the ways in which individual ESG project outcomes can contribute to the success of the CoC as a whole.

At the same time, the availability of funding, regional economic hardships, system failures of larger Federal and State programs at meeting the needs of homeless or at-risk persons will all collectively impact the region's success at ending homelessness, shortening the average length of time spent homeless, or other proposed performance standards for CoCs.

Policies and Procedures for HMIS: The State is an active participant in the HMIS Governing Group, which oversees the operation and administration of Minnesota's statewide HMIS system. The Governing Group includes representatives from each of the 13 Continuum of Care regions in the state, as well as persons who were formerly homeless, various advocacy organizations, providers serving specific populations such as youth and veterans, and funders. State staff are members on the HMIS Governing Group, making joint decisions with CoC representatives regarding the administration of HMIS.

Each CoC representative is also responsible for ensuring HMIS receives adequate funding in part through their region's CoC funding process. Additionally, CoC representatives work on subcommittees to develop and refine policies and procedures for governance and operation of the State's HMIS system.

E. EFFORTS TO ENHANCE CITIZEN INVOLVEMENT

Public involvement began in September 2011 and extended over a period of several months. Two key steps were taken in the involvement process: the implementation of three focus group meetings, which represented an assembly of experts in housing and community development issues for the State of Minnesota, and a set of five regional forums, during which time citizens were provided the opportunity to offer feedback and input regarding the Consolidated Plan.

The focus groups, which occurred September 21 and 22, 2011, were held with the purpose of drawing upon the expert knowledge of stakeholders and gathering their perspectives on barriers and constraints encountered in Minnesota's housing and community development arena. The focus groups included housing and community development professionals and stakeholders from organizations around the state, covering topics such as homelessness and housing preservation.

Input was also received at five regional forums, held October 18, 19, and 20, 2011, in Grand Rapids, Detroit Lakes, Saint Cloud, Marshall, and St. Paul. The State invited citizens to attend the informational sessions provided throughout the state to educate the public about programs available and any modifications that were made. Following the protocol set forth in the Minnesota Citizen Participation Plan, the public was notified and encouraged to provide comment. Affidavits of publication are presented in the Technical Appendix. Representatives from local governments, nonprofits, businesses, and state and local governments participated.

Additionally, Minnesota Housing develops an Affordable Housing Plan that directs how the agency will use its state, agency, and federal funds each year, and some findings from that plan have been incorporated herein, including the specific public input process. In preparation of the Affordable Housing Plan for October 2011 through September 2012, Minnesota Housing held five regional meetings throughout the state to seek input from stakeholders, including representatives of American Indian tribes, regarding affordable housing topics.

Invite list for Citizen Participation and Survey

Minnesota Housing

Minnesota Multi-housing Association
Minnesota Counties Association
League of Minnesota Cities
Minnesota NAHRO
Council on Black Minnesotans
Chicano/Latino Affairs Council
Council on Asian Pacific Minnesotans
Minnesota Indian Affairs Council
Minnesota State Council on Disability
Minnesota Newspapers Association (100,000 circulation)
E-News Listserve (Minnesota Housing)

DEED

EDAM-Economic Development Association of Minnesota
MAPCED-Minnesota Association of Professional County Economic Developers
Iron Range Economic Alliance
Minnesota Legal Aid
Minnesota Legal Services Coalition
Internal SCDP mail lists
MN Department of Health-Lead Poisoning

DHS

Shelter and Transitional housing providers list

NAAHO, Duluth

Minnesota Consolidated Plan Input
Focus Session 10:00am 9/22/2011

<u>Name</u>	<u>E-mail Address</u>
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Dick Sackerson	dicksackerson@smig.net
Vince Robinson	vince@dri-services.com



II. Consolidated Plan Development Process

Sept. 21 9-11 am Human Services Homelessness Focus Group

name	organization	email
Richard Amos	St. Stephens Human Service	ramos@ststephensmhs.org
Nicole Witstine	Home Line	nwitstine@gmail.com
Michael Dahl	HOME Line	michaeld@homelwinn.org
Vicki Forden	MN HOUSING	vicki.forden@stpl.mn.dhs.gov
Janeen Burton	Bowl Forte	jburton@bowlforte-rsn.gov
Kim Crawford	LifeHose Duluth	Kim.crawford@life-hous.org
Stephanie Battle	Yusa St Paul	slattle@yusastpaul.org
Julie Manwarren	Simpson Housing	jmanwarren@simpsonhousing.org
Rhonda Otteson	Heartland CAA	rhonda.o@heartlandcaa.org
Greg Owen	Wilderv	greg.owen@wilder.org
Liz Kroppach	MCH	lkroppach@yahoo.com
Mary Hlland-Evans	Three Rivers Community Action	mary.hllanderans@Three riverscap.org
Michele Smith	HUD	michelsmith michele.k.smith @hud.gov

II. Consolidated Plan Development Process

Housing Preservation Focus Group
September 21, 2011

St. Minnesota Housing

License Plate Number
(if you parked in the Wall Street Lot)

Dollie Crowther



Minneapolis

10 Crowther 839

Darielle Dannen



MCCD

160 8AY

~~Rick Goodeman~~



~~SWMHP~~

Julie LaSota



Minnesota Housing

Cynthia Lee



CommonBond Communities

TWV 364

Barbara McCormick



PPL

Amy McCulloch



GMHF *651-221-1997*

4669-Bldg

Diane Nordquist



St. Paul

~~Janet Pope~~



~~JL Pope Associates~~

via phone

Bill Reinke



CMHP

SLB-250

II. Consolidated Plan Development Process

Jim
Chris
Pat L

Consolidated Plan and AI -Citizen Participation Marshall-AmericInn October 19, 2011, 3 - 6 pm			
NAME	Email	Organization	√ if hard copy of survey needed
✓ Laura Milhardt	laurap5@willmar.net.com	Prairie Five	
✓ Laurie Hendrickson	lauriep5@willmar.net.com	Prairie Five	
✓ Jodi Hermann	bst@bcn@midconetwork.com	BSC-HRA	
✓ Nancy Lee	bschra@midconetwork.com	Big Stone County	
✓ Jeff Gladis	jeff.gladis@wcahe.org	Western Community Action	
✓ Barb Kirchner	barbk@swmhp.org	SWMHP	
✓ Jacki Anderson	jacki.anderson@umveoc.org	UMVRDC	
✓ Michele Wells	Michele.L.Wells@state.mn.us	DOE	
✓ Christine Berger	Christine@dsi-services.com	DSI	
✓ Vince Fleming	Vince@dsi-services.com	DSI	

F. PUBLIC REVIEW

The draft report for public review was released on November 30, 2011, which initiated a 30-day public review period. This report was available online and was also available in printed form in several locations.

III. DEMOGRAPHIC AND ECONOMIC PROFILE

A. INTRODUCTION

The following narrative examines a broad range of socio-economic characteristics, including population growth, race and ethnicity, disability, poverty, and unemployment rates. Data were gathered from the U.S Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the U.S. Department of Housing and Urban Development (HUD). This information was used to analyze the state’s current social and economic complexion and to determine prospective trends and patterns of growth in the next five years.

B. DEMOGRAPHIC TRENDS

The Census Bureau reported significant levels of detail about the demographic characteristics of geographic areas in each of the decennial census enumerations. However, some data were not reported in the most recent census, so data from the Census Bureau’s American Community Survey (ACS), including one-year estimates and five-year data averages, were used to supplement decennial census data. While ACS data provided a useful tool, data were not directly comparable to traditional census data; however, population shares may be used in analysis.

TOTAL POPULATION

Table III.1, at right, shows the change in population that occurred in Minnesota from the census count in 2000 through the most recent population count for 2010. Overall, the population increased from 4.9 million to 5.3 million persons in 2010. This was an increase of nearly 8 percent over the 10-year period.

Table III.1	
Population Change	
State of Minnesota Census Bureau Data	
Year	Total
2000	4,919,479
2010	5,303,925
% Change 00 - 10	7.8

POPULATION BY RACE AND ETHNICITY

The characteristics of the population in Minnesota can also be examined by race and ethnicity. Table III.2, on the following page, presents the breakdown of the population in the state by race and ethnicity from 2000 and 2010 census data. In terms of race, in 2000, the majority of the population, 89.4 percent, was white, followed by the black population, at 3.5 percent; Asian, at 2.9 percent; and two or more races, at 1.7 percent. As for ethnicity, persons of Hispanic descent comprised 2.9 percent of the population at the time of the 2000 census.

By 2010, some changes were seen in the racial and ethnic makeup of the population in Minnesota. For example, in regard to racial groups, the white population showed the smallest total increase in population of only 2.8 percent and also decreased in population share, to 85.3 percent. Several groups, including black, Asian, and “other” races, showed increases in excess of 50 percent. The Hispanic ethnic population showed a growth rate of nearly 75 percent, increasing from 2.9 percent to 4.7 percent of the total population.

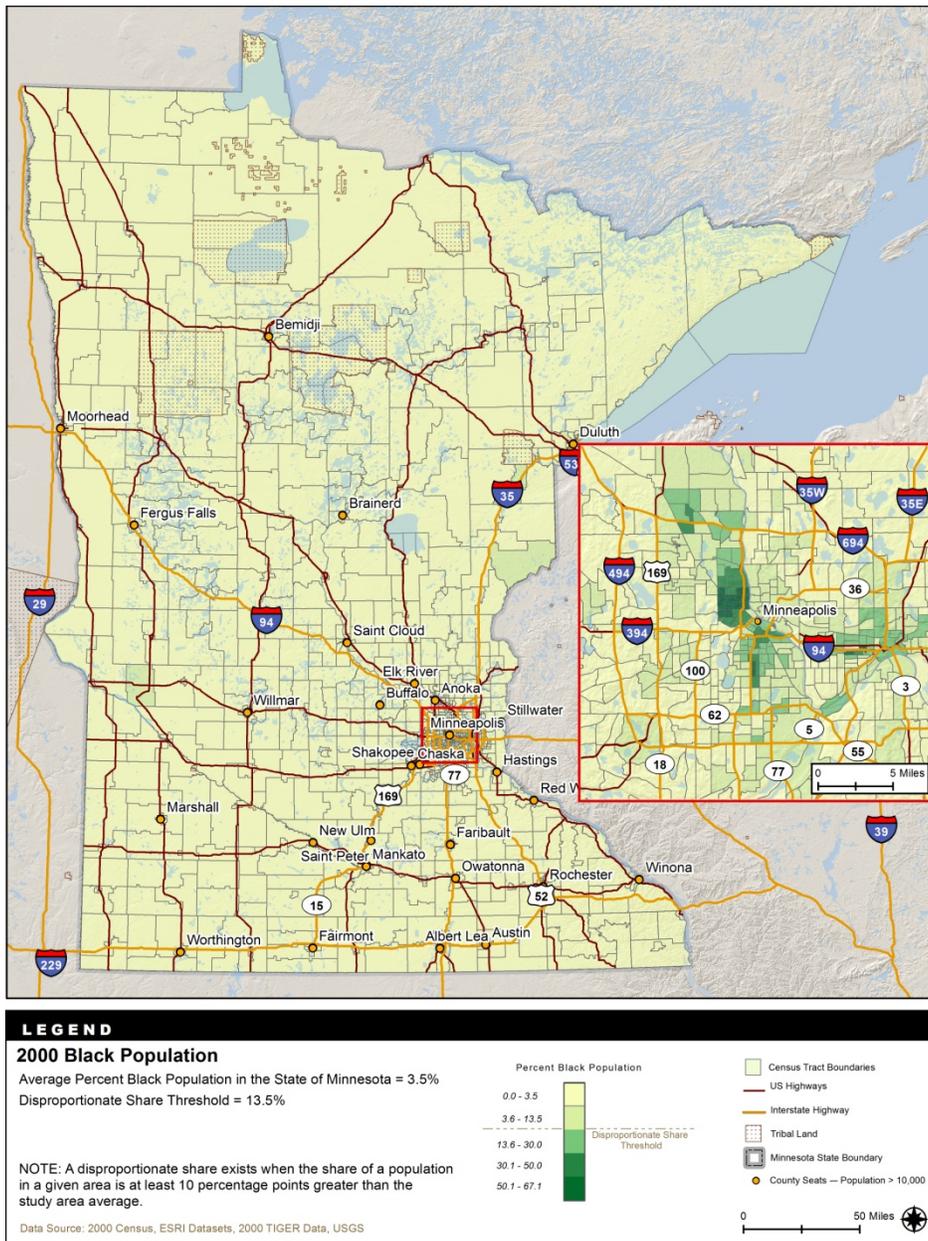
Table III.2					
Population by Race and Ethnicity					
State of Minnesota Census Bureau Data					
Race	2000 Census		2010 Census		00 - 10 % Change
	Population	% of Total	Population	% of Total	
White	4,400,282	89.4%	4,524,062	85.3%	2.8%
Black	171,731	3.5%	274,412	5.2%	59.8%
American Indian	54,967	1.1%	60,916	1.1%	10.8%
Asian	141,968	2.9%	214,234	4.0%	50.9%
Native Hawaiian/Pacific Islander	1,979	0.0%	2,156	0.0%	8.9%
Other	65,810	1.3%	103,000	1.9%	56.5%
Two or More Races	82,742	1.7%	125,145	2.4%	51.2%
Total	4,919,479	100.0%	5,303,925	100.0%	7.8%
Hispanic (Ethnicity)	143,382	2.9%	250,258	4.7%	74.5%

Data from the 2000 and 2010 censuses revealed that racial and ethnic minorities were not evenly distributed in Minnesota. An analysis of distribution was conducted by calculating the percentage share of total population within each census tract of the particular racial or ethnic group. That share was then plotted on a geographic map. HUD has determined that an area demonstrates a disproportionate share of a population when the percentage of that population is 10 or more percentage points higher than the study area average.

Map III.1, below, shows the concentration of the black population in the state. At the time of the 2000 census, the black population made up 3.5 percent of the state population. Therefore, based on HUD’s definition, any area that had a black population 10 percentage points or more above the average at that time held a disproportionate share of this population. This map shows that the black population was disproportionately concentrated in several census tracts in and around the Twin Cities metro region, where the black population represented as much as 67.1 percent of the population in selected census tracts.

Map III.1
Percent Black Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2000

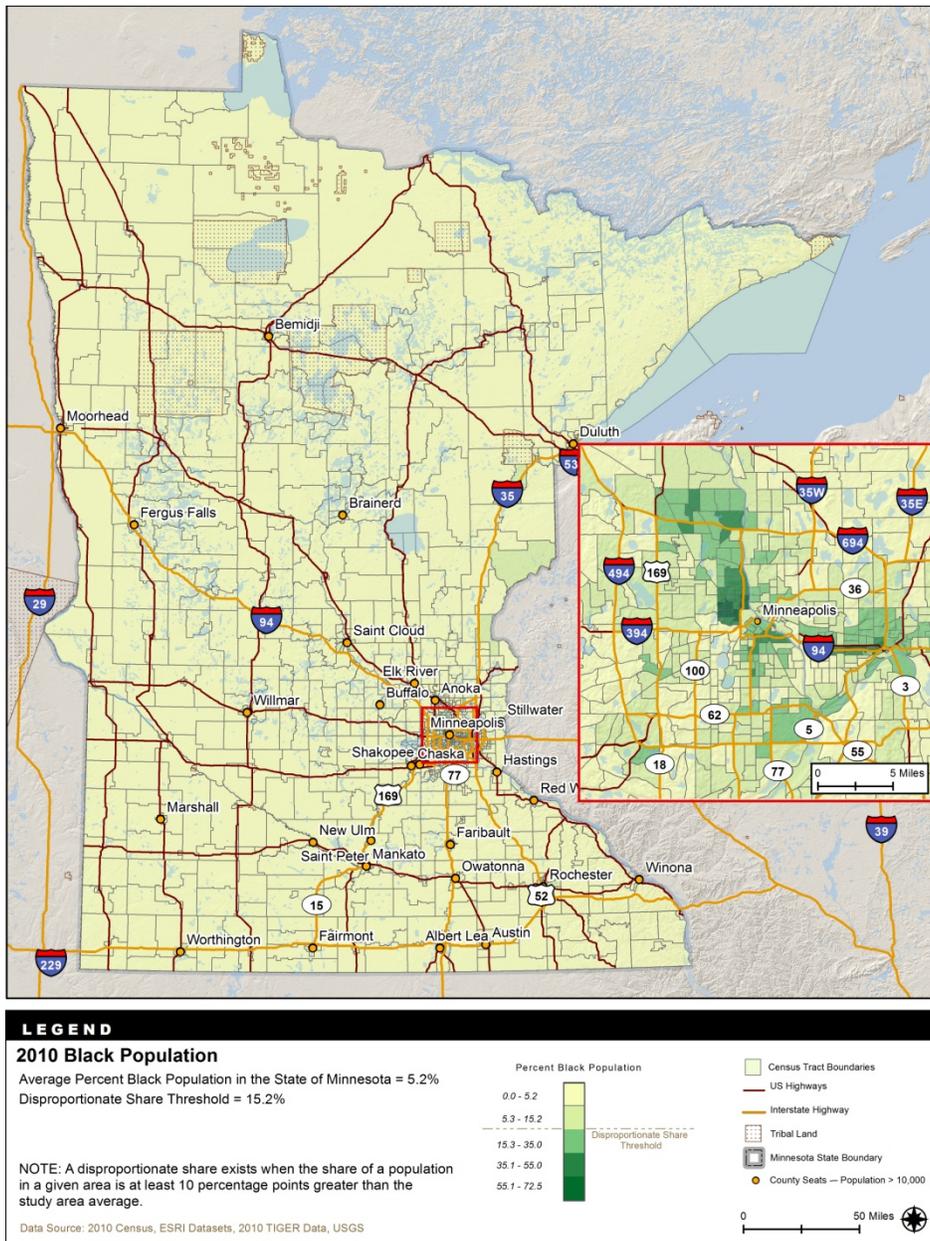
III. Demographic and Economic Profile



The black population increased from 3.5 percent in 2000 to 5.2 percent in 2010. Map III.2, below, shows the concentration of the black population in the state by census tract as counted in the 2010 census. While the black population remained disproportionately concentrated only in the Minneapolis–St. Paul metropolitan area, several census tracts showed increased concentrations, and the percent share in the most concentrated areas increased to 72.5 percent.

Map III.2
Percent Black Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2010

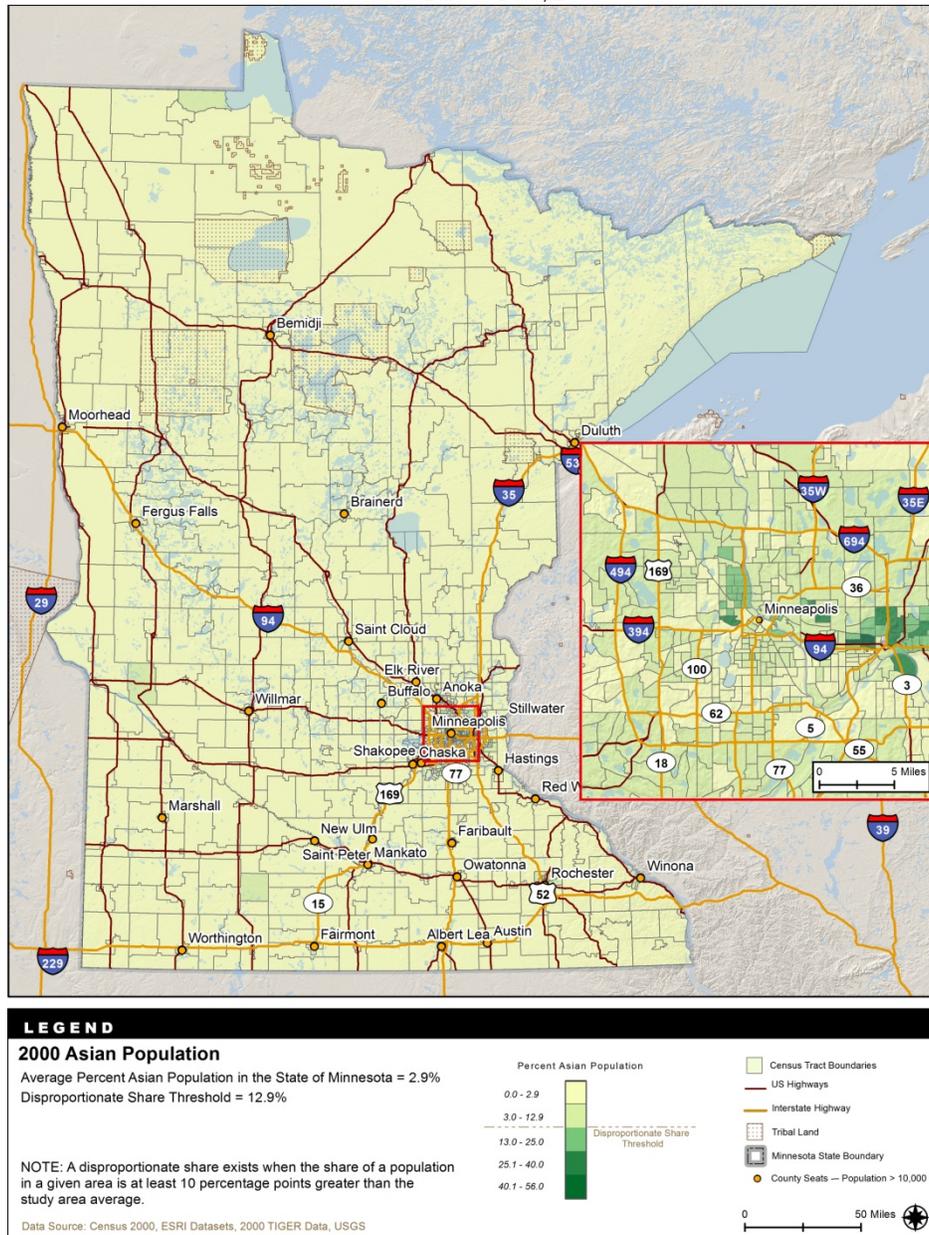
III. Demographic and Economic Profile



III. Demographic and Economic Profile

Map III.3, shown below, presents the concentration of the Asian population at the time of the 2000 census. As with the black population, the Asian population in the state was disproportionately concentrated only in the area around Minneapolis and St. Paul, where some census tracts showed concentrations above the disproportionate share threshold of 12.9 percent and as high as 56 percent.

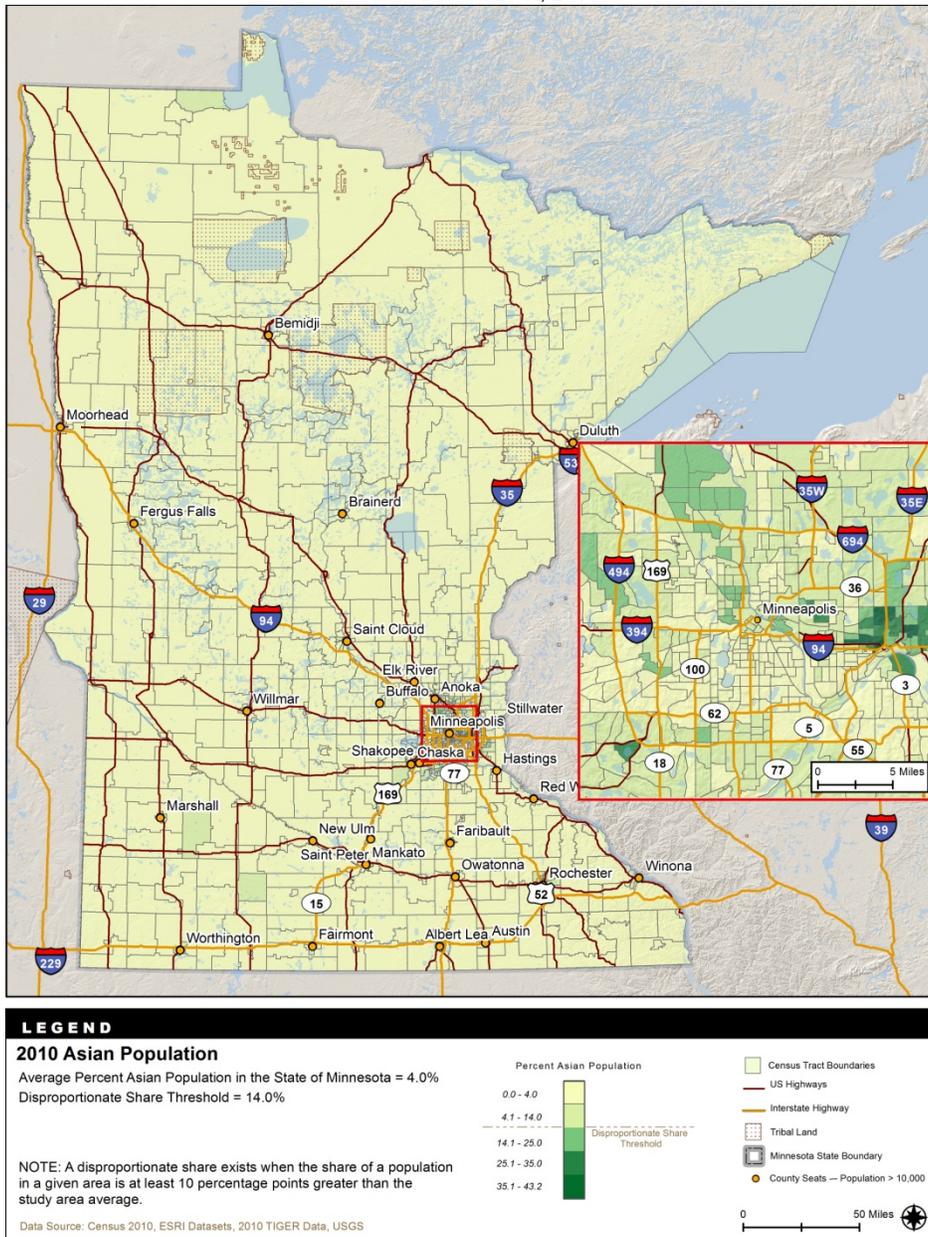
Map III.3
Percent Asian Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2000



III. Demographic and Economic Profile

Map III.4, below, shows the concentration of the Asian population in Minnesota, as counted in the 2010 census. Several tracts around the state, although again predominantly in the Minneapolis–St. Paul metro region, demonstrated an increase in the percent share of the Asian population. However, the highest concentration of Asian persons within a census tract decreased to 43.2 percent, suggesting that the population spread out over time.

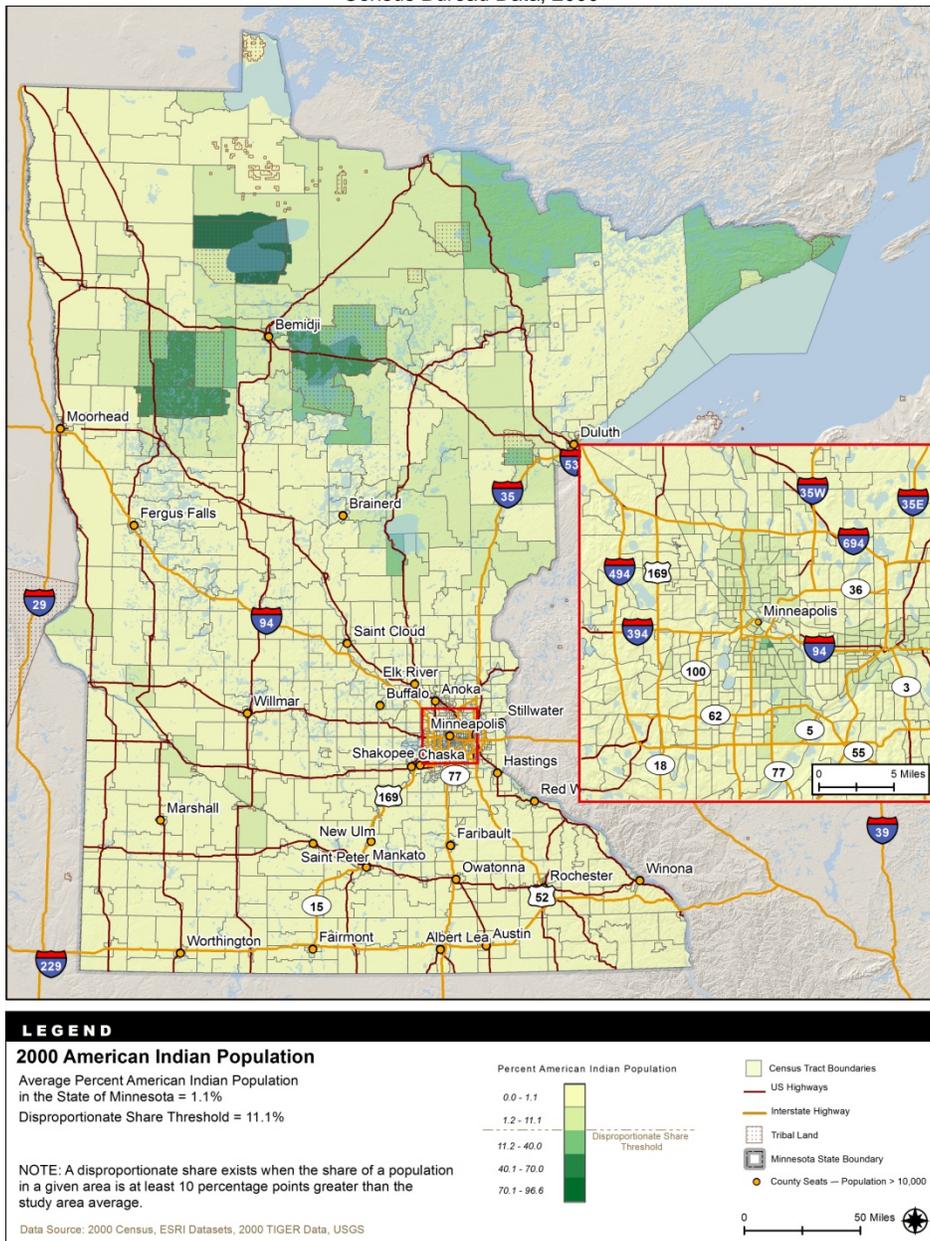
Map III.4
Percent Asian Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2010



III. Demographic and Economic Profile

Map III.5, below, presents the concentration of the American Indian population, as of 2000, and shows that this population was concentrated mostly in the northern part of the state, where some tracts showed a concentration as high as 96.6 percent. The tracts with the highest concentrations were located in and around tribal lands, although a few tracts in the far northern part of the state, made up in part by one or more reservations, displayed shares of American Indian population around or below the disproportionate share.

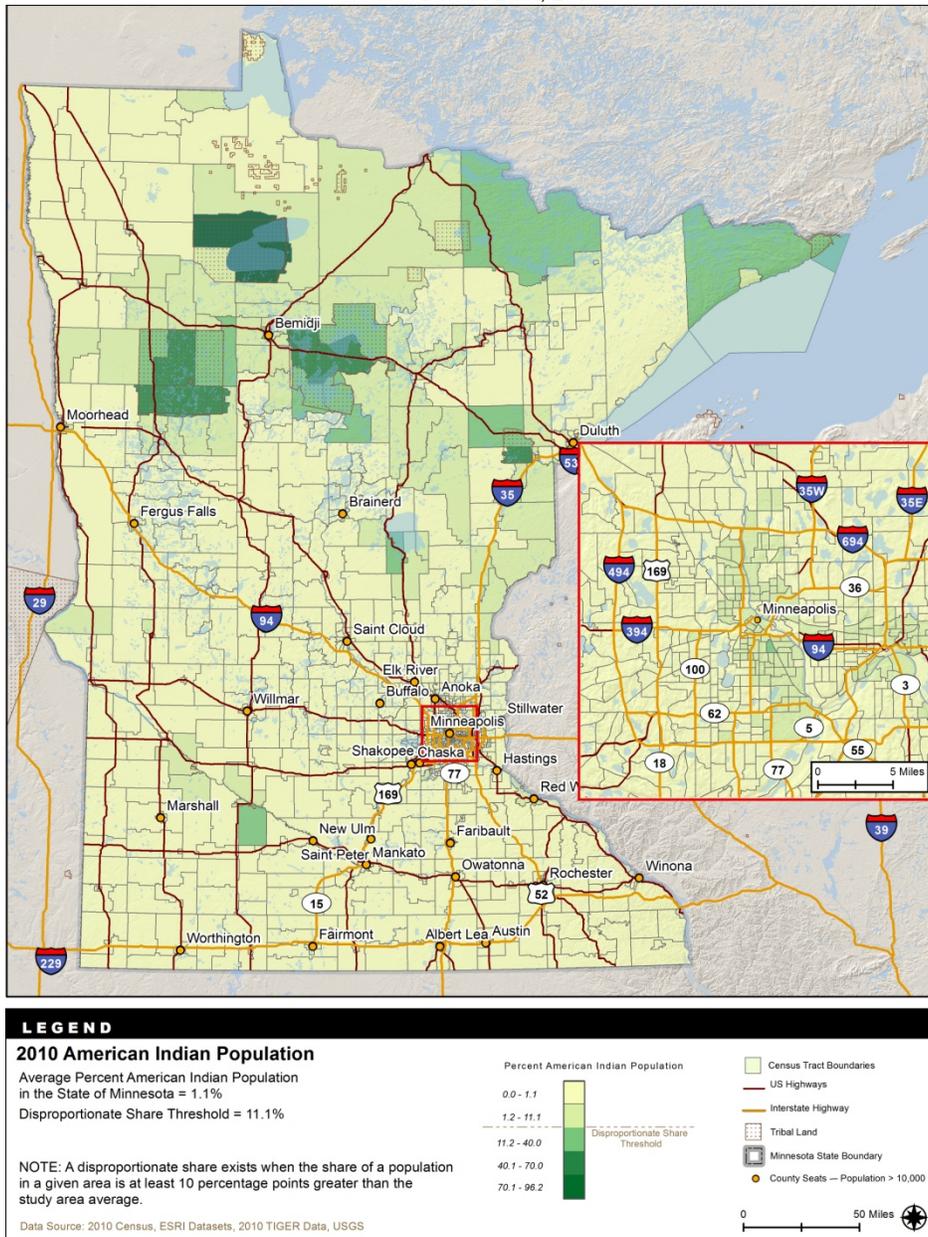
Map III.5
Percent American Indian Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2000



III. Demographic and Economic Profile

Map III.6, below, shows the concentration of the American Indian population in Minnesota by census tract, as of 2010. Very little change was seen overall, although some tracts outside of the tribal lands, such as near Duluth and east of Marshall, showed an increase in concentration to as high as 70 and 40 percent, respectively. The concentration decreased in parts of the urban Minneapolis–St. Paul area, however.

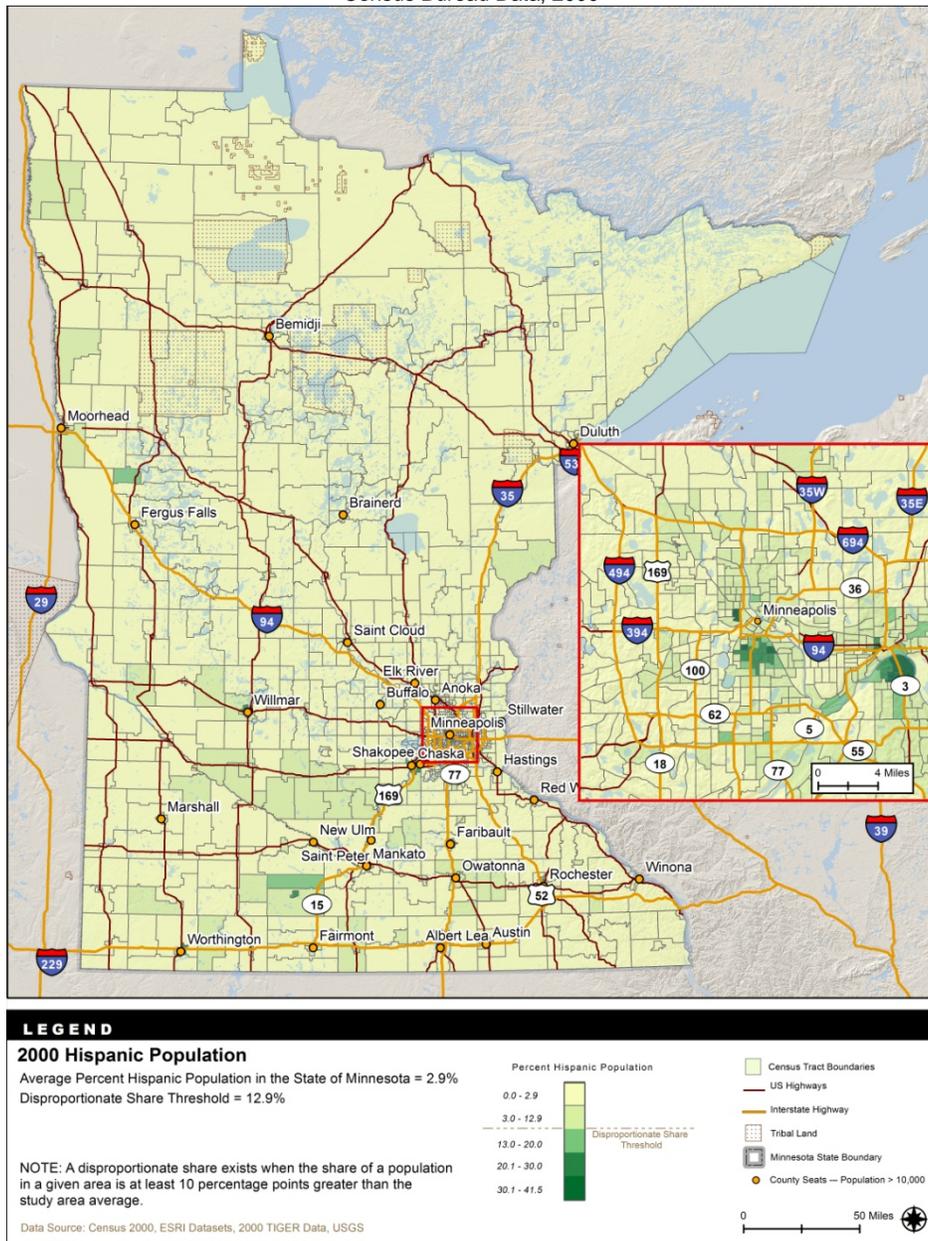
Map III.6
Percent American Indian Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2010



III. Demographic and Economic Profile

Map III.7, below, presents the concentration of the Hispanic ethnic population at the time of the 2000 census. This map shows that the Hispanic population was disproportionately concentrated in a few census tracts around the state, including north of Fergus Falls, south of St. Peter, and around the Twin Cities. Many tracts in more rural parts of the state showed concentrations above the statewide average of 2.9 percent but below the disproportionate share threshold of 12.9 percent.

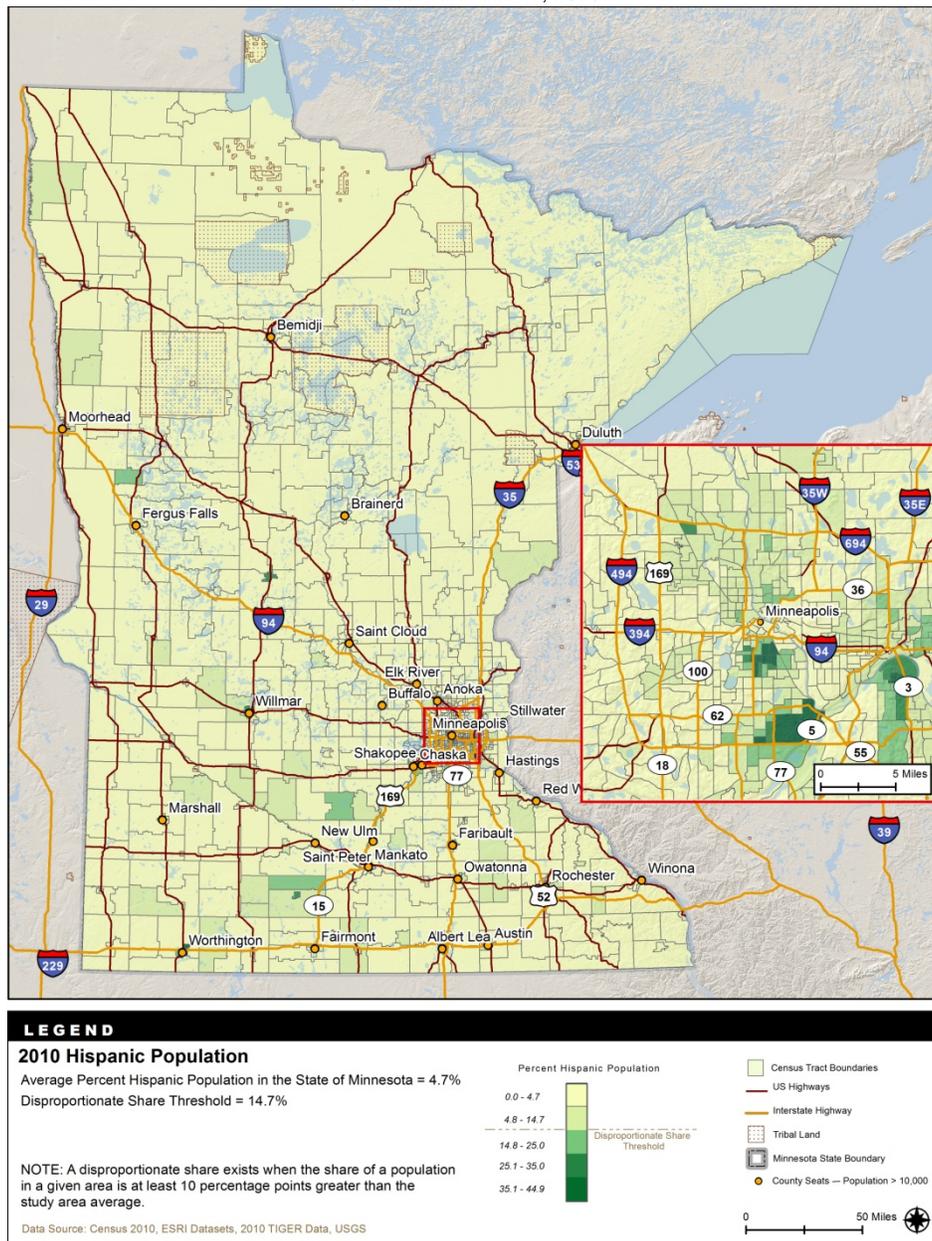
Map III.7
Percent Hispanic Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2000



III. Demographic and Economic Profile

Map III.8, below, shows the concentration of the Hispanic population in the state by census tract, as of 2010. Overall, the Hispanic population showed significant increases in concentration in census tracts, mostly near the Twin Cities metropolitan areas, where the Hispanic population comprised as much as 44.9 percent of the population. The average share of the Hispanic population increased from 2.9 to 4.7 percent statewide, although most of the increased shares occurred in the metro area, and some rural tracts had a decrease in relative share.

Map III.8
Percent Hispanic Population by Census Tract
 State of Minnesota
 Census Bureau Data, 2010



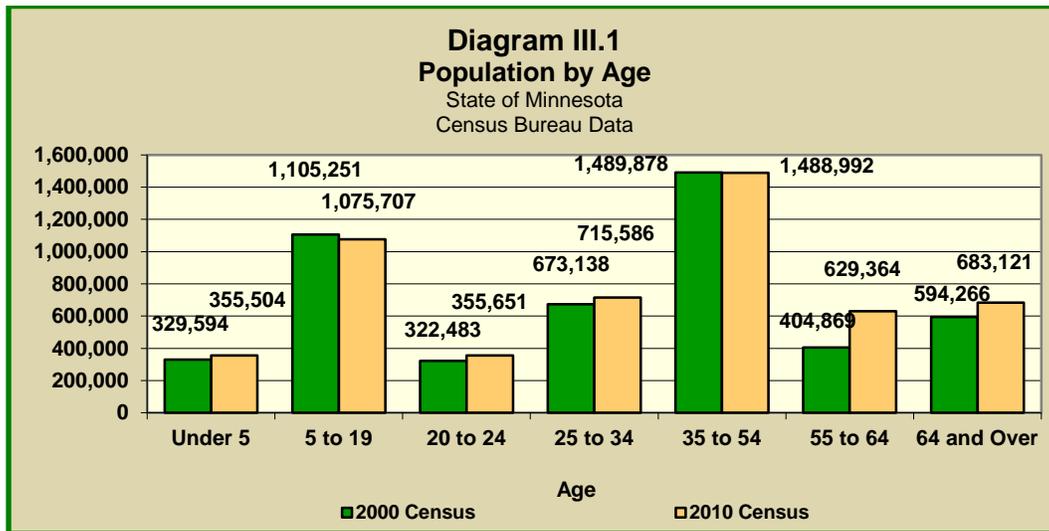
POPULATION BY AGE

Table III.3, below, presents data on population by age for the State of Minnesota from the 2000 and 2010 decennial census counts. As shown therein, the two age cohort categories with the highest population totals in 2000 were persons aged 35 to 54, at nearly 1.5 million persons, and persons aged 5 to 19, at 1.1 million persons. At the time of the 2000 census, the population was generally balanced between those aged 34 or younger and those aged 35 or older, at 49.4 percent and 50.6 percent, respectively.

By 2010, the population breakdown in the state showed some slight shifts. For example, the two largest age groups in 2000 were the only two groups to show a decrease in population by 2010, although they remained the largest age groups. Meanwhile, moderate increases were seen in the population of persons aged 64 or older, which increased by 15 percent, and persons aged 20 to 24, which increased by 10.3 percent.

Table III.3					
Population by Age					
State of Minnesota Census Bureau Data					
Age	2000 Census		2010 Census		00 - 10 % Change
	Population	% of Total	Population	% of Total	
Under 5	329,594	6.7%	355,504	6.7%	7.9%
5 to 19	1,105,251	22.5%	1,075,707	20.3%	-2.7%
20 to 24	322,483	6.6%	355,651	6.7%	10.3%
25 to 34	673,138	13.7%	715,586	13.5%	6.3%
35 to 54	1,489,878	30.3%	1,488,992	28.1%	-0.1%
55 to 64	404,869	8.2%	629,364	11.9%	55.4%
65 and Over	594,266	12.1%	683,121	12.9%	15.0%
Total	4,919,479	100.0%	5,303,925	100.0%	7.8%

Diagram III.1, below, shows the change in population by age in Minnesota between 2000 and 2010.



The Elderly and Frail Elderly

The elderly population is defined by the Census Bureau as comprising any person aged 65 or older. As noted in the 2000 census, shown in Table III.4, below, 594,266 persons in Minnesota were considered to be elderly at that time. The largest age cohorts in this group represented persons aged 70 to 74 and 75 to 79. The data for 2010 demonstrated that the groups at the lower and upper extremes of the elderly population showed the largest increases. Persons aged 65 to 66 increased by 27.2 percent and those aged 67 to 69 increased by 10.8 percent. Notably, the group aged 85 and older increased from 85,601 to 99,624 persons, or by 16.4 percent. This age group often comprises the frail elderly population, defined as elderly persons whose physiological circumstances may limit functional capabilities.

Age	2000 Census		2010 Census		00 - 10 % Change
	Population	% of Total	Population	% of Total	
65 to 66	62,176	10.5%	79,079	12.3%	27.2%
67 to 69	90,993	15.3%	100,810	15.7%	10.8%
70 to 74	142,656	24.0%	142,853	22.2%	0.1%
75 to 79	122,677	20.6%	122,639	19.1%	0.0%
80 to 84	90,163	15.2%	98,059	15.2%	8.8%
85 and over	85,601	14.4%	99,624	15.5%	16.4%
Total	594,266	100.0%	643,064	100.0%	8.2%

PERSONS WITH DISABILITIES

Disability is defined by the Census Bureau as a lasting physical, mental, or emotional condition that makes it difficult for a person to participate in activities, go outside the home alone, or to work. Defined in this fashion, 679,236 persons, or 15 percent of the population

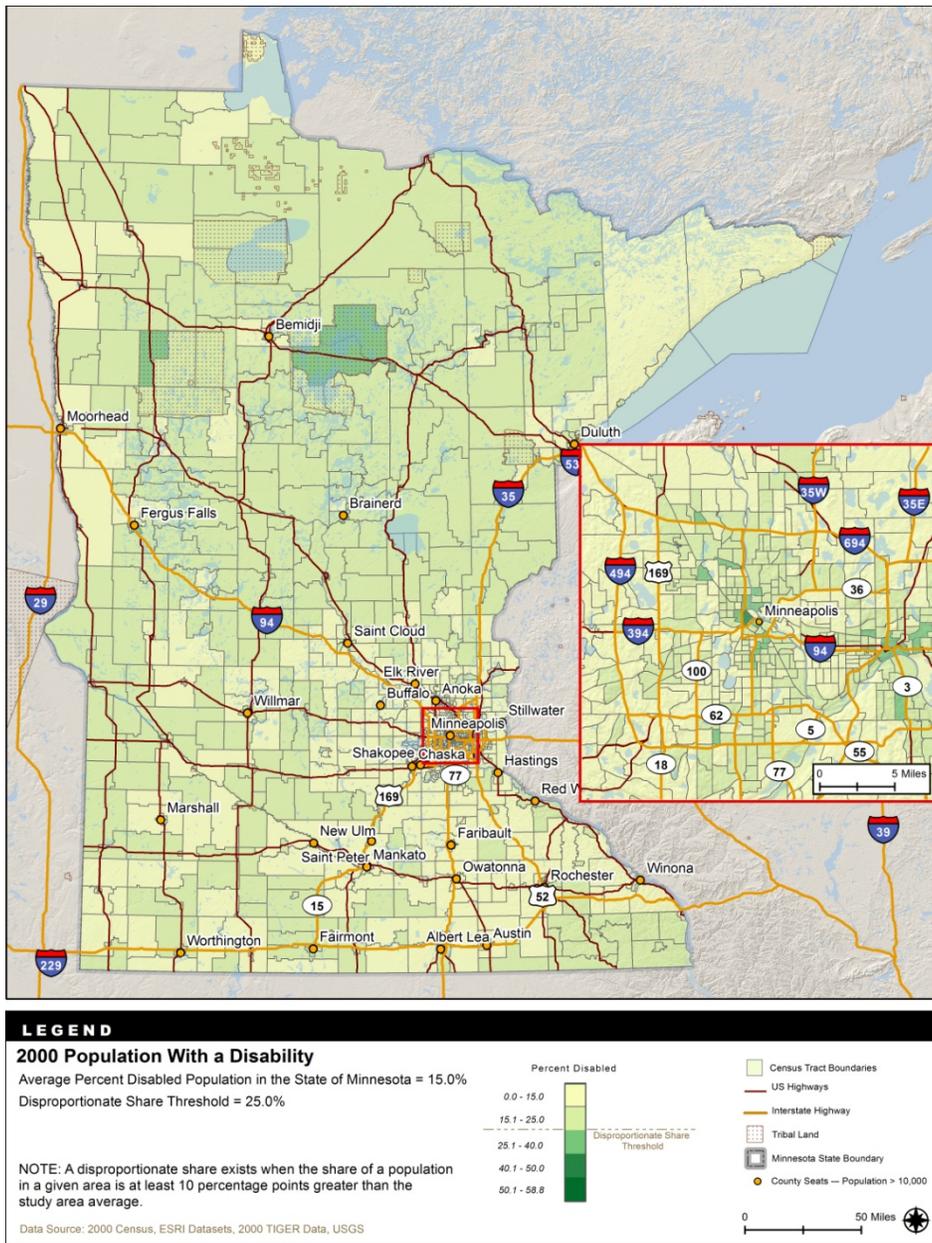
aged 5 or older in Minnesota, had one or more disabilities at the time of the 2000 census, as seen below in Table III.5. While data on disability was not collected in the 2010 census, figures from the 2009 one-year ACS estimates showed that the share of persons with a disability in the state decreased to 9.9 percent.

Table III.5				
Persons with Disability by Age				
State of Minnesota Census Bureau Data				
Age	2000 Census		2009 One-Year Estimate	
	Disabled	% of Total	Disabled	% of Total
5 to 15	43,780	6.4%	44,795	8.7%
16 to 64	431,252	63.5%	269,847	52.4%
Over 65	204,204	30.1%	200,651	38.9%
Total	679,236	100%	515,293	100%
Disability Rate	15.0%		9.9%	

Map III.9, on the following page, shows the distribution of the disabled population, as of 2000; data from 2009 are not available at a census tract level and therefore could not be mapped. Several census tracts within the state showed disproportionate shares of the disabled population, or concentrations higher than 25 percent. These tracts were located northeast of Moorhead, south and east of Bemidji, and in the metro area. A few tracts had concentrations of disabled persons near 60 percent of the population, and most of the tracts in rural areas of the state had shares above the average of 15 percent but below the disproportionate share threshold.

Map III.9
Disability Rate by Census Tract
State of Minnesota
Census Bureau Data, 2000

III. Demographic and Economic Profile



GROUP QUARTERS POPULATION

The Census Bureau identifies all persons not living in housing units as persons living in group quarters. Two categories of persons in group quarters are recognized:

- The institutionalized population, including persons under formally authorized supervised care or custody such as those living in correctional institutions, nursing homes, juvenile institutions, halfway houses, mental or psychiatric hospitals, and wards; and

- The non-institutionalized population, including persons who live in group quarters other than institutions such as college dormitories, military quarters, or group homes, which includes community-based homes that provide care and supportive services such as persons with alcohol and drug addictions. This particular category also includes emergency and transitional shelters for the homeless.

However, the population living in “other non-institutionalized group quarters,” as identified as non-sheltered locations, has been disputed at length. This count of the homeless population is likely to significantly underrepresent this subpopulation; a more recent local count of this population is covered later in this document. Nevertheless, the number of persons living in Minnesota group quarters, as counted in 2000 census, was 135,883. Of this total, the majority resided in non-institutionalized settings, and the remaining portion resided in institutionalized settings. The 2010 data showed a similar number of persons living in group quarters, but the share of persons living in non-institutionalized quarters increased by 8.6 percent, and the share living in institutionalized quarters decreased by 10.7 percent. These data are presented below in Table III.6.

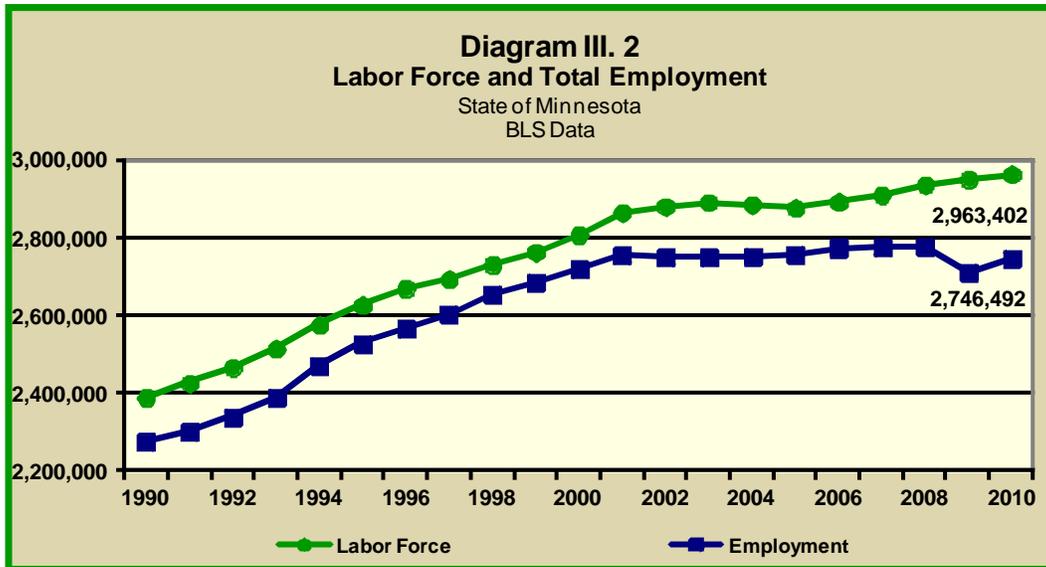
Group Quarters	2000 Census		2010 Census		00 - 10 % Change
	Population	% of Total	Population	% of Total	
Institutionalized					
Correctional Institutions	16,999	27.0%	20,397	36.2%	20.0%
Juvenile Facilities	.	.	2,541	4.5%	.
Nursing Homes	40,506	64.2%	32,989	58.6%	-18.6%
Other Institutions	5,553	8.8%	381	0.7%	-93.1%
Total	63,058	100.0%	56,308	100.0%	-10.7%
Non-institutionalized					
College Dormitories	44,835	61.6%	50,444	63.8%	12.5%
Military Quarters	12	0.0%	0	0.0%	-100.0%
Other Non-institutional Group Quarters	27,978	38.4%	28,643	36.2%	2.4%
Total	72,825	100.0%	79,087	100.0%	8.6%
Group Quarters Population	135,883	100.0%	135,395	100.0%	-0.4%

C. ECONOMIC CONDITIONS

LABOR FORCE AND EMPLOYMENT

From 1990 through 2010, the labor force in Minnesota, defined as persons either working or looking for work, rose from about 2.4 million to nearly 3 million persons. This represented a growth of about 24 percent. While employment numbers showed a similar rate of increase though 2008, in 2009, employment levels dropped significantly, as shown below in Diagram

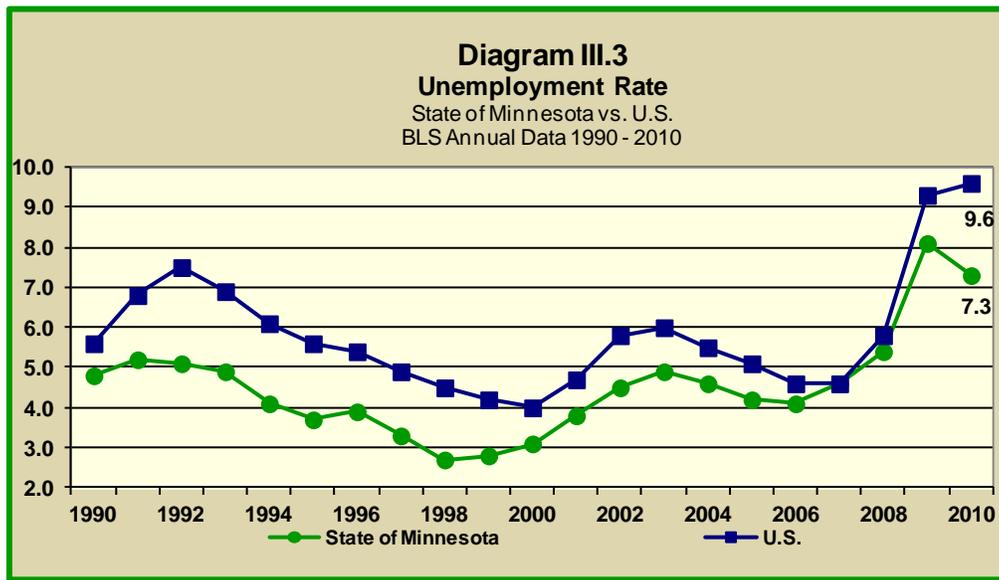
III.2. Although some improvement was seen in 2010, employment levels still lagged behind labor force totals, with nearly 217,000 persons unemployed.



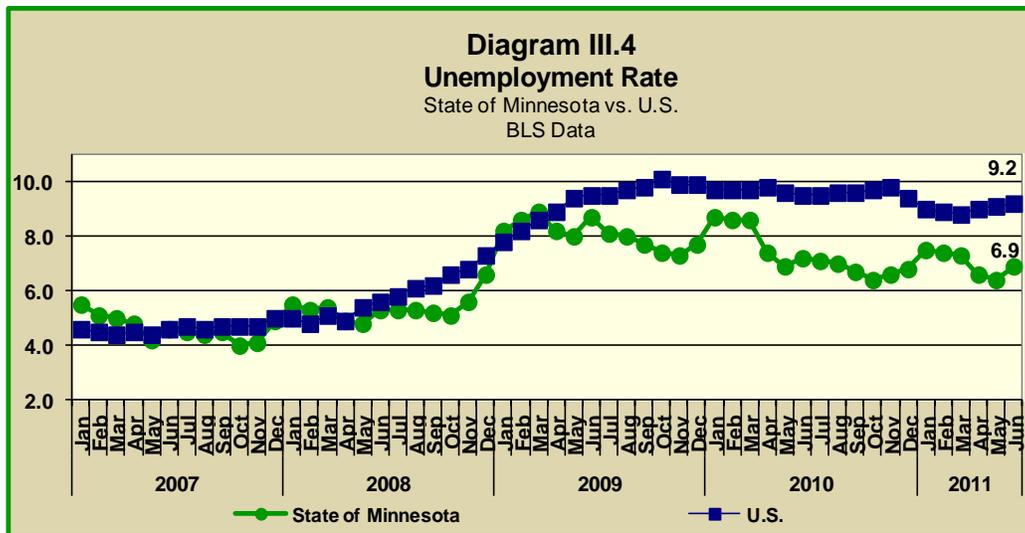
Over this same time period, the unemployment rate fluctuated from a low of 2.7 percent in 1998 to a high of 8.1 percent in 2009. These data are presented on the following page in Table III.7.

Table III.7 Labor Force Statistics State of Minnesota BLS Data				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
1990	2,390,010	2,275,853	114,157	4.8
1991	2,427,046	2,300,781	126,265	5.2
1992	2,467,219	2,341,011	126,208	5.1
1993	2,515,074	2,391,055	124,019	4.9
1994	2,576,491	2,471,516	104,975	4.1
1995	2,626,995	2,529,464	97,531	3.7
1996	2,670,174	2,565,808	104,366	3.9
1997	2,694,348	2,605,673	88,675	3.3
1998	2,731,716	2,656,674	75,042	2.7
1999	2,763,825	2,686,942	76,883	2.8
2000	2,807,668	2,720,492	87,176	3.1
2001	2,866,024	2,755,808	110,216	3.8
2002	2,880,330	2,749,525	130,805	4.5
2003	2,891,661	2,750,938	140,723	4.9
2004	2,885,974	2,752,403	133,571	4.6
2005	2,876,954	2,756,709	120,245	4.2
2006	2,893,029	2,774,524	118,505	4.1
2007	2,910,299	2,775,587	134,712	4.6
2008	2,936,375	2,778,500	157,875	5.4
2009	2,950,654	2,712,250	238,404	8.1
2010	2,963,402	2,746,492	216,910	7.3

Diagram III.3, on the following page, shows the changes in the unemployment rate from 1990 to 2010 in the state. While Minnesota has historically enjoyed a relatively low unemployment rate, recent economic fluctuation caused the unemployment rate to increase.



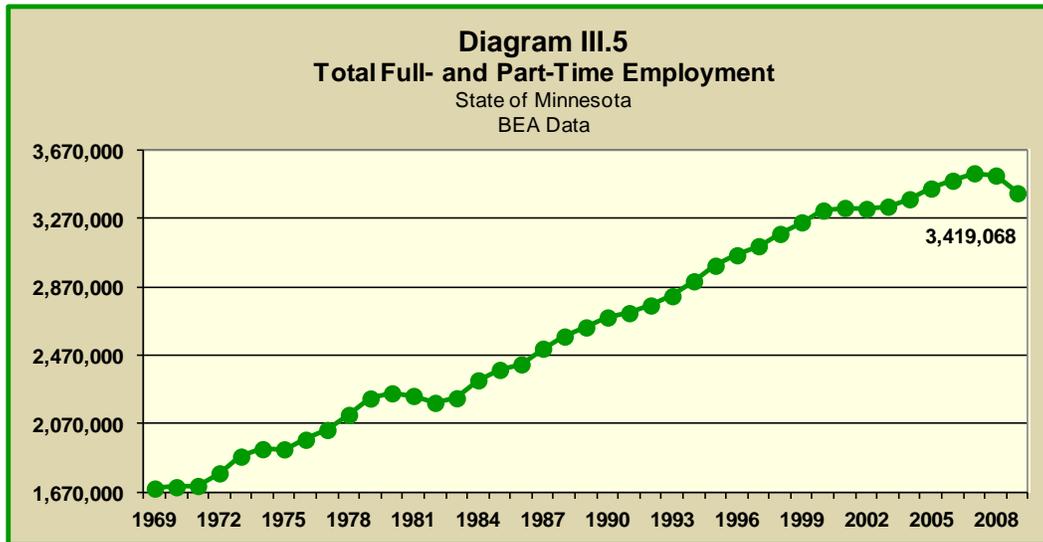
Recent unemployment rates are presented in Diagram III.4, below. This diagram shows that the unemployment rate in Minnesota has shown some fluctuation, although mostly in a seasonal-type pattern. As of June 2011, the unemployment rate in Minnesota stood at 6.9 percent, while the national rate stood at 9.2 percent.



FULL AND PART-TIME EMPLOYMENT

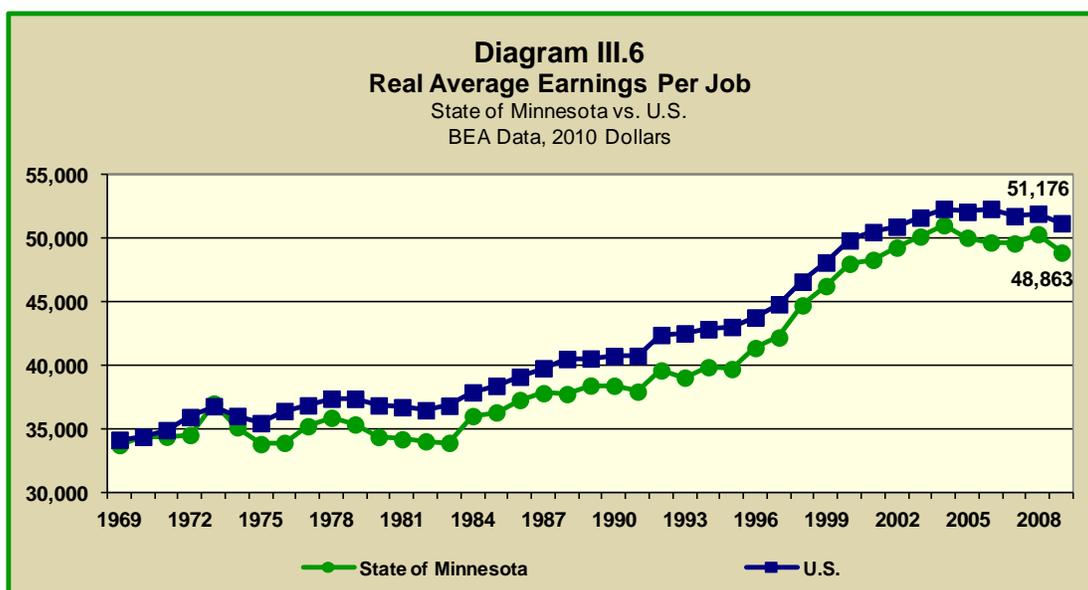
The Bureau of Economic Analysis (BEA) provides an alternate view of employment representing a count of both full- and part-time jobs rather than persons working or seeking work. Thus, a person working more than one job can be counted more than once. These data are drawn from administrative records; thus, there is somewhat of a delay in reporting the information.

BEA data showed that the total number of full- and part-time jobs in Minnesota increased significantly over the 1969 through 2009 time period, from around 1.6 million to 3.4 million jobs over the 40-year time frame. However, some decreases were seen in 2008 and 2009. These data are presented below in Diagram III.5.

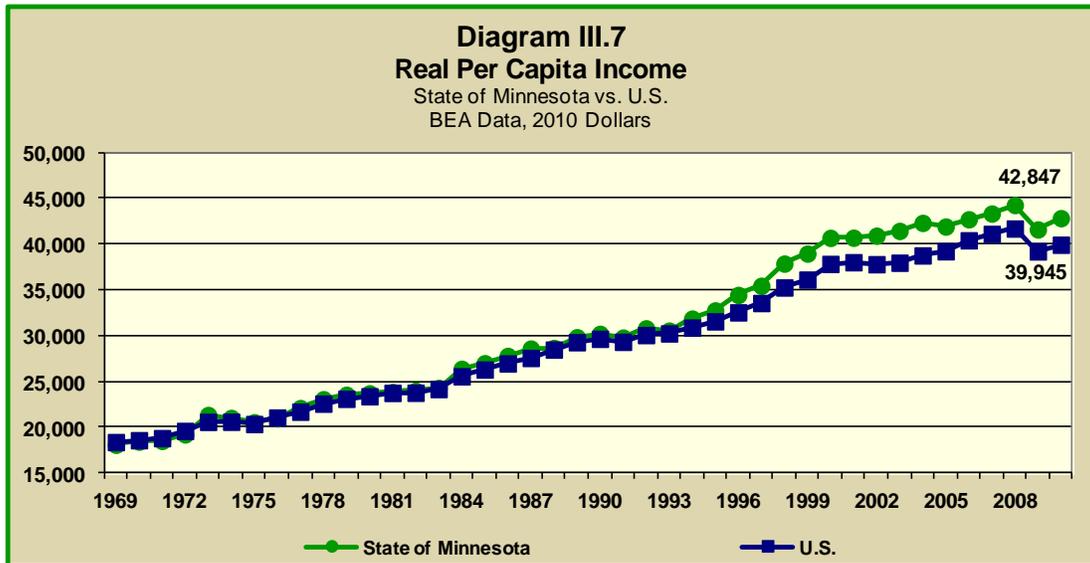


EARNINGS AND PERSONAL INCOME

BEA data also included estimates of earnings and personal income. When the total of earnings is divided by the number of jobs and deflated to remove the effects of inflation, the average real earnings per job is determined, as seen on the following page in Diagram III.6. Unfortunately, the average earnings per job in Minnesota remained below national averages throughout the time period. In 2009, real average earnings per job in Minnesota was \$48,863, which was \$2,313 less than national real earnings per job.



Another perspective of the state of the economy involves comparing the total of all forms of income: earnings from jobs plus transfer payments and property income, such as dividends, interest and rents. When all these data are summed, equating to total personal income, and then divided by population, per capita income is the result. Historically, as seen below in Diagram III.7, Minnesota experienced a real per capita income that has rivaled the national average. However, over the past two decades, the difference between these two measures of income has become somewhat more pronounced. In 2010, real per capita income in Minnesota was \$42,847 compared to \$39,945 nationally.

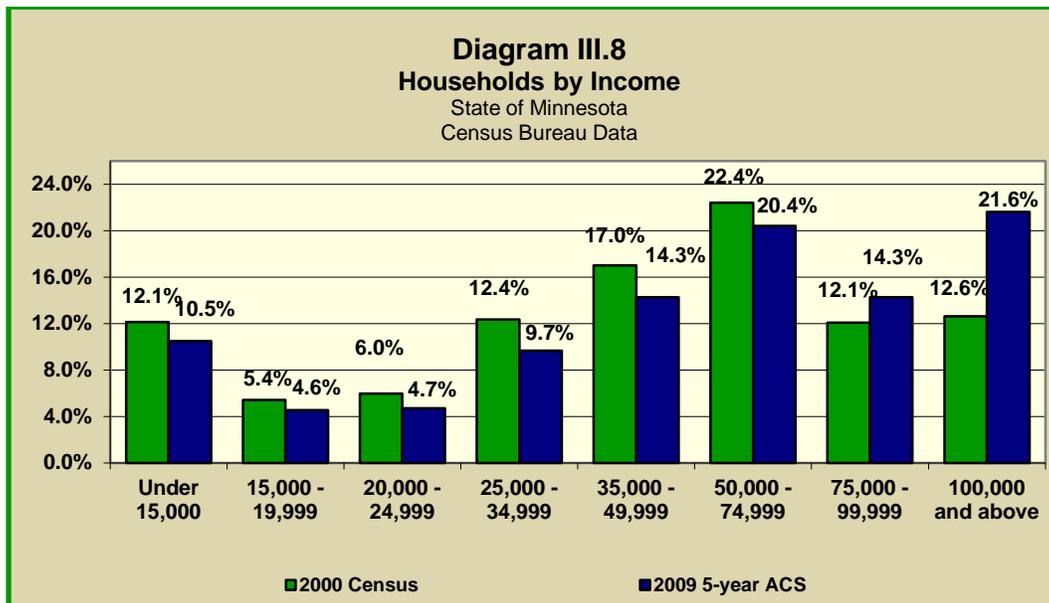


DISTRIBUTION OF INCOME

To view how income is distributed throughout Minnesota, the number of households in selected income categories was drawn from the 2000 and 2010 censuses. As seen on the following page in Table III.8, nearly 25 percent of all households in the state had incomes under \$25,000. Roughly the same percentage showed a yearly income in excess of \$75,000. The 2009 five-year ACS estimates, also shown in this table, demonstrated that the share of households with higher income levels has been increasing, as the share of households with lower incomes has been decreasing.

Table III.8 Households by Income State of Minnesota Census Bureau Data				
Income	2000 Census		2009 Five-Year ACS	
	Households	% of Total	Households	% of Total
Under 15,000	230,160	12.1%	216,202	10.5%
15,000 - 19,999	103,002	5.4%	93,829	4.6%
20,000 - 24,999	113,087	6.0%	97,026	4.7%
25,000 - 34,999	234,300	12.4%	199,601	9.7%
35,000 - 49,999	322,529	17.0%	294,028	14.3%
50,000 - 74,999	424,867	22.4%	420,891	20.4%
75,000 - 99,999	228,834	12.1%	294,413	14.3%
100,000 and above	239,430	12.6%	445,892	21.6%
Total	1,896,209	100.0%	2,061,882	100.0%

Diagram III.8, below, presents a comparison of the distribution of households by income and shows the shift from lower-income households to higher-incomes households in the state.



POVERTY

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts monetary income earned before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Poverty is not defined for persons in military barracks,

institutional group quarters, or for unrelated individuals under the age of 15 such as foster children. These persons are excluded from the poverty calculations, as they are considered neither poor nor non-poor.²

In Minnesota, the poverty rate in 2000 was 7.9 percent, with 380,476 persons living in poverty. This total included more than 41,400 children under the age of 5 and 45,405 individuals aged 65 years or older living in poverty. Data from the 2009 five-year ACS estimates showed that the percentage of young children under the age of 5 and persons aged 18 to 64 living in poverty increased during this time. These data are presented below in Table III.9.

Table III.9				
Persons in Poverty by Age				
State of Minnesota				
Census Bureau Data				
Age	2000 Census		2009 Five-Year ACS	
	Persons in Poverty	% of Total	Persons in Poverty	% of Total
5 and Below	41,403	10.9%	60,268	11.9%
6 to 17	80,288	21.1%	94,494	18.7%
18 to 64	213,380	56.1%	301,241	59.5%
65 and Older	45,405	11.9%	50,230	9.9%
Total	380,476	100.0%	506,233	100.0%
Poverty Rate	7.9%	.	10.0%	.

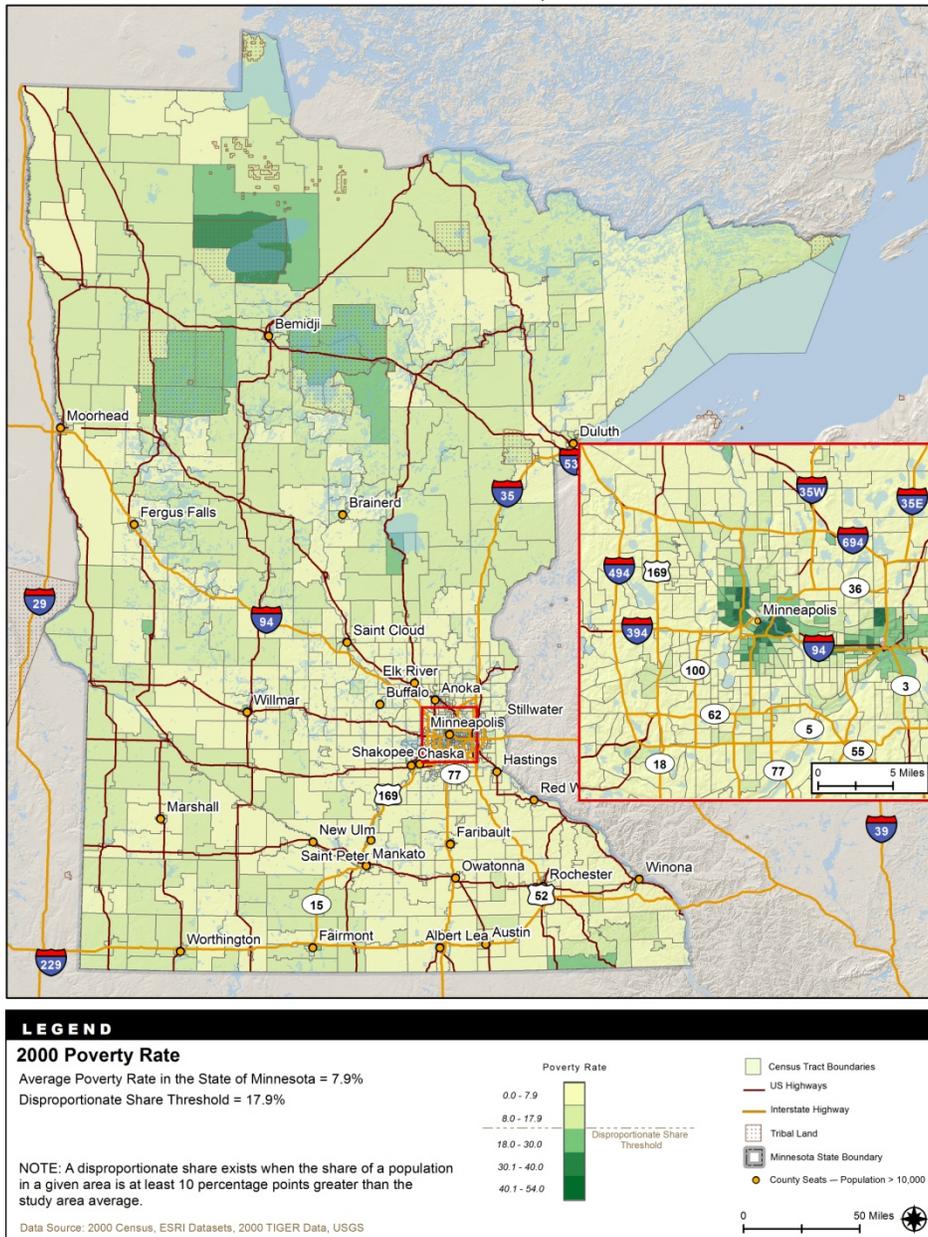
However, poverty in Minnesota was not evenly distributed, with some areas of the state showing much higher concentrations of poverty than others. As established previously, HUD has determined that an area demonstrates a disproportionate share of a population when the percentage of that population is 10 or more percentage points higher than the study area average. In the case of the poverty rate in Minnesota, a disproportionate share would exist in any census tract that showed a 17.9 percent or greater poverty rate.

²<http://www.census.gov/hhes/poverty/povdef.html>.

III. Demographic and Economic Profile

The average poverty rate across the state was 7.9 percent in 2000. Map III.10, below, shows that several census tracts in Minnesota displayed a disproportionate share of poverty in 2000; some census tracts showed rates as high as 54 percent. These census tracts were mostly located in the tribal lands in the north central portion of the state and in the areas in and around Minneapolis and St. Paul.

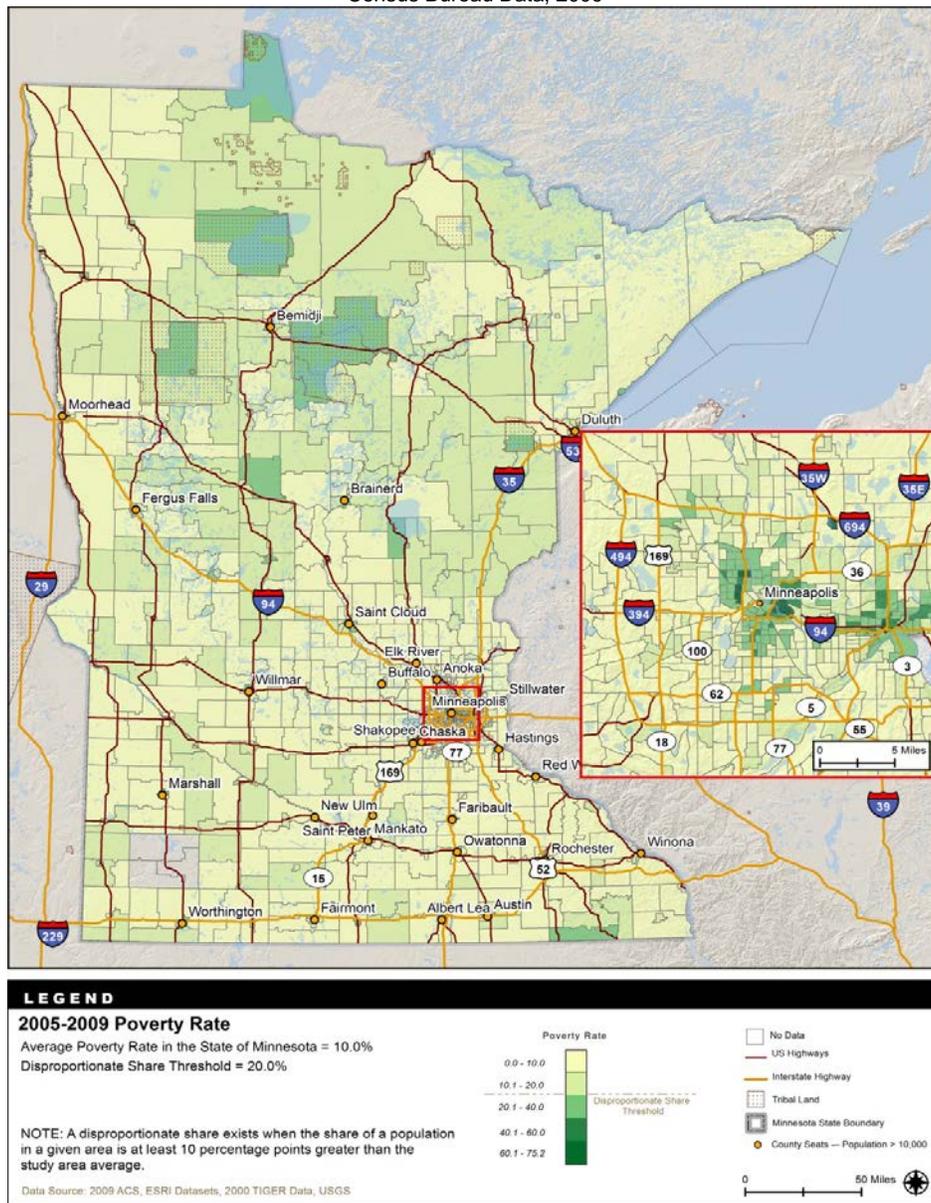
Map III.10
Poverty Rate by Census Tract
 State of Minnesota
 Census Bureau Data, 2000



III. Demographic and Economic Profile

Map III.11, below, presents the poverty rate in the state as of the 2009 ACS. Although many tracts on this map show a lighter color, suggesting a lower concentration, the darker shades actually represent a greater degree of concentration than in the previous map because of the increased average and disproportionate share. The poverty rate increased from 7.9 percent in 2000 to 10 percent in 2009. In addition, the highest concentration seen in any tract in 2000 was 54 percent, but in 2009, the highest level of concentration was greater than 75 percent, which suggests that the intensity of the concentration of poverty is increasing.

Map III.11
Poverty Rate by Census Tract
 State of Minnesota
 Census Bureau Data, 2009



D. SUMMARY

Between 2000 and 2010, the population in Minnesota increased from 4.9 million to 5.3 million persons, or by 7.8 percent. The majority of the population in 2000 and 2010 was white, and while this racial group showed an increase in population of 2.8 percent in the decade, all other racial and ethnic populations showed much larger increases. Notably, the black population increased by nearly 60 percent, and the Asian population increased by more than 50 percent, while the Hispanic ethnic population showed nearly a 75 percent growth rate. Geographic analysis of racial and ethnic data showed that most racial and ethnic minority populations were concentrated in and around the Twin Cities metro region and that concentrations have increased over time. Fifteen percent of the population aged 5 or older in Minnesota had one or more disabilities at the time of the 2000 census, and this population was also concentrated in some census tracts near the Minneapolis–St. Paul metropolitan area and in the tribal lands in the north central part of the state.

From 1990 through 2010, the labor force in Minnesota, defined as persons either working or looking for work, rose from about 2.4 million to nearly 3 million persons. During the same time period, the unemployment rate generally stayed below 5 percent until 2008, when it increased due to the nationwide recession. In 2009, the unemployment rate stood at 8.1 percent, and in 2010, the rate was 7.3 percent, although both of these figures were below the national rate. In 2009, the real average earnings per job in Minnesota was \$48,863, and real per capita income was \$39,945, but both of these figures were just below national averages. In Minnesota, the poverty rate in 2000 was 7.9 percent, with 380,476 persons living in poverty, and more recent data suggest that the percentage may have increased to 10 percent. Persons in poverty were concentrated in some census tracts across the state such as in the tribal lands in the northern region and in and around Minneapolis.

IV. HOUSING MARKET ANALYSIS

A. INTRODUCTION

The following narrative provides information about the housing market, the supply and demand for housing over time, building permit data, and related price information for both rental properties and homeownership opportunities in Minnesota.

B. HOUSING STOCK

TYPE AND TENURE

Data regarding the housing stock by unit type are presented below in Table IV.1. Of the total housing stock counted in the 2000 census, 1.5 million units were single-family units, and another 349,302 were apartments. These two types of housing units dominated the housing market in the state, comprising nearly 90 percent of all residential housing units in Minnesota. More recent data from the 2005 to 2009 ACS averages revealed that these two unit types continued to represent most units in the state.

Unit Type	2000 Census		2009 Five-Year ACS	
	Units	% of Total	Units	% of Total
Single-Family Unit	1,507,378	73.0%	1,723,048	74.9%
Duplex	62,137	3.0%	56,513	2.5%
Tri- or Four-Plex	48,235	2.3%	48,784	2.1%
Apartment	349,302	16.9%	384,314	16.7%
Mobile Home	93,618	4.5%	88,125	3.8%
Boat, RV, Van, Etc.	5,276	0.3%	523	0.0%
Total	2,065,946	100.0%	2,301,307	100.0%

However, not all housing units counted in the state were occupied. In fact, more than 170,000 housing units were unoccupied. This equated to an occupancy rate of only 91.7 percent. Of the 1.9 million units that were occupied, 1.4 million were owner-occupied and 482,403 were renter-occupied, representing a homeownership rate of nearly 75 percent. By 2010, the number of renter-occupied housing units and the share of vacant units increased. These data are presented in Table IV.2, on the following page.

Tenure	2000 Census		2010 Census		00 - 10 % Change
	Units	% of Total	Units	% of Total	
Occupied Housing Units	1,895,127	91.7%	2,087,227	88.9%	10.1%
Owner-Occupied	1,412,724	74.5%	1,523,859	73.0%	7.9%

IV. Housing Market Analysis

Renter-Occupied	482,403	25.5%	563,368	27.0%	16.8%
Vacant Housing Units	170,819	8.3%	259,974	11.1%	52.2%
Total Housing Units	2,065,946	100.0%	2,347,201	100.0%	13.6%

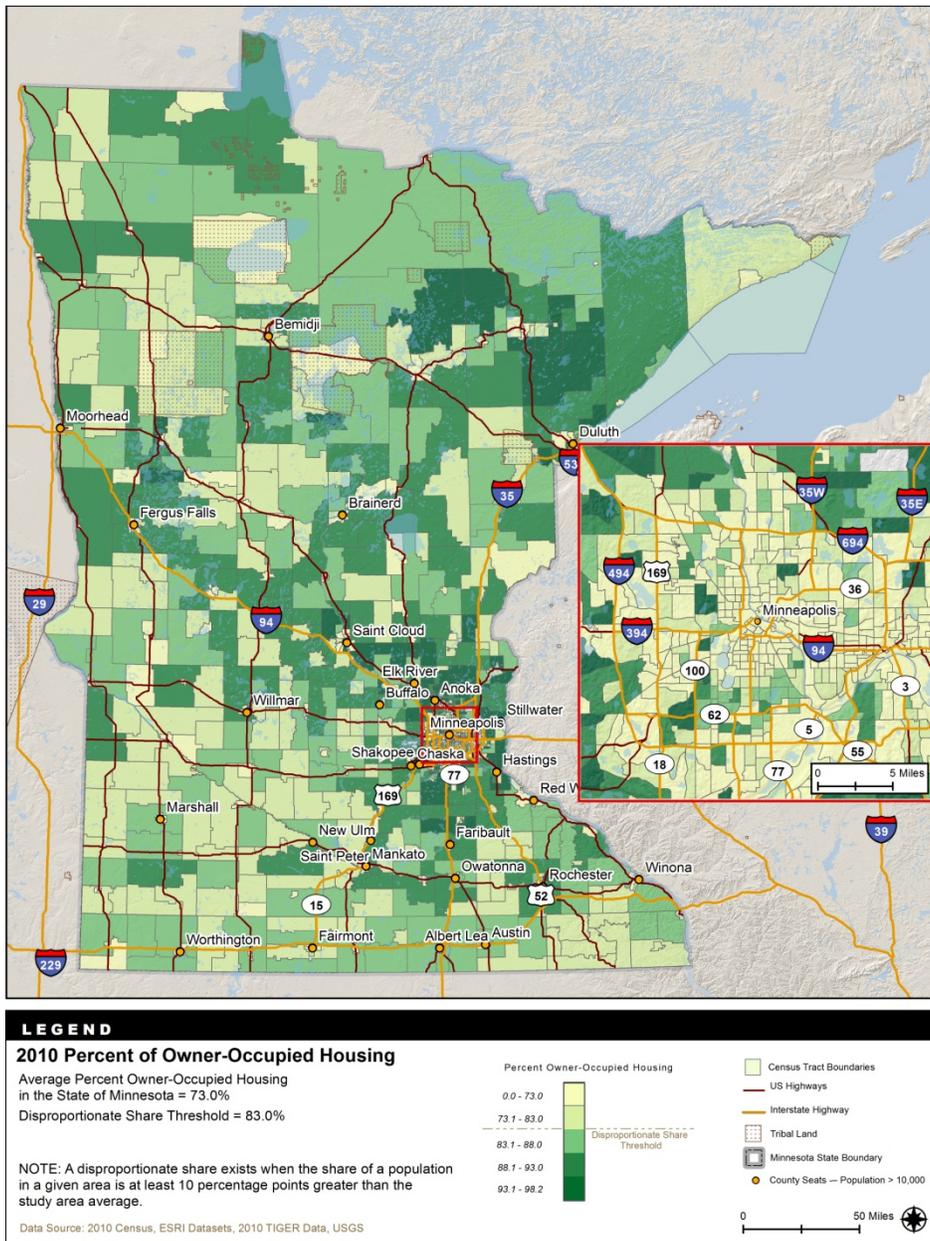
INVENTORY OF FACILITIES, HOUSING AND SERVICES FOR HOMELESS PERSONS

A list of facilities and services serving the homeless is provided in tables C1 through C20 in the technical appendix. These tables provide both services and housing specifically targeted to the homeless persons as well as mainstream services such as job training and assistance, food assistance, income assistance, personal needs services, health care services and family and youth services which are available to homeless persons as well as the public at large.

The concentration of owner-occupied housing units in the state is presented on the following page in Map IV.1. The statewide average per tract was 73 percent, making the disproportionate share 83 percent. This map demonstrates that owner-occupied housing in Minnesota was located primarily outside of the Twin Cities. There were only a few tracts in the rest of the state that had a lower-than-average percentage of owner-occupied units.

Map IV.1
Owner-Occupied Housing by Census Tract
State of Minnesota
Census Bureau Data, 2010

IV. Housing Market Analysis

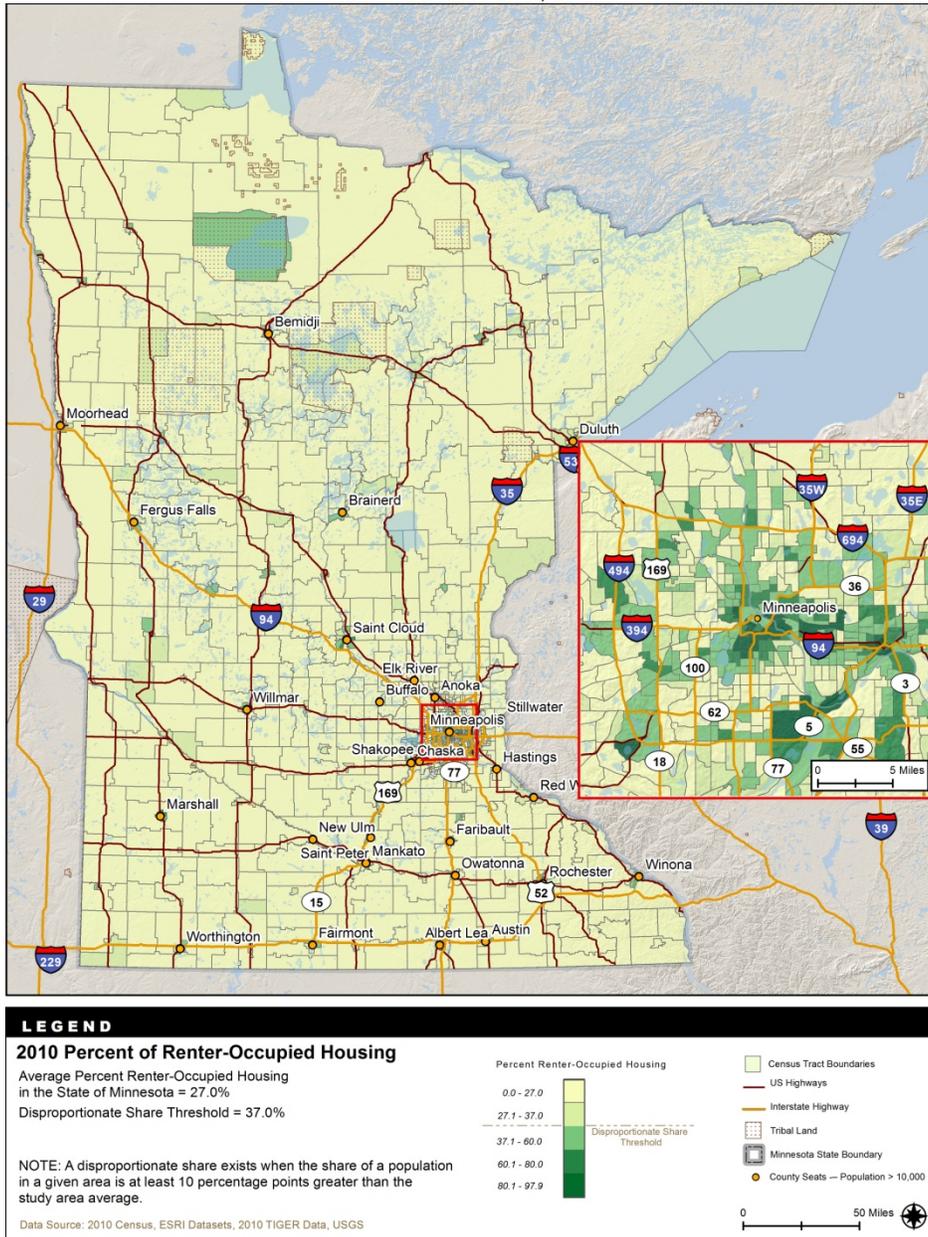


Map IV.2, presented on the following page, shows the concentration of renter-occupied housing in the state, with an average of 27 percent. Unlike the map presented on the previous page, the rental housing in the state was heavily concentrated in the Minneapolis–St. Paul metropolitan area. Some other tracts throughout the state also showed higher-than-average concentrations such as in the tribal lands north of Bemidji and in several smaller cities throughout the state including Duluth, Saint Cloud, and Rochester, although the coloration in these tracts is difficult to display.

Map IV.2
Renter-Occupied Housing by Census Tract

IV. Housing Market Analysis

State of Minnesota
Census Bureau Data, 2010



The Census Bureau estimates homeownership rates annually. Diagram IV.1, on the following page, compares homeownership rates for Minnesota and the U.S. from 1986 through 2010 and shows that, with the exception of the early 1990s, Minnesota has had consistently higher homeownership rates over this time period compared to national figures.

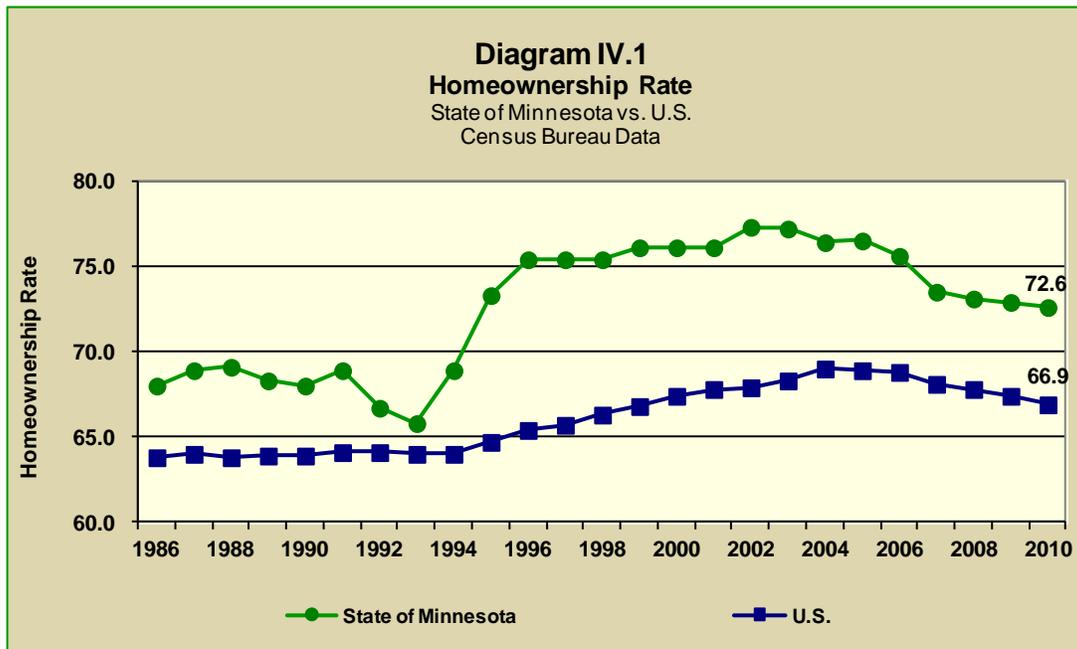


Table IV.3, below, shows the number of persons per household in the State of Minnesota as of the 2000 and 2010 censuses. In 2000, more than 60 percent of households in the state represented one- or two-person households. By 2010, the share of households comprising one or two persons increased, to nearly 63 percent.

Table IV.3
Persons Per Household
State of Minnesota
Census Bureau Data

Persons in Household	2000 Census		2010 Census		00 - 10 % Change
	Households	% of Total	Households	% of Total	
One	509,419	26.9%	584,008	28.0%	14.6%
Two	641,733	33.9%	724,386	34.7%	12.9%
Three	283,517	15.0%	307,794	14.7%	8.6%
Four	273,762	14.4%	274,621	13.2%	0.3%
Five	125,401	6.6%	123,002	5.9%	-1.9%
Six	39,369	2.1%	44,258	2.1%	12.4%
Seven or More	21,926	1.2%	29,158	1.4%	33.0%
Total	1,895,127	100.0%	2,087,227	100.0%	10.1%

VACANT HOUSING

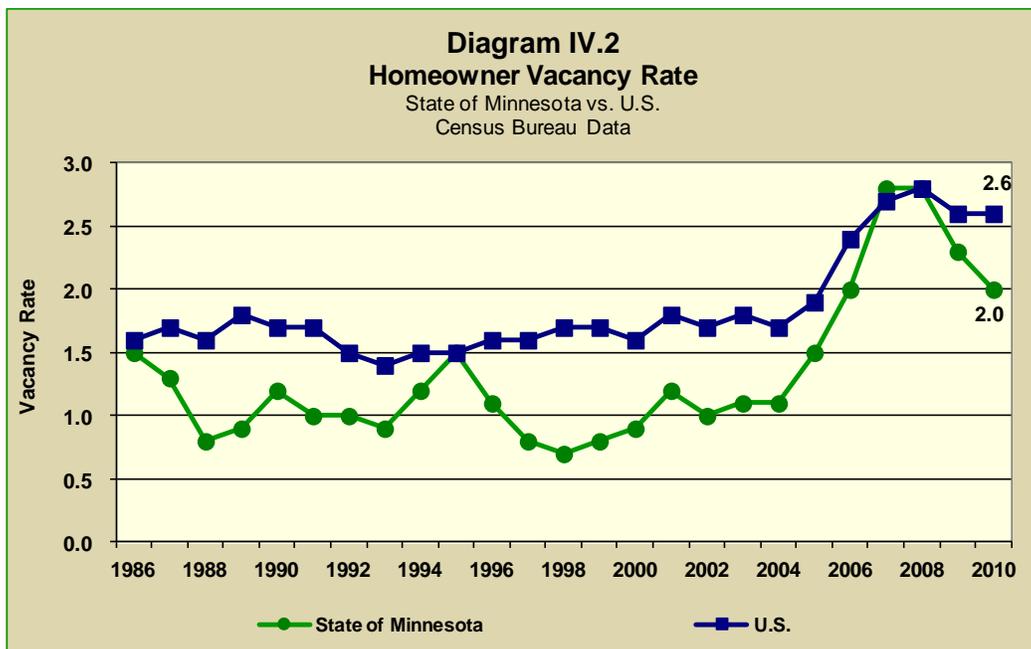
In terms of the 170,819 vacant housing units counted in the 2000 census, 20,870 units were for rent and 16,013 units were for sale, as shown below in Table IV.4. A significant number, 108,490, were also for seasonal, recreational, or occasional use, and 8,712 units were rented or sold but not occupied. An additional 16,074 units were considered “other vacant” units, which usually refers to units that are unsuitable for habitation. “Other vacant” units

IV. Housing Market Analysis

can represent problems for communities because these units are not available to the marketplace and often have a blighting influence on the surrounding areas. The 2010 census data showed that, while large increases were seen in the number of units for rent or for sale, by 130.4 percent and 91.9 percent, respectively, the number of “other vacant” units showed the greatest increase, growing by 154.6 percent, to 40,922 units.

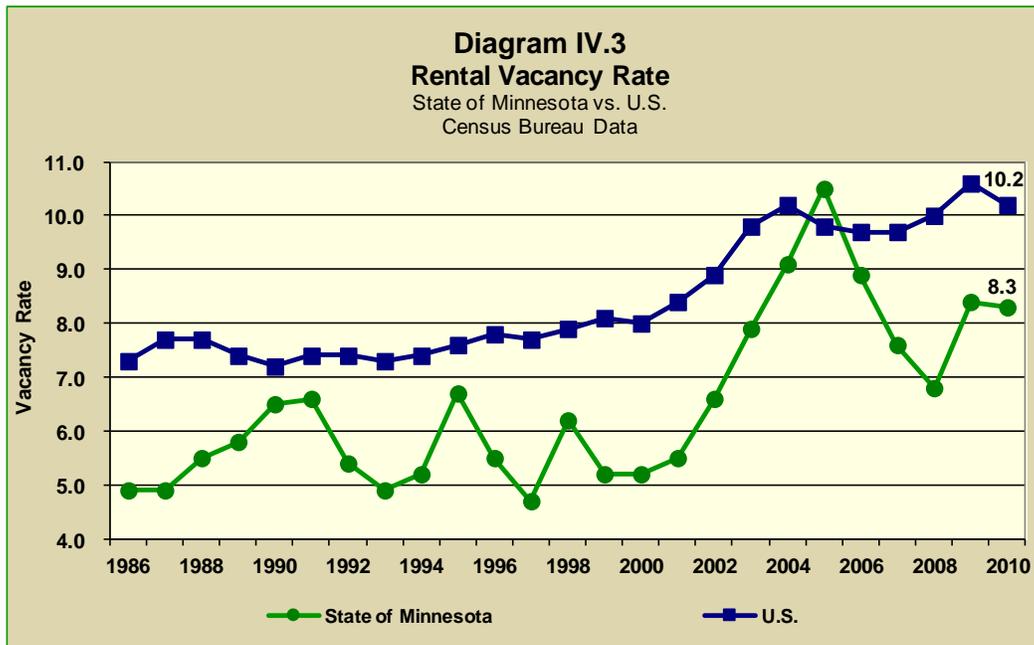
Disposition of Vacant Housing Units	2000 Census		2010 Census		00 - 10 % Change
	Units	% of Total	Units	% of Total	
For Rent	20,870	12.2%	48,091	18.5%	130.4%
For Sale	16,013	9.4%	30,726	11.8%	91.9%
Rented or Sold, Not Occupied	8,712	5.1%	9,430	3.6%	8.2%
For Seasonal, Recreational, or Occasional Use	108,490	63.5%	130,471	50.2%	20.3%
For Migrant Workers	660	0.4%	334	0.1%	-49.4%
Other Vacant	16,074	9.4%	40,922	15.7%	154.6%
Total	170,819	100.0%	259,974	100.0%	52.2%

More recent information on housing vacancy rates, as drawn from annual Census Bureau surveys, is presented on the following page in Diagram IV.2. Vacancy rates for owner-occupied housing fluctuated greatly over the past 25 years, although they generally remained below the national rate with the exceptions of 1986, 1995, 2007, and 2008. In 2010, the homeowner vacancy rate in Minnesota was 2 percent, while the national rate was 2.6 percent.



IV. Housing Market Analysis

Census data regarding rental vacancy rates, drawn from the annual surveys conducted by the Census Bureau, were also examined. As shown below in Diagram IV.3, rental vacancy rates in the state have also generally remained below the vacancy rate of the U.S, with the exception of 2005. In 2010, the State of Minnesota rental vacancy rate was 8.3 percent, while the national rate was 10.2 percent.



AGE OF THE HOUSING STOCK

The age of the housing stock is also reported by the Census Bureau. Table IV.5, below, presents a breakdown of the housing stock by vintage, as gathered from the 2000 census and 2009 ACS data. In 2000, the majority of units in the state, a total of 393,621 units, or 20.8 percent, were constructed in 1939 or earlier. The 2009 estimates suggested that the share of households from this vintage remained prevalent in the marketplace, but more than 10 percent of the market was constructed in 2000 or later.

Table IV.5
Households by Vintage
State of Minnesota
Census Bureau Data

Vintage	2000 Census		2009 Five-Year ACS	
	Population	% of Total	Population	% of Total
1939 or Earlier	393,621	20.8%	433,881	18.9%
1940 to 1949	118,809	6.3%	120,990	5.3%
1950 to 1959	230,612	12.2%	248,881	10.8%
1960 to 1969	225,015	11.9%	232,178	10.1%
1970 to 1979	347,987	18.4%	378,335	16.4%
1980 to 1989	276,805	14.6%	304,489	13.2%
1990 to 1999	302,278	16.0%	315,582	13.7%

IV. Housing Market Analysis

2000 to 2004	.	.	206,571	9.0%
Built 2005 or Later	.	.	60,400	2.6%
Total	1,895,127	100.0%	2,301,307	100.0%

C. HOUSING PRODUCTION AND AFFORDABILITY

HOUSING PRODUCTION

The Census Bureau reports the number of residential building permits issued each year for permit issuing places, including those in the State of Minnesota. Reported data are single family units, duplexes, tri- and four-plex units, and all units within facilities comprising five or more units.

Diagram IV.4, on the following page, presents the number of single-family units and all other types of units permitted in the state from 1980 through 2010. While single-family unit permits have comprised the bulk of permitting activity over the time period, permits for this type of unit have fallen significantly in recent years; while a high in permitting levels was seen in 2003 at roughly 33,000 units, by 2010, permits for single-family units numbered closer to 7,000. A similar pattern, although on a smaller scale, was seen in the number of permits issued for all other unit types, which fell from around 10,500 units in 2002 to roughly 3,000 units in 2010.

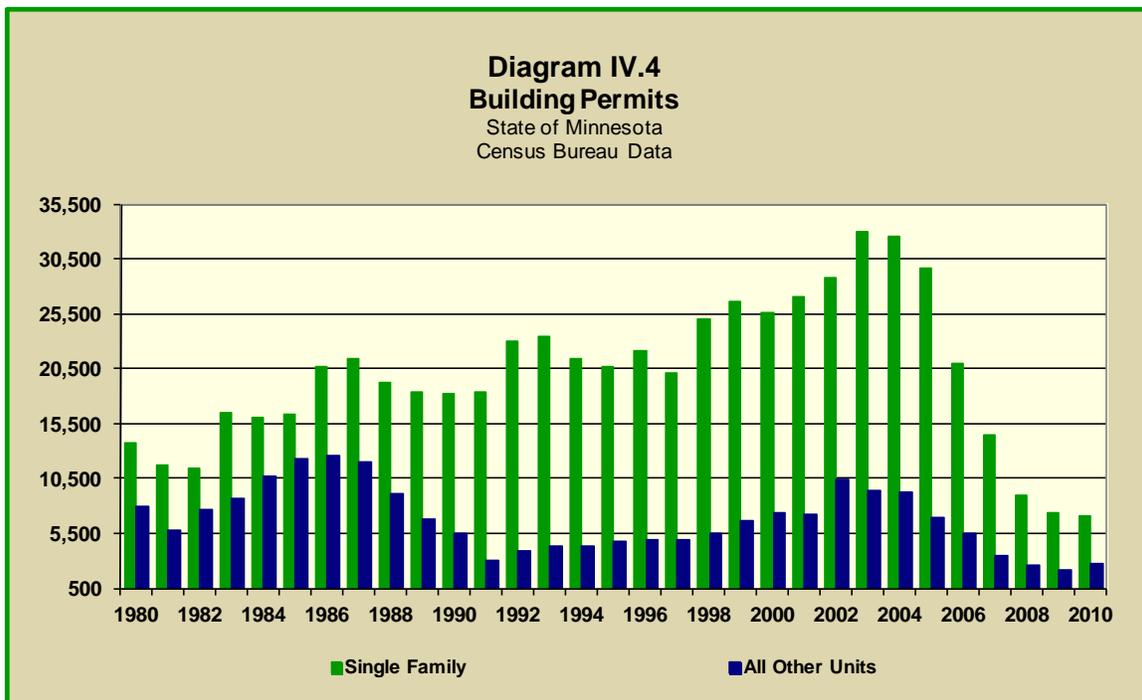


Table IV.6, on the following page, presents data on the number of manufactured homes placed in Minnesota, along with data regarding average price. Manufactured homes do not require a permit and are therefore not included in the previous data regarding housing permit activity.

IV. Housing Market Analysis

In total, the number of manufactured homes placed in Minnesota between 2000 and 2010 was 17,700, including 4,600 single-wide and 13,100 double-wide homes. Since 2000, the number of manufactured homes placed in the state has decreased significantly, falling from a high of 3,200 in 2000 to only 300 homes in 2010.

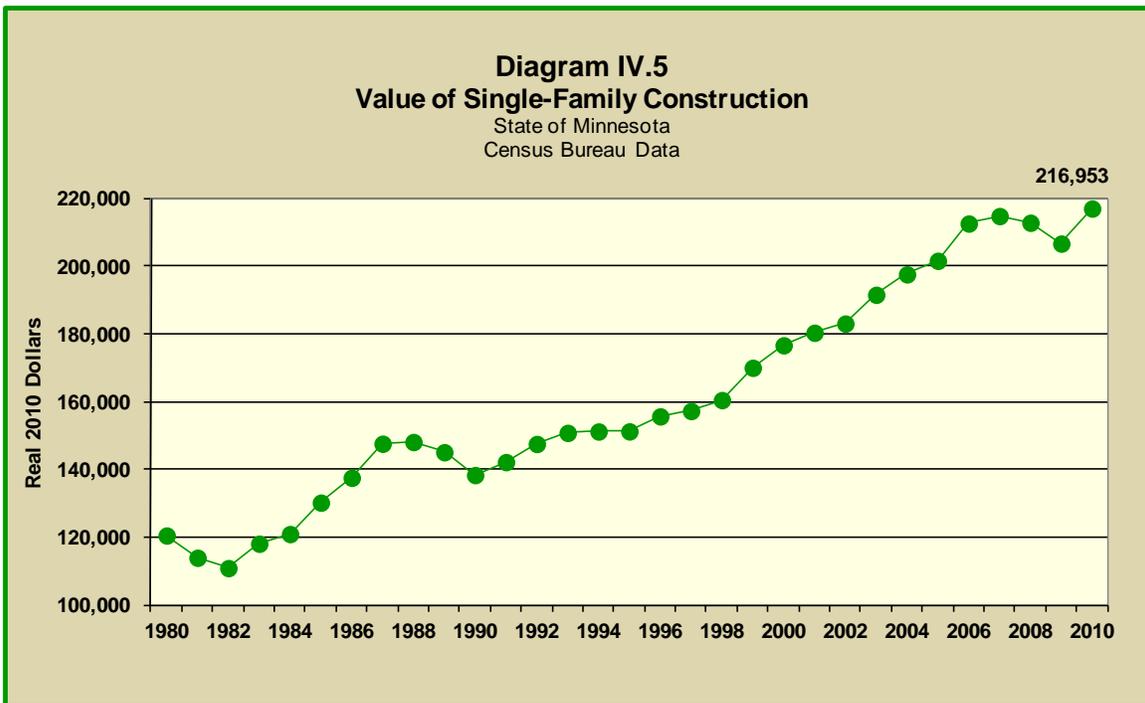
Table IV.6						
Manufactured Housing Unit Placement and Price						
State of Minnesota						
Census Bureau Data						
Year	Units Placed in Service			Average Price		
	Single	Double	Total	Single	Double	Total
2000	1,000	2,200	3,200	35,200	58,500	51,700
2001	900	1,700	2,600	37,600	57,800	51,700
2002	1,000	2,100	3,100	34,000	58,600	53,700
2003	600	1,800	2,400	35,700	61,100	55,900
2004	300	1,700	2,000	47,400	63,800	62,300
2005	200	1,100	1,300	46,100	66,300	63,100
2006	200	900	1,100	40,100	67,400	64,900
2007	200	600	800	44,300	67,300	65,000
2008	100	500	600	45,100	70,600	68,600
2009	(S) ³	300	300	(S)	68,100	64,000
2010	100	200	300	43,900	72,300	64,600

HOUSING PRICES

The average price of manufactured housing, also presented on the previous page in Table IV.6, has increased over the past decade, from \$51,700 in 2000 to \$64,600 in 2010. These numbers are weighted averages and do not account for inflation.

The Census Bureau also reports the value of construction appearing on a building permit, excluding the cost of land and related land development. As shown on the following page in Diagram IV.5, the construction value of single-family dwellings generally increased from around \$120,000 in 1980 to \$216,953 in 2010.

³ Suppressed to avoid disclosing data for individual dealers; data are included in higher level estimates.

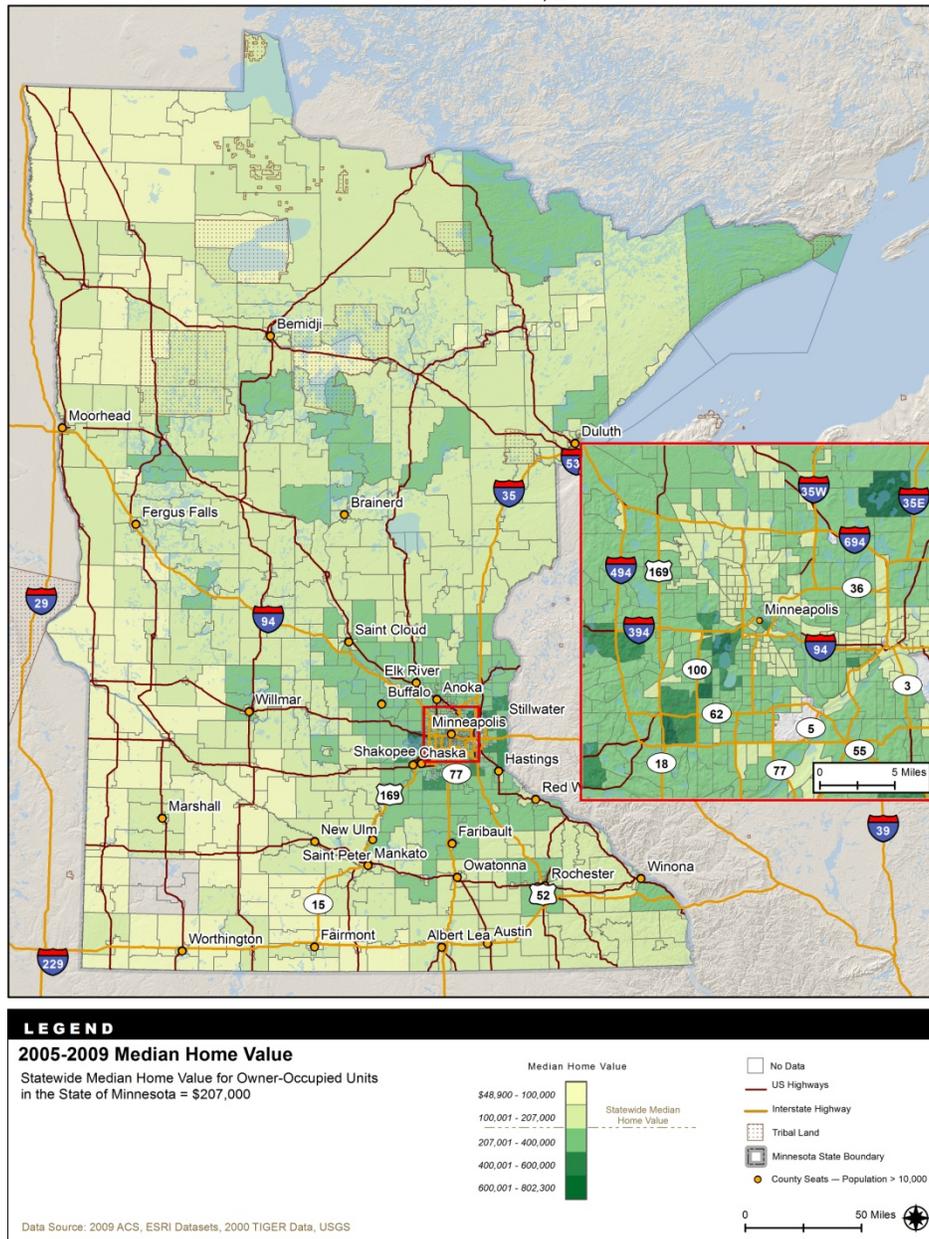


The distribution of housing values in Minnesota, as reported in the 2009 ACS, is presented on the following page in Map IV.1. The highest home values were seen in the suburban areas outside of Minneapolis/St. Paul, where median home values in several tracts ranged from \$400,001 to \$600,000 and \$600,001 to \$800,000. Moderate home prices, ranging from \$200,000 to \$400,000, were seen in the outer suburban areas as well as scattered in the northern part of the state. Median home values below the statewide median of \$207,000 were mostly seen in the central Twin Cities area and in more rural tracts, where the median was as low as \$48,900.

Map IV.1
Median Home Value by Census Tract

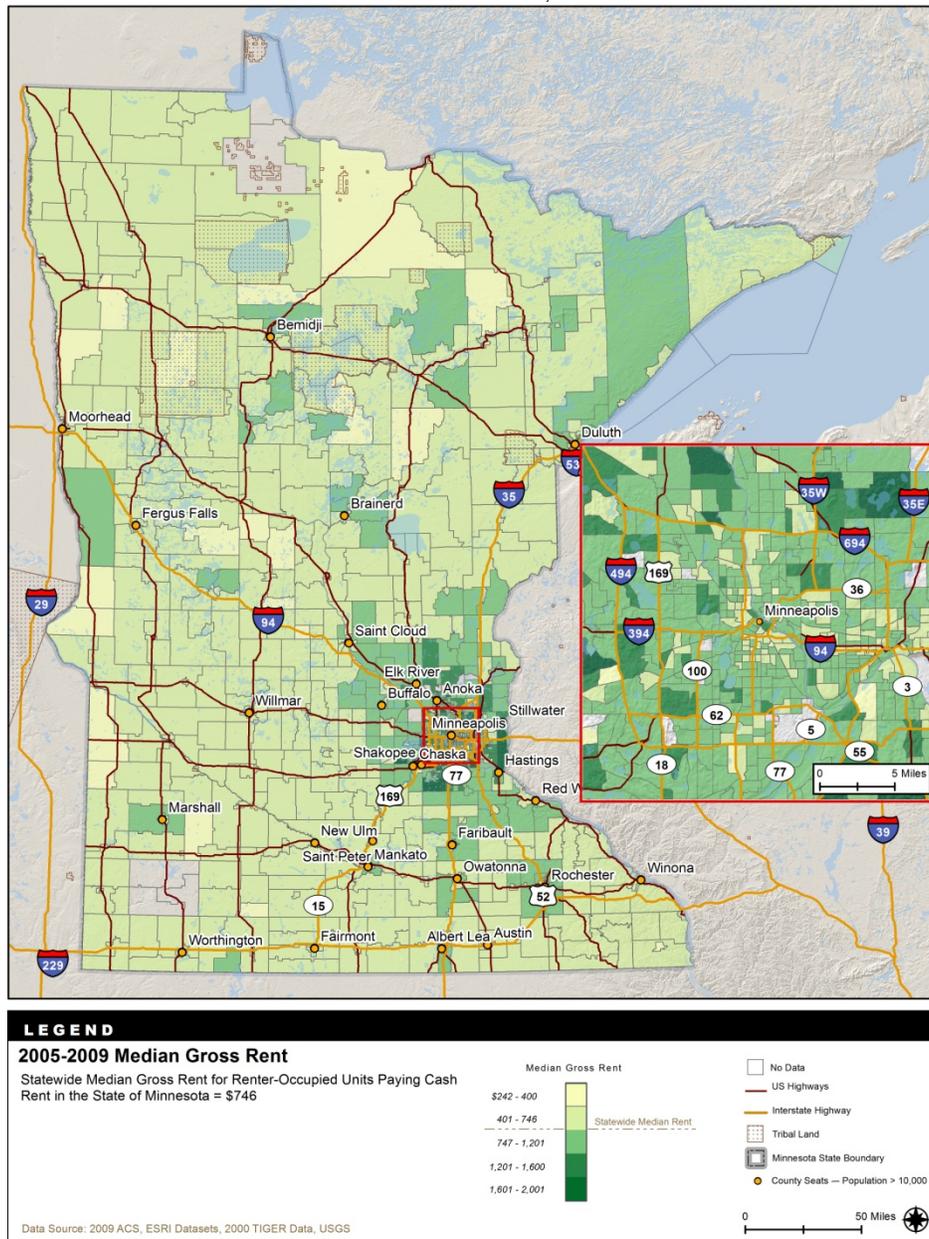
IV. Housing Market Analysis

State of Minnesota
Census Bureau Data, 2009



Map IV.2, below, illustrates data on median gross rent prices by census tract. Gross rent refers to monthly contracted rental fees plus average monthly utility costs, including electricity, water and sewer services, and garbage removal. A few similarities can be seen when comparing this map to the previous map; the areas with the highest gross rent costs were also in and around the metropolitan area suburbs. However, in the Twin Cities, high median gross rents were scattered, ranging from below \$400 to above \$1,601 per month. Across the state, several different tracts had higher-than-statewide-median rental costs than home values.

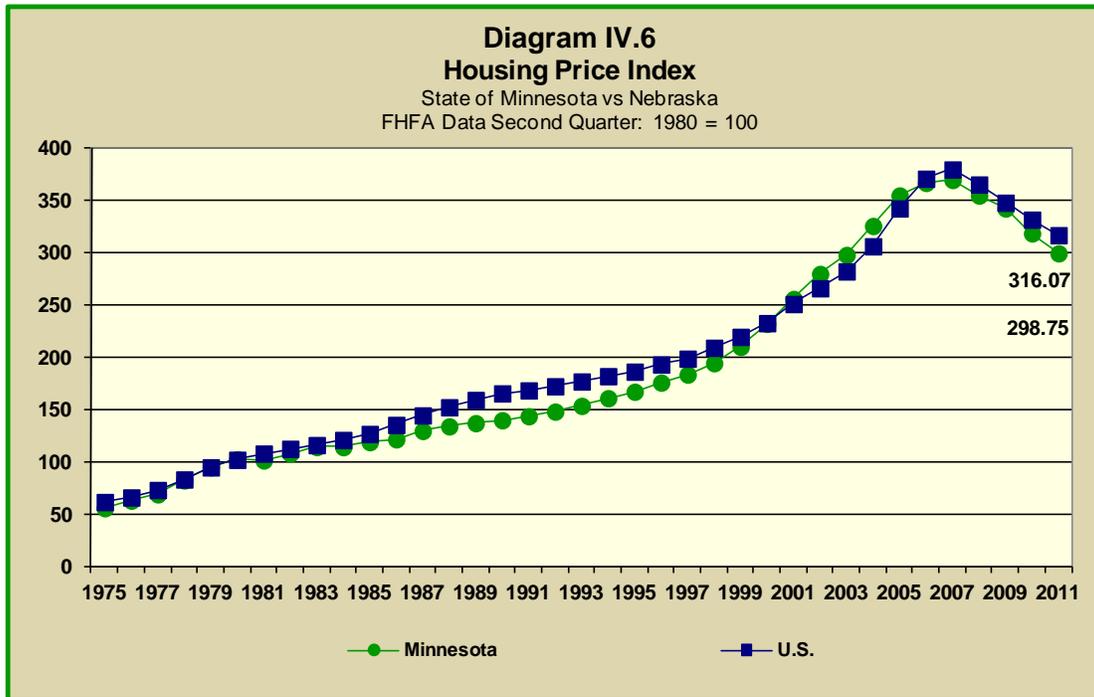
Map IV.2
Median Gross Rent by Census Tract
 State of Minnesota
 Census Bureau Data, 2009



Another indicator of housing cost was provided by the Federal Housing Finance Agency (FHFA). The FHFA, the regulatory agency for Fannie Mae and Freddie Mac, tracks average housing price changes for single-family homes and publishes a Housing Price Index (HPI) that reflects price movements on a quarterly basis. This index is a weighted repeat sales index, meaning that it measures average price changes in repeat sales or refinancing on the same properties. This information was obtained by reviewing repeat mortgage transactions on single-family properties with mortgages that have been purchased or

securitized by Fannie Mae or Freddie Mac since January 1975.⁴ There are over 31 million repeat transactions in this database, which is computed monthly. All indexes, whether state or national, were set equal to 100 as of the first quarter of 2000.

Diagram IV.6, below, shows the HPI for one quarter from each year of 1975 through the second quarter of 2011. As seen therein, the Minnesota index essentially mirrored the national index throughout the time period, rising to a high of over 350 in 2007 before declining slightly to 298.8 in 2011.



D. HOUSING PROBLEMS

HOUSING PROBLEMS

While the Census Bureau does not delve deeply into the physical condition of the housing stock, some information is reported regarding housing problems faced by householders. These housing problems are represented by three different conditions: overcrowding, lack of complete plumbing or kitchen facilities, and cost burden. Each of these conditions is addressed on the following pages.

⁴ Office of Federal Housing Enterprise Oversight, News Release, December 1, 2006.

Overcrowding

HUD defines an overcrowded household as one with more than one but less than 1.5 occupants per room and a severely overcrowded household as one with more than 1.5 occupants per room. This type of condition can be seen in both renter and homeowner households.

Table IV.7, below, shows that 30,961 households in Minnesota were overcrowded at the time of the 2000 census, including 15,559 owner-occupied households and 15,402 renter-occupied households. Severely overcrowded households comprised 24,065 households in the state including 7,756 owner-occupied households and 16,309 renter-occupied households. The 2009 five-year ACS averages showed that the share of persons in overcrowded and severely overcrowded situations declined overall. According to State of Minnesota PUMS Data, 2006-2010, overcrowding was more prevalent in large families than small families (10.58% vs.0.51%), as was severe overcrowding (2.4% vs. 0.12%). Based on these figures, overcrowding appears to occur much more frequently in renter-occupied units in the state.

Census	No Overcrowding		Overcrowding		Severe Overcrowding		Total
	Households	%	Households	%	Households	%	
Owner							
2000 Census	1,389,409	98.3%	15,559	1.1%	7,756	0.5%	1,412,724
2009 Five-Year ACS	1,529,292	99.1%	11,346	0.7%	2,786	0.2%	1,543,424
Renter							
2000 Census	450,692	93.4%	15,402	3.2%	16,309	3.4%	482,403
2009 Five-Year ACS	500,154	96.5%	13,402	2.6%	4,902	0.9%	518,458
Total							
2000 Census	1,840,101	97.1%	30,961	1.6%	24,065	1.3%	1,895,127
2009 Five-Year ACS	2,029,446	98.4%	24,748	1.2%	7,688	0.4%	2,061,882

Households Lacking Complete Kitchen or Plumbing Facilities

According to the Census Bureau, a housing unit is classified as lacking complete kitchen facilities when any of the following is not present in a housing unit: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator. Likewise, a housing unit is categorized as lacking complete plumbing facilities when any of the following are missing from the housing unit: piped hot and cold water, a flush toilet, and a bathtub or shower. A lack of these facilities indicates that the housing unit is likely to be unsuitable.

The State of Minnesota had about 1.6 percent of its housing stock lacking complete kitchen facilities at the time of the 2000 census. This figure represented about 32,846 units. More recent data suggested that the share of units with incomplete kitchen facilities has increased slightly in the state, to 1.7 percent of all units, as shown in Table IV.8, on the following page.

Table IV.8 Housing Units with Incomplete Kitchen Facilities State of Minnesota Census Bureau Data		
Facilities	2000 Census	2009 Five-Year ACS
	Population	Population
Kitchen Facilities		
Complete Kitchen Facilities	2,033,100	2,261,567
Lacking Complete Kitchen Facilities	32,846	39,740
Total Households	2,065,946	2,301,307
Percent Lacking	1.6%	1.7%

In terms of incomplete plumbing facilities, Table IV.9, below, shows that 35,220, or 1.7 percent of households in Minnesota, had incomplete plumbing facilities at the time of the 2000 census, but this figure was not shown to have worsened based on the 2009 five-year ACS averages, which also showed 1.7 percent of units in the state with this housing problem.

Table IV.9 Housing Units with Incomplete Plumbing Facilities State of Minnesota Census Bureau Data		
Facilities	2000 Census	2009 Five-Year ACS
	Population	Population
Plumbing Facilities		
Complete Plumbing Facilities	2,030,726	2,262,006
Lacking Complete Plumbing Facilities	35,220	39,301
Total Households	2,065,946	2,301,307
Percent Lacking	1.7%	1.7%

Cost Burden

Cost burden refers to the amount of income expended for housing. A household experiences a cost burden if between 30 and 50 percent of household income is used for housing costs, and a household experiences a severe cost burden if 50.1 percent or more of household income is devoted to housing costs. For renters, this represents monthly rent and any energy costs incurred. For homeowners, this includes all energy costs, water and sewer charges, refuse collection, taxes, insurance, and principal and interest charges if a mortgage is held. Severely cost burdened renters and homeowners with a mortgage are at risk of homelessness because a single financial setback could result in a housing crisis. Severely cost burdened homeowners without a mortgage may be more likely to defer maintenance on their housing unit, increasing the potential for health and safety threats as well as the likelihood of more dilapidated units or blight.

According to 2000 census data, 14.2 percent of households in Minnesota experienced a cost burden at that time. An additional 7.9 percent of households experienced a severe cost burden. The Census Bureau also reports these conditions for three types of householders: renters, homeowners with a mortgage, and homeowners without a mortgage.

IV. Housing Market Analysis

For renters, 19.6 percent had a cost burden and 15.4 percent had a severe cost burden. For homeowners with a mortgage, 14.3 percent had a cost burden and 5.5 percent had a severe cost burden. And for homeowners without a mortgage, 4.8 percent had a cost burden and 2.6 percent had a severe cost burden. More recent data from the 2009 five-year ACS showed that the share of housing units demonstrating both cost burdens and severe cost burdens increased. These data are presented below in Table IV.10.

Table IV.10									
Cost Burden and Severe Cost Burden by Tenure									
State of Minnesota Census Bureau Data									
Census	Less Than 30.0%		31% - 50%		Above 50%		Not Computed		Total
	Households	%	Households	%	Households	%	Households	%	
Owner With a Mortgage									
2000 Census	663,238	80.0%	118,725	14.3%	45,292	5.5%	1,826	0.2%	829,081
2009 Five-Year ACS	728,901	66.2%	252,103	22.9%	117,495	10.7%	2,524	0.2%	1,101,023
Owner Without a Mortgage									
2000 Census	264,711	91.8%	13,764	4.8%	7,430	2.6%	2,503	0.9%	288,408
2009 Five-Year ACS	380,942	86.1%	36,230	8.2%	22,875	5.2%	2,354	0.5%	442,401
Renter									
2000 Census	282,754	60.0%	92,463	19.6%	72,644	15.4%	23,605	5.0%	471,466
2009 Five-Year ACS	253,484	48.9%	117,422	22.6%	116,089	22.4%	31,463	6.1%	518,458
Total									
2000 Census	1,210,703	76.2%	224,952	14.2%	125,366	7.9%	27,934	1.8%	1,588,955
2009 Five-Year ACS	1,363,327	66.1%	405,755	19.7%	256,459	12.4%	36,341	1.8%	2,061,882

HOUSEHOLDS WITH UNMET HOUSING NEEDS

Households that experience one or more of these housing problems are considered to have unmet housing needs. Such householders can be of any income level, race, ethnicity or family type. For the purposes presented herein, these data have been segmented by tenure, renters and homeowners, and by percent of HUD Area Median Family Income (HAMFI).

Table IV.11, on the following page, presents households with housing problems by income as well as family type. Within these groups, there were 673,550 households that had an unmet housing need in Minnesota at the time of the 2010 census. However, the goals and objectives of the Consolidated Plan are designed specifically for assisting lower-income households or those with incomes 80 percent or less of the Median Family Income (MFI). As such, this table shows that there were 494,246 households with incomes of 80 percent MFI or less that had unmet housing needs at the time of the last decennial census.

Table IV.12, also on the following page, shows the households with housing need by tenure. In total, 255,287 renter households had an unmet housing need, and 418,263 owner households had an unmet housing need at the time of the 2010 census. When only those households with incomes of 80 percent or below MFI are considered, 243,512 renter and 250,734 owner households remain.

Table IV.11						
Households by Housing Problem by Income and Family Status						
State of Minnesota						
Census Bureau Data, 2010, CHAS Distribution Data, 2006-2008						
Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total
Housing Problem						
30% HAMFI or less	9,909	52,020	12,846	50,999	73,276	199,050
30.1-50% HAMFI	11,852	43,843	13,420	28,569	48,042	145,724
50.1-80% HAMFI	11,270	58,984	20,339	14,794	44,085	149,472
80.1% HAMFI and above	13,395	91,664	23,743	7,433	43,069	179,304
Total	46,426	246,510	70,348	101,794	208,472	673,550
No Housing Problem						
30% HAMFI or less	3,449	7,786	911	20,360	12,116	44,622
30.1-50% HAMFI	18,893	17,607	2,785	29,970	20,678	89,933
50.1-80% HAMFI	41,057	62,089	10,664	30,883	70,336	215,029
80.1% HAMFI and above	135,041	589,756	83,943	45,378	199,767	1,053,885
Total	198,441	677,239	98,303	126,591	302,897	1,403,470
Not Computed						
30% HAMFI or less	429	2,127	180	1,938	5,534	10,208
30.1-50% HAMFI	0	0	0	0	0	0
50.1-80% HAMFI	0	0	0	0	0	0
80.1% HAMFI and above	0	0	0	0	0	0
Total	429	2,127	180	1,938	5,534	10,208
Total						
30% HAMFI or less	13,787	61,934	13,937	73,297	90,926	253,880
30.1-50% HAMFI	30,745	61,450	16,204	58,539	68,719	235,657
50.1-80% HAMFI	52,327	121,073	31,003	45,677	114,421	364,501
80.1% HAMFI and above	148,436	681,419	107,686	52,811	242,836	1,233,189
Total	245,295	925,876	168,830	230,323	516,903	2,087,227

IV. Housing Market Analysis

Table IV.12						
Households with Housing Problem by Tenure by Income and Family Status						
State of Minnesota Census Bureau Data, 2010, CHAS Distribution Data, 2006-2008						
Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total ⁵
Renter Households						
30% HAMFI or less	2,314	37,128	8,850	24,940	55,697	128,930
30.1-50% HAMFI	2,254	22,615	5,497	13,715	33,994	78,076
50.1-80% HAMFI	1,677	10,384	3,601	6,789	14,056	36,506
80.1% HAMFI and above	720	3,012	2,061	2,661	3,320	11,775
Total	6,965	73,139	20,010	48,105	107,068	255,287
Owner Households						
30% HAMFI or less	7,595	14,892	3,995	26,058	17,579	70,120
30.1-50% HAMFI	9,598	21,227	7,922	14,853	14,047	67,648
50.1-80% HAMFI	9,593	48,599	16,739	8,005	30,029	112,966
80.1% HAMFI and above	12,675	88,651	21,682	4,772	39,749	167,529
Total	39,461	173,371	50,338	53,689	101,404	418,263

E. DISPROPORTIONATE NEEDS

A disproportionate need exists when the percentage of persons experiencing a housing problem in a group is at least 10 percentage points higher than the study area's percentage of persons experiencing a housing problem as a whole. This can be broken down further by income, as seen in Table IV.13, below.

As shown, several groups in the State of Minnesota experienced a disproportionate housing need based on the 2006 through 2008 CHAS data. The total percentage of households with a housing problem in the state was 31.9 percent, and the racial groups of black, Asian Pacific Islander, and other race, as well as the Hispanic ethnic group, experienced rates 10 percentage points or higher than 41.9 percent. At different income levels, all racial and ethnic groups showed a disproportionate housing need in at least one income category.

Table IV.13								
Households by Housing Problem by Income and Race and Ethnicity								
State of Minnesota CHAS Data, 2006-2008								
Income	White	Black	Asian	American Indian	Pacific Islander	Hispanic (Ethnicity)	Other Race	Total
With Housing Problems								
30% HAMFI or less	77.5%	81.0%	81.3%	69.0%	85.7%	88.3%	87.7%	78.5%
30.1-50% HAMFI	59.6%	74.9%	73.5%	58.0%	100.0%	68.7%	60.2%	61.4%
50.1-80% HAMFI	40.5%	49.0%	54.5%	36.3%	13.8%	50.6%	43.8%	41.5%
80.1-100% HAMFI	29.5%	32.3%	43.5%	19.2%	51.9%	38.0%	31.3%	30.1%
100.1% HAMFI and above	10.5%	18.9%	16.0%	13.5%	14.8%	14.9%	14.6%	10.8%
Total	29.6%	58.6%	43.3%	41.7%	56.8%	52.3%	42.2%	31.9%
Without Housing Problems								
30% HAMFI or less	18.5%	14.7%	13.3%	26.9%	14.3%	8.2%	8.5%	17.4%

⁵ Due to rounding, these totals do not represent the absolute sum of households as presented in this table.

IV. Housing Market Analysis

30.1-50% HAMFI	40.4%	25.1%	26.5%	42.0%	0.0%	31.3%	39.8%	38.6%
50.1-80% HAMFI	59.5%	51.0%	45.5%	63.7%	86.2%	49.4%	56.2%	58.5%
80.1-100% HAMFI	70.5%	67.7%	56.5%	80.8%	48.1%	62.0%	68.7%	69.9%
100.1% HAMFI and above	89.5%	81.1%	84.0%	86.5%	85.2%	85.1%	85.4%	89.2%
Total	70.0%	39.9%	55.9%	57.1%	43.2%	46.9%	57.1%	67.7%
Not Applicable								
30% HAMFI or less	4.0%	4.3%	5.4%	4.2%	0.0%	3.5%	3.8%	4.1%
30.1-50% HAMFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50.1-80% HAMFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
80.1-100% HAMFI	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
100.1% HAMFI and above	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.4%	1.6%	0.9%	1.2%	0.0%	0.8%	0.7%	0.5%
Total	100.0%							

F. HOUSING NEEDS FORECAST

POPULATION AND HOUSEHOLD FORECAST

Population and household forecast data were collected from the Minnesota State Demographic Center. According to this data source, population in the state is expected to increase to more than 5.7 million persons, and the number of households is anticipated to rise to more than 2.8 million by 2016.

However, not all of these 2.8 million households are expected to have unmet housing needs. As shown in Table IV.14, below, there are expected to be 881,854 households with a housing problem in the state, including 624,981 households with 80 percent or less MFI.

Table IV.14						
Households by Housing Problem by Income and Family Status						
State of Minnesota						
2016 Adjusted Household Forecast Data, Minnesota State Demographic Center Household Forecast Data						
Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total
Housing Problem						
30% HAMFI or less	13,542	61,254	15,251	64,562	84,945	239,553
30.1-50% HAMFI	16,398	55,040	17,408	36,267	56,685	181,799
50.1-80% HAMFI	15,776	81,938	28,247	18,905	58,764	203,629
80.1% HAMFI and above	19,253	132,503	33,817	9,793	61,508	256,873
Total	64,969	330,735	94,723	129,527	261,901	881,854
No Housing Problem						
30% HAMFI or less	4,632	8,852	1,026	24,496	13,451	52,458
30.1-50% HAMFI	26,795	21,681	3,576	40,624	24,475	117,152
50.1-80% HAMFI	58,641	79,571	14,600	42,406	83,466	278,684
80.1% HAMFI and above	194,285	840,276	120,667	62,724	261,750	1,479,703
Total	284,353	950,380	139,870	170,251	383,143	1,927,996
Not Computed						
30% HAMFI or less	1,026	2,436	299	2,351	6,169	12,281
30.1-50% HAMFI	0	0	0	0	0	0
50.1-80% HAMFI	0	0	0	0	0	0
80.1% HAMFI and above	0	0	0	0	0	0
Total	1,026	2,436	299	2,351	6,169	12,281
Total						
30% HAMFI or less	19,199	72,543	16,576	91,409	104,565	304,292
30.1-50% HAMFI	43,193	76,721	20,985	76,892	81,160	298,951
50.1-80% HAMFI	74,417	161,508	42,847	61,311	142,230	482,313
80.1% HAMFI and above	213,538	972,779	154,484	72,517	323,258	1,736,576
Total	350,347	1,283,551	234,892	302,128	651,213	2,822,132

Table IV.15, below, shows the breakdown of households with housing problems by owner-occupied and renter-occupied households in the state. In total, 271,832 households are

IV. Housing Market Analysis

expected to have housing problems by 2016, with 259,294 expected to have incomes at 80 percent or below MFI. Renter households with housing problems and 80 percent or less MFI are also expected to include 6,649 elderly family households as well as 19,111 large family households.

In terms of owner-occupied households, 610,023 are expected to have a housing problem, and 365,688 will have 80 percent or less MFI. Of these owner-occupied households with an unmet housing need and 80 percent or less MFI, 39,066 will be elderly family households and 41,795 large family households.

Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total
Renter Households						
30% HAMFI or less	2,464	39,534	9,424	26,557	59,307	137,286
30.1-50% HAMFI	2,400	24,081	5,853	14,604	36,197	83,136
50.1-80% HAMFI	1,785	11,057	3,834	7,229	14,967	38,872
80.1% HAMFI and above	767	3,208	2,195	2,833	3,535	12,538
Total	7,416	77,879	21,306	51,223	114,007	271,832
Owner Households						
30% HAMFI or less	11,077	21,720	5,827	38,005	25,638	102,268
30.1-50% HAMFI	13,998	30,960	11,555	21,663	20,488	98,663
50.1-80% HAMFI	13,991	70,881	24,413	11,676	43,796	164,757
80.1% HAMFI and above	18,486	129,295	31,622	6,960	57,973	244,335
Total	57,552	252,855	73,417	78,304	147,895	610,023

G. LEAD-BASED PAINT HAZARDS AND ACTIONS TO OVERCOME HAZARDS

LEAD-BASED PAINT HAZARDS

Older homes, particularly those built prior to 1940, have a higher potential for structural problems related to inadequate foundations and floor supports, poor plumbing, outdated electrical wiring, and substandard roofing as well as a greater likelihood of lead-based paint hazards than homes built after 1940. Environmental issues play an important role in the quality of housing. Exposure to lead-based paint, which is more likely to occur in older homes, is one of the most significant environmental threats posed to homeowners and renters.

Medical understanding of the harmful effects of lead poisoning in children and adults in both the short- and long-term is increasing. Evidence shows that lead dust is a more serious hazard than ingestion of paint chips. Dust from surfaces with intact lead-based paint is pervasive and poisonous when inhaled or ingested. Making the situation more difficult is the fact that lead dust is so fine that it cannot be collected by conventional vacuum cleaners.

Lead-based paint was banned from residential use in 1978 because of the health risk it posed, particularly to children. Homes built prior to 1980 have some chance of containing lead-based paint on interior or exterior surfaces. The chances increase with the age of the housing units. HUD has established estimates for determining the likelihood of housing units containing lead-based paint. These estimates are as follows:

- 90 percent of units built before 1940,
- 80 percent of units built from 1940 through 1959, and
- 62 percent of units built from 1960 through 1979.

Other factors used to determine the risk of lead-based paint problems include the condition of the housing unit, tenure, and household income. Households with young children are also at greater risk because young children have more hand-to-mouth activity and absorb lead more readily than adults. The two factors most correlated with higher risks of lead-based paint hazards are residing in rental or lower-income households. Low-income residents are less likely to be able to afford proper maintenance of their homes, leading to issues such as chipped and peeling paint, and renters are not as likely or are not allowed to renovate their rental units.

National Efforts to Reduce Lead-Based Paint Hazards

In 1991, Congress formed HUD's Office of Healthy Homes and Lead Hazard Control to eradicate lead-based paint hazards in privately-owned and low-income housing in the U.S. One way it has done this is by providing grants for communities to address their own lead paint hazards. Other responsibilities of this office are the enforcement of HUD's lead-based paint regulations, public outreach and technical assistance, and technical studies to help protect children and their families from health and safety hazards in the home.⁶

Then, in 1992, to address the problem more directly, Congress passed the Residential Lead-Based Paint Hazard Reduction Act, also known as Title X, which developed a comprehensive federal strategy for reducing lead exposure from paint, dust, and soil and provided authority for several rules and regulations, including the following:

Lead Safe Housing Rule – mandates that federally-assisted or owned housing facilities notify residents about, evaluate, and reduce lead-based paint hazards.

Lead Disclosure Rule – requires homeowners to disclose all known lead-based paint hazards when selling or leasing a residential property built before 1978. Violations of the Lead Disclosure Rule may result in civil money penalties of up to \$11,000 per violation.⁷

Pre-Renovation Education Rule – ensures that owners and occupants of most pre-1978 housing are given information about potential hazards of lead-based paint exposure before certain renovations happen on that unit.

⁶ "About the Office of Healthy Homes and Lead Hazard Control." 03 May 2008. U.S. Department of Housing and Urban Development. 31 Dec. 2008 <<http://www.hud.gov/offices/lead/about.cfm>>.

⁷ "Lead Programs Enforcement Division - HUD." *Homes and Communities - U.S. Department of Housing and Urban Development (HUD)*. 31 Dec. 2008 <<http://www.hud.gov/offices/lead/enforcement/index.cfm>>.

Lead Renovation, Repair and Painting Program Rule – establishes standards for anyone engaging in target housing renovation that creates lead-based paint hazards.⁸

Early in the last decade, a 10-year goal was set in February 2000 by President Clinton's Task Force on Environmental Health Risks and Safety Risks to Children to eliminate childhood lead poisoning in the U.S. as a major public health issue by 2010. As a means to achieve this goal, they released the following four broad recommendations in their "Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards," report:

- Prevent lead exposure in children by, among other actions, increasing the availability of lead-safe dwellings by increasing funding of HUD's lead hazard control program, controlling lead paint hazards, educating the public about lead-safe painting, renovating and maintaining units, and enforcing compliance with lead paint laws;
- Increase early intervention to identify and care for lead-poisoned children through screening and follow-up services for at-risk children, especially Medicaid-eligible children, and increasing coordination between federal, state, and local agencies that are responsible for lead hazard control, among other measures;
- Conduct research to, for example, develop new lead hazard control technologies, improve prevention strategies, promote innovative ways to decrease lead hazard control costs, and quantify the ways in which children are exposed to lead; and
- Measure progress and refine lead poisoning prevention strategies by, for instance, implementing monitoring and surveillance programs.

LEAD-BASED PAINT HAZARDS FOR CHILDREN

Children's exposure to lead has decreased dramatically over the past few decades due to federal mandates that lead be phased out of items such as gasoline, food and beverage cans, water pipes, and industrial emissions. However, despite a ban in 1978 on the use of lead in new paint, children living in older homes are still at risk from deteriorating lead-based paint and its resulting lead contaminated household dust and soil. Today, lead-based paint in older housing remains the most common source of lead exposure for children.

Thirty-eight million housing units in the U.S. had lead-based paint during a 1998 to 2000 survey, down from the 1990 estimate of 64 million. Still, 24 million housing units in the survey contained significant lead-based paint hazards. Of those with hazards, 1.2 million were homes of low-income families with children under 6 years of age.⁹

National Efforts to Reduce Lead Exposure in Children

⁸ "Lead: Rules and Regulations | Lead in Paint, Dust, and Soil | US EPA." *U.S. Environmental Protection Agency*. 31 Dec. 2008 <<http://www.epa.gov/lead/pubs/regulation.htm>>.

⁹ Jacobs, David E., Robert P. Clickner, Joey Y. Zhou, Susan M. Viet, David A. Marker, John W. Rogers, Darryl C. Zeldin, Pamela Broene, and Warren Friedman. "The Prevalence of Lead-Based Paint Hazards in U.S. Housing." *Environmental Health Perspectives* 110 (2002): A599-606. *Pub Med*. 2 Jan. 2009 <<http://www.pubmedcentral.nih.gov/picrender.fcgi?artid=1241046&blobtype=pdf>>.

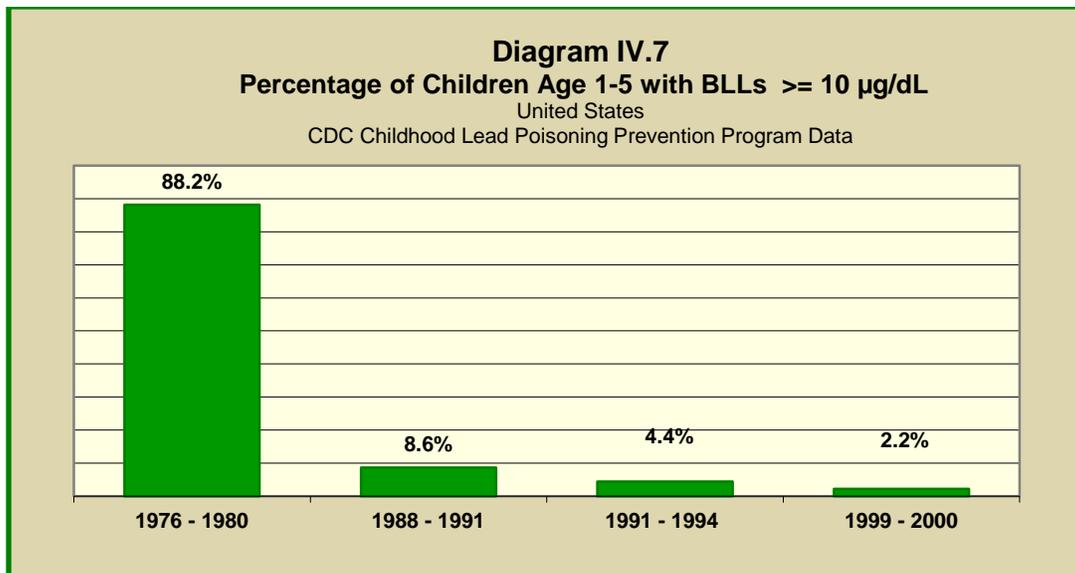
IV. Housing Market Analysis

There have been a number of substantive steps taken by the U.S. to reduce and eliminate blood lead poisoning in children. The Lead Contamination Control Act (LCCA) of 1988 authorized the Centers for Disease Control and Prevention (CDC) to make grants to state and local agencies for childhood lead poisoning prevention programs that develop prevention programs and policies, educate the public, and support research to determine the effectiveness of prevention efforts at federal, state, and local levels. The CDC has carried out these activities through its Childhood Lead Poisoning Prevention Program.¹⁰

One of the most significant actions the CDC has taken to lower blood lead levels (BLLs) in children over the past few decades is the gradual changing of the definition of an EBLL. For example, during the 1960s, the criteria for an EBLL was ≥ 60 micrograms per deciliter ($\mu\text{g}/\text{dL}$). It then dropped to ≥ 40 $\mu\text{g}/\text{dL}$ in 1971, to ≥ 30 $\mu\text{g}/\text{dL}$ in 1978, ≥ 25 $\mu\text{g}/\text{dL}$ in 1985, and most recently, ≥ 10 $\mu\text{g}/\text{dL}$ in 1991.¹¹

RESULTS OF NATIONAL EFFORTS

The coordinated and cooperative efforts at the national, state, and local levels have created the infrastructure needed to identify high-risk housing and to prevent and control lead hazards. Consequently, EBLLs in U.S. children have decreased dramatically. For example, in 1978, nearly 14.8 million children in the U.S. had lead poisoning; however, by the early 1990s, that number dropped substantially, to 890,000.¹² Diagram IV.7, on the following page, illustrates this significant reduction in BLLs among young children over the past several decades.¹³



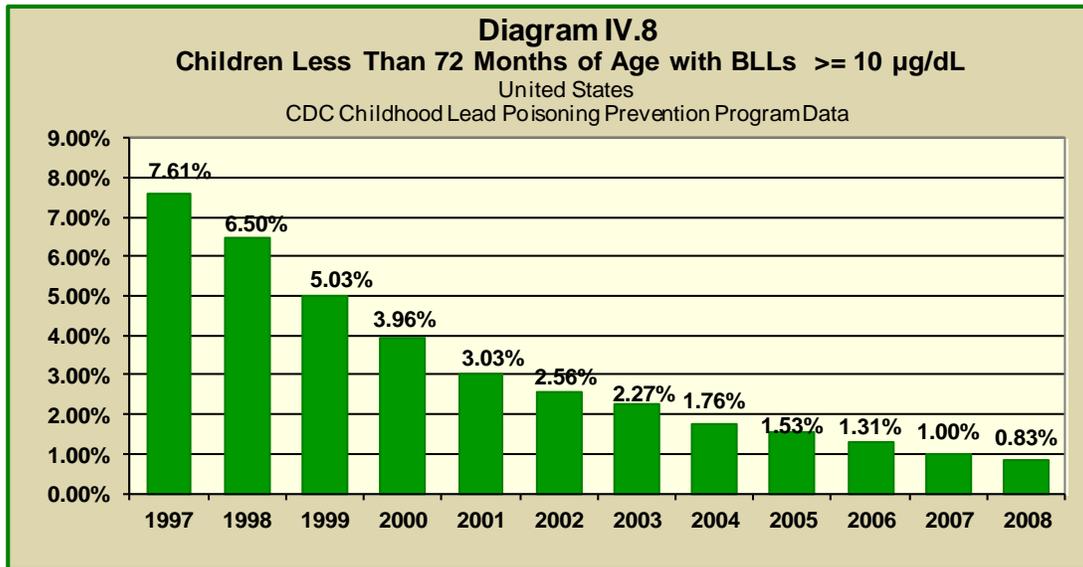
¹⁰ "Implementation of the Lead Contamination Control Act of 1988." Editorial. *Morbidity and Mortality Weekly Report* 01 May 1992: 288-90. 05 Aug. 1998. Centers for Disease Control. 31 Dec. 2008 <<http://www.cdc.gov/mmwr/preview/mmwrhtml/00016599.htm>>.

¹¹ Lanphear, MD MPH, Bruce P et al. "Cognitive Deficits Associated with Blood Lead Concentrations" *Public Health Reports* 115 (2000): 521-29. Pub Med. 5 Jan. 2009 <<http://www.pubmedcentral.nih.gov/picrender.fcgi?artid=1308622&blobtype=pdf>>.

¹² *Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards*. Feb. 2000. President's Task Force on Environmental Health Risks and Safety Risks to Children. 31 Dec. 2008 <<http://www.cdc.gov/nceh/lead/about/fedstrategy2000.pdf>>.

¹³ "Childhood Lead Poisoning Prevention Program | Statement on EBLLs | CDC." *Centers for Disease Control and Prevention*. 31 Dec. 2008 <<http://www.cdc.gov/nceh/lead/research/kidsBLL.htm>>.

The CDC reports more recent data on the percentage of children under 72 months of age who have confirmed EBLLs. Diagram IV.8, on the following page, shows that numbers have continued to decline.



Amidst all of this success, a debate exists in the field of epidemiology about the definition of EBLLs in children. A growing body of research suggests that considerable damage occurs even at BLLs below $10 \mu\text{g/dL}$. Some studies assert that some effects can be more negative at BLLs below $10 \mu\text{g/dL}$ than above it.¹⁴

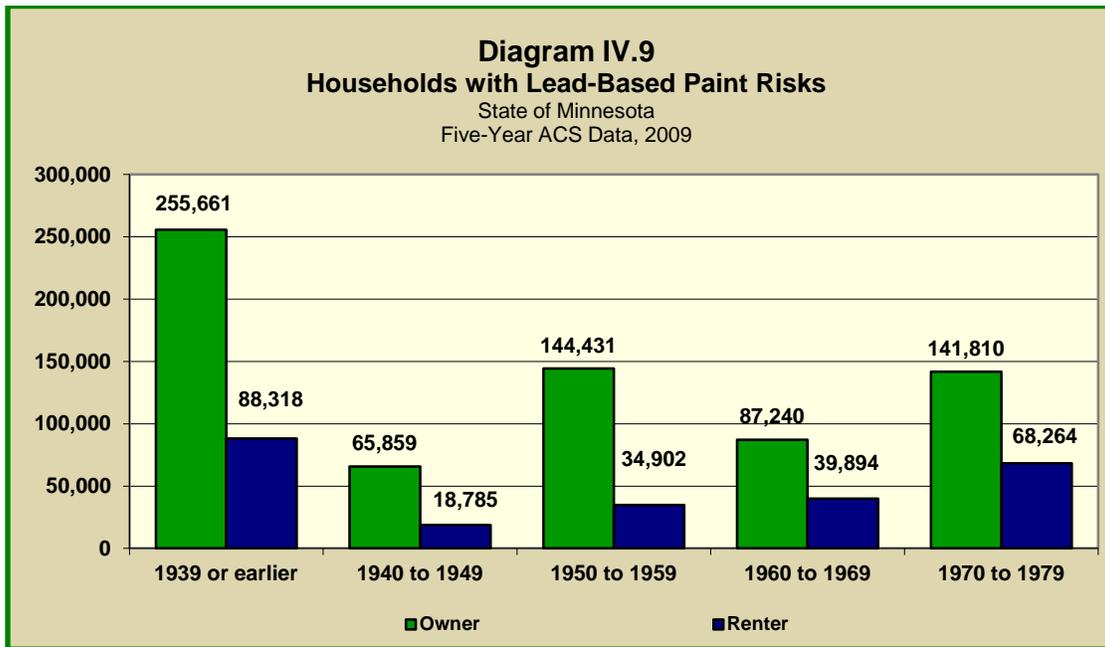
While the CDC acknowledges these associations and does not refute that they are, at least in part, causal, they have yet to lower the level of concern below $10 \mu\text{g/dL}$. The reasons the CDC gives for this decision are as follows: it is critical to focus available resources where negative effects are greatest, setting a new level would be arbitrary since no exact threshold has been established for adverse health effects from lead, and the ability to successfully and consistently reduce BLLs below $10 \mu\text{g/dL}$ has not been demonstrated.¹⁵

LEAD-BASED PAINT HAZARDS IN MINNESOTA

Diagram IV.9, on the following page, shows the number of households in Minnesota built before 1980. As established previously, homes built before this time period have a greater risk of the presence of lead-based paint.

¹⁴ Matte, MD, MPH, Thomas D., David Homa, PhD, Jessica Sanford, PhD, and Alan Pate. *A Review of Evidence of Adverse Health Effects Associated with Blood Lead Levels $< 10 \mu\text{g/dL}$ in Children.* Centers for Disease Control and Prevention, Work Group of the Advisory Committee on Childhood Lead Poisoning Prevention. 2 Jan. 2009
 <http://www.cdc.gov/nceh/lead/ACCLPP/SupplementalOct04/Work%20Group%20Draft%20Final%20Report_Edited%20October%207,%202004%20-%20single%20spaced.pdf>.

¹⁵ *Preventing Lead Poisoning in Young Children.* Aug. 2005. Centers for Disease Control and Prevention. 30 Dec. 2008
 <<http://www.cdc.gov/nceh/lead/Publications/PrevleadPoisoning.pdf>>.



HUD's estimates of lead contamination rates for homes built prior to 1980 were applied to the total number of units shown above. Table IV.15, on the following page, presents the total number of housing units estimated to have lead-based paint risks and shows that a significant number of housing units in the state are at risk of lead-based paint contamination, at a total of 945,163. Most of these homes are owner-occupied rather than renter-occupied.

Table IV.15				
Households with Lead-Based Paint Risks				
State of Minnesota				
Five-year ACS Data, 2009				
Year Built	Owner	Renter	Total	% of Total
1939 or earlier	255,661	88,318	343,979	36.4%
1940 to 1949	65,859	18,785	84,644	9.0%
1950 to 1959	144,431	34,902	179,333	19.0%
1960 to 1969	87,240	39,894	127,134	13.5%
1970 to 1979	141,810	68,264	210,073	22.2%
Total	695,001	250,162	945,163	100.0%

Table IV.16, below, presents data regarding the number of owner-occupied households at risk of lead-based paint hazards, broken down by tenure, income, and by presence of children. Owner-occupied households showed 187,546 units at risk of exposing lead-based paint to young children.

Table IV.16			
Owner-Occupied Households with Lead Based Paint Risks by Income and Presence of Young Children			
State of Minnesota			
HUD CHAS Data, 2006-2008			
Income	One or more children aged 6 or younger	No children aged 6 or younger	Total
Built 1939 or Earlier			
30% HAMFI or less	2,034	18,194	20,228
30.1-50% HAMFI	3,249	22,865	26,114
50.1-80% HAMFI	8,055	39,011	47,066
80.1% HAMFI and above	24,768	136,832	161,600
Total	38,106	216,900	255,006
Built 1940 to 1979			
30% HAMFI or less	2,496	30,800	33,296
30.1-50% HAMFI	5,172	41,776	46,948
50.1-80% HAMFI	13,032	74,608	87,640
80.1% HAMFI and above	48,552	295,172	343,724
Total	69,252	442,356	511,608
Built 1980 or Later			
30% HAMFI or less	2,040	13,373	15,413
30.1-50% HAMFI	3,615	19,434	23,049
50.1-80% HAMFI	11,098	40,412	51,510
80.1% HAMFI and above	63,435	241,583	305,018
Total	80,188	314,802	394,990
Total			
30% HAMFI or less	6,570	62,367	68,937
30.1-50% HAMFI	12,036	84,074	96,110
50.1-80% HAMFI	32,185	154,030	186,215
80.1% HAMFI and above	136,755	673,587	810,342
Total	187,546	974,058	1,161,604

Table IV.17, below, shows renter-occupied households with lead-based paint risks by income and presence of young children. A total of 64,470 renter-occupied units showed a risk of lead-based paint exposure for young children.

Table IV.17			
Renter-Occupied Households with Lead Based Paint Risks by			
Income and Presence of Young Children			
State of Minnesota			
HUD CHAS Data, 2006-2008			
Income	One or more children age 6 or younger	No children age 6 or younger	Total
Built 1939 or Earlier			
30% HAMFI or less	5,418	20,529	25,947
30.1-50% HAMFI	2,853	14,067	16,920
50.1-80% HAMFI	3,245	15,822	19,067
80.1% HAMFI and above	2,885	21,087	23,972
Total	14,400	71,505	85,905
Built 1940 to 1979			
30% HAMFI or less	11,160	47,660	58,820
30.1-50% HAMFI	7,544	33,656	41,200
50.1-80% HAMFI	7,652	35,916	43,568
80.1% HAMFI and above	5,756	44,240	49,996
Total	32,112	161,472	193,584
Built 1980 or Later			
30% HAMFI or less	5,964	24,747	30,712
30.1-50% HAMFI	3,894	16,619	20,513
50.1-80% HAMFI	3,906	19,818	23,724
80.1% HAMFI and above	4,194	29,348	33,542
Total	17,958	90,532	108,491
Total			
30% HAMFI or less	22,542	92,936	115,479
30.1-50% HAMFI	14,291	64,342	78,633
50.1-80% HAMFI	14,803	71,556	86,359
80.1% HAMFI and above	12,835	94,675	107,510
Total	64,470	323,509	387,980

In total, 252,016 households showed the capacity to pose lead-based paint health risks for children. The total number of households with children under 6 living in homes built before 1980 was 343,345. Therefore, the percentage of children living in homes built before 1980 and at risk of lead-based paint exposure was 73.4 percent according to the most recent data available.

The Department's Public Health Data Access provides facts and figures on blood lead testing, blood lead levels, and risk factors. Diagram IV.10, on the following page, shows the number of children who were tested for elevated blood lead levels from 2000 to 2006. In total, nearly 300,000 tests were conducted in the seven-year time period.

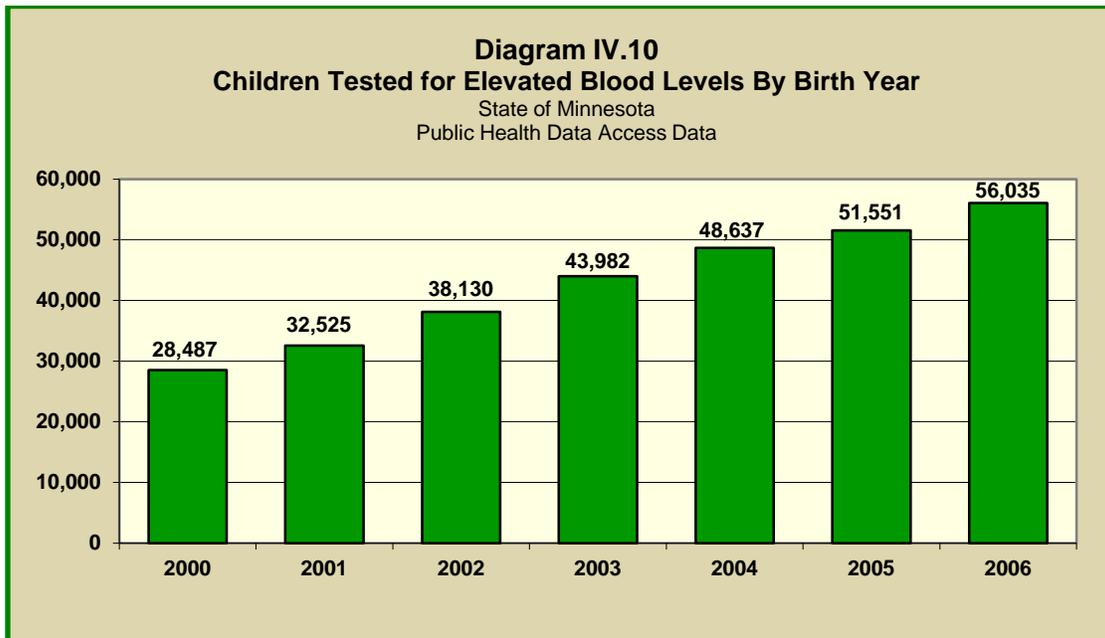
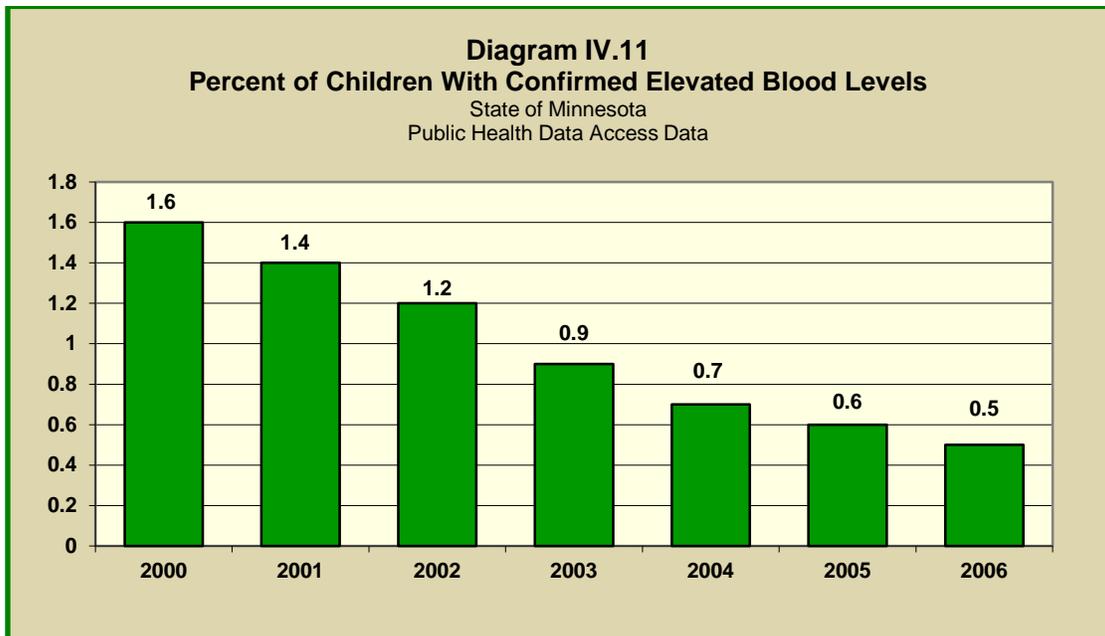


Diagram IV.11, below, shows that, among children born from 2000 to 2006 and tested prior to three years of age, the percentage of elevated blood lead levels decreased steadily, from 1.6 percent to 0.5 percent, during this time period.



Minnesota Lead Removal Efforts

Minnesota Lead Poisoning Prevention Act

The evaluation and reduction of lead-based paint hazards in federally funded programs is mandated by the Residential Lead-Based Paint Hazard Reduction Act. According to the Minnesota Department of Health's Environmental Health Division, these efforts have been fully implemented by the state.

The Minnesota Lead Poisoning Prevention Act was enacted to prevent and reduce lead exposure to children up to the age of 72 months and pregnant women from the adverse health effects caused by elevated blood levels. The Act authorizes the adoption of lead rules in order to:

- Set standards for the lead content of paint, dust, drinking water, and bare soil and establish methods for sampling and analyzing these components;
- Establish methods for lead hazard reduction;
- Establish licensing of persons who perform regulated lead work; and
- Establish permit requirements for training courses.

In addition, the Minnesota Legislature has directed that all contractors working in pre-1978 residences have the proper EPA certification before being issued a building permit. Also, the rights of tenants and landlords in regard to lead in housing are outlined on the Department of Health website.¹⁶

Lead Hazard Control Grant Program

The State of Minnesota has been awarded HUD grant funding for lead remediation since 2003 for the non-entitlement areas of the state. From 2003 through 2006, the Minnesota Department of Employment and Economic Development (DEED) operated the Lead Hazard Control Grant (LHCG) program. The DEED received over \$2.4 million and remediated lead in over 300 properties. The state matched this federal grant with an additional \$2.8 million, mostly from Small Cities Development Program (SCDP) funds available through DEED, to pay the costs of activities, including lead-risk assessments, lead-hazard mitigation, education, training, and general housing rehabilitation.

In 2007, the Minnesota Department of Health (MDH) began operating the HUD-funded Lead Hazard Control Grant (LHCG) program with the state financial match provided by DEED. MDH was awarded over \$1.4 million in LHCG funds and remediated 143 properties over a three-year period. In addition, 20 outreach and educational events, providing information on lead hazards in the home and the qualifications for the LHCG, were completed. Furthermore, the program provided training for 17 lead workers and 20 lead supervisors, which helped increase the capacity of qualified contractors through the State of Minnesota. In 2011, MDH was awarded over \$1.7 million in LHCG funds to remediate 137 properties. This funding also includes \$88,637 for Healthy Homes production. The Healthy Homes production will provide Healthy Homes training to building inspectors and rehabilitation

¹⁶ <http://www.health.state.mn.us/divs/eh/lead/rule.html>

specialists and will implement some minor Healthy Homes rehabilitation and education for property owners and tenants who participate in the LHCG program. According to the Minnesota Department of Health's Environmental Health Division, as of October 2011, the State LHCG program has contracts in place with local housing rehabilitation agencies to implement 109 projects. MDH also has identified four Elevated Blood Lead Level (EBLL) projects that are eligible for the LHCG and will continue to identify more EBLL projects over the next three years.

Blood Lead Surveillance System

The Department of Health also oversees the Lead Poisoning Prevention Blood Lead Surveillance System. The surveillance activities protect the health of the public and promote awareness of lead issues by:

- Monitoring lead testing activities and tracking the occurrence of elevated blood lead cases in the state,
- Maintaining a high-quality database of information that can be used to effectively manage the risks associated with lead exposure, and
- Providing the basis for strategies designed to reduce the occurrence of lead-related disease, conducted collaboratively with local, state, and federal partners.

In Minnesota, healthcare providers test for lead poisoning in children and adults by drawing blood and submitting the specimen to a laboratory for analysis. Laboratories conducting the blood lead analysis are required by state statute to report the lead level and additional demographic information to the Minnesota Department of Health Blood Lead Surveillance System. Public health staff members then work with identified families on the hazards of lead in the home environment and help lower individuals' blood lead levels. Analysis of the data on an aggregate level is used to identify areas throughout the state where children may be at higher risk for lead poisoning as well as the development of state screening guidelines.

Childhood Lead Elimination Plan

The MDH Environmental Health Division oversees comprehensive lead poisoning prevention efforts statewide and implements the Childhood Lead Poisoning Prevention Program (CLPPP) cooperative agreement from the CDC, which contributes to the elimination of childhood lead poisoning as a public health problem. The Lead Program provides lead poisoning prevention education, support to individuals exposed to lead, and assistance to contractors and property owners in addressing lead issues.

In 2003, the CDC directed childhood lead poisoning prevention program (CLPPP) grantees to develop a state plan to eliminate childhood lead poisoning by 2010. Although lead poisoning is preventable and rates are declining in Minnesota, children living in substandard (as defined by building codes), pre-1950 housing continue to be disproportionately affected by lead. In response, the MDH Childhood Lead Poisoning Prevention Program (CLPPP), in collaboration with a wide range of partners, coordinated the development of a plan to

eliminate statewide childhood lead poisoning by 2010. The State of Minnesota Childhood Lead Poisoning Elimination Plan contributed to meeting the national goal established by the CDC of eliminating childhood lead poisoning as a public health problem by 2010.

The original Plan was released in 2004. Members of the Minnesota Collaborative Lead Education and Assessment Network (MCLEAN) met routinely to evaluate ongoing efforts in the Plan. The MCLEAN meetings also provided an opportunity to share information, form collaborations, and learn about current lead issues. Attendees at MCLEAN meetings included federal, state, and local governments; community-based organizations; healthcare providers; housing, real estate, landlord, and tenant organizations; and other disciplines. All members listed as Childhood Lead Poisoning Elimination Plan Advisory Members participated in MCLEAN meetings. In addition, key staff from the MDH Lead Program, which includes the Environmental Impact Analysis Unit (EIA) and the Asbestos/Lead Compliance Unit (ALCU), provided feedback on the Plan. Historically, MDH has been involved in efforts to enhance the early identification of children who have been exposed to lead and to increase and improve the follow-up services these children need. Although secondary prevention activities had a vital role in the 2010 Elimination Plan, its main focus was primarily preventing children from ever being exposed to lead by reducing or eliminating of sources of lead in their environment. The 2010 version of the Plan addressed the transition to Healthy Homes approaches.

The Environmental Health Department also noted that there has been tremendous progress in lowering exposure to lead, both nationally and in Minnesota, a 65 percent reduction in EBLs since 1995. While the CDC has issued the Healthy Persons 2020 objective to eliminate elevated blood lead levels in children, there is ongoing discussion in the lead community regarding what constitutes “elimination” at the national level. Commentators on the proposed Healthy Persons 2020 objective noted that the definition of elimination should be qualified by adding “as a public health problem,” which recognizes the impracticality of attaining zero lead exposure. The CDC has also discussed in informal meetings, using the National Health and Nutrition Examination Survey (NHANES) data, to establish a national statistical threshold that would constitute no observed cases, or “elimination.”

During the creation of the plan, in 2004, there was extensive discussion that Minnesota should strive for “zero percent of at-risk children” as a goal, while recognizing that lead is a common contaminant in the environment. Discussions held with the Advisory Members in 2010 confirmed that the Plan should retain the established definition of elimination. The Plan contains background on lead exposure in Minnesota, an assessment of risk factors for lead, and an overview of modifications to the Plan proposed by Advisory Members. The 2010 version of the Plan updates the most recent version, which was released in September 2008.¹⁷

¹⁷ A copy of the 2010 version of the Plan can be found at <http://www.health.state.mn.us/divs/eh/lead/reports/2010planfinal.pdf>

H. PUBLIC AND ASSISTED HOUSING

Public or assisted housing can exist in several forms, including housing units offered by public agencies and leased to low-income households, low-income housing projects owned by nonprofit entities, housing voucher programs, and supportive housing.

Public and assisted housing units comprise a portion of the housing stock located throughout Minnesota. Minnesota Housing does not operate public housing and, therefore, has not developed a plan related to public housing or public housing initiatives. However, HUD and Minnesota Housing are concerned about the number of public housing units and their underlying contracts that are at risk of expiring.

There are three key programs for public housing in Minnesota. The Section 8 voucher program allows renters to utilize vouchers for housing assistance. Persons apply to become Section 8 recipients, with restrictions based on income and other factors. The Low Income Housing Tax Credit (LIHTC) program provides housing options that focus on affordability. The LIHTC exists as an indirect federal subsidy that is used to support the development of rental housing that is affordable for low-income households. Supportive housing is the third housing initiative. These units include long-term and temporary housing for youth, families, victims of domestic violence, and housing for persons with limitations due to HIV/AIDS, re-entry, homelessness, or substance abuse.

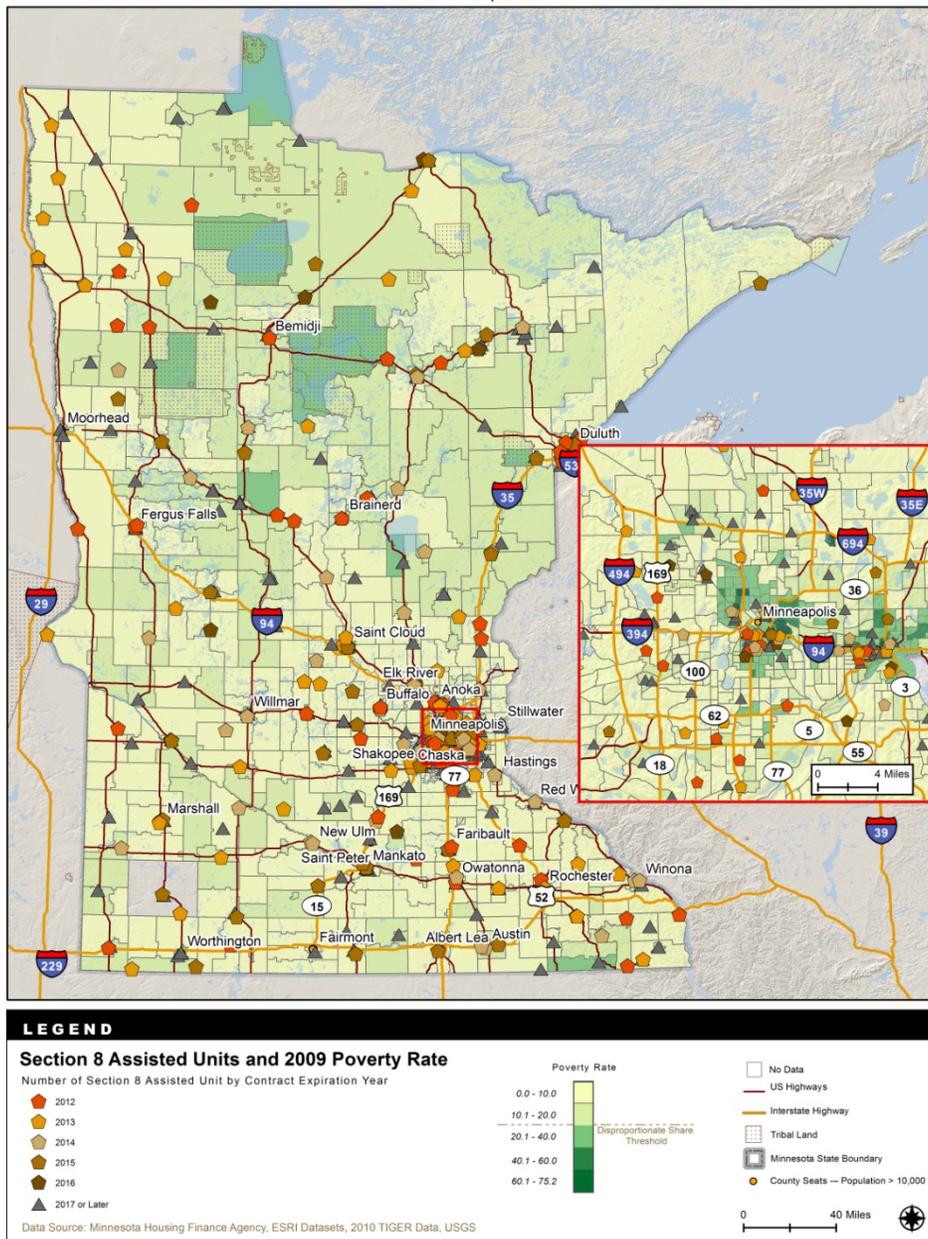
Minnesota Housing provides funding for approximately half of the Section 8 vouchers in Minnesota. If contracts were to expire as the contracts allow, in the five-year period from 2012 to 2016, 10,142 assisted housing units in the state will be eliminated from the affordable housing stock. There are an additional 14,893 that will expire after 2017, for a total of 25,035 units, as indicated in Table IV.18, below.

Year Contract Expires	Number of Contracts	Units at risk
2012	54	2,068
2013	58	2,074
2014	55	3,558
2015	42	1,799
2016	12	643
2017+	224	14,893
Total	445	25,035

IV. Housing Market Analysis

Map IV.3, below, presents the location of Section 8 voucher properties compared to the concentration of poverty in the state as well as the anticipated contract expiration. As shown, the Section 8 units were scattered throughout the state. The properties were somewhat concentrated in higher poverty tracts in the Minneapolis–St. Paul area but were almost entirely absent in the northern tribal lands. Many of the Section 8 units in rural areas had less than 50 units, while the more urban properties tended to have up to several hundred units.

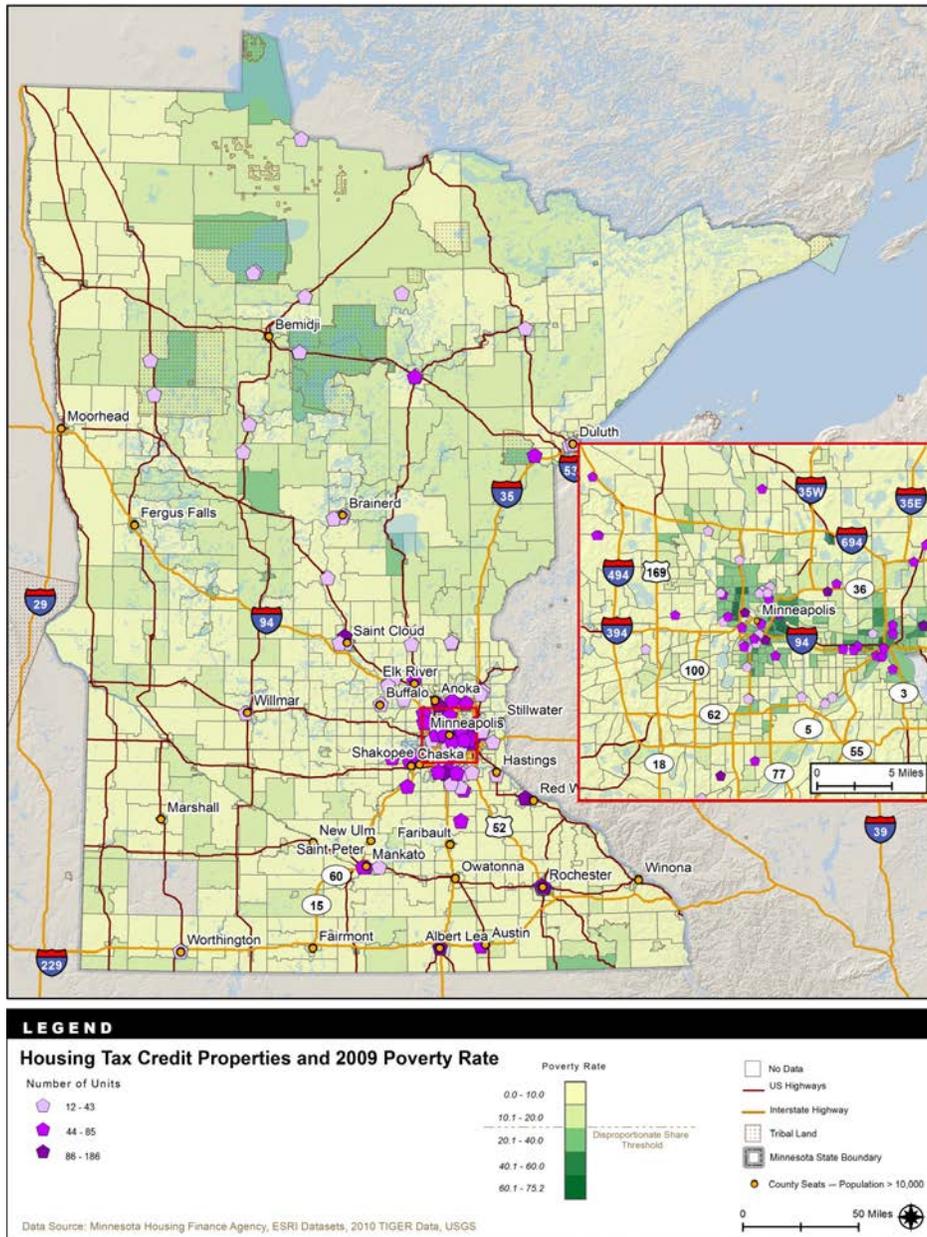
Map IV.3
Expiring Section 8 Contracts by Year
 State of Minnesota
 HUD Data, 2011



IV. Housing Market Analysis

Map IV.4, below, presents the location of LIHTC properties and the concentration of poverty and shows that the majority of LIHTC units are concentrated in the Twin Cities metro region, where many units are located in areas with higher levels of poverty. There were few housing tax credit properties located in rural areas of the state, however, and many of these areas had less than 43 units.

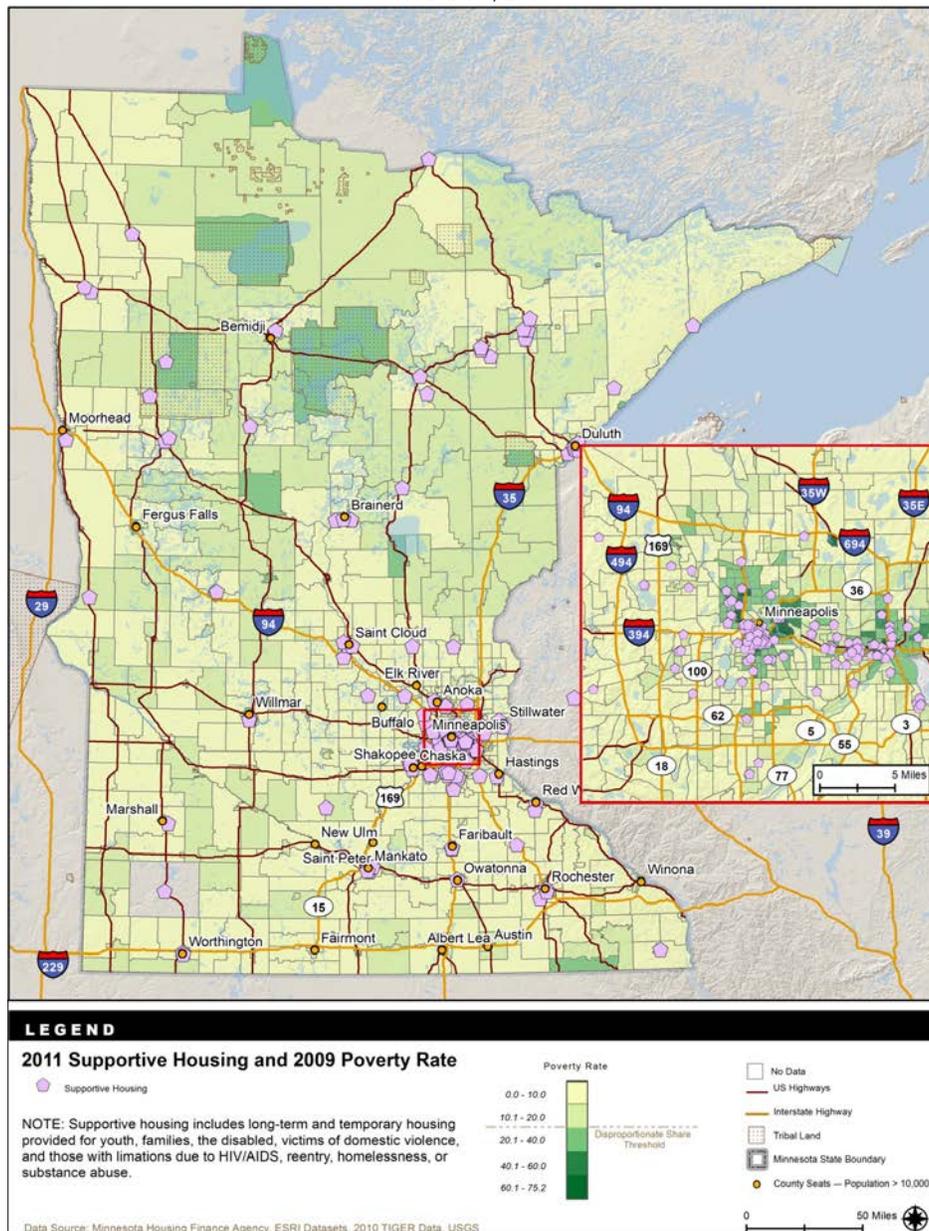
Map IV.4
Properties with Housing Tax Credits
 State of Minnesota
 HUD Data, 2011



IV. Housing Market Analysis

Map IV.5, below, presents the location of supportive housing units in the state. As shown, supportive housing in Minnesota was predominantly located in the Twin Cities metro region and often within areas with higher poverty levels. There were very few supportive housing facilities in the rest of the state, with some in Duluth, Rochester, Saint Cloud, Mankato, and other larger cities, but the majority of the state was not served with housing for these in-need populations.

Map IV.5
Supportive Housing
State of Minnesota
HUD Data, 2011



I. INSTITUTIONAL BARRIERS TO AFFORDABLE HOUSING

OVERVIEW

The State aims to increase the availability of affordable housing and, as such, wishes that its own policies do not negatively affect the provision of such housing. Obstacles that affect the availability of affordable housing can include tax policies, local land use controls, financial challenges, land availability, lack of coordination of resources, and lack of accessibility. Many of these problems can be adversely affected by regulatory controls implemented by state or local governments. Public policies such as zoning codes, building codes, development fees, growth limitations, and those affecting return on residential investment can unwittingly serve as barriers to the provision of affordable housing. The following section explores selected regulatory barriers found in Minnesota and possible solutions that will be undertaken by the State in the following five years. It also addresses other affordable housing challenges that have been identified in the state. The 2012 Annual Action Plan more specifically addresses strategies and actions to overcome these barriers.

Identification of regulatory and other barriers in Minnesota was aided by the 2011 Housing and Community Development Survey done as part of the 2012 to 2016 Consolidated Plan development process. The following brief analysis addresses several key factors that negatively affect the provision of affordable housing.

Near the start of the survey, respondents were asked to select from a list the barriers they saw to the development or preservation of affordable housing in Minnesota. They were also asked to describe the barriers they selected as well as how they thought they should be overcome. A closing question in the survey asked respondents to share any other comments they had about housing and community development needs or barriers.

The responses to these questions varied widely among the 542 respondents, with 113 of these respondents providing a more detailed narrative when asked to discuss barriers and needs for housing. From those responses, several common themes were identified. The barriers the more descriptive respondents identified, whether regulatory or non-policy-based, are addressed in detail in the following section.

REGULATORY AND POLICY-BASED BARRIERS

Land Use and Development Policies

Many participants in the 2011 Housing and Community Development Survey identified local government requirements as barriers to the production of affordable housing such as high permit fees, zoning limitations, lack of tax incentive tools, challenges for brownfield development, and costly infrastructure development. Some respondents also mentioned that local governments impose limiting policies that discourage affordable housing on principle.

Minnesota state law provides extensive power to local governments to control the use of land within their area of jurisdiction and to develop processes for the application of local standards¹⁸.

Minnesota also has a system of regional planning that is designed to provide cooperation and communication among regional partners in solving problems but not in controlling the local use of land. For example, in the seven-county metropolitan area, the Metropolitan Council is the regional governance body authorized to exercise certain powers for regulation of the use of metro-wide service systems and policies such as Minnesota Statute 473.851, which requires local governments to update their comprehensive plans. The Metropolitan Council reviews them for consistency with regional plans.¹⁹ The Metropolitan Council Housing and Redevelopment Authority also serve the region by assisting low-income seniors, singles, families, and persons with disabilities obtain affordable housing.

Local restrictive policies were mentioned by respondents of the 2011 Housing and Community Development Survey conducted as part of the 2012 to 2016 Consolidated Plan. Some cities have designed their local land use contract so that it is difficult to locate low- and moderate-income housing in some areas, other communities may overlook fair housing law, and others may create extra environmental or permitting requirements for affordable projects. These kinds of policies can discourage affordable housing.

Zoning Tools

Some land use policies can be considered “exclusionary” zoning regulations because they make development of affordable housing more difficult, relegated to certain sections of town, or they have special building requirements. These may be unwitting or completely deliberate. Conversely, “inclusionary” zoning attempts to overcome these challenges.

Inclusionary zoning has become a commonly used tool. In one variation, it classifies affordable housing for the area by a percentage of the area median income and includes incentives for projects that meet the quota. It is often combined with density bonuses, wherein developers can build more units than usually allowed by zoning, or reduced requirements such as parking, lot setbacks, or permitting fees. It can also include development fee waivers or tax credits, which could, in part, be funded within the state’s existing housing infrastructure.

Minimum lot sizes, setback requirements, parking requirements, accessory dwelling restrictions, and other local development codes can also keep developers from building housing that is affordable to persons of low and moderate incomes. The State does not have control over many of these factors; however, it supports and encourages local jurisdictions to evaluate their codebooks for these policies, as found in the Model Zoning Technical Advisory Group (MZTAG) Report.

¹⁸ 2007-2011 Minnesota Consolidated Plan, 91.310(d) Barriers to Affordable Housing

¹⁹ Metropolitan Council overview (10/4/11), <http://www.metrocouncil.org/about/LCMGOct42011.pdf>

Application and Permit Processes

Many respondents to the 2011 Housing and Community Development Survey mentioned that the application and permitting process is long, complicated, and expensive, and it discourages developers from building affordable housing. For many developers, the time spent waiting for a permit approval can be prohibitively expensive, as every day not collecting income represents a loss. So when a city's application, permitting, and building requirements are complicated or time-consuming, many developers will choose to build elsewhere. A streamlined, easy, expedient approval process will make building housing easier and more profitable for developers.

Respondents of the survey also mentioned segregation and unequal access to affordable housing as issues in Minnesota. Often when funding or incentives are provided for affordable housing, units can become concentrated in a few (generally lower-income) areas, contributing to segregation. Rather than separate affordable from other housing, policies like inclusionary zoning work to incorporate affordable units into more expensive housing developments, creating areas with a mix of incomes. The State supports local jurisdictions that consider these policies.

State and Local Tax Policies

Tax rates and policies, including a deficiency in tax incentives to developers and cities, were mentioned as barriers to the production of affordable housing in the 2011 Housing and Community Development Survey. Some respondents looked to tax breaks and credits as well as credits for individual developers and projects, and others referenced possible incentives directed at cities that encourage more affordable housing. There is evidence that says these problems are real and exist.

Minnesota's previous Consolidated Plan conceded that the state's rental property tax rate is often mentioned as a barrier to affordable rental housing both for developers and for landlords who provide affordable rental units. The tax reportedly has adverse impacts on the maintenance of existing rental housing, the development of new housing, and the efficient use of the existing housing stock. Property tax rebates for lower-income households help to mitigate some of the taxes that are passed on to renters. The State has addressed this issue with its 4d affordable rental housing property tax, a special class tax rate for affordable housing developments that represents a class rate reduction of 75 percent for rent-restricted properties.²⁰

Minnesota employs a "fee simple" approach to assessment, in which any rent restrictions are unaccounted for and properties are assessed at their market value. Under this system, affordable housing providers are assessed higher property taxes yet constrained in their ability to raise the revenue necessary to responsibly run the development due to the rent and income restrictions of their funding sources.

²⁰ Source: HousingMinnesota, *Report on 2005 Legislative Achievements*, July 2005.
http://www.housingminnesota.org/downloads/2005_Legislative_agenda_Final_Report.pdf

One practical problem for developers and landlords who want to offer affordable housing, especially in recent years, is the cost of building or renovating new units. While public policy cannot make materials or labor cheaper, it can help reduce the costs of the development process. At the local level, jurisdictions can lower impact and development fees, reduce minimum lot sizes, and provide local tax relief for affordable housing. However, in this era of already shrinking tax revenues, such actions become much less likely. While the State wishes to support policies that make affordable housing development more achievable, the difficulties of implementing these strategies may limit their viability for Minnesota in the near future.

Structure and Delivery of Services

In the 2011 Housing and Community Development Survey, many complaints about the structure and methods of service delivery were mentioned as needs and barriers in Minnesota. Specific complaints about the funding application and distribution process included comments about the lengthy paper processing period, a lack of on-the-ground visits and needs assessments, lack of coordination and meetings, an overabundance of meetings, and a need for more local control over funding. Problems with the actual distribution of funds included need for a stronger focus on housing rehabilitation, uneven rental assistance distribution, need to better prioritize funding recipients, unfair eligibility requirements, and abuse of assistance by some recipients of lower priority.

Many of these problems are not easily solvable; however, there are options for making the structure of affordable housing funding delivery easier and more effective.

Lack of coordination among entities of government may create a barrier to affordable housing if it has the effect of delaying funding, promoting conflicting priorities, and adding time to administrative processes. Increasing coordination among agencies by making greater use of technology and streamlining operations will help reduce costs and confusion for developers of affordable housing as well as building owners and tenants.

Some of the comments about a need for local control revealed that the statewide nature of the funding process can act as a barrier for some communities. Local communities have the most intimate knowledge of what their citizens and neighborhoods need but may not have enough chances to work with the state agency that administers the funding they need. Some respondents wished for more on-the-ground attention from state agencies as well as more regional meetings. While funding constraints limit the staff time that can be spent on all the cities across the state, the State could structure its staff to focus regionally, perhaps assigning one point of contact to all the cities in the region. This way, at least one staff member would be knowledgeable about the needs of the area and could help local governments apply for all the funding they might qualify for.

Respondents also saw problems with how funding is prioritized. Few comments emphasized that there are many families who have great need for subsidized affordable housing and have been on waiting lists for a long time, but sometimes funding goes to other groups. Some assistance recipients could pay more for their housing but continue to “take advantage” of discounted rents. Increasing access for minorities and struggling

communities could be ensured with a standardized priority and ranking system created by the State and used in communities statewide.

The application process itself can be a deterrent for those seeking affordable housing or looking for funding for affordable housing. Policy tools can prevent the application process from acting as a barrier by making it more straightforward.

Some states have created joint applications between their state housing agencies and corporations so developers can fill out one application to apply for multiple funding tools.²¹ Enabling applicants to complete the entire application process online also saves them and the state time and money for processing. Minnesota has implemented an RFP process that uses a consolidated application that is considered by multiple nonprofit funders, Minnesota Housing, and DEED so that they can coordinate their funding to best address each application.

CHALLENGES

Lack of Sufficient Resources

A lack of adequate housing and community development funding has been a challenge for states for many years, and there is every reason to believe that it will become more of a challenge in the near future. Although Minnesota provides a range of valuable and helpful programs to communities and families in need, there remains an unmet demand for these programs. This barrier is difficult to overcome, as the amount of resources is finite and the need for increased housing funding must compete with other important public funding priorities.

Federal funding sources do not cover the growing need for assistance, especially for programs such as CDBG and HOME, which help construct and rehabilitate affordable housing for low-income Minnesotans, and both were recently reduced for the State. Assisted housing voucher programs such as Section 8 are also in extremely high demand, and it is often difficult for sensitive populations and tenants with very low incomes to find affordable rental housing.

These problems cannot be solved easily. However, priorities identified in the 2011 Housing and Community Development Survey can help the State direct its efforts and resources most effectively.

One area of great need mentioned in the survey was the need for more supportive housing options. Human Services and Minnesota Housing have supportive housing programs that include assistance for emergency shelter, transitional housing, shelter for homeless persons, shelter for households at risk of becoming homeless, and permanent supportive housing for residents with multiple barriers to obtaining and maintaining housing such as

²¹ 2011: State of New York Consolidated Plan, <http://www.dhcr.state.ny.us/Publications/ConsolidatedPlan/ConsolidatedPlan2011.pdf>

mental illness, substance abuse disorders, and/or HIV/AIDS.²² Seniors and protected populations also often require special needs or supportive housing.

Many respondents in the survey commented that individuals recently released from jail or prison have very few options for safe, stable housing. Public funding assistance for re-entry programs, as well as more collaboration between the Department of Corrections, DHS, and Minnesota Housing, could work to alleviate this problem. Disabled persons were also mentioned in the survey as needing more supportive housing options. Comments mentioned that all sensitive populations that require supportive services need more help toward permanent housing assistance rather than temporary shelter. Evaluating the strengths and needs of the current supportive housing options and potentially redirecting funds can help use the available funding resources most efficiently.

Funding shortages were also mentioned in the 2011 survey for very small, rural communities and communities on reservations. While funding through the SCDP program does serve small communities, many communities in Minnesota do not have the capacity to apply for or administer such assistance. DEED provides technical assistance to all communities interested in applying. Respondents suggested that a regional or statewide approach to allocating funding to these communities without the legwork required on their part would help distribute resources toward some of the state's poorest areas.

A lack of funding was cited as the challenge causing many more specific problems throughout Minnesota in the 2011 survey. Deferred road maintenance, energy efficiency needs, lack of lending opportunities, need for services other than rental assistance, and a lack of healthcare were mentioned as problems that need more resources. Although some of these areas are not strictly housing-related, these concerns are all highly relevant to the need for affordable housing in Minnesota. The State supports all efforts to use resources most efficiently.

First-Time Homebuyers

A lack of education and access for first-time homebuyers was cited in the survey as a challenge. In ensuring that housing is fair and affordable to residents across the state, it is essential that minorities, young potential homeowners, and persons with below-average-incomes have access to purchasing homes. Education about the home-buying process can greatly increase and improve the ability of many residents to buy homes, and an increase in home sales would help Minnesota's economy as well. There are programs in the state, including those from Minnesota Housing, that help first-time homebuyers with the purchase of a home.²³

In addition to the mortgage loan programs through Minnesota Housing, the Emerging Markets Homeownership Initiative (EMHI), a collaborative public-private partnership, was launched in 2004 with the goal of "significantly and dramatically" increasing homeownership

²² http://www.mnhousing.gov/idc/groups/public/documents/document/mhfa_006359.pdf

²³ <http://www.mnhousing.gov/consumers/home-buyers/index.aspx>

in communities of color throughout the state by 2010. The three conveners of the initiative are Fannie Mae, the Federal Reserve Bank of Minneapolis, and Minnesota Housing.²⁴

OTHER OBSTACLES

NIMBYism

Community attitudes, often referred to as Not in My Backyard or NIMBYism, are frequently identified as an obstacle to increasing the availability of affordable housing. However, local government policies can also be described as creating a NIMBY atmosphere for affordable housing.

In the survey, some respondents described neighborhood resistance, or NIMBY attitudes, as a barrier to affordable housing. In many communities, affordable housing is perceived as undesirable and as a source of disruptive or unsafe neighbors. Neighbors can protest low- or moderate-income housing and persuade local leaders not to allow such projects. For the provision of affordable housing in existing rental units, a general community attitude of mistrust for and aversion to lower-income neighbors can keep landlords from considering allowing assisted-rent tenants.

Education is the way to overcome this obstacle in Minnesota. Community outreach about the importance of affordable and fair housing for all residents can alleviate worries and negative attitudes toward housing for a range of incomes. Public service campaigns, such as the one in Minnesota from 1999 to 2006, can educate the public about the need for affordable housing in their communities. The State fully supports efforts to reduce NIMBYism, prejudice, and negative attitudes toward affordable and multifamily housing.

Energy Conservation

The need for more energy-efficient homes was mentioned in the comments in the 2011 Housing and Community Development Survey.

Minnesota Housing has developed and implemented Green (sustainable) Housing Standards to promote cost-effective energy efficiency measures that are applicable to the majority of projects receiving Minnesota Housing assistance involving rehabilitation and/or new construction. These standards adopt Mandatory Enterprise National Green Communities Criteria as amended by a Minnesota Overlay, which exceeds model energy code requirements.

Minnesota Housing also encourages optimizing the use of cost-effective, renewable resources and energy that minimize damage and impact to the environment and maximize the use of natural amenities, such as solar, wind, climate, and orientation, of the development's site.

J. SUMMARY

²⁴ Information on EMHI's vision, approach, and actions can be found online at: <http://www.mhfa.state.mn.us/homes/EMHI.htm>.

IV. Housing Market Analysis

In 2000, the State of Minnesota had 2.1 million total housing units, and the 2010 census count showed that the total housing stock increased to 2.3 million units. Of the housing stock counted in the 2000 census and reported in the 2009 ACS estimates, roughly 75 percent were single-family homes, followed by apartments at around 17 percent; the remaining housing stock was comprised of duplexes, tri-or four-plexes, mobile homes, or other housing types. Most housing units in Minnesota, around 90 percent in both the 2000 census and 2010 censuses, were counted as occupied units, with just under 75 percent of these units existing as owner-occupied housing and 25 percent as renter-occupied housing. However, homeownership declined from 74.5 percent in 2000 to 73 percent in 2010. The number of vacant units in the state increased from 2000 to 2010, by 52.2 percent, with the rental vacancy rate reaching nearly 7.9 percent in 2010. The number of “other vacant” housing units, or vacant units that are unavailable to the marketplace, increased by nearly 155 percent. The construction value of single-family dwellings generally increased from 1980 through 2010, with the 2010 value ending at \$216,953. Both homeowner and rental housing prices were higher in the urban areas of the state. Lead-based paint issues continued to be a problem in the state, but the number of children testing positive for unsafe levels of lead decreased over time. An evaluation of affordable housing in the state showed that assisted and supportive housing units are primarily available in the urban areas of Minnesota. There were 418,263 owner households and 255,287 renter households with an unmet housing need in 2010, such as a cost burden or overcrowding problem, and a disproportionate need existed for many minority racial and ethnic households. By 2016, there are expected to be roughly 610,023 owner and 271,832 renter households with housing problems in the state.

V. HOUSING AND HOMELESS NEEDS ASSESSMENT

A. INTRODUCTION

This section addresses housing and homeless needs in Minnesota. Specific needs and the priority level of these needs were determined based on data from the housing and community development survey, focus groups, public input meetings, a forecast of households anticipated to have problems in 2016, and from consultation with representatives of various state and local agencies throughout Minnesota.

B. HOUSING NEEDS ASSESSMENT

The housing and community development needs survey was conducted as part of the process of evaluating housing needs in Minnesota. A total of 541 responses were received from stakeholders throughout the state. One of the first survey questions asked respondents to identify how they would choose to allocate housing and community development resources across the state. Table V.1, below, shows that respondents felt that nearly 25 percent of funds should be directed toward housing, 24 percent to human services, 21.1 percent to economic development, 17.4 percent to infrastructure, 11.4 percent to public facilities, and 1.2 percent to all other.

Table V.1 Suggested Allocation of Resources State of Minnesota 2011 Housing and Community Development Survey Data	
Area	Percentage Allocated
Housing	24.9%
Economic Development	21.1%
Infrastructure	17.4%
Public Facilities	11.4%
Human Services	24.0%
All Other	1.2%
Total	100.0%

For each sector presented in the table above, respondents were asked to rate the need for a variety of activities within each sector. Using the same rating scale as that needed for the Consolidated Plan, respondents were asked to rank the needs as low, medium, high or no need. A discussion of the ranking of needs related to the housing sector is presented below.

EXPRESSED HOUSING NEEDS

Table V.2, on the following page, shows the ranking for several housing activities. Rental assistance, rental housing for very low-income persons, and preservation of federally subsidized housing were selected as activities with the highest need for funds. These activities were closely followed by construction of affordable rental housing and rental

V. Housing and Homeless Needs Assessment

housing rehabilitation. This finding suggests that there is a high need for support for affordable housing options within the rental markets and that a higher need is perceived for funding of activities in the rental markets rather than the homeowner markets.

Several other housing activities, including supportive housing, homeowner housing rehabilitation, and energy efficient retrofits, received a moderate to high indication of need.

A medium need rating was assigned to activities such as first-time homebuyer assistance, mixed income housing, senior-friendly housing, retrofitting of housing to meet seniors' needs, and homeownership in communities of color, while a low need rating was seen for the activities of housing demolition, downtown housing, construction of affordable for-sale housing, and mixed use housing.

Table V.2
Minnesota Housing and Community Development Survey
 State of Minnesota
 2011 Housing and Community Development Survey Data

	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for housing in your community.						
Rental assistance	16	33	117	253	122	541
Rental Housing for very low-income households	13	47	107	253	121	541
Preservation of federal subsidized housing	17	57	94	245	128	541
Construction of affordable rental housing	24	50	114	231	122	541
Rental housing rehabilitation	4	57	148	206	126	541
Supportive housing	14	81	142	176	128	541
Energy efficient retrofits	9	58	179	167	128	541
Homeowner housing rehabilitation	11	63	171	167	129	541
First-time homebuyer assistance	20	68	185	146	122	541
Retrofitting existing housing to meet seniors' needs	12	96	166	138	129	541
Senior-friendly housing	21	97	166	133	124	541
Homeownership in communities of color	39	112	142	117	131	541
Mixed income housing	28	122	171	90	130	541
Mixed use housing	46	154	149	59	133	541
Construction of affordable for-sale housing	58	162	140	58	123	541
Housing demolition	48	197	114	48	134	541
Other	11	3	8	46	473	541
Downtown housing	75	175	116	42	133	541

EXPRESSED BARRIERS TO AFFORDABLE HOUSING

The 2011 Housing and Community Development Survey provided respondents with a list of a number of possible barriers to affordable housing and asked participants to select any barriers that they felt existed in Minnesota. The results are presented on the following page in Table V.3.

The most commonly cited barrier to the provision of affordable housing in the state was the Not in My Back Yard or NIMBY mentality. This term refers to the resistance that persons may express toward development in their neighborhoods or communities, particularly toward specific development such as group homes or public housing facilities.

The cost of land or lots, the cost of materials, and the cost of labor were the next most frequently cited barriers among the survey respondents.

A significant number of respondents also selected a lack of affordable housing development policies as a barrier to affordable housing in the State of Minnesota.

HOUSING NEEDS NOTED AT THE FOCUS GROUPS

Three focus groups were held in September 2011 in St. Paul. The purpose of the focus group meetings was to gain deeper insight from housing and community development stakeholders in Minnesota regarding topic areas such as homelessness and housing preservation. Comments gathered from the focus groups are summarized as follows:

- Current funding uncertainty means that it may be difficult for federally-assisted affordable housing to remain available and affordable,
- There is a need for larger and more encompassing housing rehabilitation projects,
- Tax credit housing projects in the state are aging and may need rehabilitation work to continue to be useful, and
- Providing short- or long-term housing options for homeless persons can be more beneficial and less expensive than traditional shelter options.

HOUSING NEEDS NOTED AT THE PUBLIC INPUT MEETING

Five regional forums were held throughout the state in Saint Cloud, Duluth, Marshall, Grand Rapids, and St. Paul in October 2011. The purpose of the meetings was to gain feedback on the preliminary findings of the Consolidated Plan. Attendees were invited to review a presentation of early survey results and to offer suggestions and feedback regarding the Consolidated Plan. Comments related to the following:

- There is a need for more affordable rental housing largely due to decreasing rental vacancy rates and a higher demand;
- Transitional housing is needed, especially for certain special needs groups such as persons recently released from prison;

Table V.3	
Cited Barriers to Affordable Housing	
State of Minnesota	
2011 Housing and Community Development Survey Data	
Barriers	Total
Not In My Back Yard (NIMBY) mentality	265
Cost of land or lot	207
Cost of materials	199
Cost of labor	190
Lack of affordable housing development policies	120
Construction fees	101
Density or other zoning requirements	85
Permitting fees	75
Permitting process	72
Building codes	51
Lack of other infrastructure	46
Impact fees	46
Lack of water/sewer systems	45
Lack of available land	45
Lot size	28
ADA codes	27
Lack of qualified contractors or builders	24
Total	1,626

- There is a high need for rental rehabilitation, but owners are showing a lack of interest in participating in rental rehabilitation programs;
- Housing voucher programs are ineffective because there is such a high need paired with such a low number of properties willing to accept subsidies; and
- In rural parts of the state, there is a higher need for demolition of unusable vacant housing.

C. HOMELESS NEEDS ASSESSMENT

HOMELESS OVERVIEW

According to HUD, a national focus on homeless rights during the Reagan administration helped form much of the way homeless needs are addressed today. It was during the early 1980s that the administration determined that the needs of the homeless were best handled on a state or local level rather than a national level. In 1983, a federal task force was created to aid local and regional agencies in their attempts to resolve homeless needs, and in 1986, the Urgent Relief for the Homeless Act was introduced, which chiefly established basic emergency supplies for homeless persons such as food, healthcare, and shelter. The Act was later renamed the McKinney-Vento Act, after the death of one of its chief legislative sponsors, and was signed into law in 1987.

HUD defines the term “homeless” according to the McKinney-Vento Act, which states that a person is considered homeless if he or she lacks a fixed, regular, and adequate night-time residence. A person is also considered homeless if he or she has a primary night time residence that is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations,
- An institution that provides a temporary residence for individuals intended to be institutionalized, or
- A public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.²⁵

Therefore, homelessness can be defined as the absence of a safe, decent, stable place to live. A person who has no such place to live stays wherever he or she can find space—an emergency shelter, an abandoned building, a car, an alley, or any other such place not meant for human habitation.

Homeless sub-populations tend to include those with substance abuse and dependency issues, those with serious mental illness, persons living with HIV/AIDS, women and other victims of domestic violence, emancipated youth, and veterans.

Today, significant policy challenges include improving personal incomes, increasing the number of available jobs, providing affordable housing for precariously-housed families and

²⁵ The term “homeless individual” does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a state law (42 U.S.C. § 11302(c)). HUD also considers individuals and families living in overcrowded conditions to be “at risk” for homelessness.

individuals who may be only a paycheck or two away from eviction, and making welfare agencies more efficient and effective. It takes only one additional personal setback to precipitate a crisis that would cause homelessness for those at risk of homelessness. Deinstitutionalization of patients from psychiatric hospitals without adequate community clinic and affordable housing support only propagates more persons in search of affordable housing. Personal vulnerabilities also have increased, with more persons facing substance abuse problems, diminished job prospects because of poor education, or health difficulties while lacking medical coverage.

Satisfying the needs of the homeless population therefore represents both a significant public policy challenge and a complex problem due to the range of physical, emotional, and mental service needs required to sustain residence in permanent housing. The following narrative helps characterize the nature and extent of homelessness in Minnesota.

HEARTH Act

On May 20, 2009, President Obama signed into law a bill to reauthorize HUD's McKinney-Vento Homeless Assistance Programs. The McKinney-Vento reauthorization provisions are identical to the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) Act. The HEARTH act was included by amendment to the Helping Families Save Their Homes Act.

Due to the HEARTH Act, HUD's homeless assistance programs now place greater emphasis on homeless prevention and rapid re-housing, especially for homeless families, and continued emphasis on creating permanent supporting housing for persons experiencing chronic homelessness. Additionally, rural communities now have the option to apply for funding under different guidelines, which offer more flexibility.

Situations where a person is at imminent risk of homelessness or where a family or unaccompanied youth is living unstably were added to HUD's definition of homelessness through the HEARTH Act. HUD previously defined homelessness as persons living in places not meant for human habitation, living in an emergency shelter or transitional housing facility, and those facing the loss of housing within the next seven days with no other place to go and no resources or support networks to obtain housing. Imminent risk of homelessness now includes situations where a person must leave his or her current housing within the next 14 days with no other place to go and no resources or support networks to obtain housing.

Substantial changes to the Emergency Shelter Grant (ESG) regarding the amount of funding available and how the funding can be used is outlined in the HEARTH Act. The Emergency Shelter Grant is now known as the Emergency Solutions Grant (ESG), signifying the grant's ability to fund homeless prevention and re-housing programs as well as traditional emergency shelters. Programs such as short- or medium-term rental assistance, legal services, credit repair, final month's rental assistance, moving or relocation activities, and stabilization services may now be funded using ESG funds. At least 40 percent of ESG funds now must be dedicated to prevention and re-housing activities,

although grantees do not have to reduce financial support for traditional shelter and outreach services previously using ESG funds.²⁶

Homeless Prevention and Rapid Re-housing Program

The American Recovery and Reinvestment Act of 2009 was signed into law by President Obama on February 17, 2009. It includes \$1.5 billion for a Homeless Prevention Fund called the Homeless Prevention and Rapid Re-housing Program (HPRP). Allocation of HPRP funds are based on the same formula used to allocate the ESG program. HPRP is intended to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housing and stabilized. HPRP is not a mortgage assistance program and the funds may not be used to pay for any mortgage costs or other fees associated with retaining homeownership. The funds are intended to pay for costs such as utilities, moving costs, security deposits, or storage fees that directly aid in stabilization of those who are homeless or at serious risk of becoming homeless. All payments must be made to a third party; no program recipients may receive funds directly.

HUD expects grantees to develop strategies to identify eligible program participants, review existing models for prevention and rapid re-housing programs, and create a plan that utilizes all available resources through the Recovery Act in order to provide a comprehensive menu of services to assist eligible program participants.²⁷ The services and plan to aid the homeless or those at risk of becoming homeless should extend beyond the scope and timeframe that HPRP funds are available.²⁸

All formerly homeless families and individuals who received rapid rehousing assistance under the Homeless Prevention and Rapid Rehousing Program (HPRP) administered by the State have exited the program. The end date of the program was September 30, 2010.

MINNESOTA CONTINUUMS OF CARE

In 1994, HUD refocused national homeless efforts through advocacy of Continuum of Care (CoC) programs for homeless needs. According to HUD, a CoC exists to serve the needs of homeless persons on city, county, or regional levels. The main goals of CoCs are to offer housing assistance, support programs, and shelter services to homeless persons and to ultimately break the cycle of homelessness. CoCs collaborate with different community organizations and local homeless advocate groups to identify homeless needs on a community level and, in turn, develop the best means of addressing these issues.²⁹ For example, a CoC in one area may identify a high number of homeless persons with HIV/AIDS who have no access to support programs. The CoC could then tailor its efforts to offer programs that would benefit this group.

²⁶ National Alliance to End Homelessness, www.endhomelessness.org

²⁷ <http://www.hudhre.info/hprp/>

²⁸ The state of Minnesota received \$33.5 million for HPRP in 2009.

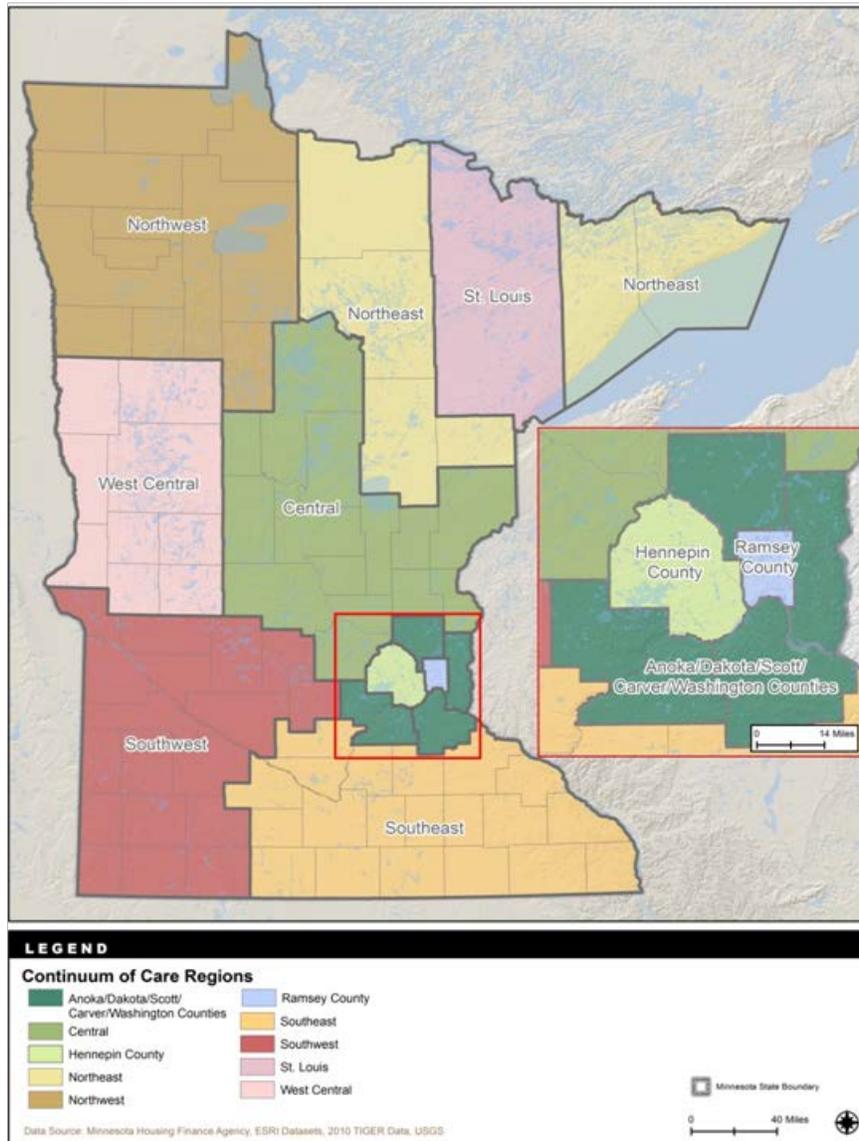
²⁹ <http://www.hud.gov/offices/cpd/homeless/library/coc/cocguide/intro.pdf>

V. Housing and Homeless Needs Assessment

In Minnesota, 10 CoCs address homeless needs in different regions of the state. These regions are depicted geographically in Map V.1, on the following page. The regions cover the metropolitan areas as well as greater Minnesota. The metro region programs consist of the Hennepin County CoC; the Ramsey County CoC; and the Anoka, Carver, Dakota, Scott, and Washington counties CoC. Greater Minnesota CoCs consist of the Northwest, Northeast, St. Louis, West Central, Central, Southwest, and Southeast regions.

Map V.1
Regions Served by Continuums of Care

State of Minnesota
Minnesota Housing Data, 2011



As shown in Table V.4, below, the majority of the state’s population falls under the Metropolitan CoCs of Anoka, Dakota, Scott, Carver and Washington, Hennepin, and Ramsey counties. However, greater Minnesota CoCs represent more than 46 percent of Minnesota’s population.

Table V.4	
Population Served in Continuum of Care Regions	
State of Minnesota Census Bureau Data, 2010	
Continuum of Care	Population Served
Anoka/ Carver/Dakota/Scott/Washington Counties	1,188,502
Hennepin County	1,152,425
Ramsey County	508,640
Central	729,084
Northeast	125,999
Northwest	169,114
St. Louis County	200,226
Southeast	725,986
Southwest	282,261
West Central	221,688
Total	5,303,925

Minnesota Housing and the Minnesota Interagency Council on Homelessness

Minnesota Housing, through the Minnesota Interagency Council on Homelessness (MICH), assists with planning in the 10 CoC regions. The purpose of the MICH is to educate and inform communities, stakeholders, legislators, and public policy advocates on what works to end homelessness. More specifically, the MICH supports each CoC to:

- Successfully complete Exhibit 1 of the McKinney Vento CoC Homeless Assistance Application at a level that enables all projects to be fully funded,
- Commit to project applications to access the regions full pro rata share and maximum eligible bonus, and
- Develop a region-wide plan to end long-term homelessness in coordination with Minnesota’s Business Plan to End Long-Term Homelessness.³⁰

MICH developed a Roadmap for Ending Homelessness to educate leaders on the importance of ending homelessness and to provide communities with strategies to prevent and end homelessness by:

- Increasing access to stable housing,
- Reaching out to persons who are homeless and at risk of homelessness,
- Improving well-being, and
- Transforming the housing crisis response system.³¹

³⁰ <http://www.headinghomeminnesota.org/home/about>

³¹ http://www.mnhousing.gov/idc/groups/public/documents/webcontent/mhfa_010374.pdf

Minnesota Housing provides affordable housing opportunities for low- to moderate-income Minnesotans in order to enhance quality of life and foster strong communities. Since its establishment in 1971, Minnesota Housing has invested more than \$8.7 billion and assisted more than 750,000 households. The agency is a leader in an alliance of government, private sector, nonprofit, and faith-based community interests working to make housing more affordable in the state of Minnesota. According to their website, Minnesota Housing's strategic priorities are to:

- Finance new opportunities for affordable housing,
- Preserve existing affordable housing,
- Prevent and end long-term homelessness, and
- Mitigate foreclosure impact through prevention and remediation.³²

Beyond financing prevention efforts, supportive housing units, and rental assistance, Minnesota Housing provides funding to support the Homeless Management Information System (HMIS), which is a tracking system to capture the results of this work. Minnesota Housing also helps fund the Wilder Center Survey of Homelessness in Minnesota, which occurs every three years. Overall, Minnesota Housing estimates that it will commit about \$35 million to preventing and ending long-term homelessness.³³

POPULATION

Compiling accurate homeless counts is a complex challenge faced by communities across the nation. The most common method used to count homeless persons is a point-in-time count. Point-in-time counts involve counting all the persons who are literally homeless on a given day or series of days and are designed to be statistically reliable and produce unduplicated numbers. The 10 CoCs in Minnesota rely on point-in-time surveys to document the number of homeless individuals and families in the state.

Although CoCs are only required to conduct a one-day point-in-time count every two years, HUD strongly encourages CoCs to conduct a point-in-time count annually. The National Coalition for the Homeless has pointed out that, because point-in-time studies give just a "snapshot" picture of homelessness, they may miss persons who are homeless at other times during the year. Other persons may be missed because they are not in places researchers can easily find. These unsheltered or "hidden" homeless may be living in automobiles or campgrounds or doubling up temporarily with relatives, friends, or others.

Despite these limitations, the point-in-time counts completed by each CoC provide a helpful estimation of the homeless population. In Minnesota, the methods in which these counts are collected vary by CoC. In their 2011 Exhibit 1 Continuum of Care Applications, each CoC cited ways in which they collected data each year, consisting of:

- Mailing a paper survey,
- Administering an online survey form,
- Conducting telephone follow-ups for survey assistance,

³² <http://www.mnhousing.gov/>

³³ Information provided by Minnesota Housing.

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- Offering training on survey completion,
- Conducting telephone follow-ups for non-responders,
- Comparing data to the 2009 Statewide Homeless Survey conducted by the Wilder Research Center,
- Compiling data and searching for duplicate cases,
- Verifying totals with HMIS data,
- Verifying totals with service providers (provider expertise method), and
- Using quarterly data from the Department of Human Services.

Combining the counts provided by the 10 CoCs, it was estimated that 8,113 persons were homeless in the state in January 2011, as shown below in Table V.5. The counts also identified 1,509 homeless families with children. According to a focus group of homelessness advocates held in association with the Consolidated Plan, any improvements seen in the homeless counts in the mid 2000s were offset by the recent recession.

Table V.5					
Homeless Population					
State of Minnesota					
Minnesota Continuum of Care 2011 Point in Time Count Data					
Homeless Population	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Individuals	2,024	969	14	656	3,663
Persons in Families with Children	1,744	2,424	0	282	4,450
Total	3,768	3,393	14	938	8,113
Families with Children	500	899	0	110	1,509

Table V.6, below, shows the number of rural homeless persons provided by the counts in the CoCs of greater Minnesota. There were 363 persons, or more than 55 percent of persons unsheltered, and 211, or nearly 75 percent, of persons in families with children who were unsheltered counted in greater Minnesota.

Table V.6					
Homeless Population					
State of Minnesota					
Minnesota Continuum of Care 2011 Point in Time Count Data					
Homeless Population	Sheltered			Unsheltered	Total
	Emergency	Transitional	Safe Haven		
Individuals	364	202	4	363	933
Persons in Families with Children	386	754	0	211	1,351
Total	750	956	4	574	2,284
Families with Children	132	245	0	83	460

Minnesota CoCs also reported the number of homeless households in the 2011 count. There were a total of 742 homeless households in which the head of household was under the age of 21. This includes 111 households headed by someone 17 years of age or younger. This information is presented in Table V.7, below.

Table V.7	
Characteristics of Minnesota Homeless Households, By Age	
State of Minnesota	
Minnesota Continuum of Care 2011 Point in Time Count Data	
Age	Youth Headed Households
0-17	111
18-21	631
Total	742

Another means of capturing information on Minnesota’s homeless population is the Wilder Foundation’s Triennial Homeless Survey, the most recent one of which occurred in 2009. This survey, also a one-night snapshot, provides a level of detail and analysis of Minnesota’s homeless population (including annualized estimates) that cannot be achieved in the CoC Point in Time Counts.

The triennial Wilder 2009 Homeless Survey estimates that at least 46,400 Minnesotans experience homelessness at least once over the course of a full year. This includes

- 18,300 adults age 22 and over,
- 14,120 children with their homeless parents,
- 7,680 young adults ages 18-21 on their own, and;
- 4,800 minor youth (ages 12-17) on their own.

RURAL HOMELESSNESS

According to the triennial Wilder 2009 Homeless Survey, about one-third (32%) of all homeless adults and children with their parents counted in the study were living outside the seven-county Twin Cities metropolitan area in 2009.

Because of the geographic distances between population centers, and more sparse populations and fewer services, patterns of homelessness are different in greater Minnesota. While rural homeless adults are similar to statewide patterns on many measures (such as education levels, and length of time in Minnesota), they are very different on other measures: The 2009 survey shows that in greater Minnesota:

- 58% of homeless adults were White (30% in the metro region)
- 19% of homeless adults were American Indian (compared to 8% in the metro area)
- More homeless adults derived their income (if they had any) mainly from employment (25%, compared to 17% in the metro area), and fewer from General Assistance (18%, compared to 30%)

- More children were in unsheltered situations (4% vs. less than 0.5%) and informal arrangements (24% vs. 4%)
- 42% of homeless adults had a chronic health condition (48% in the metro area)
- 32% of homeless women were fleeing abuse (27% in the metro area)

Homeless adults in greater Minnesota were less likely to be using formal shelter programs (55%, compared to 82% in the metro area), likely due in part to the extremely limited shelter capacity in much of greater Minnesota. Instead, they were much more likely to have spent considerable time during month of the survey in informal shelter arrangements such as paid motel rooms or moving around for short stays with friends or relatives (33%, compared to 8% in metro area).

UNSHeltered Rural Homeless

Of all unsheltered persons interviewed in the Wilder Survey, over half (864) were interviewed in greater Minnesota, where they represented half (45%) of all homeless people identified. By contrast, in the seven-county metropolitan area the non-shelter-using adults interviewed (720) represented only 18% of homeless people identified.

Length of Homelessness

The triennial Wilder 2009 Homeless Survey showed that showed that 8% of homeless adults have been homeless for less than a month (essentially the same as the 9% in 2006). Forty percent have been homeless between one month and one year; and 52% have been homeless for a year or longer

However, the survey acknowledged that as a point-in-time count, it necessarily over-represents the prevalence of long-term homeless episodes (versus shorter-term episodes) over the course of an entire year.

According to a 2009 Minnesota homeless study titled “Homeless Children and Their Families,” in a given year, nearly 19,000 children in Minnesota may be homeless. This figure was based on a survey of homeless families with children living in shelters and was conducted by Wilder Research in October 2009. The survey found that an estimated 3,900 children may be homeless with their parents in the state on any given night, and an additional 550 children may be homeless and on their own. During a year, more than 14,000 children could be homeless with their parents and nearly 5,000 could be homeless on their own. Homeless families with children represent the fastest growing segment of the homeless population, and children who are homeless tend to be under the age of 5, especially outside of metro areas of the state. Many homeless children, perhaps as high as 15 percent, face some kind of serious health problem. Long term homelessness, defined as lasting more than one year, has increased by nearly 30 percent since the early 1990s and is more common for homeless parents in metro parts of the state. Many homeless parents reported being homeless at least once before, and nearly 30 percent of homeless adults

reported being homeless at some point in their childhood; these findings support the idea that homelessness can be both cyclical and generational.³⁴

The point in time counts gathered additional data on the gender of the adult head of household for each homeless person counted. As seen below in Table V.8, below, the largest percentage of the homeless population in Minnesota was male-adult-headed households without children. The next largest group was female-adult-headed households with children.

Gender	Adult Headed Households WITHOUT Children	Adult Headed Households WITH Children
Male	1820	319
Female	742	1072
Transgender	2	2
Total	2564	1,393
Children	n/a	2,315

Table V.9, below, shows the race and ethnicity of persons served in federal fiscal year 2010, according to Wilder Research, by housing type and family. Black persons made up 45 percent of families served in an emergency shelter, 36 percent in transitional housing, and 47 percent in permanent supportive housing. Black families served in an emergency shelter and permanent supportive housing were almost double the amount of white families served.

Race/Ethnicity	Persons in Families in Emergency Shelter	Individuals in Emergency Shelter	Persons in Families in Transitional Housing	Individuals in Transitional Housing	Persons in Families in Permanent Housing	Individuals in Permanent Housing
White, non-Hispanic/Latino	23%	45%	34%	46%	26%	49%
Hispanic/Latino, any race	10%	8%	7%	8%	6%	4%
Black or African-American	45%	28%	36%	34%	47%	31%
Asian, Native Hawaiian/Pacific Islander	2%	1%	2%	1%	2%	1%
American Indian or Alaska Native	13%	10%	9%	8%	11%	11%
Several races	10%	6%	14%	9%	10%	6%
Unknown/Other	1%	7%	1%	0%	1%	0%

³⁴ <http://www.wilder.org/download.0.html?report=2399>

³⁵ These statistics represent only those who participate in Minnesota's HMIS program.

The CoCs also collected information on unsheltered persons who were turned away from shelters. There were approximately 3,681 unsheltered persons who were turned away or placed on a wait list in 2011. Of these, 699 adults, 1,405 dependent children, and 90 unaccompanied youth were turned away, and 1,487 persons were placed on a wait list. These data were parallel to the discussion in the homelessness focus group that suggested that numerous persons are turned away from services because available services and facilities are not adequate or because of policies that do not allow persons from out of the county to have access to shelter. This data is provided in Table V.10, below.

Table V.10	
Characteristics of Minnesota Homeless Population, By Persons Turned Away	
State of Minnesota	
Minnesota Continuum of Care 2011 Point in Time Count Data	
Homeless Population	Unsheltered
Persons Turned Away	2194
Adults	699
Dependent Children	1,405
Unaccompanied Youth	90
Persons on Wait List	1,487
Total	3,681
Households Turned Away	973

Each CoC is required to submit an annual CoC plan and application for funding. The application includes a Housing Gap Analysis Chart, which identifies housing and supportive service needs for each region’s homeless and homeless special needs populations. Table 1A, below, provides a summary of the information provided by the individual CoCs. The information is separated into two sections: homeless individuals and persons who are homeless in families with children. The focus group of homelessness stakeholders also revealed that the numbers shown may vastly underrepresent the number of homeless persons who truly exist in Minnesota.

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Table 1A³⁶
Housing Gap Analysis Chart
 State of Minnesota
 Aggregated Continuum of Care Data, 2011

		Current Inventory	Under Development	Unmet Need/ Gap ³⁷
Individuals				
Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	1,356	0	136
	Transitional Housing	444	3	447
	Permanent Supportive Housing	3,275	181	989
	Total	5,075	184	2,657
Persons in Families With Children				
Beds	Emergency Shelter	2,245	38	98
	Transitional Housing	2,770	3	946
	Permanent Supportive Housing	5,316	223	2,244
	Total	10,331	264	3,288

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total		
	Emergency	Transitional				
Number of Families with Children (Family Households):	500	899	110	1,509		
1. Number of Persons in Families with Children	1,744	2,424	282	4,450		
2. Number of Single Individuals and Persons in Households without children	2,024	969	656	3,663		
(Add Lines Numbered 1 & 2 Total Persons)	3,768	3,393	938	8,113		
Part 2: Homeless Subpopulations³⁸	Sheltered		Unsheltered	Total		
a. Chronically Homeless	1,083				252	1,335
b. Severely Mentally Ill	1,478					
c. Chronic Substance Abuse	1,337					
d. Veterans	396					
e. Persons with HIV/AIDS	106					
f. Victims of Domestic Violence	1,199					

³⁶ The numbers provided in this table are those provided by each Continuum of Care's (CoCs) 2011 Housing Inventory Charts.

³⁷ The Unmet Needs were calculated using the CoC gap analysis worksheet provided by HUD. A formula of 10 percent emergency shelter, 25 percent transitional housing, and 65 percent permanent housing to determine the unmet need was used as cited in Minnesota's 2010 Exhibit 1 CoC Application.

³⁸ Homeless subpopulation data is from the 2011 point in time counts.

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g. Unaccompanied Youth (Under 18)	127	
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As shown on the previous page in Table 1A, Minnesota has a significant shortage of transitional housing and especially permanent supportive housing for individuals. More than 400 transitional housing units and almost 1,000 permanent housing units are needed for individuals, while emergency shelters have less of a projected need, with a gap of only 136 units. More than 3,288 additional beds are needed for persons in families with children, with the most pressing need being an additional 2,244 beds for family permanent supportive housing.

Table 1A also shows the information that the 10 CoCs collected regarding six homeless subpopulations:

- Chronically homeless,
- Severely mentally ill,
- Chronic substance abuse,
- Veterans,
- Persons with HIV/AIDS,
- Victims of domestic violence, and
- Unaccompanied youth under the age of 18.

As shown earlier in Table 1A, the number of persons in the state who were sheltered homeless in each subcategory ranged from 1,478 for persons with severe mental illness to 106 persons with HIV/AIDS. As discussed previously, these totals resulted from point-in-time counts and are likely much lower than the actual number of persons who are homeless in each subcategory.

AVAILABLE SERVICES

There are currently a plethora of organizations in the state of Minnesota that offer a variety of services to both aid those who have become homeless and to prevent persons from becoming homeless. A list of the organizations providing services to the homeless population is provided in the Technical Appendix. Services to aid homeless individuals, homeless families with children, sheltered and unsheltered individuals, and homeless subpopulations include advocacy and support, employment assistance, families and youth programs and services, food assistance, income assistance, and personal needs such as bathing and grooming.

AVAILABLE FACILITIES

According to information from the CoCs, there are a number of facilities within the state that offer shelter and facilities to homeless persons in Minnesota, including single individuals, those under age 18, families, and persons seeking transitional housing. Organizations offering shelter facilities to homeless persons are listed in the Technical Appendix.

Need for Services and Facilities

The facilities and services that compose Minnesota’s CoCs include emergency shelters, transitional shelters, youth shelters, and permanent and supportive housing as well as an estimate of the needs of the chronically homeless.

The 2011 Housing and Community Development Survey asked stakeholder respondents in Minnesota to rate the need of services and facilities currently available to homeless persons. Responses for some questions were separated for persons addressing need in the non-entitlement or rural areas of the state versus those addressing needs in the entitlement or urban parts of the state.

Table V.11, below, shows the reported need for services and facilities for homeless persons in the state, as derived from the Housing and Community Development Survey. Overall, a medium to high need for services and facilities for this group was indicated.

Table V.11						
Reported Needs of Homeless Persons						
State of Minnesota						
2011 Housing and Community Development Survey Data						
	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Need for service and facilities for special needs group						
Homeless Persons	13	67	148	153	160	541

Table V.12, below, shows that the majority of respondents in the non-entitlement areas of the state rated the need for services and facilities for homeless persons in their communities as high need, with emergency shelters receiving the most high need responses, followed by transitional housing, permanent supportive housing and shelters for youth. These findings suggest that, while services and facilities are available, there is still a gap in what is necessary to meet the needs of this population.

Table V.12						
Reported Needs of Homeless Persons						
Non-Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for the following housing types for special needs populations.						
Emergency shelters	8	34	55	87	64	248
Transitional housing	6	40	56	83	63	248
Shelters for youth	7	47	55	74	65	248
Permanent supportive housing	4	32	69	80	63	248

Table V.13, on the following page, shows the responses for persons who addressed the entitlement areas of state. Respondents ranked the categories of shelter options similarly to persons in the non-entitlement areas of the state, with all types of shelter clearly receiving a

high need ranking. However, in the entitlement areas of the state, a greater need was indicated for permanent supportive housing.

Table V.13						
Reported Needs of Homeless Persons						
Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					
	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need for the following housing types for special needs populations.						
Emergency shelters	4	38	50	108	93	293
Transitional housing	.	32	59	110	92	293
Shelters for youth	4	27	49	117	96	293
Permanent supportive housing	2	20	54	125	92	293

It is also important to note that, when respondents were asked to rate the need for housing for a number of special needs groups, 57.2 percent of respondents in the state who answered the question rated homeless persons as having a high need for housing, and this was the most frequently rated high need group of all of the special needs populations. Furthermore, the focus group of homelessness stakeholders revealed that the cycle of homelessness is easier to break when more long-term housing solutions are offered. The group also stated that it is cheaper to house than to provide shelter, which provides further support for programs that aim to meet this goal such as rapid re-housing.

PERSONS AT RISK OF HOMELESSNESS

Low-income individuals and families with children may be more likely to face the threat of homelessness because homelessness and poverty are inextricably linked. Those in poverty are frequently unable to pay for housing, food, childcare, healthcare, and education, and choices must be made when limited resources cover only some of these necessities. Housing absorbs a high proportion of income, thus living without a home is often only the choice that can be made. The National Coalition for the Homeless stated that individuals living in poverty may be just an illness, an accident, or a paycheck away from living on the streets.³⁹

Table V.14, on the following page, illustrates the number of individual households and households with children with a cost burden and severe cost burden, as of the 2006 to 2008 CHAS data. There were 384,705 households with a cost burden and 248,505 households with a severe cost burden, including 45,970 total elderly families and 55,690 total large families. Those who have the greatest risk for homelessness are persons with a severe cost burden and who have an income that is 30 percent Housing Urban Development Area Median Family Income (HAMFI) or less, which represented a total of 140,375 households in the state.

Table V.14	
Households by Cost Burden by Income and Family Status	
State of Minnesota	

³⁹ <http://www.nationalhomeless.org/factsheets/why.html>

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HUD CHAS Data, 2006-2008						
Income	Elderly Family	Small Family	Large Family	Elderly Non-Family	Other Household	Total
No Cost Burden						
30% HAMFI or less	3,430	7,610	1,705	19,560	11,765	44,070
30.1-50% HAMFI	19,290	17,560	5,145	30,000	19,980	91,975
50.1-80% HAMFI	41,755	62,795	14,770	31,130	67,290	217,740
80.1% HAMFI and above	137,950	601,725	91,860	45,975	197,545	1,075,055
Total	202,425	689,690	113,480	126,665	296,580	1,428,840
Cost Burden						
30% HAMFI or less	3,790	9,580	2,270	17,315	13,150	46,105
30.1-50% HAMFI	6,920	23,550	5,685	16,065	29,395	81,615
50.1-80% HAMFI	7,760	42,195	13,200	10,020	32,330	105,505
80.1% HAMFI and above	11,195	81,040	16,110	5,445	37,690	151,480
Total	29,665	156,365	37,265	48,845	112,565	384,705
Severe Cost Burden						
30% HAMFI or less	6,060	38,950	8,840	31,820	54,705	140,375
30.1-50% HAMFI	4,790	18,055	4,985	11,395	15,435	54,660
50.1-80% HAMFI	3,495	14,585	3,080	4,070	10,365	35,595
80.1% HAMFI and above	1,960	8,685	1,520	1,325	4,385	17,875
Total	16,305	80,275	18,425	48,610	84,890	248,505
Cost Burden Not Computed						
30% HAMFI or less	450	2,150	340	1,855	5,490	10,285
30.1-50% HAMFI	0	0	0	0	0	0
50.1-80% HAMFI	0	0	0	0	0	0
80.1% HAMFI and above	0	0	0	0	0	0
Total	450	2,150	340	1,855	5,490	10,285
Total						
30% HAMFI or less	13,730	58,290	13,155	70,550	85,110	240,835
30.1-50% HAMFI	31,000	59,165	15,815	57,460	64,810	228,250
50.1-80% HAMFI	53,010	119,575	31,050	45,220	109,985	358,840
80.1% HAMFI and above	151,105	691,450	109,490	52,745	239,620	1,244,410
Total	248,845	928,480	169,510	225,975	499,525	2,072,335

PREVENTING AND ENDING LONG-TERM HOMELESSNESS

Preventing and ending long-term homelessness is one of Minnesota's strategic priorities. On the prevention side, Minnesota Housing funds programs such as Family Homeless Prevention and Assistance Program, which provide short-term assistance for services and housing payments to prevent homelessness. Minnesota Housing, the Department of Human Services, Department of Corrections, and the Department of Employment and Economic Development as well as the state and regional Heading Home organizations are implementing the state's Business Plan to End Long-Term Homelessness. The Plan is the foundation of Heading Home Minnesota, a coordinated public-private partnership to end homelessness.

Minnesota Housing uses multiple strategies to implement the business plan. These include providing funds to develop new rental housing, rehabilitate existing rental housing, support tenant-based and project-based rental assistance, and provide operating subsidies.

These efforts are funded through the Housing Trust Fund, Housing Tax Credit, Low and Moderate Income Rental, and Economic Development and Housing/Challenge, and Bridges programs. Additional resources include Pool 3 funds allocated to the Ending Long-Term Homelessness Fund.

Originally, the plan called for the funding of 4,000 new housing opportunities by 2010 for persons experiencing long-term homelessness. In 2010, the plan was recalibrated with the goal of reaching 4,000 deferred to 2015 due to difficult economic environment and challenges of securing funding. Although the state did not reach the original goal of 4,000 new housing opportunities by 2010, it is ahead of the recalibrated goal for 2015.

There are also local plans that complement the state-wide plan. These initiatives take a broader approach to ending homelessness and incorporate prevention strategies. The Heading Home Minnesota Steering Committee, which is comprised of county and regional plans, is a group of leaders committed to the plan, including philanthropic, business and faith community members along with the regional coordinators and public sector representatives. Those counties with plans include Hennepin, Ramsey, St. Louis, Anoka, Olmsted, Scott/Carver, Steele, and regional plans include Southeast, Central, Southwest, Northwest, Northeast, and West Central.

CHRONIC HOMELESS

Most data collected by Minnesota, including the Wilder 2009 Homeless Survey, focuses on the population known in Minnesota as the long-term homeless (LTH). This population only differs from the HUD defined chronic homeless population in that it does not require a person to have a disabling condition (the length and episodes of homelessness are the same).

According to the Wilder Homelessness in Minnesota 2009 study, 59 percent of the homeless adults surveyed on that given night (3,497 people) fit the Minnesota definition of long-term homeless.

Three-quarters of people experiencing long-term homelessness were in shelters or transitional housing programs, and one-quarter were not using formal shelter programs. Almost one-half of those not using formal programs had spent much of October sleeping outdoors or in vehicles or abandoned buildings, and just over one-half had spent considerable amounts of time in unstable temporary housing.

Compared to other homeless adults, the long-term homeless are slightly older on average and more likely to be male. The long-term homeless are less likely to be parents or have children with them. American Indians, while a small proportion of this group, are overrepresented here compared to other homeless adults.

Adults experiencing long-term homelessness are more likely to be unemployed currently, and considerably more likely to have been unemployed for at least one year. Their median monthly income from all sources is substantially less than other homeless adults

Long-Term homeless adults report significantly higher incidences of virtually all types of disabilities compared to other homeless adults. They are also more likely to report having current health care coverage, but are also more likely to report having a current need to see a medical professional. Issues with the highest incidence among the long-term homeless are serious mental illness, needing to see a dentist, and chronic health conditions.

Unaccompanied Youth

According to the Wilder 2009 Triennial Homeless Survey, on any given night, an estimated **2,500** Minnesota youth experience homelessness. This number includes an estimated 550 minor youth ages 17 and under; and 1,950 young adults age 18 through 21. These numbers are conservative estimates; the number of unaccompanied youth is likely considerably higher.

More youth were identified in 2009 than in any previous study. This increase was seen particularly in the number of young adults, ages 18 through 21 – *up* 57 percent over the previous study. The number of youth minors who were not staying in shelters *increased* by 75 percent. The average age for youth minors on their own was 16 (19½ for young adults).

The number of homeless youth of color is disproportionately high compared to their prevalence in the general population of Minnesota youth. Two-thirds of homeless youth (67%) were Black, American Indian, Asian, Hispanic, or of mixed race, compared to just 18 percent of all Minnesota youth (US Census, 2008 American Community Survey microdata).

Selected Unaccompanied Youth Characteristics from Wilder 2009 Triennial Homeless Survey:

- 34 percent of youth had children of their own (17% of youth minors and 37% of young adults). For females, 25 percent of youth minors and 50 percent of young adults had children
- Nearly 1 in 2 homeless youth (46%) report some type of significant mental health problem.
- Nearly 1 out of 2 homeless youth (45%) have been physically **or** sexually mistreated.
- Forty-two percent have been physically abused (38% of youth minors and 43% of young adults).
- Twenty-seven percent have been sexually abused (20% of youth minors and 28% of young adults). About four times as many girls as boys have been sexually abused (39% of girls and 9% of boys).
- 1 in 3 homeless youth had experienced parental neglect (34%).
- Over a third of homeless youth (36%) had a history of delinquency that resulted in a correctional placement,

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- Eighteen percent of homeless youth had been in alcohol or drug treatment,
- 49% of homeless youth had been pregnant or made someone pregnant (29% of youth minors, and 54% of young adults).

D. NON-HOMELESS NEEDS ASSESSMENT

CHARACTERISTICS OF FAMILIES WITH CHILDREN AT-RISK OF HOMELESSNESS

The characteristics and needs of low-income families with children who are currently housed but threatened with homelessness is not readily available from current Minnesota data sources. However, looking at the characteristics of families with children in emergency shelter or transitional housing during the triennial Wilder 2009 Homeless Survey (most of whom entered the homeless system in the past year), we can see that:

- 52% of children were age 5 or younger
- Children were 36 percent of all homeless individuals in 2009.
- Among parents accompanied by children, 34 percent reported they had first experienced homelessness as a child (age 17 or younger)
- Most children were with their mother or female caretaker only (74%).
- 67% of homeless women had children age 17 or younger,
- 33% of homeless men had minor children, and 7% had at least one child with them.

NEEDS AND RISK FACTORS FOR FAMILIES WITH CHILDREN AT-RISK OF HOMELESSNESS

According to the recent HUD Homelessness Prevention and Rapid Re-housing Notice, the following are characteristics of low-income households who may be at-risk of homelessness (Column 1), and any corresponding data about families with children which is available from the triennial Wilder 2009 Homeless Survey (Column 2):

At-Risk of Homelessness Characteristics Column 1	Homeless Families with Children Data Column 2
Eviction within 2 weeks from a private dwelling;	An estimated 24,00-34,800 children were “doubled-up” in temporary arrangements.
Residency in housing that is no longer meant for human habitation;	No data available.
Sudden and significant loss of income;	37 percent of homeless parents left their last housing because job or hours were cut.
Sudden and significant increase in utility costs;	No data available
Mental health and substance abuse issues;	49 percent of parents had a serious mental illness; 13 percent considered themselves chemically dependent.
Physical disabilities and other chronic health issues, including HIV/AIDS;	42 percent of parents have at least one chronic, serious health problem.
Severe housing cost burden (greater than 50 percent of income for housing costs);	Median monthly income of homeless parents was \$532/month; Fair market rent for two-bedroom in metro area was \$873/month.
Homeless in last 12 months;	50 percent of homeless parents lost their most recent permanent housing due to

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	eviction or foreclosure of place they had been renting.
Current or past involvement with child welfare, including foster care;	9 percent of parents reported a child protection open for one or more children.
Pending foreclosure of rental housing;	10 percent of adults left permanent housing because housing they owned or rented was foreclosed upon;
Extremely low income (less than 30 percent of Area Median Income);	The median income of homeless parents was \$532/month.
Past institutional care (prison, treatment facility, hospital);	28 percent of homeless parents had a history of incarceration;
Credit problems that preclude obtaining of housing	No data available.
Significant amount of medical debt.	No data available.

According to HUD, special needs populations are “not homeless but require supportive housing and include the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, public housing residents, and any other categories the jurisdiction may specify.”⁴⁰ Because individuals in these groups face unique housing challenges and are vulnerable to becoming homeless, a variety of support services are needed in order for them to achieve and maintain a suitable and stable living environment. Each of these special needs populations will be discussed in the context of their size and characteristics, services and housing currently provided, and services and housing still needed.

ELDERLY AND FRAIL ELDERLY PERSONS

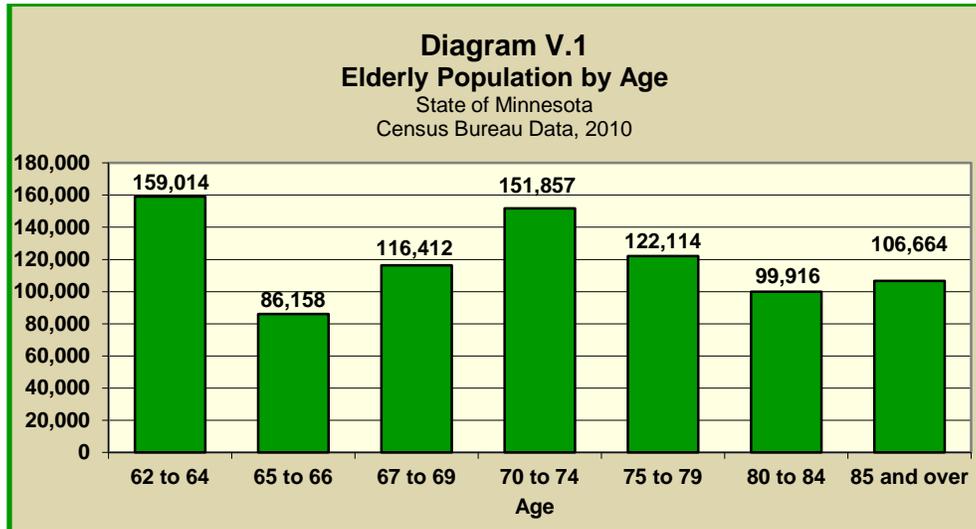
HUD provides a definition of “elderly” as persons age 62 or older. The U.S. National Center for Health Statistics (NCHS) notes that a number of older citizens have limitations caused by chronic conditions that constrain activities of daily living (ADLs). ADLs are divided into three levels, from basic to advanced. Basic ADLs involve personal care and include tasks such as eating, bathing, dressing, using the toilet, and getting in or out of bed or a chair. Intermediate, or instrumental, Activities of Daily Living (IADLs) are tasks necessary for independent functioning in the community. These include cooking, cleaning, doing laundry, shopping, using the telephone, using or accessing transportation, taking medicines, and managing money. Social, recreational and occupational activities that greatly affect the individual's quality of life are Advanced Activities of Daily Living (AADL). Playing bridge, bowling, doing crafts, or volunteering for one's church are examples of advanced ADLs. “Frail elderly” is defined as persons who are unable to perform three or more activities of daily living.⁴¹

Size and Characteristics

⁴⁰ *Consolidated Plan Final Rule 24 CFR Part 91*. United States Department of Housing and Urban Development. Community Planning and Development. 1995. 14.

⁴¹ <http://law.justia.com/us/cfr/title24/24-4.0.2.1.12.2.3.2.html>

According to Census Bureau data for 2010, 842,135 residents in the State of Minnesota were aged 62 or older, which equated to about 15.9 percent of the total population. Diagram V.1, on the following page, presents a breakdown of the elderly population by age in Minnesota at the time of the 2010 census.



HUD also releases data describing elderly and extra-elderly populations by housing problem and income. While HUD defines “elderly” as persons over the age of 62, “extra elderly” persons are defined as those over the age of 75. Residents in Minnesota defined as “extra-elderly” comprised 6.2 percent of the population.

As seen in Table V.15, on the following page, there were an estimated 156,140 elderly households with a housing problem in the State of Minnesota from 2006 to 2008. This data source also showed that there were an estimated 103,875 owner-occupied elderly households with a housing problem. Renter-occupied elderly households with a housing problem accounted for the remaining 52,265 households. An estimated 61,160 elderly and extra-elderly households with a housing problem had incomes of 30 percent or less of the median income. These extremely low-income elderly households with an existing housing problem are of particular concern because these persons are at a serious risk of homelessness.

Table V.15
Elderly Households with Housing Problems
by Income by Tenure
State of Minnesota
HUD, CHAS Data, 2006-2008

Income	Elderly	Extra-elderly	Non-elderly	Total
Owner				
30% HAMFI or less	15,520	19,970	36,290	71,780
30.1-50% HAMFI	13,355	13,270	42,625	69,250
50.1-80% HAMFI	14,770	5,815	95,050	115,635
80.1-100% HAMFI	7,180	1,825	59,550	68,555

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100.1% HAMFI and above	10,220	1,950	90,775	102,945
Total	61,045	42,830	324,290	428,165
Renter				
30% HAMFI or less	9,370	16,300	91,605	117,275
30.1-50% HAMFI	4,880	10,415	55,720	71,015
50.1-80% HAMFI	1,915	6,065	25,225	33,205
80.1-100% HAMFI	310	1,270	4,235	5,815
100.1% HAMFI and above	290	1,450	3,155	4,895
Total	16,765	35,500	179,940	232,205
Total				
30% AMI or less	24,890	36,270	127,895	189,055
30.1-50% AMI	18,235	23,685	98,345	140,265
50.1-80% AMI	16,685	11,880	120,275	148,840
80.1-95% AMI	7,490	3,095	63,785	74,370
95.1% AMI and above	10,510	3,400	93,930	107,840
Total	77,810	78,330	504,230	660,370

Services and Housing Currently Provided

The Older Americans Act of 1965 has been the main instrument for delivering social services to senior citizens in the U.S. This Act established the federal Administration on Aging (AoA) and related state agencies to specifically address the many needs of the elderly U.S. population. Despite limited resources and funding, the mission of the Older Americans Act is broad: “to help older persons maintain maximum independence in their homes and communities and to promote a continuum of care for the vulnerable elderly.”⁴²

The Minnesota Board on Aging (MBA) administers funds from the Older Americans Act in Minnesota. MBA is one of the pioneers in the field of aging policy, information, and assistance. Its goals include listening to senior concerns, researching solutions, and proposing policy to address senior needs. Appointed by the governor, board members work closely with its area agencies on aging in order to provide services for seniors. Among the services provided is Senior LinkAge Line. This is a free statewide information and assistance service line provided by six area agencies on aging, which cover all 87 counties of Minnesota. The Senior LinkAge Line has expertise in the areas of:

- Medicare;
- Prescription drug expense assistance for Minnesotans of all ages;
- Health insurance counseling;
- Forms assistance, including help applying for medical assistance and Medicare options;
- Long-term care insurance and planning options;
- Caregiver planning and support; and
- Grandparents raising grandchildren.

⁴² http://www.nhpf.org/pdfs_basics/Basics_OlderAmericansAct_04-21-08.pdf

This resource also connects citizens with:

- Financial assistance,
- Home care,
- Housekeeping and chore services,
- Indian elder program,
- Legal assistance,
- Long-term care ombudsman,
- Meal delivery and nutrition,
- Transitional consultation, and
- Transportation.⁴³

Services and Housing Needed

According to “Housing for Minnesota’s Aging Population,” a report released by Minnesota Housing’s Research and Evaluation Unit in 2010, adults who are at least aged 65 will be increasing from 12 percent to 20 percent of the state’s population in the near future. As such, the availability of services and housing in the state must be expanded to meet this need.⁴⁴

A 2010 Baby Boomer Survey⁴⁵ reported that nearly 75 percent of respondents have lived in their current home for more than 10 years, and 39 percent have lived in their home for 20 years or more. Over half of these individuals have lived in the same community for more than 20 years and plan to stay. Many stated that they would also remain in their own home. Roughly one in every three boomers is considering moving within the next 10 years, with more than two-thirds indicating they will look for a one-story home and about one in four stating that they plan to move into a townhome or condominium.

It was also discovered that, if faced with a health change that compromised their ability to live independently, over one-third of boomers would seek assistance from family, friends, or a home-based agency to remain independent. Only 28 percent indicated that they would move to an assisted living or nursing facility, and roughly the same portion of boomers were unsure what they would do.

The survey showed that most boomers have intentions of remaining in their current community. Due to the high number of persons who make up this population, local infrastructure and services to assist the aging population will be required. Communities that are successful with these changes may attract boomers on the move. This is important to consider since most boomers are homeowners, and they will likely be invested in the health of their neighborhood and city.

A known obstacle for seniors to stay in their current home is that few houses are built specifically for seniors. Therefore, an increase in home maintenance and chore programs

⁴³ <http://www.mnaging.org/advisor/SLL.htm>

⁴⁴ http://www.mnhousing.gov/idc/groups/secure/documents/admin/mhfa_010262.pdf

⁴⁵ <http://www.mnlifetimecommunities.org>

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will be important, as will grants and low-interest loans for home modifications or improvements.⁴⁶ Local policies must also be responsive to nonconventional living arrangements some boomers might desire.⁴⁷

Communities for a Lifetime stated that housing does not have to be designed exclusively for seniors.⁴⁸ Rather, new housing options should offer single-level living, proximity to services and amenities, and low-maintenance features. These features are desirable for persons of all ages and build and strengthen neighborhoods and informal social networks.

According to the Minnesota Board on Aging, Minnesota has made significant progress in reducing reliance on nursing homes and expanding the supply of home and community-based services, but the current policies and public programs in place will not be fiscally viable or well suited for the next generation of older Minnesotans.⁴⁹ The Minnesota Board on Aging (MBA) and Minnesota Department of Human Services are striving together to improve quality and build mechanisms for ongoing sustainability. These two organizations are partners in the project Transform 2010, a program geared to foster communities for a lifetime. According to Transform 2010, building communities for a lifetime requires leadership and civic investment in four major aspects of community:

- Assessment and planning,
- Improvements to physical infrastructure,
- Improvements to social infrastructure, and
- Improvements to service infrastructure.

In the Housing and Community Development Survey, respondents were asked to rate the need for housing in specific areas. Table V.16, on the following page, illustrates that services and facilities for seniors was mostly seen as a medium to high need in the state, with a slightly higher need ranking for frail elderly persons. In terms of housing that might be needed for elderly and frail elderly persons, senior-friendly housing was given a mostly medium need, and the same ranking was allotted to retrofitting existing housing to meet seniors' need. Senior centers were mostly ranked as a medium need, along with senior services and senior housing such as nursing homes or assisted living facilities.

Table V.16						
Reported Needs of the Elderly and Frail Elderly Populations						
State of Minnesota						
2011 Housing and Community Development Survey Data						
Responses						
	No Need	Low Need	Medium Need	High Need	Missing	Total
Need for services and facilities special needs groups						
The elderly	10	70	179	122	160	541
The frail elderly	10	56	149	165	161	541
Need for housing types for special needs populations						

⁴⁶ <http://www.gmhchousing.org>

⁴⁷ <http://www.nationalsharedhousing.org>

⁴⁸ <http://www.mnlifetimecommunities.org/>

⁴⁹ http://www.mnaging.org/pdf/MBA_Legislative_Priorities_2011.pdf

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Senior friendly housing	21	97	166	133	124	541
Retrofitting existing housing to meet seniors' needs	12	96	166	138	129	541
Need for community and public facilities						
Senior centers	14	112	170	81	164	541
Need for public and related human services						
Senior services	6	61	167	151	156	541
Need for housing types for special needs populations						
Senior housing, such as nursing homes or assisted living facilities	14	100	165	104	158	541

PERSONS WITH DISABILITIES (MENTAL, PHYSICAL, DEVELOPMENTAL)

According to HUD, physical or mental disabilities include “hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS related complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks and caring for oneself.”⁵⁰ HUD defers to Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 for the definition of developmental disability: “a severe, chronic disability of an individual that is attributable to a mental or physical impairment or combination of mental and physical impairments.”

Many persons with disabilities require support services in order to maintain healthy lifestyles. The services that are required often depend on the individual and the type of disability. For example, a person with a mental disability may require medication assistance, weekly counseling sessions, or job placement assistance. Specialized transport services and physical therapy sessions are services that might be required for a person with a physical disability.

Many persons with disabilities live on fixed incomes and thus face financial and housing challenges similar to those of the elderly. Without a stable, affordable housing situation, persons with disabilities can find daily life challenging. Likewise, patients from psychiatric hospitals and structured residential programs have a hard time transitioning back into mainstream society without a reasonably priced and supportive living situation. The U.S. Conference of Mayors 2007 Hunger and Homeless Survey found that a mental health disability was the most often cited (65 percent of respondents) cause of homelessness among singles and unaccompanied youth. Likewise, it reported that 22.4 percent of sheltered singles and unaccompanied youth have a mental illness.⁵¹

Size and Characteristics

Data from the 2010 ACS for Minnesota showed the total population of persons with disabilities over the age of 5 to be 954,575, with an overall disability rate of 10 percent. Table V.17, on the following page, presents a tally of disabilities by age and disability type. For persons aged 5 to 17, the most common disability types were mental disability, self-care

⁵⁰ <http://www.hud.gov/offices/ftheo/disabilities/inhousing.cfm>

⁵¹ <http://www.usmayors.org/HHSurvey2007/hhsurvey07.pdf>

disability, and hearing disability, in that respective order. For persons aged 18 through 64, mental disability was also the most common, followed by ambulatory disability and independent living disability. As for persons 65 or older, the most prevalent disability type was ambulatory disability, followed by hearing disability and independent living disability.

Disability Type	5 to 17	18 to 64	65 +	Total
Hearing disability	5,858	66,243	98,423	170,524
Vision disability	4,515	30,509	31,587	66,611
Mental disability	35,853	126,064	43,162	205,079
Ambulatory disability	5,141	110,490	121,392	237,023
Self-care disability	9,675	45,515	45,418	100,608
Independent living disability	.	94,907	79,823	174,730
Total	61,042	473,728	419,805	954,575

Services and Housing Currently Provided

The Department of Health offers services through the Disability Services Division. This Division manages publicly-funded programs that support persons with a variety of disabilities, including developmental disabilities, chronic medical conditions, acquired or traumatic brain injuries, and physical disabilities. Its website indicates that, over the past two decades, Minnesota has successfully transitioned from high use of institutional services to providing flexible, cost-effective home and community-based services.

Currently, both DHS and Minnesota Housing administer the Bridges program. Bridges provides a rental subsidy for persons with a serious mental illness who may or may not also be afflicted by long-term homelessness. Participants must be eligible to receive a Section 8 Housing Choice Voucher subsidy or currently be on Section 8 waiting list. The Bridges program is administered to participants by the local housing agency in communities where eligible applicants live. Referral to the program must be made by a mental health professional.

Similar to Senior LinkAge Line, Minnesota offers its citizens the Disability Linkage Line (DLL). This free, statewide information and referral resource provides Minnesotans with disabilities and chronic illnesses a single access point for all disability-related questions. DLL provides service to the entire state. A trained resource specialist is available during regular business hours to provide one-to-one assistance to help others learn about options and connect with the supports and services needed. This includes requests for information and referrals on disability benefits programs, home modifications, assistive technology, personal assistance services, transition services, accessible housing, employment, social activities, and disability rights. Minnesota Housing, Disability Minnesota, and MinnesotaInfo.org all provide resources on housing for persons with disabilities as well.

Minnesota Housing currently offers Fix-Up Fund Accessibility loans to homeowners in order to make improvements to their homes so that they may continue to live in them. It also

offers the Rehabilitation Loan Program, which assists homeowners in financing basic home improvements that directly affect the safety, habitability, energy efficiency, or accessibility of an individual's home.⁵²

The Minnesota State Council on Disability (MSCOD) is an agency that collaborates, advocates, advises, and provides information to expand opportunities, increase the quality of life, and empower all persons with disabilities. The MSCOD website provides user-friendly guidance and answers several frequently asked questions regarding these areas for persons with disabilities.⁵³

Services and Facilities Needed

Staff at the Lifetime Home Project noted that disability needs in the future will largely be dictated by the aging boomer generation, with many boomers trying to age in their current houses. However, their health and mobility needs cannot be based on their parents' generation because of better healthcare, more exercise, and lifestyle management. These factors, combined with bad trends of obesity and diabetes, make it difficult to calculate the future demand. The Project, based in Minneapolis, also stated that it is almost impossible to precisely determine demand because it all depends on the needs of a particular disabled person relative to a home's unique layout and features. Having so many generations of housing styles complicates this as well.

The area of multifamily housing is equally complicated because various federal and state laws have required that a certain number of units with a set of standardized accessibility features have had to be included when new buildings have been constructed. Minnesota does not have any registry or a way of tracking how many of these units exist, their bedroom size, and where they are located around the state according to the Lifetime Home Project.

The second challenge is that landlords rent their disability accessible units to anyone, even if the new tenant household does not have a disabled member. Minnesota does not have any system that requires landlords to do outreach in this regard. The result is that there is no way to precisely identify how much of it is occupied by target households, how much is not, and what could potentially be made available. The other great challenge is that the laws requiring construction of a certain number of accessible units were not connected with market demand, although there are blanket requirements when new construction occurs. This means there may be units in many locations where there is little demand, and the areas with a high need may fall short.

The Project believes that work needs to be done to track these concerns in order to see if the current stock is adequate, if more units are needed and where, and, if there is a need, to seek some legislation to put certain mechanisms in place. This would give a better handle on knowing if the demand is justified enough to develop additional stock.

The "Housing for Minnesota's Aging Population" report showed that there is a 60 percent probability that a newly built home will house at least one resident with a physical disability,

⁵² <http://www.mnhousing.gov/consumers/home-owners/HomeImprovementLoans/index.aspx>

⁵³ <http://www.state.mn.us/portal/mn/jsp/home.do?agency=MSCOD>

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and the current stock of housing will not meet the needs of the aging baby boomers without some intervention. Thus, the need for universally designed houses is on the rise.

Results from the Housing and Community Development Survey, seen below in Table V.18, showed that respondents view persons with disabilities as having a high need for services and facilities, with persons with severe mental illness receiving the highest noted need, followed by persons with developmental disabilities and then persons with physical disabilities. Retrofitting existing housing to meet seniors' needs and housing designed for persons with disabilities was seen as having a medium need. This is at odds with other survey results that state that current senior and boomer populations predominantly own their homes and are planning to remain in those homes even though they were not designed for persons with disabilities.

Table V.18						
Reported Needs of Persons with Disabilities						
State of Minnesota						
2011 Housing and Community Development Survey Data						
Responses						
	No Need	Low Need	Medium Need	High Need	Missing	Total
Need for services and facilities special needs groups						
Persons with severe mental illness	4	48	114	220	155	541
Persons with developmental disabilities	7	73	188	113	160	541
Persons with physical disabilities	5	61	206	111	158	541
Need for housing types for special needs populations						
Housing designed for persons with disabilities	5	67	193	117	159	541

PERSONS WITH ALCOHOL OR OTHER DRUG ADDICTIONS

According to the National Coalition for the Homeless, “for those just one step away from homelessness, the onset or exacerbation of an addictive disorder may provide just the catalyst to plunge them into residential instability.”⁵⁴ For persons suffering from addictions to drugs and alcohol, housing is complicated. Persons who have stable housing are much better able to treat their addictions. However, obtaining stable housing while suffering from addiction can be quite difficult, and the frustrations caused by a lack of housing options may only exacerbate addictions.

Size and Characteristics

The 2011 Minnesota State Epidemiological Profile of Substance Use was developed to help the state and local communities determine substance abuse prevention based on available data and related outcomes. Key findings of this profile showed that:

- Daily alcohol and binge drinking among adults is higher in Minnesota than nationally,
- Men are almost three times as likely as women to drive while intoxicated,
- Daily alcohol use among youth has decreased from 35 percent since 1998,
- Binge drinking among youth has decreased 38 percent,
- Driving while impaired among youth has declined,
- Marijuana use is higher than the national average and is increasing, and
- Use of other illicit drugs has remained consistently lower than the national average but is not decreasing.⁵⁵

Although these statistics sound promising, Minnesota’s population continues to face significant addiction problems. According to 2008 to 2009 National Survey Drug Use Health data, approximately 100,000 Minnesota citizens reported that they needed but did not receive treatment for illicit drug use within the past year, and 405,000 needed but did not receive alcohol abuse treatment. During 2009, there were 47,776 addiction treatment admissions to alcohol and drug rehab programs and 50,830 admissions in 2010.⁵⁶

Services and Housing Currently Provided

Minnesota is divided into seven alcohol, tobacco, and other drug prevention regions. The Minnesota Prevention Region Coordinators (RPCs) support communities in their efforts to prevent substance abuse. The RPCs aid in building regional relationships to enhance prevention efforts by identifying and providing training opportunities and providing technical assistance.⁵⁷

The Alcohol and Drug Abuse Division (ADAD) of the Minnesota Department of Human Services aims to develop and maintain an effective chemical health service system in

⁵⁴ <http://www.nationalhomeless.org/publications/facts/addiction.pdf>

⁵⁵ <http://docs.sumn.org/2011/2011%20Minnesota%20State%20Epidemiological%20Profile%20Final.pdf>

⁵⁶ <http://www.addictionwatch.com/minnesota/>

⁵⁷ <http://www.rpcmn.org/>

Minnesota as well as to encourage and support research-informed practices, expand the use of a successful model, and systematically monitor outcomes.

The ADAD reports that 1.2 million Minnesotans receive primary prevention services annually through presentations, school-based curricula, public service announcements, and other media. In addition, 20,000 Minnesotans annually receive public funding for addiction treatment services. On their website, the ADAD states that, by administering \$130 million annually from all public sources, they:

- Inform and educate the general public on alcohol and other drug dependency and abuse problems and the effectiveness of prevention, treatment, and rehabilitation;
- Provide funding for the treatment of income-eligible individuals assessed to be in need of chemical dependency treatment and promulgate and administer rules for chemical dependency treatment and care;
- Coordinate activities of various state agencies as they relate to alcohol and other drug dependency and abuse problems; and
- Convene an American Indian Advisory Council and an Alcohol and Other Drug Abuse Advisory Council to advise regarding the problems of alcohol and drug dependency and abuse.

According to the Substance Abuse and Mental Health Administration, there are 283 drug addiction treatment or alcohol rehabilitation centers in the state. Most of these centers offer outpatient drug rehabilitation or alcohol treatment services, and there are a few Minnesota drug treatment facilities that provide a mix of outpatient drug rehabilitation and inpatient drug treatment.⁵⁸

Services and Housing Needed

From the survey discussed earlier, roughly 500,000 Minnesotans who needed treatment for an alcohol or drug addiction were unable to obtain services. This shows a significant gap in the availability of rehabilitation services.

The National Coalition for the Homeless noted that other needs for persons living with addictions to drugs or alcohol are transportation and support services, including work programs and therapy access. Barriers also include programs that follow abstinence-only policies. These programs are often unrealistic for persons suffering from addictions because they fail to address the reality of relapses.⁵⁹ Programs designed to meet these needs would help fill the gap of service availability.

Results from the Housing and Community Development Survey indicated that there is a moderate to high need for services and facilities for persons with substance abuse problems. A high need was indicated for mental health or chemical dependency services, and a medium need was seen for residential treatment centers in Minnesota. This information is presented below in Table V.19.

⁵⁸ <http://www.addictionwatch.com/minnesota/>

⁵⁹ <http://www.nationalhomeless.org/publications/facts/addiction.pdf>

Table V.19						
Reported Needs of Persons with Alcohol or Other Addictions						
State of Minnesota						
2011 Housing and Community Development Survey Data						
	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Need for service and facilities for special needs group						
Persons with substance abuse addictions	13	67	148	153	160	541
Need for public and related human services and public services						
Mental health/chemical dependency services	17	52	133	183	156	541
Need for service and facilities for special needs groups						
Residential treatment centers	19	108	159	89	166	541

VICTIMS OF DOMESTIC VIOLENCE

Domestic violence describes behaviors that are used by one person in a relationship to control the other. This aggressive conduct is often criminal, including physical assault, sexual abuse, and stalking. Victims can be of all races, ages, genders, religions, cultures, education levels, and marital statuses. Victims of domestic violence are at risk of becoming homeless due to an unstable living environment. If domestic violence victims flee the home, they are often faced with finding emergency shelter and services for themselves and their children. Victims of domestic violence are predominantly women, although children can also be affected as either victims of abuse or as witnesses to abuse.

Size and Characteristics

Pinpointing a specific number of victims of domestic violence can be difficult because many cases go unreported. However, there are other means of gathering statistics, including tracking the numbers of cases that are reported to law enforcement. According to the National Coalition Against Domestic Violence, there were 12,067 orders of protection filings in Minnesota in 2006. In 2004, 2,681 domestic assault cases and 113 felony charges were brought against the offender. Approximately 37,010 women and children in Minnesota were served by battered women community advocacy programs in 2006.⁶⁰

According to Wilder Research’s 2009 Statewide Homeless Survey, 29 percent of adult homeless women were fleeing domestic violence situations in Minnesota and 48 percent of women reported that they stayed in an abusive relationship because they had nowhere else to live.

Services and Housing Currently Provided

There are currently 27 shelters and 32 hotel, motel, and safe home programs funded by the Minnesota Office of Justice. In fiscal year 2010, state-funded emergency domestic violence

⁶⁰ <http://www.ncadv.org/files/Minnesota%20revised%202.09.pdf>

shelters sheltered 4,271 women and 4,721 children, or a total of 8,922 persons. The hotel, motel, and safe home programs provided services for 1,147 victims.⁶¹

The Minnesota Coalition for Battered Women is a statewide membership organization dedicated to “serving as a unifying voice for battered women and linking battered women’s programs in Minnesota with the common goal of ending domestic violence.” The organization is made up of local, regional, and statewide programs advocating on behalf of battered women and their children.⁶²

The Minnesota Coalition Against Sexual Assault acts as a voice for victims, survivors, sexual assault programs, and allies committed to ending sexual violence. These services are designed to assist local programs and include membership services and outreach, prevention, training, and the Sexual Violence Justice Institute, which encourages effective and victim-centered investigation and prosecution of sexual assault cases.⁶³

Minnesota provides a statewide domestic violence crisis line called Day One. The line was developed in 1995 through a partnership between Allina Health System Foundation, the Twin Cities United Way, and Minnesota battered women's shelters. Day One has become a statewide program of Cornerstone and expanded its network to include 56 domestic violence and sexual assault programs throughout the Minnesota area. This program works to connect domestic violence victims to safety and services in one phone call and to build stronger relationships, coordinated responses to barriers, and the development of effective best practices.⁶⁴

Services for victims of domestic abuse are provided by a variety of nonprofit and faith-based organizations across the state. Many of the shelters have 24-hour crisis lines and offer temporary housing, advocacy, referral programs, counseling, and transportation as well as many other services. A partial list of domestic violence service providers is shown in the Technical Appendix.

Services and Housing Needed

The Cornerstone Day One program reports that the average length of stay at emergency shelters increased by 33 percent, transportation vouchers for families relocating to shelters outside their area due to safety and lack of beds increased by 42 percent, and calls to the statewide domestic violence crisis line increased by 65 percent from 2003 to 2010. In a survey of programs, 84 percent of respondents indicated that this increase was attributed to families being unable to transition from emergency shelter due to a lack of affordable housing.⁶⁵

Cornerstone confirms that domestic violence is a significant contributor to homelessness. In addition to emergency safe housing, there are few resources geared toward this population,

⁶¹ 2011 Wilder Research Report Homeless service use in Minnesota.

⁶² www.mcbw.org

⁶³ www.mncasa.org

⁶⁴ <http://www.dayoneservices.org/>

⁶⁵ <http://www.cornerstonemn.org/dayone.php>

which has many barriers to affordable housing related to the experience of domestic violence, including evictions as well as poor credit and unresolved identity theft, resulting from an abuser's economic abuse. Further, many of the individuals and families served receive some kind of public assistance, and they need ongoing financial assistance to maintain their housing or a program such as transitional housing. However, often financial assistance is unavailable, and transitional programs do not always have available units.

Cornerstone also states that there is not a need for more domestic violence shelters in the metropolitan area but rather a need for more affordable housing options. Often, individuals and families served by a domestic violence shelter or community program must relocate to safe and affordable housing, yet programs serving this population do not have the same access to services that other shelters may have. For example, Hennepin County has a rapid exit program for families that are in a Hennepin County-funded shelter. Domestic violence shelters cannot access this program. Further, there is no central resource that identifies all housing resources. Minnesota Help Info and United Way's 211 directory have other information, as do other information portals. It is said that domestic violence providers often learn about new housing resources by word of mouth.

According to the Minnesota Coalition for Battered Woman, deaths related to domestic violence will improve when all system responses make batterer lethality assessment institutionalized as the norm rather than the exception. There are many assessment tools in existence that include a routine of direct inquiries or a review of public records. Criminal proceedings do not represent the sole opportunity to assess batterer lethality. When battered women seek protection orders, are involved in family court proceedings, or seek services from community advocacy programs, an active, routine inquiry as to the potential lethality of batterers is needed.

The Coalition also notes that effective intervention in all domestic violence cases and improved identification of offenders is not effective in itself. Prevention efforts to stop the violence are critical. Suggestions to achieve this include creating an environment that does not tolerate domestic violence. Law enforcement, the courts, and battered women's advocacy programs currently struggle to meet the public safety needs due to limited resources and needed legislative changes for domestic violence.⁶⁶

Respondents to the 2011 Housing and Community Development Survey indicated that victims of domestic violence have a medium to high need for services and facilities in the state. These results are presented on the following page in Table V.20.

⁶⁶ http://www.mcbw.org/files/images/2010_Femicide_Report_FINAL.pdf

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Table V.20 Reported Needs for Domestic Violence Victims State of Minnesota 2011 Housing and Community Development Survey Data						
Questions	Responses					
	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need in your community for services and facilities for each of the special needs groups identified.						
Victims of domestic violence	6	67	159	153	156	541

PERSONS WITH HIV/AIDS AND THEIR FAMILIES

National research has demonstrated that housing is the greatest unmet service need among persons living with HIV/AIDS. Part of this can be attributed to several personal and structural factors unique to this population: loss of income due to progressive inability to maintain employment, disease progression requiring accessible facilities, and policy requirements that limit residence in temporary or transitional programs.

In addition, homelessness is a barrier to outpatient care and HIV/AIDS specific therapies. The National AIDS Housing Coalition reported that, as of 2011, there are 1.1 million persons living with HIV/AIDS in the U.S., with 56,000 persons newly infected each year.⁶⁷ The number of households currently served by the federal Housing Opportunities for Persons with AIDS (HOPWA) program is less than 60,000. In addition, more than 140,000 households with HIV currently lack stable housing and have an unmet need for housing assistance. Research shows that at least half of all persons living with HIV/AIDS experience homelessness or housing instability. Low-income persons with HIV/AIDS who receive housing assistance have better access to healthcare services, their physical and mental health improves, and they live longer. Over time, stable housing can significantly reduce avoidable emergency and hospital care, and the savings in healthcare costs can offset the cost of housing interventions.⁶⁸

Table V.21
Characteristics of Persons with HIV/AIDS
 State of Minnesota
 Minnesota Department of Health Data, 2010

⁶⁸ <http://www.nationalaidshousing.org/PDF/Factsheets-Homelessness.pdf>

Size and Characteristics

According to information gathered from the Minnesota Department of Health, a total of 3,195 persons were living with AIDS in Minnesota as of December 31, 2010, and an additional 3,619 persons were living with HIV. Thus, a total of 9,814 persons were living with HIV or AIDS in Minnesota at that time. Of all persons living with HIV/AIDS in the state, 77 percent were male and 23 percent were female. The majority of this special needs group was white, at 3,586 persons, and American Indian/Alaskan native was the smallest group, at 118 persons, as shown at right in Table V.21.

Race	Individuals
White	3,586
Black/African American	1,476
Black/African-born	866
Hispanic	565
Asian/Pacific Islander	119
American Indian/Alaskan native	118
Other	84

Additionally, most persons living with HIV/AIDS in Minnesota were between the ages of 40 and 49. The Department of Health also provides data on those living with HIV/AIDS by county of residence. According to this data source, about 40 percent of those living with HIV/AIDS live in the City of Minneapolis. Nearly 85 percent of persons living with HIV/AIDS resided in the seven-county metro area, with the greatest percentage living in Hennepin County followed by Ramsey County.⁶⁹

Services and Housing Currently Provided

A combination of private nonprofit providers and the Department of Health provide HIV/AIDS services in Minnesota. As part of the effort to combat HIV in the state, the Department of Health provides planning, funding, coordination, and evaluation of HIV prevention activities for at-risk populations across Minnesota. As part of this effort, the Department offers a variety of different administrative and oversight functions. These include:

- HIV fact sheets, testing sites in Minnesota, and Minnesota statute language on HIV;
- HIV surveillance program information, statistics, and reports;
- World AIDS Day facts, planning tip sheets, funding opportunities, and news releases;
- Listing of HIV testing sites and recommendation in Minnesota;
- Instructions for clinicians on how to report a case of HIV to the MDH;
- Upcoming training opportunities in HIV/AIDS prevention and testing;
- Community-based HIV prevention programs receiving MDH funding;
- Information on prenatal HIV testing, transmission of HIV from mother to infant, and checklists for providers on reducing the risk of transmission;
- Health notices regarding the syphilis outbreak in Minnesota and its connection with HIV; and
- Community Cooperative Council on HIV/AIDS Prevention meeting agendas, minutes, rosters, reports, and statewide plans.

⁶⁹ <http://www.health.state.mn.us/divs/idepc/diseases/hiv/stats/pm2010.pdf>

Founded in 1983 as a statewide nonprofit agency, the Minnesota AIDS Project’s mission is to lead Minnesota’s fight to stop HIV through prevention, advocacy, awareness, and services. In 2010, the organization provided services in partnership with over 1,000 organizations to more than half of the 6,800 Minnesotans living with HIV. The Minnesota AIDS Project also reaches thousands of persons with HIV prevention messages through community and outreach efforts. The Minnesota AIDS Project oversees the AIDSLine, a statewide, toll-free information and referral service that can answer questions about HIV and connect individuals to resources.⁷⁰

The AIDS Project website contains an HIV Resource Guide that locates programs and resources involving HIV and AIDS. This web portal also provides a Resource Quick list of the most commonly used programs and services. A list of service providers is presented in the Technical Appendix.

Services and Housing Needed

As established earlier, increased funding for housing for persons living with HIV/AIDS is one of the greatest needs of the HIV/AIDS support programs. For example, there is generally a high need for increased scattered site housing availability because traditional assisted housing options that involve grouping funding recipients in one site or complex are ineffective because they can endanger the confidentiality of residents. Additionally, program recipients have a need for longer-term housing options. As the treatment of AIDS has advanced, persons are living longer with the disease. Thus, longer-term housing options are needed. However, the funding of these long-term housing options can be expensive.

Evidence-based HIV/AIDS housing policy is needed to make safe, affordable housing available to all persons living with HIV, make housing assistance a top HIV prevention priority, include housing as a key component of HIV healthcare, and continue to collect the data needed to inform HIV housing policy.

The 2011 Housing and Community Development Survey indicated that there is a low to medium need for services and facilities for persons with HIV/AIDS. Healthcare services were perceived as having a medium to high need, and healthcare facilities were seen as having a medium need. These data are presented on the following page in Table V.22.

Table V.22						
Reported Needs of Persons Living with HIV/AIDS						
State of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need in your community for services and facilities for each of the special needs groups identified.						
Persons with HIV/AIDS	27	135	144	40	165	541
Please rate the need for the following community and public facilities in your community.						
Healthcare services	6	61	152	166	156	541
Please rate the need for public and related human services and public services in your community.						

⁷⁰ <http://www.mnaidsproject.org/>

Healthcare facilities	21	102	158	98	162	541
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VETERANS

A veteran is defined as someone who has served on active duty in the Armed Forces of the United States for 180 days or more. This does not include inactive military reserves or the National Guard unless the person was called for active duty. According to the National Coalition for Homeless Veterans, veterans are at risk of homelessness for a variety of reasons: problems in transition to civilian life, chronic conditions such as post-traumatic stress disorder or loss of limbs, and difficulty finding long-term employment. Homelessness is a common problem for veterans; the Coalition reports that one-third of all homeless persons may have been in service at one time.⁷¹ Beyond housing, many veterans need support services such as counseling, support networks, physical therapy, low-cost medical visits, or drug rehabilitation.

Size and Characteristics

The 2010 census reported that there are 377,976 civilian veterans in Minnesota. Of these, approximately 7.4 percent were veterans of the Gulf War from 2001 or later, 11.5 percent from the Gulf War from 1990 to 2001, 35.5 percent from the Vietnam era, 13 percent from the Korean War, and 10.3 percent from World War II. Nearly 45 percent of veterans were 65 years of age or older, 7.8 percent had less than a high school degree, 5.8 percent were reported to be in poverty, and 24.4 percent were living with a disability, which was double the rate of the civilian population. The combination of these factors places this population in several special needs groups in addition to their veteran status.

Services and Housing Currently Provided

The Minnesota Department of Veterans Affairs is dedicated to serving veterans and their families in the state. The department offers a variety of programs to help veterans meet their needs. A list of these programs is presented in the Technical Appendix.

The Minnesota Assistance Council for Veterans (MACV) is a nonprofit organization that provides comprehensive support services to homeless veterans and those in danger of becoming homeless in housing, employment, and civil legal concerns. Through offices in Minneapolis, Duluth, and Mankato, MACV provides services for persons in need throughout Minnesota.⁷² Disabled American Veterans is dedicated to providing assistance in obtaining benefits and services earned through military service specifically for veterans with a disability.⁷³

⁷¹ <http://www.nchv.org/background.cfm#facts>

⁷² <http://www.mac-v.org/aboutus.html>

⁷³ http://www.davmn.org/about_us/index.html

Services and Housing Needed

The 2011 Housing and Community Development Survey showed a high need for services and facilities for veterans, which suggests that a gap may exist in the need and current availability of resources for this population. This information is presented below in Table V.23.

Table V.23						
Reported Needs of Veterans						
State of Minnesota						
2011 Housing and Community Development Survey Data						
Responses						
Questions	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need in your community for services and facilities for each of the special needs groups identified.						
Veterans	8	53	143	175	162	541

PERSONS RECENTLY RELEASED FROM PRISON

Persons who are released from prison face an immediate need for housing. Former prisoners may face challenges finding stable housing or employment options, and these persons may not be able to benefit from solid family or community attachments. Unfortunately, a large percentage of these individuals may commit crimes in order to support themselves and may ultimately risk returning to the prison system. Approximately two out of three released prisoners are re-incarcerated. Thus, programs and services exist to aid persons recently released from prison in securing employment and housing; these types of intervention can help this population avoid recidivism.

Size and Characteristics

The Minnesota Department of Corrections (DOC) states that, from 2002 to 2008, there was a 33 percent increase in the prison population. A projected increase of 2 percent is expected to occur in the prison population each year through 2013. Approximately 95 percent of incarcerated offenders return to their prior community, and there were 7,796 ex-prisoners estimated to be living in Minnesota in 2007. The Central Minnesota Re-Entry Project estimated that about 500 prisoners were released in 2009,⁷⁴ but a 36 percent reconviction rate within three years is said to exist for persons released from prison.

Services and Housing Currently Provided

In 2008, the Minnesota DOC, in collaboration with five counties, implemented the Minnesota Comprehensive Offender Reentry Plan (MCORP), a pilot project to reduce recidivism. As described in DOC's 2010 report, an experimental design was conducted in order to assess the effectiveness of the pilot. The results of the study were promising. MCORP lowered the risk of re-arrest by 37 percent, decreased reconviction by 43 percent, and re-incarceration for a new felony declined by 57 percent. In addition, MCORP increased employment

⁷⁴ <http://www.cmnrp.org/>

opportunities in the first six months by 91 percent, and offenders were 80 percent less likely to be homeless than those in the control group.⁷⁵

Minnesota offers several other re-entry programs aimed to help with employment, education, housing, substance abuse treatment, and mentoring. A list of selected organizations is listed in the Technical Appendix.

The DOC re-entry services unit compiled a detailed directory of housing options available to offenders re-entering the community and the public at large. The directory lists over 200 programs and facilities that are accessible to persons recently released from prison.

Services and Housing Needed

The 2011 Housing and Community Survey demonstrated a high need for services and facilities for persons recently released from prison. This finding shows that there may be a gap in the available resources provided and needed. These results are presented on the following page in Table V.24.

⁷⁵ <http://www.doc.state.mn.us/publications/documents/02-10MCORPPhase1EvaluationReport.pdf>

Table V.24						
Reported Needs of Persons Recently Released from Prison						
State of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					
	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need in your community for service and facilities for each of the special needs groups identified.						
Persons recently released from prison	24	74	95	188	160	541

E. PRIORITY HOUSING NEEDS RANKINGS

HUD requires jurisdictions to complete Consolidated Plan Table 2A, presented on the following page, which estimates the unmet needs by income group and household type, prioritizes needs, and sets goals for meeting these needs. In establishing its five-year priorities and assigning priority need levels, the State considered the following:

- Categories of lower- and moderate-income households most in need of housing, and
- Activities and sources of funds that can best meet the needs of those identified households.

Priority need rankings were assigned to households to be assisted according to the following HUD categories:

- **High Priority** – Activities to address this need will be funded during the five-year period. Identified by use of an ‘H.’
- **Medium Priority** – If funds are available, activities to address this need may be funded during the five-year period. Also, other actions may be taken to help other entities locate other sources of funds. Identified by use of an ‘M.’
- **Low Priority** – Will not directly be funded during the five-year period, but other entities’ applications for federal assistance might be supported and found to be consistent with this Plan. In order to commit program monies to a Low Priority activity, the Consolidated Plan would have to be amended through the formal process required by the Consolidated Plan regulations at 24 CFR Part 91. Identified by use of an ‘L.’
- **No Such Need** – There is no need, or this need is already substantially addressed. Applications for federal assistance for activities for which no need has been identified will not be funded. Shown by use of an ‘N.’

PRIORITY NEEDS ANALYSIS AND STRATEGIES

Rankings have been assigned to each of the required categories for the HUD Housing Priority Needs Table 2A, on the following page. The size of each group having unmet needs, coupled with input received at the public input meetings as well as the degree of need expressed during the 2011 Housing and Community Development Survey, guided the ranking process for the state.

Table 2A
Priority Housing Needs
 State of Minnesota

PRIORITY HOUSING NEEDS (Households)		Priority		Unmet Need
Renter	Small Related	0-30%	H	39,534
		31-50%	H	24,081
		51-80%	M	11,057
	Large Related	0-30%	H	9,424
		31-50%	H	5,853
		51-80%	M	3,834
	Elderly	0-30%	H	2,464
		31-50%	H	2,400
		51-80%	M	1,785

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		0-30%	H	85,864
	All Other	31-50%	H	50,801
		51-80%	M	22,196
Owner	Small Related	0-30%	M	21,720
		31-50%	M	30,960
		51-80%	H	70,881
	Large Related	0-30%	M	5,827
		31-50%	M	11,555
		51-80%	H	24,413
	Elderly	0-30%	M	11,077
		31-50%	M	13,998
		51-80%	H	13,991
	All Other	0-30%	M	63,643
		31-50%	M	42,151
		51-80%	H	55,472
Non-Homeless Special Needs	Elderly ⁷⁶	0-80%	M	59,810
	Frail Elderly ⁷⁷	0-80%	M	71,835
	Severe Mental Illness ⁷⁸	0-80%	H	33,037
	Physical Disability ⁷⁹	0-80%	M	38,183
	Developmental Disability ⁸⁰	0-80%	M	44,356
	Alcohol/Drug Abuse	0-80%	M	8,188
	HIV/AIDS	0-80%	H	1,581
	Victims of Domestic Violence	0-80%	H	5,962

⁷⁶ 2006 – 2008 CHAS Data

⁷⁷ Ibid

⁷⁸ State of Minnesota, 2010 American Community Survey data, population with mental disability

⁷⁹ Ibid, population with ambulatory disability

⁸⁰ Ibid, population with self-care and ambulatory disabilities

F. DEFINITION OF STANDARD HOUSING AND SUBSTANDARD HOUSING SUITABLE FOR REHABILITATION

Standard Condition: Units are in standard condition if they meet the HUD Section 8 quality standards.

Substandard Condition but Suitable for Rehabilitation: Units that are substandard but suitable for rehabilitation do not meet one or more of the HUD Section 8 quality standards. These units are also likely to have deferred maintenance and may have some structural damage such as leaking roofs, deteriorated interior surfaces, and inadequate insulation. They must have in place at least some infrastructure; i.e., plumbing, sufficient systems to allow for clean water and adequate waste disposal, heating, electrical, that can be improved upon.

G. SUMMARY

Results from the 2011 Housing and Community Development Survey showed that the highest needs were indicated for activities in the rental housing market such as rental assistance, construction of affordable rental housing, and rental housing rehabilitation. Survey respondents suggested that there is a medium need for homeowner activities such as first-time homebuyer assistance and homeowner housing rehabilitation.

Homeless needs throughout the state are handled by 10 different Continuum of Care organizations. A count of the homeless population in the state showed that, on a given night in January 2011, more than 8,113 persons were homeless in Minnesota, including 1,509 homeless families with children and 1,083 chronically homeless persons.

Non-homeless special needs populations in the state include the elderly and frail elderly, persons living with disabilities, persons with alcohol or other drug addiction, victims of domestic violence, persons living with HIV and their families, persons recently released from prison, and veterans. These populations are not homeless but are at the risk of becoming homeless and, therefore, often require housing and service programs. The needs of special populations are relative to the programs currently provided. For example, the elderly population is expected to swell in the near future and will require increased access to home services as well as assisted living and nursing home facilities.

VI. COMMUNITY DEVELOPMENT ASSESSMENT NEEDS

A. INTRODUCTION

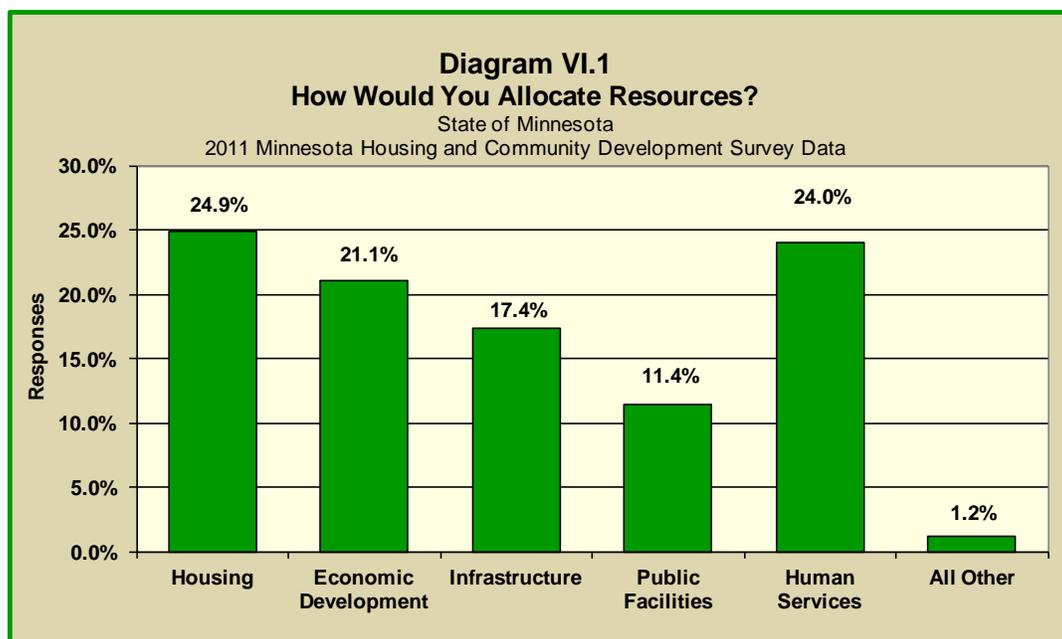
The community development needs for the State of Minnesota were determined based on research gathered from the Housing and Community Development Survey.

B. COMMUNITY DEVELOPMENT NEEDS ASSESSMENT

2011 HOUSING AND COMMUNITY DEVELOPMENT SURVEY

As part of the process of evaluating community development needs in Minnesota, the 2011 Housing and Community Development Survey was distributed to stakeholders throughout the state. A total of 541 survey responses were received.

One of the initial questions required that survey participants identify the funding areas to which they would allocate hypothetical resources. These results are presented in Diagram VI.1, below, and show that most respondents would prioritize resources to housing, followed by human services, then economic development, infrastructure, public facilities, and other.



Respondents were also asked to rate the need for specific funding categories within each funding sector. The results for rating of need for categories within the economic development, infrastructure, public facilities, and human services sectors are presented below. Responses are shown for both the entitlement as well as for the non-entitlement areas of the state to allow for a better understanding of the differences in the needs in the urban versus rural areas of Minnesota. Persons in the entitlement and non-entitlement areas of the state provided very similar allocation suggestions, as presented above.

Tables VI.1 and VI.2, below and on the following page, show the need for funding for selected business and economic development activities in the entitlement and non-

VI. Community Development Needs Assessment

entitlement areas of the state. In both cases, retention of existing businesses was seen as the highest need, followed by attraction of new businesses, expansion of existing businesses, and fostering businesses with higher paying jobs. In the entitlement areas, provision of job training was seen as a high need, but in the entitlement areas, this was ranked more as a medium need.

Table VI.1
Need for Business and Economic Development Activities
 Entitlement Areas of Minnesota
 2011 Housing and Community Development Survey Data

Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for business and economic development in your community						
Retention of existing businesses	2	12	56	132	91	293
Attraction of new businesses	2	19	76	105	91	293
Expansion of existing businesses	2	13	84	102	92	293
Foster businesses with higher paying jobs	7	26	61	102	97	293
Provision of job training	1	22	82	98	90	293
Provision of working capital for businesses	7	41	94	52	99	293
Enhancement of businesses infrastructure	6	56	88	46	97	293
Provision of venture capital	11	53	86	44	99	293
Provision of technical assistance for businesses	5	62	90	40	96	293
Investment as equity partners	11	53	89	39	101	293
Development of business incubators	13	61	80	35	104	293
Development of business parks	32	97	48	15	101	293
Other	2	2	2	11	276	293

Table VI.2
Need for Business and Economic Development Activities
 Non-Entitlement Areas of Minnesota
 2011 Housing and Community Development Survey Data

Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for business and economic development in your community						
Retention of existing businesses		4	49	138	57	248
Attraction of new businesses		9	67	114	58	248
Expansion of existing businesses		21	57	112	58	248
Foster businesses with higher paying jobs	3	19	52	105	69	248
Provision of working capital for businesses	2	29	76	75	66	248

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Provision of job training		28	90	69	61	248
Enhancement of businesses infrastructure	3	51	87	44	63	248
Provision of venture capital	2	42	81	54	69	248
Provision of technical assistance for businesses	3	43	92	43	67	248
Investment as equity partners	3	53	81	43	68	248
Development of business incubators	12	58	75	35	68	248
Development of business parks	22	84	53	22	67	248
Other	2	1	4	9	232	248

Tables VI.3 and VI.4, presented below and on the following page, show the reported need for funding of activities in the entitlement and non-entitlement areas of Minnesota. In the entitlement areas of the state, a moderate to high need was seen for street and road improvements, and a medium or low need was seen for all other activities. In the non-entitlement areas of the state, a medium need was indicated for street and road improvements and all other funding activities, with the exception of bicycle and walking paths, which received a low to moderate need ranking.

Table VI.3						
Need for Infrastructure Activities						
Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for infrastructure in your community						
Street and road improvements	.	27	83	92	91	293
Bridge improvements	2	42	83	71	95	293
Bicycle and walking paths	18	68	63	50	94	293
Sidewalk improvements	4	68	80	48	93	293
Flood drainage improvements	8	66	85	35	99	293
Storm sewer system improvements	8	62	89	33	101	293
Sewer system improvements	6	74	85	31	97	293
Water system improvements	6	76	84	30	97	293
Solid waste facility improvements	6	81	80	26	100	293
Other	2	1	5	8	277	293

Table VI.4						
Need for Infrastructure Activities						
Non-Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for infrastructure in your community						
Street and road improvements	2	22	90	69	65	248
Sewer system improvements	6	47	76	51	68	248
Bicycle and walking paths	18	56	59	46	69	248
Bridge improvements	10	51	76	44	67	248
Water system improvements	7	50	80	43	68	248
Storm sewer system improvements	7	53	78	42	68	248
Flood drainage improvements	12	50	76	42	68	248
Sidewalk improvements	8	61	77	37	65	248
Solid waste facility improvements	13	62	75	30	68	248

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Other	5	1	1	6	235	248
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The need for community and public facilities is explored in Tables VI.5 and VI.6, below and on the following page. The need for community and public facilities in the state in the entitlement areas was indicated most strongly for childcare facilities, with a high need ranking, followed by youth centers, with a moderate to high ranking. The remaining activities received predominantly medium need rankings. In the non-entitlement areas of the state, a moderate to high need was indicated for youth centers, and all remaining activities showed a medium need ranking except for public building with improved accessibility, which was seen as a low need.

Table VI.5						
Need for Community and Public Facilities						
Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for the following community and public facilities in your community						
Childcare facilities	4	34	67	92	96	293
Youth centers	4	27	82	86	94	293
Community centers	7	42	82	66	96	293
Healthcare facilities	5	55	80	56	97	293
Senior centers	3	57	87	46	100	293
Parks and recreational centers	6	58	89	45	95	293
Residential treatment centers	8	55	84	46	100	293
Public buildings with improved accessibility	14	60	71	34	114	293

Table VI.6						
Need for Community and Public Facilities						
Non-Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					Total
	No Need	Low Need	Medium Need	High Need	Missing	
Please rate the need for the following community and public facilities in your community						
Youth centers	10	40	67	67	64	248
Childcare facilities	6	36	83	58	65	248
Community centers	14	44	73	53	64	248
Residential treatment centers	11	53	75	43	66	248
Healthcare facilities	16	47	78	42	65	248
Senior centers	11	55	83	35	64	248
Parks and recreational centers	11	59	80	31	67	248
Public buildings with improved accessibility	10	69	61	27	81	248
Other	2	1	.	5	240	248

Tables VI.7 and VI.8, below and on the following page, present the identified need ranking for human and public facilities. In the entitlement areas, a clear high need was seen for youth, employment, transportation childcare, and mental health/chemical dependency

VI. Community Development Needs Assessment

services. In the non-entitlement areas of the state, only transportation and employment services were seen as obvious high needs.

Table VI.7						
Need for Human and Public Services						
Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					
	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need for public and related human services and public services in your community						
Youth services	3	17	56	123	94	293
Employment services	5	18	57	123	90	293
Transportation services	2	20	59	122	90	293
Mental health/chemical dependency services	7	27	61	107	91	293
Childcare services	4	24	69	105	91	293
Healthcare services	1	33	76	92	91	293
Senior services	2	34	85	80	92	293
Tenant/Landlord counseling	8	50	67	74	94	293
Fair housing education	8	48	71	72	94	293
Fair housing activities	9	51	68	71	94	293
Homebuyer education	6	49	78	65	95	293
Crime awareness education	7	60	87	44	95	293
Mitigation of lead-based paint hazards	17	95	61	27	93	293
Mitigation of radon hazards	15	98	57	28	95	293
Mitigation of asbestos hazards	17	87	65	28	96	293
Other	3	.	1	9	280	293

Table VI.8						
Need for Human and Public Services						
Non-Entitlement Areas of Minnesota						
2011 Housing and Community Development Survey Data						
Questions	Responses					
	No Need	Low Need	Medium Need	High Need	Missing	Total
Please rate the need for public and related human services and public services in your community						
Youth services	4	28	73	80	63	248
Senior services	4	27	82	71	64	248
Transportation services	5	18	60	101	64	248
Healthcare services	5	28	76	74	65	248
Childcare services	7	23	85	70	63	248
Fair housing activities	11	59	72	41	65	248
Fair housing education	12	57	73	42	64	248
Tenant/Landlord counseling	10	56	75	43	64	248
Homebuyer education	10	40	83	49	66	248
Crime awareness education	16	68	69	28	67	248
Mitigation of lead-based paint hazards	22	73	70	16	67	248
Mitigation of radon hazards	21	77	70	13	67	248
Mitigation of asbestos hazards	21	75	68	16	68	248
Employment services	7	17	65	94	65	248
Mental health/chemical dependency services	10	25	72	76	65	248
Other	2	1	.	5	240	248

COMMUNITY DEVELOPMENT NEEDS NOTED AT THE FOCUS GROUPS

Three focus groups were held in September 2011, two in St. Paul and one in Duluth. The purpose of the focus group meetings was to gain deeper insight from housing and community development stakeholders in Minnesota regarding topic areas such as homelessness and housing preservation. Non-housing comments gathered from the focus groups are summarized as follows:

- Infrastructure projects are needed throughout the state, but they are cost prohibitive in many cases; and
- Schools and senior facilities are being placed on the edges of towns and cities, which creates problems in regard to traffic congestion and increased infrastructure costs.

COMMUNITY DEVELOPMENT NEEDS NOTED AT THE PUBLIC INPUT MEETING

Five regional forums were held throughout the state in Saint Cloud, Detroit Lakes, Marshall, Grand Rapids, and St. Paul in October 2011. The purpose of the meetings was to gain feedback on the preliminary findings of the Consolidated Plan. Attendees were invited to review a presentation of early survey results and to offer suggestions and feedback regarding the Consolidated Plan. Non-housing comments related to the following:

- There is a high need for transportation services in rural areas of the state;
- Road maintenance is more highly needed in the non-entitlement areas of the state; and
- In some cities, there are not enough workers available for the jobs at hand, which can be due to the lagging housing market or other community development factors.

C. SUMMARY

The 2011 Housing and Community Development Survey provided data on perceived community development needs. Some differences were seen in the perceived needs in the entitlement versus non-entitlement areas of the state. Business retention and attraction of new businesses were seen as high ranked needs in business and economic development activities, while street and road improvement received the highest need ranking in regard to infrastructure. In the entitlement areas of the state, childcare facilities and youth centers were seen as the highest need among community and public facilities, but these needs were not ranked as high in the non-entitlement areas of the state. Rankings for human and public services showed that transportation and employment services were viewed as a high need across the state. The highest-ranked needs in non-entitlement areas where state CDBG funds may be expended are in rental housing and retention of existing businesses.

A. OVERVIEW OF CONSOLIDATED PLAN NATIONAL GOALS

VII. STRATEGIC PLAN

The goals of the Minnesota Consolidated Plan are to offer decent housing, provide a suitable living environment, and expand economic opportunities for its low- and moderate-income residents. The DEED, Minnesota Housing, and DHS strive to accomplish these goals by affectively maximizing and utilizing all available funding resources to conduct housing and community development activities that will serve the economically disadvantaged residents of the state. By addressing needs and creating opportunities at the individual and neighborhood levels, these agencies hope to improve the quality of life for residents. These goals are further explained as follows:

- *Provide decent housing* by helping homeless persons obtain appropriate housing and assisting those at risk of homelessness, preserving the affordable housing stock, increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination, and increasing the supply of supportive housing.
- *Provide a suitable living environment* by improving the safety and livability of neighborhoods; increasing access to quality facilities and services and infrastructure, and reducing the isolation of income groups within an area through de-concentration of low-income housing opportunities.
- *Expand economic opportunities* by creating jobs accessible to low- and moderate-income persons, making mortgage financing available for low- and moderate-income persons at reasonable rates, providing access to credit for development activities that promote long-term economic and social viability of the community, and empowering low-income persons to achieve self-sufficiency to reduce generational poverty in federally assisted and public housing.

B. CONTEXT IN WHICH ACTIVITIES WILL BE CONDUCTED

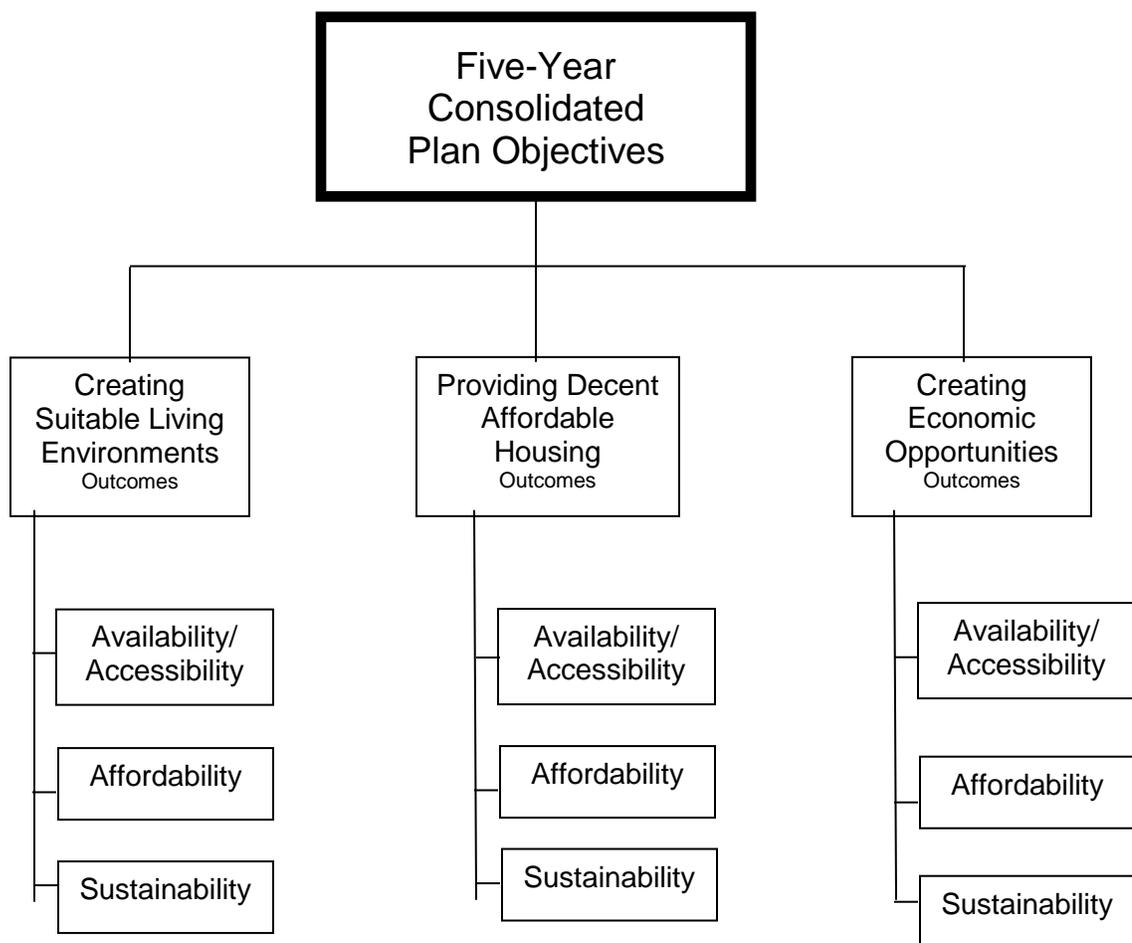
PRINCIPLES GUIDING THE STRATEGIC PLAN

The State of Minnesota utilizes several guiding principles for its five-year strategic plan. These principles are as follows:

1. Concentrate efforts on a limited number of areas and activities so that the resources that are utilized will have the greatest lasting and noticeable effect;
2. Support activities that build upon existing housing and community development infrastructure and provide on-going maintenance;
3. Implement strategies with sustainable long-term impacts such as cost-effective rehabilitation and redevelopment that complements surrounding properties;
4. Seek opportunities to form partnerships with other agencies within the state, generating beneficial activities for the entire state; and
5. Explore opportunities to leverage resources with other private, nonprofit, and government agencies so the state's limited resources have the greatest possible net effect.

PERFORMANCE MEASUREMENT CRITERIA

The results of the state’s resource expenditures will be in terms that are quantifiable, in terms that are measurable, and that were originally cited as a goal. These objectives and their outcomes are best illustrated in the following diagram:



Affordable housing needs, non-housing community development needs, and the needs of the homeless and special needs populations are statewide needs; therefore, the state distributes its resources across the entire state, except for CDBG and HOPWA, which are geographically restricted by federal statute and/or rule.

Funds are distributed either to individual property owners as project financing, or as grants to local governments or nonprofit organizations that administer the funds. In either case, the funds are distributed for activities that are compliant with the State’s Five-Year Housing and

Community Development Goals, Objectives and Strategies, which flow from the priority needs of Table 2A.

C. FIVE-YEAR HOUSING AND COMMUNITY DEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

The following list presents the overriding goals, objectives, and strategies of the 2012 to 2016 Minnesota Five-Year Consolidated Plan for Housing and Community Development, including selected performance criteria associated with each strategy. Furthermore, there may be a need to direct such housing resources by use of project selection criteria, which may be updated annually based on year-to-year need and local circumstances. Five Year and one year goals for total households served and households of extremely low-income, low-income, and moderate-income are identified in the annual action plan. For the SCDP program we have three times the request for funds than we are able to award. Although estimated five year goals for specific activities need to be set as required by HUD the reality is that if goals are not achieved it is based on the lack of funding, economic times, and local objectives and goals that, while compliant with the program, do not achieve the numeric goals of DEED. It is very difficult to project what future funding will be from HUD given the past couple years in excessive cuts and an uncertain future of the CDBG program. DEED believes that using one year accomplishments and current funding as a source for future planning of funds is more realistic and annual or five goals hold no merit. The SCDP program is highly utilized and very successful in Greater Minnesota and the goals have little to no impact on the decision for the use of future funds.

HOUSING

Goal: Enhance affordable housing opportunities

Objective 1: Finance new opportunities for affordable housing

Strategy 1.1: Continue to provide entry-cost assistance to increase the ability of eligible borrowers to qualify for a mortgage loan

Performance Measurement: Number of homebuyers provided entry-cost assistance

Objective 2: Mitigate foreclosure impacts through prevention and remediation

Strategy 2.1: Provide entry-cost assistance to first-time homebuyers of foreclosed upon properties or properties in high foreclosure areas

Performance Measurement: Number of homebuyers provided entry-cost assistance to purchase foreclosed upon homes in high foreclosure areas

Objective 3: Preserve existing affordable housing stock

Strategy 3.1: Provide financing to preserve affordable rental housing through rehabilitation and/or purchase/rehabilitation.

Performance Measurement: Number of units preserved

Strategy 3.2: Provide financing to rehabilitate owner-occupied housing

Performance Measurement: Number of rehabilitated homeowner units

Strategy 3.3: Encourage and support the improvement of the capacity of nonprofit affordable housing developers and program administrators

Performance Measurement: Maintain or enhance the portion of high quality, successful applications for affordable housing development funding

Strategy 3.4: Provide funding in disaster situations when all other public and private funds have been exhausted

Performance Measurement: The measurement for the disaster activity that meets a federal objective

Objective 4: Increase the availability of affordable rental housing

Strategy 4.1: Finance affordable rental housing units through new construction

Performance Measurement: Number of new units awarded funds

Strategy 4.2: Encourage and support the improvement of the capacity of nonprofit affordable housing developers and program administrators

Performance Measurement: Maintain or enhance the portion of high quality, successful applications for affordable housing development funding

Strategy 4.3: Finance adaptive re-use of non-residential structures to rental uses

Performance Measurement: Number of non-residential structures converted to rental use

NON-HOUSING COMMUNITY DEVELOPMENT

Goal: Promote economic development and satisfy public facility needs throughout the non-entitlement areas of Minnesota, as administered through the Small Cities Development Program

Objective 1: Improve existing businesses through rehabilitation

Strategy 1.1: Improve existing commercial business through rehabilitation

Performance Measurement: Number of businesses rehabilitated

Objective 2: Enhance the economic climate of local communities

Strategy: 2.1: Assist small communities through enhancement and expansion of existing business firms

Performance Measurement: Number of jobs created for low- to moderate-income persons

Strategy: 2.2: Assist small communities through attracting start-up businesses

Performance Measurement: Number of jobs created for low- to moderate-income persons

Objective 3: Address community needs through improvements to public facilities and infrastructure throughout the non-entitlement communities of Minnesota

Strategy: 3.1: Assist small communities through enhancement of public facilities

Performance Measurement: Number of persons benefitting

Objective 4: Provide funding in disaster situations when all other public and private funds have been exhausted

Strategy: 4.1: Eligible funding and activities will be available through SCDP funds

Performance Measurement: The measurement for the disaster activity that meets a federal objective

HOMELESS AND SPECIAL NEEDS POPULATIONS

Goal 1: Homeless persons and those at-risk of homelessness are stably rehoused or diverted from shelter as quickly and effectively as possible;

Objective 1. Stably re-house homeless persons and those at-risk of homelessness.

Strategy 1.1: Provide short and medium-term tenant-based rental assistance and housing relocation and stabilization services.

Performance Measurement: # of individuals in households who are stably rehoused.

Goal 2: Homeless families and individuals transition to stable, long-term housing situations.

Objective 2. Stably re-house homeless persons and those at-risk of homelessness.

Strategy 2.1: Provide short and medium-term tenant-based rental assistance and housing relocation and stabilization services.

Performance Indicator: # of individuals in households who remain stably rehoused at program exit.

Goal 3: Homeless persons, including special needs populations, have adequate emergency shelter;

Objective 3. Provide safe, adequate emergency shelter for homeless persons who have not yet been rehoused or diverted from shelter.

Strategy 3.1: Use available ESG funding (maximum amount allowable) to fund emergency shelters effectively serving these populations.

Performance Indicator: # of individuals in households receiving emergency Shelter

Table of Objectives and Outcomes

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							SL-1
SL-1.1	Stably rehouse homeless persons and those at-risk of homelessness	ESG	# of individuals in households who are stably rehoused	2012	460		
				2013	460		
		ESG-Match		2014	460		
				2015	460		
				2016	460		
MULTI-YEAR GOAL				2,300			
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							
SL-1.1	Ensure homeless families and individuals transition to stable, long-term housing situations.	ESG	# of individuals in households who remain stably rehoused at program exit	2012	350		
				2013	350		
		ESG-Match		2014	350		
				2015	350		
				2016	350		
MULTI-YEAR GOAL				1,750			
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							
SL-1.1	Provide safe, adequate emergency shelter for those who have not yet been re-housed or diverted from shelter.	ESG	# of individuals in households receiving emergency shelter	2012	12,158		
				2013	12,158		
		ESG-Match		2014	12,158		
				2015	12,158		
				2016	12,158		
MULTI-YEAR GOAL				60,790			
DH-2 Provide Decent Housing with Affordability							DH-2
DH-2.2	Rehabilitation of affordable rental housing occupied by Low to Moderate income persons.	HOME	# Units of affordable rental housing will be rehabilitated and occupied by low-income households	2012	515		
				2013	100		
				2014	100		
				2015	100		
				2016	100		
MULTI-YEAR GOAL				915			
DH-2.2	Assistance to avoid homelessness	HOPWA	# Households will remain in their homes and avoid	2012	150		
				2013	150		
				2014	150		

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Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
			homelessness	2015	150		
				2016	150		
			MULTI-YEAR GOAL		750		
DH-2 Decent Housing that is Affordable							
DH-2.2	Provide down payment assistance to low income households.	HOME-Home ownership assistance	# of low income households purchasing a home	2012	450		
				2013	250		
				2014	250		
				2015	250		
				2016	250		
			MULTI-YEAR GOAL		1,450		
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							
SL-1							
SL-1.1	Owner Occupied Rehabilitation to low to moderate income households	CDBG	# of households low to moderate households	2012	500		
				2013	300		
				2014	300		
				2015	300		
				2016	300		
			MULTI-YEAR GOAL		1,700		
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							
SL-1.1	Rental Rehabilitation to low to moderate income households at fair market rents	CDBG	# of units for low to moderate households at fair market rents	2012	75		
				2013	50		
				2014	50		
				2015	50		
				2016	50		
			MULTI-YEAR GOAL		275		
EO-3 Create Economic Opportunities with Sustainability							
EO-3							
EO-3.3	Rehabilitation of commercial buildings to eliminate slum and blight.	CDBG	# of commercial buildings	2012	100		
				2013	50		
				2014	50		
				2015	50		
				2016	50		
			MULTI-YEAR GOAL		300		
EO-3.3	Economic development to create jobs for low to moderate persons	CDBG	# of jobs for low to moderate income persons	2012	200		
				2013	150		
				2014	150		
				2015	150		

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			2016	150		
			MULTI-YEAR GOAL	800		

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
EO-3 Create economic opportunities that are sustainable							
EO-3.3	Create jobs for low to moderate income persons.	CDBG- Microenterprise	Jobs for low to moderate income persons	2012	No Goals		
				2013	No Goals		
				2014	No Goals		
				2015	No Goals		
				2016	No Goals		
				MULTI-YEAR GOAL			
DH-2 Provide Decent Housing with Affordability							
DH-2							
DH-2.2	New Construction-Rental Housing for low to moderate households at fair market rents.	CDBG- New Construction	# of rental units for low to moderate households	2012	48		
				2013	0		
				2014	0		
				2015	0		
				2016	0		
				MULTI-YEAR GOAL			
DH-2 Provide Decent Housing with Affordability							
DH-2.2	Homeownership Assistance	CDBG	# of households low to moderate	2012	0		
				2013	0		
				2014	0		
				2015	0		
				2016	0		
				MULTI-YEAR GOAL			
SL-1 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							
SL-1							
SL-1.1	Acquisition	CDBG	# of rental units for low to moderate income persons	2012	5		
				2013	2		
				2014	2		
				2015	2		
				2016	2		
				MULTI-YEAR GOAL			
SL-1.1	Clearance	CDBG	# of rental units for low to moderate income persons	2012	0		
				2013	0		
				2014	0		
				2015	0		

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			2016	0		
			MULTI-YEAR GOAL	0		

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
SL-3 Suitable Living Environment with Purpose of New or Improved Availability/Accessibility							SL-3
SL-1.3	Access to new and or improved public facility	CDBG	# of housing units that are low to moderate income	2012	1,100		
				2013	500		
				2014	500		
				2015	500		
				2016	500		
				MULTI-YEAR GOAL			

Public Housing Needs

The State of Minnesota does not administer public housing funds. Public housing agencies (PHAs) that attended forums and public hearings did not identify needs of public housing agencies; however, they have voiced concerns outside the state’s citizen participation and consultation process of continual insufficient funding from the federal government for public housing capital and operating costs.

Public housing rehabilitation is an eligible use of CDBG funds, but an ineligible use of HOME. PHAs may apply to DEED for CDBG funding to rehabilitate public housing.

Troubled Public Housing Agencies

Rehabilitation and restoration of public housing buildings would be an eligible use of CDBG funds; however, neither HOME nor CDBG can be used to support ongoing operations of public housing.

The state has not authorized Minnesota Housing, DEED, or DHS to assume the federal government’s role of subsidizing the operations of public housing agencies, nor has it appropriated funds for such purpose.

In conjunction with the Minnesota Chapter of the National Association of Housing and Redevelopment Officials (NAHRO) and others, the state co-sponsors the annual “Working Together” conference that provides training on housing maintenance and management. Twice-annual conferences of Minnesota NAHRO also provide training to PHAs.

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