State of Minnesota
Consolidated Annual Performance
and Evaluation Report
for Federal Fiscal Year 2017

December 2017

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CR-05 - Goals and Outcomes

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

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

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

It is important to note that the state provides affordable housing and community development through a variety of programs, many of which are funded through agency resources or state appropriations. In Federal Fiscal Year (FFY) 2017, Minnesota Housing alone committed funds to assist over 36,000 households with rent assistance, down payment and first mortgage financing, the rehabilitation or construction of affordable rental housing, and other assistance (not including 31,000 units of Section 8 housing for which Minnesota Housing administers the housing assistance contract). Additional information about other housing and community development may be obtained through Minnesota Housing, DEED and DHS.

The state has identified objectives and expected outcomes for federally funded housing and community development assistance through a process of public hearings and forums held throughout the state. Housing advocates, service providers, and other stakeholders are invited to participate in these events and to provide input on local needs, priorities, and problems (see the citizen participation plan and public comments attached to the *Consolidated Housing and Community Development Plan, FY 2017-2021*). The Annual Action Plan addresses how objectives are to be met each year. Under most federal programs covered in this report, the state has been close to meeting its previous annual projections. The economy has improved and unemployment is low at 3.3 percent in October 2017.

As of the end of 2017, the first year in its five-year plan (2017-2021), Minnesota had achieved 23% of its five-year goals.

DEED's Small Cities Development Program's accomplishments are exceeding goals set in the annual action plan. Commercial projects have 94 accomplishments compared to the expected goal of 75. Owner occupied housing rehabilitation projects have 366 accomplishments compared to the expected goal of 300. Rental housing rehabilitation projects have 205 accomplishments compared to the expected goal of 100. The unit of measure for Public facilities projects is based on persons assisted for both Low

and Moderate Income (LMI) and other than Low and Moderate Income (LMI). The total accomplishments for public facilities projects is 8,240 persons which consist of 4,542 Low and Moderate Income (LMI) persons and 3,698 other than Low and Moderate Income (LMI) persons. All activities have accomplishments that surpassed the annual plan's goal. DEED's Minnesota Investment Fund (MIF) projected 150 Low and Moderate Income (LMI) jobs with an action plan goal of 30. However, due to elevated funding levels from other state funded sources, federal resources have not been required to assist business. With the authority of the DEED Commissioner, these funds have been reallocated to the Small Cities Development Program. The actuals exceeded the expected program goals for CDBG public facility and infrastructure activities because the expected program goal was set low for that year due to the lack of funding since there was no bonding bill in 2016. Instead, funds were received in 2017.

The goal of sheltering 11,152 individuals was not achieved. Year-to-year changes in the types and capacity of shelters funded with ESG continue to impact the number of persons reported in ESG-funded shelters. The largest contributor to the decrease between Strategic Plan goals and actual annual numbers served was the decision of a sub-recipient to dedicate ESG funding to just one of their two formerly funded shelters. This significantly reduced the number of persons reported in their ESG CAPER for the past two years.

It is important to note for budgeting and planning purposes that Minnesota Housing projects the number of units for which it expects to make funding commitments; projecting the completion of HOME-assisted units is difficult because multifamily projects may take up to a few years to complete.

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

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

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected Program Year 2017	Actual Program Year 2107	Percent Complete
Provide Decent Affordable Housing-DEED	Affordable Housing	CDBG: $9,346,108	Rental units rehabilitated	Household Housing Unit	100	205	205%
			Homeowner housing rehabilitated	Household Housing Unit	300	366	122%
Enhance Affordable Housing Opportunities-Minnesota Housing	Affordable Housing	HOME: $9,428,810 NHTF: $0	Rental units rehabilitated	Household Housing Unit	199	233	117%
			Rental housing rehabilitated	Household Housing Unit	199	0	0%
Promote Economic Development	Non-Housing Community Development	CDBG: $2,520,198	Façade treatment/business building rehabilitation	Business	75	94	125%
			Jobs created/retained	Jobs	30	0	0%
			Businesses Assisted	Businesses Assisted	5	0	0%
Facilitate Housing and Service for the Homeless	Homeless	ESG: $2,011,147	Tenant-based rental assistance/ rapid rehousing	Households Assisted	403	381	95%
			Homeless person Overnight Shelter	Persons Assisted	11,152	6,252	56%
			Homelessness Prevention	Persons Assisted	43	91	212%
Provide Funds for Special-Needs Housing and Services	Non-Homeless Special Needs	HOPWA: $154,842	Homelessness Prevention	Persons Assisted	220	178	81%
Address Public Facility and Infratructure Needs- DEED	Non-Housing Community Development	CDBG: $1,165,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing	Persons Assisted	440	3,698	840%
			Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	700	4,542	649%

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

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

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

Priorities include renters with incomes at or below 30% of area median income (AMI), homeowners with incomes of 51% to 80% of AMI, and non-homeless people with special needs. HOME-funded units, in particular, reflect these priorities—76% of renter households occupying units completed in FFY 2017 had incomes below 30% of AMI.

In addition to general affordable housing, Minnesota Housing assists the homeless or people with special needs at risk of being homeless who struggle with housing stability through several programs funded by the state legislature, including the Family Homeless Prevention and Assistance Program, Bridges rental assistance, and the state Housing Trust Fund rent assistance Housing Infrastructure Bonds. These programs assisted nearly 11,000 households in 2017.

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

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

CDBG Program Income – See attached PR-09 for uses.

CR-10 - Racial and Ethnic composition of families assisted

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

	CDBG	HOME	ESG	HOPWA
White	1156	119	3015	106
Black or African American	63	103	2804	61
Asian	7	0	152	2
American Indian or American Native	6	3	697	4
Native Hawaiian or Other Pacific Islander	0	0	81	1
More than one race		8		4
Total	1232	233	6749	174
Hispanic	54	11	531	9
Not Hispanic	1178	222	6218	169

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

Narrative

According to the Census Bureau's estimates in the ***American Community Survey, 2016,*** low and moderate income households (those earning less than $50,000 in 2016) of a race other than white comprise an estimated 19% of the households in Minnesota and households of Hispanic or Latino ethnicity comprise an estimated 5% of the households in Minnesota.

CDBG assisted 1,232 households in FFY 2017. Of that number, 1,156 were white, 63 were Black/African American, 7 were Asian and 6 were American Indian/Alaskan Native. Also, of the total households, 6% were of a race other than white. Among CDBG-assisted households, 93% of households were white, 5% Black/African American, less than 1% Asian and less than 1% American Indian/Alaskan Native.

As summarized in the IDIS Report ***HOME Summary of Accomplishments for FFY 2016,*** 51% of HOME-assisted households were white, 44% Black/African American, 0% Asian, 1% American Indian/Alaskan Native, and 3% more than one race. Of the total HOME-assisted households, 5% households were Hispanic.

DEED, Minnesota Housing, and DHS have conducted an *Analysis of Impediments to Fair Housing Choice* within the state. A full disclosure of the impediments can be found in the *2012 Analysis of Impediments to Fair Housing Choice for Minnesota* available in the ***2012-2016 Consolidated Plan for Housing and Community Development*** at: Analysis of Impediments to Fair Housing Choice. The state is conducting a new Analysis of Impediments (AI) to correspond with the 2017-2021 plan. The development of the new AI was delayed to better incorporate the Assessment of Fair Housing tool and the Affirmatively

Furthering Fair Housing regulations promulgated in 2015. The state expects a final updated AI in early 2018.

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

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Resources Made Available	Amount Expended During Program Year
CDBG	23,863,811	12,596,611
HOME	11,194,795	9,428,810
HOPWA	175,184	154,842
ESG	4,128,704	2,011,147
Other	3,118,428	0

Table 3 – Resources Made Available

Narrative

Funding provided by HUD to Minnesota for FFY 2017 under housing and community development programs is shown above. Note that amounts expended may include funds from previous allocations. The resources in Table 3 listed as "other" are National Housing Trust Fund dollars.

State agencies provide a large amount of assistance other than federal funds for affordable housing. For example, in FFY 2017 Minnesota Housing closed loans/grants for approximately $944 million in housing assistance to non-Section 8 households. Minnesota Housing resources include bond sale proceeds and other mortgage capital, federal housing tax credits, state appropriations, and its own resources. (These figures from the agency's most recent annual report are shown for context and differ from expenditures shown in IDIS because Minnesota Housing reports on loans closed while IDIS includes funds for projects that are completed and occupied in the reporting year.)

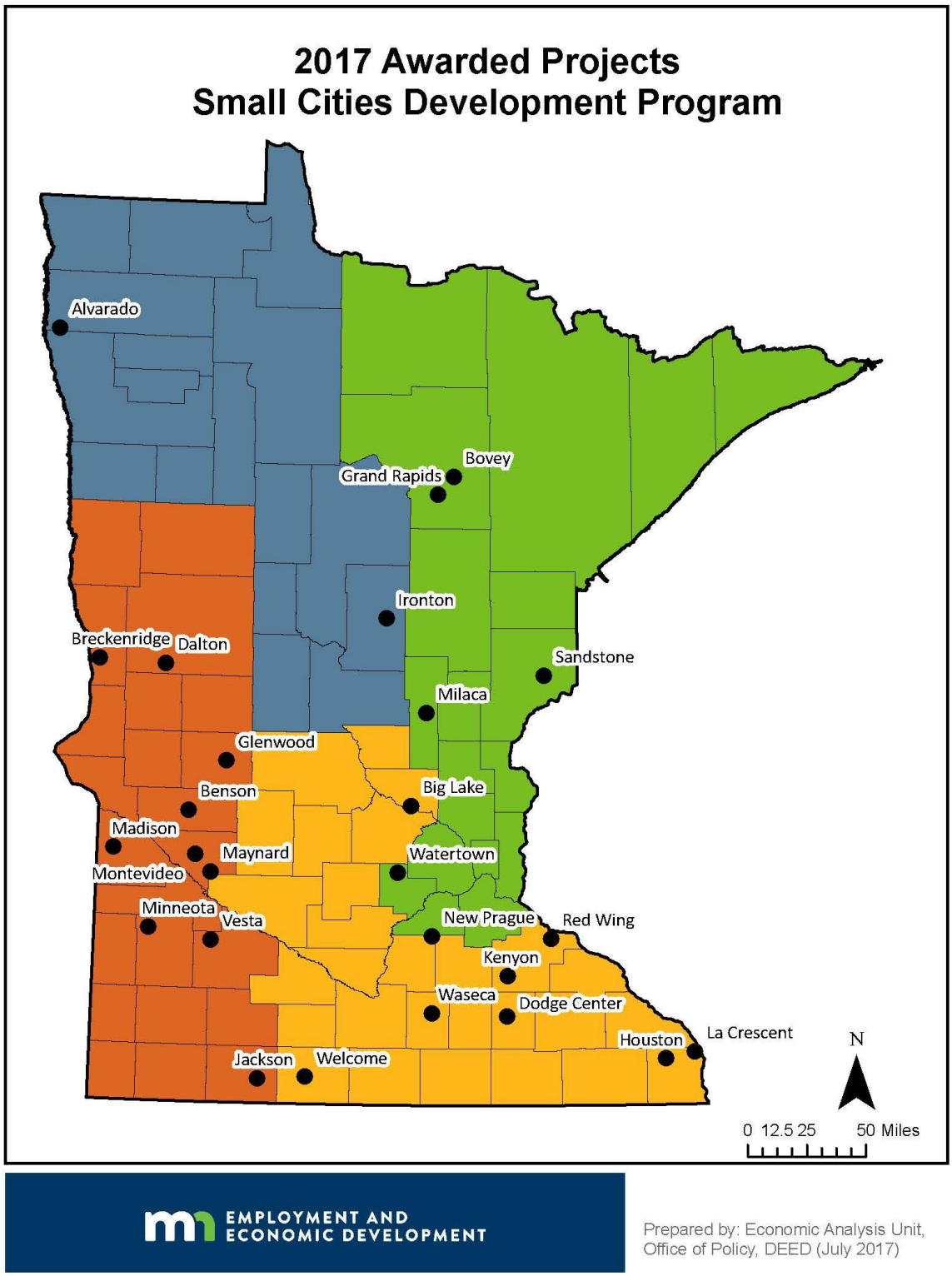
In addition, HUD awarded funding to Minnesota ($3.1 million in 2013 and $3 million in 2015) for the Section 811 demonstration that Minnesota Housing and the Department of Human Services currently are implementing. Under this demonstration, Minnesota Housing provides rent assistance on behalf of households with a disabled member.

Note that the state has been awarded some federal funds that do not meet HUD's definition for assisted households to be reported in the CAPER, e.g., National Foreclosure Mitigation Counseling (NFMC) to Minnesota Housing.

Identify the geographic distribution and location of investments

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

Table 4 – Identify the geographic distribution and location of investments


2017 Awarded Projects
Small Cities Development Program
Alvarado
Bovey
Grand Rapids
Ironton
Breckenridge
Dalton
Sandstone
Milaca
Glenwood
Big Lake
Benson
Madison
Maynard
Watertown
Montevideo
Minneota
Vesta
New Prague
Red Wing
Kenyon
Waseca
Dodge Center
La Crescent
Houston
Jackson
Welcome
N
0 12.5 25 50 Miles
EMPLOYMENT AND
ECONOMIC DEVELOPMENT
Prepared by: Economic Analysis Unit,
Office of Policy, DEED (July 2017)

The City of Alvarado - $487,340 for housing.

The City of Benson - $638,250 for housing and commercial.

The City of Big Lake - $224,250 for housing.

The City of Bovey - $524,400 for housing.

The City of Breckenridge - $425,120 for housing.

The City of Dalton - $1,051,400 for housing and sewer line improvements.

The City of Dodge Center - $278,300 for housing.

The City of Glenwood - $873,746 for housing, commercial and streetscape.

The City of Grand Rapids - $878,720 for housing and commercial.

The City of Houston - $942,900 for housing and water treatment plant.

The City of Ironton - $561,530 for housing and commercial.

The City of Jackson - $531,875 for housing.

The City of Kenyon - $655,320 for housing and commercial.

The City of La Crescent - $372,900 for housing.

The City of Madison - $642,295 for housing and commercial.

The City of Maynard - $317,601 for housing.

Mille Lacs County - $401,850 for housing and commercial.

The City of Minneota - $655,000 for housing and commercial.

The City of Montevideo - $716,000 for housing and commercial.

The City of New Prague - $295,600 for housing.

The City of Red Wing - $407,000 for housing.

The City of Sandstone - $588,800 for housing and commercial.

The City of Vesta - $595,700 for housing.

The City of Waseca - $533,770 for housing.

The City of Watertown - $511,750 for housing and commercial.

The City of Welcome - $481,505 for housing.

Narrative

The largest percentage of assistance that the state provides with federal resources is through CDBG, particularly for the rehabilitation of owner-occupied homes and the improvement of public facilities. In 2017, 15% of the distribution of funds were for publicly or privately owned commercial buildings, 51% for owner occupied housing projects, 13% for rental housing, 12% for public facility and improvements and 9% for general administration. A map showing the distribution of projects awarded funding in 2017 is attached in IDIS and inserted above.

HOME funds are available statewide. In 2017, 79% of HOME-funded units were in projects located in the seven-county Twin Cities metro area and 21% were in Greater Minnesota.

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

Minnesota Housing received $529,356 in federal funds in FFY 2017 that are not counted in the performance toward goals because they do not meet HUD's definition of assisted households, are not part of the Action plan, or are reported separately. This funding includes resources from the National Foreclosure Mitigation Counseling (NFMC) program.

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

Leveraging

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

ESG requires a one-to-one matching of funds. The State and its ESG sub-recipients expended $2,011,147 in non-ESG funds which were provided by federal, state, local and private sources as match for ESG-eligible activities. The single largest source these funds, $951,170, came from private sources including charitable donations and foundations across the State.

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

In 2017, of those projects receiving HOME funds, HOME dollars comprised 21% of total funds committed to those projects.

Minnesota Housing allocates Low-Income Housing Tax Credits for the development of affordable rental housing, primarily in conjunction with agency-financed first mortgages and/or other contributions, such as deferred or gap funding including HOME and NHTF. In 2017, Minnesota Housing closed 23.2 million in loans and gap funding for developments with 915 tax credit units that also received nearly $101.4 million in syndication proceeds from investors.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	113,036,890
2. Match contributed during current Federal fiscal year	13,980,970
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	127,017,860
4. Match liability for current Federal fiscal year	89,788
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	126,928,072

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
1	09/30/2017	9,858,046	0	0	0	0	0	9,858,046
2	09/30/2017	4,122,924	0	0	0	0	0	4,122,924

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period	**Amount received during reporting period**	**Total amount expended during reporting period**	**Amount expended for TBRA**	**Balance on hand at end of reporting period**
178,394	2,250,530	169,584	0	2,259,340

Table 7 – Program Income

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

	Total	**Women Business Enterprises**	**Male**
Contracts			
Dollar Amount	3,665,469	3,665,469	0
Number	3	3	0
Sub-Contracts			
Number	0	0	0
Dollar Amount	0	0	0

Table 8 – Minority Business and Women Business Enterprises

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

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition		
Parcels Acquired	0	0
Businesses Displaced	0	0
Nonprofit Organizations Displaced	0	0
Households Temporarily Relocated, not Displaced	0	0

Households Displaced	**Total**	**Minority Property Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

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

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	11,598	6,252
Number of Non-Homeless households to be provided affordable housing units	798	854
Number of Special-Needs households to be provided affordable housing units	220	178
Total	**12,170**	**7,284**

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	403	381
Number of households supported through the Production of New Units	199	0
Number of households supported through Rehab of Existing Units	599	854
Number of households supported through Acquisition of Existing Units	0	0
Total	**1,201**	**1,235**

Table 12 – Number of Households Supported

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

The one-year goal of 798 units, set out in the state's 2017 Action Plan, was stated as the goal for rehabilitated and newly constructed rental units funded through HOME, NHTF, or CDBG. (Note that Minnesota Housing funded 126 additional HOME and NHTF units during 2017 that should be completed and reported in 2018.) In year one of the plan no new construction units were completed, however, the goal for rehabilitation of exiting units was exceeded with 854 units completed. We anticipate over the five years of the plan that the new construction unit goals will be reached given the variation of housing projects funded in a five year period.

The goal of sheltering 11,152 individuals was not achieved. Year-to-year changes in the types and capacity of shelters funded with ESG continue to impact the number of persons reported in ESG-funded

shelters. The largest contributor to the decrease between Strategic Plan goals and actual annual numbers served was the decision of a sub-recipient to dedicate ESG funding to just one of their two formerly funded shelters. This significantly reduced the number of persons reported in their ESG CAPER for the past two years.

The HOPWA goal of 220 units was not met. Due to HOPWA formula changes, Minnesota Housing is expecting an increase in HOPWA funds over the five year plan timeline and the goals for HOPWA were set accordingly. Given that increase in HOPWA funds, the goals are expected to be met over the five years of the plan.

Discuss how these outcomes will impact future annual action plans.

Outcomes for activities in FFY 2017 do not seem to suggest a need to change activities in the next action plan.

Based on stakeholders' responses to a survey of local housing needs, input from public meeting participants, and an analysis of Census data, Minnesota has prioritized housing needs in its ***Consolidated Housing and Community Development Plan, FY 2017-2021.*** The state will continue to solicit input from stakeholders and partners annually in order to respond to the housing and community development needs of Minnesota communities and will write future annual action plans based on that process, e.g., based on new or changing assistance needs identified by communities, stakeholders, and other assistance providers.

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

Number of Persons Served	CDBG Actual	HOME Actual
Extremely Low-income	203	176
Low-income	161	46
Moderate-income	193	11
Total	557	233

Table 13 – Number of Households Served

Narrative Information

As reported in IDIS, more than 98% of beneficiaries of CDBG housing programs in 2017 had incomes at or below 80% of HUD median income, with the greatest number in the extremely low income category.

In accordance with guidelines, all households assisted with HOME funds have gross incomes at or below 80% of area median income and tenant rents meet the affordability requirements of 24 CFR 92.252. For FFY 2017, 76% were in the lowest income category (30% of area median or less), 20% were in the 31%-50% category, and 5% were in the 51%-80% category.

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

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

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

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

The annual Point-in-Time count showed, as of January 2017, an overall decrease of 7% in the total number of Minnesotans experiencing homelessness (from January 2014) and a 20% decrease in homelessness among families with children; however, the count did identify a slight uptick in both homeless singles and families since 2016, as well as a significant 27% increase in the number of unaccompanied youth experiencing homelessness. At least part of the increase may have been the result of a highly focused effort to better identify the actual number of homeless youth which had been subject to historical underreporting.

Unfortunately, the number of unsheltered persons (living outdoors, in vehicles, etc.) continued its rise from recent years, rising 39% since 2014 and increasing in eight of ten Continuum of Care (CoC) regions. This continued increase reflects, in part, the ongoing shortage of emergency shelter in many areas of the state relative to need, and increasing funding pressures on emergency shelters as resources are shifted away from funding new or existing shelters.

The State of Minnesota provides funding to a number of street outreach, emergency shelter, and transitional housing programs primarily with state resources. State agencies worked in collaboration with the CoC Committees to develop coordinated assessment systems in all areas of Minnesota, which will serve as a focal point for assessing the individual needs of both unsheltered and sheltered people.

The Minnesota Interagency Council on Homelessness currently includes 12 agencies working together to address homelessness in Minnesota. Having met the goal of the Business Plan to End Long-Term Homelessness (provide 4,000 additional housing opportunities by 2015), the state has developed a new strategic plan, endorsed by the council, to address all homelessness in Minnesota with specific interagency action plans for implementation. In December 2013, the Minnesota Interagency Council on Homelessness developed and released the first version of *Heading Home: Minnesota's Plan to Prevent and End Homelessness*. The plan was re-issued in January 2016 with new strategies to guide efforts in 2016 and 2017. The Interagency Council is currently updating the plan to include strategies to guide efforts to end homelessness in Minnesota from 2018 through the end of 2020.

A copy of the *Heading Home* plan and a list of council contacts and representatives is found on Minnesota Housing's website here : Continuum of Care and Preventing and Ending Long-Term Homelessness . The plan will be updated in early 2018.

Previous versions of *Heading Home* have been the product of and guiding document for the Minnesota Interagency Council on Homelessness and its member state agencies. The updated plan for 2018-2020 aspires to be something greater: to reflect a growing community understanding and emerging consensus about what is needed to prevent and end homelessness in Minnesota, and the strategies necessary toward that end. The specific content of the plan represents a synthesis of Federal policy requirements and guidance, local practitioner knowledge, the insight of people with lived experience of homelessness, and extensive input from stakeholders all across Minnesota. While the specifics of this plan are being formally adopted by the Minnesota Interagency Council on Homelessness in early 2018, numerous organizations statewide have endorsed the guiding principles for this plan. These partners have also contributed substantially to shaping its strategies.

Homelessness

The Minnesota Interagency Council on Homelessness has provided technical assistance to assist in the establishment of CoCs, which have developed regional plans that identify assistance needs of people experiencing homelessness or people at risk of becoming homeless, gaps in regional service delivery for the homeless, and a strategy for addressing those gaps. Currently, 10 CoC regions exist in Minnesota covering the entire state. DHS has offered each CoC committee the opportunity to review and provide recommendations on each ESG application submitted from their region, as well as other DHS-administered homeless programs. This ensures that ESG funding is used to address locally determined priorities for shelter, prevention and rapid re-housing. In addition, in 2017 Minnesota Housing supported six CoCs in Greater Minnesota with $40,000 each for operating costs.

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

Minnesota Housing secured $55 million in new Housing Infrastructure Bonds during the 2017 legislative session. Of that total, $42 million has already been committed to both preservation and supportive housing projects. A portion of the funding will finance 406 units of new construction supportive housing and housing for people who have experienced homelessness. Since 2012, Minnesota Housing has financed 1,060 units of permanent supportive housing using Housing Infrastructure Bonds.

To promote early identification and more effective responses to the needs of Minnesota students experiencing housing instability and homelessness, Minnesota Housing, the Minnesota Department of Education, the Minnesota Department of Human Services, the Minnesota Interagency Council on Homelessness, and the Heading Home Minnesota Funders Collaborative have developed an initiative called Homework Starts with Home. Pursuant to Minnesota Session Laws 2017, Regular Session, Chapter 94, Article 1, Section 3, Subdivision 3(b) and Subdivision 5(b), the 2018-2019 biennial budget appropriates $2 million in Housing Trust Fund and Family Homeless Prevention and Assistance Program

resources to this initiative. In addition, the Heading Home Minnesota Funders Collaborative has garnered over $300,000 in philanthropic support. A competitive process to award this funding is anticipated to begin in late 2017 or early 2018.

In 2015 and 2017, the Minnesota Legislature made an appropriation of $125,000 to support the Homeless Management Information System (HMIS). This system helps housing and service providers to more effectively coordinate assistance and services to meet the needs of the homeless or near-homeless people. Minnesota Housing annually supports HMIS and in 2017 contributed $222,500 to HMIS, in additional to contributions from other state agencies.

Addressing the emergency shelter and transitional housing needs of homeless persons

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

CoC organizations apply to HUD annually for funding under the McKinney Vento Homeless Assistance Program to address homelessness. In addition, the state funds both site-based and scattered-site transitional housing with approximately $3.2 million in state funds each year, and emergency shelters and day shelters with $500,000 per year in state funds.

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

The state received $1,974,807 in FFY 2016 in ESG program funding to support sub-recipients' ongoing efforts to provide shelter and rapid re-housing and prevention assistance to homeless and at-risk households. In addition, DHS received $88,546 for state administrative costs. ESG funds were used to provide supportive services to persons through the emergency shelter where they were staying, as well as prevent and rapidly re-house households who were at-risk of or experiencing homeless. Supportive services included case management, transportation, mental health care, substance abuse treatment, childcare, and legal advice and assistance.

One of the state's most significant strategies for providing homelessness prevention assistance is the Family Homeless Prevention and Assistance Program (FHPAP). The Minnesota Legislature has funded

FHPAP with a base appropriation of $17 million every two years. With these resources, Minnesota Housing assisted nearly 6,500 households in 2016 by providing short-term housing and services, primarily to families with minor children. The state also provides $23.3 million in base appropriation funding for the state Housing Trust Fund, annually serving around 1,800 households. This funding is primarily used for rental assistance. The 2017 Minnesota Legislature appropriated an additional $2 million in one-time funds for the Homework Starts with Home initiative to provide rental assistance to homeless and highly mobile families with school aged children. The Legislature has funded the Bridges rental assistance program with an $8.2 million base appropriation. Under the Bridges program, Minnesota Housing provides rental assistance to households in which one or more adult members has a serious mental illness, annually serving about 820 households.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

People experiencing homelessness are often unable to access and use mainstream programs because of the inherent conditions of homelessness, as well as the structure and operations of the programs themselves. While all low-income populations face barriers to applying for, retaining, and using the services provided by mainstream programs, these barriers are compounded by the inherent conditions of homelessness, such as transience, instability, and a lack of basic resources. Furthermore, the underlying structure and operations of mainstream programs are often not conducive to ensuring that the special needs of homeless people are met.

Accordingly, any program providing services or resources that contribute to preventing or ending homelessness should ensure that people experiencing homelessness are not disproportionately disadvantaged in accessing these resources, when compared to people who are stably housed.

In September 2014, the agencies comprising the Minnesota Interagency Council on Homelessness adopted five Foundational Services Practices intended to help our “mainstream” programs – those not specifically targeted to people experiencing homelessness – work better for people experiencing homelessness who are eligible for those programs.

The five Foundational Service Practices are:

1) know the housing status of people served
2) actively reach out to the homeless
3) limit requirements for in-person appointments
4) assist with gathering required verifications/ documentation

5) allow for multiple methods of communication about benefits and services.

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

The Council, primarily through the work of the Minnesota Department of Veterans Affairs, developed a Veterans Registry that enables service providers to identify the resources each individual veteran experiencing homelessness needs and to make the appropriate connections with those resources. The annual Point-in-Time count shows that veterans' homelessness in Minnesota has been drastically reduced since 2010 by 61%, with a 20% reduction since 2014. Three regions of the state, representing 40 of the state's 87 counties, have been confirmed by the Federal government as having met all criteria to show they have ended Veteran homelessness. These regions have also presented evidence that they have systems in place to meet the needs of Veterans at-risk of or experiencing homelessness on an ongoing basis. As of December, 2017, 214 Veterans remain on the Veterans Registry statewide.

Minnesota's Homeless Youth Act (HYA) program funds outreach, shelter housing and services to homeless youth across the state. A key focus of this funding is preventing homelessness for youth exiting the foster care or other systems. The funding levels and number of youth served are as follows:

- 2015 $3,119,000 5,594 Youth
- 2016 $4,119,000 14,961 Youth
- 2017 $4,152,000 12,332 Youth

Minnesota Housing places a priority in its Request for Proposals and funding selection process on rental housing development that includes units of supportive housing for people experiencing long-term homelessness. Most developments that receive funding have at least some supportive housing units.

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

Actions taken to address the needs of public housing

In 2014, the Minnesota Legislature appropriated $20 million in General Obligation bond proceeds to Minnesota Housing for the purpose of preserving public housing; and in 2015, Minnesota Housing awarded nearly $18 million to improve 35 public housing developments with more than 2,400 housing units. There was not a bonding bill in the 2016 legislative session. In 2017, the Minnesota legislature appropriated $10 million in general obligation bond proceeds for the purpose of preserving public housing. Awards will be made in early 2018.

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

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

Minnesota Housing encourages homeownership for lower income households through outreach and education under the Enhanced Homeownership Capacity Initiative and the Homeownership Education, Counseling, and Training Program. Minnesota Housing's affordable mortgage financing and downpayment loans are available to first-time and repeat homebuyers that meet income requirements.

Actions taken to provide assistance to troubled PHAs

The state recognizes the need for preservation and rehabilitation of federally assisted affordable housing, and provides General Obligation Bond proceeds for rehabilitation under Minnesota Housing's Publicly Owned Housing Program, but Minnesota had no specific goal in the Action Plan for 2017 to provide financial or other assistance to troubled PHAs in the state.

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

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

In 2014, Minnesota Housing, the McKnight Foundation, Urban Land Institute of Minnesota (ULI-MN)/ Regional Council of Mayors (RCM), and Enterprise Community Partners sponsored a competition (Minnesota Challenge) to generate ideas for reducing the per-unit cost of developing affordable multifamily rental housing. The competition winner, the University of Minnesota's Center for Urban and Regional Affairs, identified specific local policies, requirements, and procedures that increase costs and hinder the development of affordable housing. The report also identifies best practices for overcoming barriers to affordable housing development and strategies for implementing those best practices.

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

The state has identified limited resources as a barrier to the provision of affordable housing. In 2014, the Minnesota Legislature authorized Minnesota Housing to issue $80 million in Housing Infrastructure Bonds to finance the construction or preservation of an estimated 1,500 units and in 2015, the legislature authorized an additional $10 million in Housing Infrastructure Bonds. Infrastructure bonds may be used to: finance permanent supportive housing for the homeless, preserve existing federally assisted housing, acquire/rehabilitate foreclosed rental housing, or develop new rental housing on foreclosed parcels of land. In 2017, the Minnesota legislature authorized another $55 million in Housing Infrastructure Bonds.

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

In its five-year plan, Minnesota identifies that the greatest unmet housing need is among extremely low-income renters (<30% are median income) and moderate income homeowners (51%-80% of are median income). To address that need: 1: DEED uses 98% of CDBG funds to assist low- and moderate-income households (i.e., defined by CDBG as 80% or less of median income); the remaining funds are used for community development; 2) Minnesota Housing allocates HOME resources primarily to rental rehabilitation (with a focus on preserving the affordability of existing federally assisted housing for extremely low-income tenants). In addition, while activities of the first NHTF project are not reported in this CAPER, 100% of households assisted must be extremely low-income.

The distribution of assistance shows that 46% of all households in HOME-assisted units reported (all years) were in the lowest income category (30% of area median or less), 32% were in the 31%-50% category, and 23% were in the 51%-80% category.

Under the Section 811 PRA Supportive Housing Program, HUD has awarded Minnesota two rounds of funding for a total of 159 units of project-based rental assistance to create integrated supportive housing for people with disabilities who are extremely low-income. Minnesota is focusing these units to serve people who are long-term homeless or leaving institutions of care. Minnesota Housing is implementing this program in collaboration with the Minnesota Department of Human Services (DHS). DHS coordinates outreach and referrals for 811 applicants and ensures that tenants are connected to service providers. The 811 PRA program is an important tool to support the goals of the state's Olmstead Plan to provide integrated housing options for people with disabilities. Minnesota Housing has awarded contracts to property owners for 102 units at 11 properties, and has selected an additional 57 new units at 13 properties which are in the process of financing and construction. There are currently 86 households living in Section 811 PRA units.

For the 2018-2019 biennium, the Minnesota Legislature appropriated funds to people with some of the greatest unmet housing needs, including: $8.2 million through the Bridges program to provide rent assistance to households experiencing mental illness; $17 million for family homeless prevention and assistance; and $23.3 million for the state Housing Trust Fund, which provides rent assistance to households in the lowest income categories.

In addition, in 2017, the Minnesota Legislature provided $2 million in one-time funding for the Homework Starts with Home initiate to provide rental assistance to families with school age children that are homeless or highly mobile. The Workforce Housing Development program received $4 million in base funding. The Capital Investment Bill authorized an additional $55 million in Housing Infrastructure Bonds and $10 million in General Obligation bonds for public housing rehabilitation, which will be used to fund the Publicly Owned Housing Program (POHP).

Minnesota Housing works throughout the year to engage with communities to better understand the housing needs of communities throughout the state. This includes individual engagement with members of historically underserved communities, and participation in local housing forums and summits, and Housing and Community Dialogues. The Housing and Community Dialogues are an important partnership between Minnesota Housing, the U.S. Department of Agriculture Rural Development, the Greater Minnesota Housing Fund, and local stakeholders. This year we organized a Housing and Community Dialogue in Mankato on April 12, 2017, which 82 people attended.

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

DEED requires that all proposed housing rehabilitation projects on homes built prior to 1978 complete a lead risk assessment by a certified risk assessor. All lead hazards identified must be included in the

rehabilitation work conducted by a licensed lead supervisor and workers. Grantees must provide all housing occupants the required handouts; lead hazard information pamphlet and collect owner acknowledgement of receipt. If lead is found through an assessment, all notices in 24 CFR Part 35 must be provided. DEED and the Environmental Health Division of Minnesota Department of Health (MDH) partner on lead issues that are reported to MDH through testing, statewide medical monitoring, heath-care, elevated blood investigations, complaint assistance, compliance assurance and environmental remediation of identified lead hazards.

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

The Minnesota Family Investment Program (MFIP) is the state's major public assistance initiative for low-income families with children. MFIP's three main goals are to help people leave and remain independent of welfare, obtain and keep jobs, and increase income/decrease poverty. Efforts to ensure that the state meets MFIP goals include: employment and job training services, health care assistance, and child care subsidies for MFIP families. This includes a diversionary work program that helps people to find employment before they reach the need for MFIP.

In addition to administering ESG and state-funded homeless assistance programs, the Office of Economic Opportunity (OEO) administers a variety of federal and state funded anti-poverty and self-sufficiency programs, allocating approximately $26 million a year in federal and state appropriations to more than 150 organizations and programs working with low-income families in Minnesota. These programs address families' basic social needs while providing opportunities for the development of the skills necessary for economic self-sufficiency, and include Federal and State Community Action Grants, Individual Development Accounts (IDA) programs, Supplemental Nutrition Assistance Program (SNAP) Education and Outreach, USDA Commodities (TEFAP) and Minnesota Food Shelf Funding (MFSP).

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

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

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

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

In 2017 Minnesota Housing allocated $2.6 million in grants to local organizations under the Technical Assistance and Operating Support Program, which is funded through both legislative appropriations ($750,000 for the 2017-2018 biennium) and Minnesota Housing resources.

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

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

1) The Metro Interagency Stabilization Group (ISG), which works cooperatively to address policy and financing issues related to the stabilization and preservation of federally assisted and publically funded rental housing in the Twin Cities metro area. ISG members include Minnesota Housing, the Family Housing Fund, the Minneapolis Community, Planning and Economic Development Department, the Saint Paul Planning and Economic Development Department, LISC, HUD, and the Federal Home Loan Bank of Des Moines.

2) The Greater Minnesota Interagency Stabilization Group (ISG), is a consortium of public and nonprofit funders created to cooperatively address policy issues and financing for the preservation of federally assisted rental housing outside of the Twin Cities metro area. The participants include Minnesota Housing, HUD, USDA, DEED, Minnesota National Association of Housing and Redevelopment Officials (NAHRO), Federal Home Loan Bank of Des Moines, Duluth LISC, and the Greater Minnesota Housing Fund.

By coordinating information about properties at risk of converting to market rate housing or at risk of loss due to physical deterioration, the participants are able to strategically target their combined resources.

3) The Minnesota Interagency Council on Homelessness, which includes 12 state agencies, works to investigate, review, and improve the current system of service delivery to people who are homeless or at risk of becoming homeless; improve coordination of resources and activities of all state agencies relating to homelessness; and advise Minnesota Housing in managing the Family Homelessness Prevention and Assistance Program (FHPAP). Some work of the council is supported by private foundations that fund certain activities under the state's action plan.

4) The Stewardship Council, works to address the capital, service, and operating needs of supportive housing for homeless families and individuals. The council includes representatives from federal, state, and local agencies as well as private philanthropic organizations and nonprofit agencies.

5) The Minnesota HIV Housing Coalition, which facilitates access to quality housing and appropriate support services for individuals and families living with HIV in Minnesota. The Coalition advises the City of Minneapolis and Minnesota Housing on the expenditure of HOPWA funds.

6) The Olmstead Subcabinet, which includes eight state agencies responsible for the development and implementation of the state's Olmstead Plan. The plan strives to ensure that Minnesotans with disabilities will have the opportunity to live, learn, work, and enjoy life in the most integrated setting of their choice.

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

During 2017, state agencies in Minnesota began development of an updated Analysis of Impediments to Fair Housing, conducting the necessary underlying demographic research, citizen engagement, and stakeholder outreach during the FFY 2017. The draft AI is intended to go out for public comment at the end of January 2018 for adoption during FFY 2018 .

The state submits the following actions taken in FFY 2017 to address impediments in its ***Analysis of Impediments to Fair Housing:***

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

Federal Fiscal Year 2017

Private Sector Impediments, Actions, and Measurable Objectives

Impediment 1*: *Lack of understanding of fair housing and affirmatively furthering fair housing

***Action 1.1*:** Ensure that Minnesota Housing-financed rental developments have Affirmative Fair Housing Marketing Plans (AFHMP).	***Measurable Objective 1.1*:** Number of approved AFHMPs.
Results: An approved AFHMP is a requirement during our underwriting process. 30 developments with loans that closed in FFY 2017 met this requirement.	
***Action 1.2*:** Review AFHMPs of Section 8 developments for which Minnesota Housing manages the subsidy at least every 5 years.	***Measurable Objective 1.2:*** Number of AFHMPs reviewed and, if necessary, modified.
Results: Staff reviewed, modified (if needed), and approved 134 AFHMP's for Section 8 Traditional Contract Administration properties. 57 of these developments also had an amortizing loan with the agency. Staff also reviewed 406 AFHMP's for Section 8 Performance Based Contract Administration. • 6 sites were unable to document that the AFHMPs had been reviewed in the past 5 years • 0 sites were unable to provide a current AFHMP at the site for review Minnesota Housing is not authorized by HUD to approve AFHMPs for the Section 8 Performance Based Contract Administration Portfolio. Minnesota Housing monitors noted findings and deficiencies for appropriate corrective action, in which sites are directed to review the AFHMP and submit to HUD for approval, if changes were needed. Sites unable to provide a current AFHMP are required to provide a copy of either an existing AFHMP or a New Plan when one doesn't exist. This is required to resolve a finding.	
***Action 1.3**:* Explore a model to identify non Section 8 multifamily developments with AFHMPs that may be out of date and require review and modification.	***Measurable Objective 1.3:*** Develop and implement a model.
Results: Non-Section 8 multifamily developments with an amortizing mortgage from Minnesota Housing were provided tools and resources to review and modify out of date AFHMP's. Minnesota Housing's Asset Management Staff will monitor compliance with the required components of the AFHMP when modifications are made to the AFHMP, and verify that the plans are up to date. Minnesota Housing's Compliance Staff are further developing procedures to implement similar requirements for properties without an amortizing first mortgage.	

Action 1.4: Review marketing activities for compliance with the AFHMP and that the fair housing logo is used in advertising materials.	***Measurable Objective 1.4:*** Number of reviews of AFHMP's.

Results:
 	
Asset Management staff reviewed marketing activities for compliance on 234 developments with amortizing debt, or specific program deferred debt***.***
 	
Performance Based Contract Administration: monitored 406 properties for AFHMP compliance.
 	
• 5 properties were cited for deficiencies related to AFHMPs, of which:
  ○ 3 of the 5 properties had issues with use of the fair housing logo in either advertising or signage
  ○ All of the 5 properties with deficiencies have mitigated the findings and the findings have been closed. None required notification to HUD of non-response.	

Action 1.5: Distribute flyers and education materials at annual conferences, public venues, and other opportunities.	***Measurable Objective 1.5*****:** Number of materials distributed.

Results:

BROCHURES/Poster, etc.	When Ordered	How many	How many left
Are You a Victim of Housing Discrimination Brochure	October 2016 and April 2017	100 English	30 A new order has not been filled as supply is out of stock of any other languages other than English.
Fair Housing – Equal Opportunity for all Brochure	October 2016 and April 2017 September 2017	200 English 30 Russian 50 Somali (back ordered) Posters; 50 Hmong 50 English Brochures; 50 English	151 English 16 Spanish (from 2015 order) 55 Russian (30 from 2016 order and 27 from 2015 order) 63 Vietnamese (from 2015 order) 86 Hmong (from 2015 order) The brochures in the Somali language are on back order. DEED distributed posters and brochures. Posters and Brochures were printed in-house.
Equal Opportunity Poster (Blue)	In house printing as needed	None needed in 2016-2017	49
Residents Rights Responsibilities Brochure	In house printing as needed	50	21

The following number of brochures and posters were distributed and taken by attendees at conferences during this reporting period:

2017 Working Together Conference

- Fair Housing and Equal Opportunity for All (English): 50 distributed/5 taken
- Fair Housing and Equal Opportunity for All (Spanish): 10 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Vietnamese): 10 distributed/2 taken
- Fair Housing and Equal Opportunity for All (Hmong): 10 distributed/2 taken
- Are You a Victim of Housing Discrimination: 20 distributed/10 taken
- Equal Opportunity Poster: 17 distributed/13 taken
- Resident Rights and Responsibilities: 10 distributed/10 taken

2017 Spring NAHRO Conference:

- Fair Housing and Equal Opportunity for All (English): 20 distributed/20 taken

- Fair Housing and Equal Opportunity for All (Spanish): 10 distributed/4 taken
- Fair Housing and Equal Opportunity for All (Russian): 10 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Vietnamese): 10 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Hmong): 10 distributed/0 taken
- Are You a Victim of Housing Discrimination: 25 distributed/5 taken
- Equal Opportunity Poster: 25 distributed/4 taken
- Resident Rights and Responsibilities: 20 distributed/3 taken

2017 Fall NAHRO Conference:

- Fair Housing and Equal Opportunity for All (English): 25 distributed/18 taken
- Fair Housing and Equal Opportunity for All (Spanish): 15 distributed/2 taken
- Fair Housing and Equal Opportunity for All (Russian): 15 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Vietnamese): 15 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Hmong): 15 distributed/0 taken
- Are You a Victim of Housing Discrimination: 15 distributed/10 taken
- Equal Opportunity Poster: 15 distributed/1 taken
- Resident Rights and Responsibilities: 15 distributed/2 taken

The following number of brochures and posters were distributed to customers (which include tenants of assisted housing):

- Fair Housing and Equal Opportunity for All (English): 6
- Fair Housing and Equal Opportunity for All (Spanish): 2
- Fair Housing and Equal Opportunity for All (Russian): 2
- Fair Housing and Equal Opportunity for All (Vietnamese): 1
- Fair Housing and Equal Opportunity for All (Hmong): 1
- Are You a Victim of Housing Discrimination: 40
- Equal Opportunity Poster: 5
- Resident Rights and Responsibilities: 15

Action 1.6: Explore with the Minnesota Multi Housing Association possibilities for training multifamily property owners, managers, and service providers.	***Measurable Objective 1.6.1***: Document meetings with the Association. ***Measurable Objective 1.6.2:*** Publicize the availability of training to Minnesota Housing-associated rental property owners or managers.

Results:

Measurable Objective 1.6.1:. Minnesota Housing staff continues to meet with industry partners to explore the possibilities of training multifamily property owners, managers and service providers on fair housing. Meetings are conducted with Minnesota Multi Housing Association, as well as other partners, to brainstorm for and develop trainings on current issues to draw attendees in and educate them in fair housing.

Measurable Objective 1.6.2: Training sessions were available during the 2017 Working Together Conference, and were publicized by Minnesota Housing via an e-mail blast to owners, agents and service providers as well as having the information noted on our website. Minnesota Multi Housing Association sent multiple e-mail blasts as well as hard copy mailings. HUD and NAHRO provided a list of customers to Minnesota Multi Housing Association for further outreach of the

training availability.

2017 Working Together Conference included:

Two specific fair housing sessions:

1) Day to Day Fair Housing

2) Reasonable Accommodations

Three additional sessions were available to address questions related to Fair Housing:

1) Disparate Impact – Are your policies putting you at risk?

2) Ask the Attorney

3) Opening the door to a discussion on racism

Action 1.7: Support HousingLink's efforts to educate owners and tenants on fair housing.	***Measurable Objective 1.7:*** Provide funding to HousingLink.

Results:

Minnesota Housing executed one Operating Support and Technical Assistance contract with HousingLink, which enabled HousingLink to continue their work. This included outreach throughout the state for both property owners and tenants on Fair Housing. Grant funds assist HousingLink with basic operational costs associated with their current web traffic (including hList housing searches), and outreach activities and meetings with specific groups (e.g. supportive housing providers, representatives from the Department of Corrections, landlords etc.). HousingLink provides intentional educational awareness efforts through their website and list serve via bi-weekly 'Housing Connection', and their once monthly 'Landlord Link' or Housing Authority Wait List Alerts (email). Fair Housing articles, information, and other related links are included in each of these communication tools when available.

Action 1.8: Implement the Sustainable Communities grant to develop a best practices and fair housing resource for rental owners.	***Measurable Objective 1.8:*** Developers and owners will be encouraged to use the work product when it becomes available.

Results: Through the Sustainable Communities grant, there are a large number of resources available for renters, city/county government representatives, and information for landlords. Six agencies, including HUD and Minnesota housing, sponsored a new website of resources at http://fairhousingmn.org. The site became operational in the summer of 2015. Housing Link has been promoting and building awareness of the FAIR Housing MN.org web site including the AFHMP Tool box designed to specifically assist property owners.

Impediment 2: Discriminatory terms and conditions in rental markets

Action 2.1: Conduct outreach and education activities for housing providers.	***Measurable Objective 2.1***: Support the "Working Together" conference.
Results: Minnesota Housing staff participated in the planning and development of sessions for the 2017 Working Together Conference, which included sessions specific to Fair Housing training that addressed discrimination in rental markets. Additionally, Minnesota Housing further supported the 2017 Working Together Conference by providing volunteers to staff the registration desk and act as session coordinators. These sessions covered many fair housing topics which were very well attended, drawing in over 1000 attendees. 2017 Working Together Conference included: Two specific fair housing sessions: 1) Day to Day Fair Housing 2) Reasonable Accommodations Three additional sessions were available to address questions related to Fair Housing: 1) Disparate Impact – Are your policies putting you at risk? 2) Ask the Attorney 3) Opening the door to a discussion on racism	
Action 2:2: Support HousingLink's efforts to educate owners and renters on fair housing.	***Measurable Objective 2.2:*** Provide funding to HousingLink.
Results: Minnesota Housing has provided ongoing operational support to HousingLink in 2017. A significant piece of their on-going mission is outreach to landlords, prospective tenants, and service providers who work with tenants seeking housing. Outreach includes Fair Housing as an important item to cover, explaining what Fair Housing is, and directing owners and renters to their Fair Housing video, located on their website under the Housing HUB.	
Action 2.3: Review policies of Section 8, LIHTC, and HOME assisted housing for discriminatory terms and conditions in leases, house rules and tenant selection plans and occupancy policies.	***Measurable Objective 2.3:*** Results of the reviews.
Results: Minnesota Housing's Compliance Monitoring team completed 281 Housing Tax Credit, HOME and deferred loan program inspections. Any concerns regarding potentially discriminatory terms and conditions in leases, house rules, tenant selection plans and occupancy policies were communicated to the owner or management agent. Electronic communication is sent to owners when areas of concern are found during a monitoring visit. Minnesota Housing Housing Management Officers Staff also conducted a total of 134 Section 8 Traditional Contract	

Administration tenant file reviews.

- Of the inspections, there were no findings.

Minnesota Housing staff completed 410 Performance Based Contract Administration Management and Occupancy Reviews (MORs). Findings and deficiencies noted are monitored for an appropriate corrective action and are reported directly to HUD as appropriate.

- Of the properties reviewed, 3 MOR findings were issued citing potentially discriminatory terms/conditions in leases, house rules, tenant selection plans and/or occupancy policies.
- All of the 3 properties with deficiencies have mitigated the findings and the findings have been closed. None required notification to HUD of non-response.

Impediment 3: Failure to make reasonable accommodation or modification

Action 3.1: Conduct outreach and education activities for housing providers.	***Measurable Objective 3.1.1***: Support the "Working Together" conference. ***Measurable Objective 3.1.2:*** Ensure that rent-assisted housing have formal grievance procedures that provide resolution of complaints alleging discrimination based on disability.

Results:

Measurable Objective 3.1.1: Minnesota Housing staff participated in the planning and development of sessions for the 2017 Working Together Conference. The sessions planned included topics specific to fair housing and reasonable accommodation:
2017 Working Together Conference included:

Two specific fair housing sessions:

1) Day to Day Fair Housing

2) Reasonable Accommodations

Three additional sessions were available to address questions related to Fair Housing:

1) Disparate Impact – Are your policies putting you at risk?

2) Ask the Attorney

3) Opening the door to a discussion on racism

Measurable Objective 3.1.2:

Section 8 rental assistance programs require a grievance procedure for certain aspects of program participation. This requirement is reviewed annually as part of the Management and Occupancy review or annual inspection. Information regarding grievance procedures is collected at the on-site review and reported to HUD on HUD Form 9834 Addendum B and is forwarded to HUD. Information that indicates a deficiency is followed up on by HUD who

seeks the correction. • Staff performed 134 Section 8 Traditional Contract Administration inspections/management reviews. • Staff performed 410 Section 8 Performance Based Contract Administration Management and Occupancy Reviews.	
Action 3.2: Support HousingLink's efforts to educate owners and tenants on fair housing issues, including reasonable accommodation.	***Measurable Objective 3.2:*** Provide funding to HousingLink.
Results: Minnesota Housing has provided ongoing operational support to HousingLink. A significant piece of their ongoing mission is outreach to landlords, prospective tenants, and service providers who work with tenants seeking housing. Outreach includes Fair Housing as an important item to cover, explaining what Fair Housing is, and directing owners and renters to their Fair Housing video, located on their web site under the Housing HUB.	

Impediment 4: *Discriminatory refusal to rent*

Action 4.1: Conduct outreach and education activities for housing providers.	***Measurable Objective 4.1***: Support the "Working Together" conference.
Results: Five training sessions were available during the 2017 Working Together Conference and were publicized by Minnesota Housing via an e-mail blast to owners, agents and service providers as well as having the information prominently displayed and promoted on our website. In addition to our outreach, Minnesota Multi Housing Association sent multiple e-mail blasts as well as hard copy mailings. HUD and NAHRO provided a list of customers to the Minnesota Multi Housing Association to help further extend the outreach and sharing of training opportunities to rental housing owners and management agents. The five trainings are noted below, including a session on the impediment of 'refusal to rent' which was covered in the Disparate Impact session. 2017 Working Together Conference included: Two specific fair housing sessions: 1) Day to Day Fair Housing 2) Reasonable Accommodations Three additional sessions were available to address questions related to Fair Housing: 1) Disparate Impact – Are your policies putting you at risk? 2) Ask the Attorney 3) Opening the door to a discussion on racism	

Action 4.2: Periodically review occupancy of Tax Credit developments and evaluate whether households of color and disabled persons are under-represented.	***Measurable Objective 4.2***: Production of periodic report.
Results: The most current report is available at: Rental Housing with Tax Credits	
Action 4.3: Discuss with the Minnesota Department of Human Rights how state agencies can support testing and enforcement.	***Measurable Objective 4.3.1***: Determine appropriate support roles of DEED, Minnesota Housing, and DHS. ***Measurable Objective 4.3.2***: Execute support roles.
Results: For Measureable Objectives 4.3.1 and 4.3.2, due to resource limitations, the Department of Human Rights limits fair housing testing to specific complaints. Complaints are investigated in accordance with agency protocols.	

Impediment 5: Failure to comply with federal and state accessibility standards

Action 5.1: Conduct outreach and education activities for housing providers.	***Measurable Objective 5.1***: Number of outreach and education activities conducted.
Results: The state conducted outreach and education via the 2017 Working Together Conference. Minnesota Housing staff participated in the planning and development of sessions for the 2017 Working Together Conference. There were five sessions planned which included fair housing topics, and two of those were directly related to federal and state accessibility standards: 2017 Working Together Conference included: Two specific fair housing sessions: 1) Day to Day Fair Housing 2) Reasonable Accommodations Three additional sessions were available to address questions related to Fair Housing: 1) Disparate Impact – Are your policies putting you at risk? 2) Ask the Attorney 3) Opening the door to a discussion on racism	

Action 5.2: Ensure that multifamily developments newly-financed by Minnesota Housing comply with applicable building codes and accessibility and visitability standards.	***Measurable Objective 5.2***: Number of financed developments that are found to be compliant.
Results: In FFY 2017, 40 developments closed on their Multifamily loans.	
Action 5.3: Consult with representatives of the disability community to understand the type of housing discrimination the disabled population experiences and to consider whether there are strategies for how Minnesota Housing's programs can be marketed to owners and developers who are identified as having failed to comply with accessibility standards.	***Measurable Objective 5.3:*** Conduct at least one meeting with disability community representatives and consider implementing viable strategies.
Results: In developing a new Analysis of Impediments to Fair Housing, Minnesota Housing conducted a resident focus group with individuals from the disability community in Bemidji, Minnesota and surrounding areas to discuss housing discrimination. Minnesota Housing also kicked off the Landlord Risk Mitigation Fund pilot program which serves individuals, families and youth who have high housing barriers, such as criminal history and prior evictions that often interconnect with experiences of homelessness and mental illness. $250,000 of state appropriated funds, are used by grantees to reimburse landlords for costs associated with an enrolled tenant. Minnesota Housing is also an active participant in the development and implementation of Minnesota's Olmstead Plan. The Olmstead Subcabinet, which oversees the implementation of the Olmstead Plan, is presently chaired by Minnesota Housing's Commissioner. The Olmstead Plan was developed, and amended in February of 2017, with significant feedback from individuals with disabilities and others about how to ensure people with disabilities experience lives of inclusion and integration into the community. An important component of the Olmstead Plan, and work conducted by Minnesota Housing as a result, is increasing meaningful housing choice for individuals with disabilities in Minnesota. Through the Olmstead Plan implementation process, the Subcabinet and Minnesota Housing staff regularly receive public comment and input from individuals with disabilities and the disability community. The Olmstead Subcabinet provides opportunity for public comment at each of its monthly meetings.	

Impediment 6: *Steering in the home purchase and rental markets*

Action 6.1: Support the Emerging Markets Homeownership Initiative (EMHI). *(The EMHI no longer exists as an organization. Minnesota Housing now partners with the Minnesota Homeownership Center to lead the Homeownership Opportunity Alliance.)*	***Measurable Objective 6.1(a)***: Number of advisory council meetings attended. ***Measurable Objective 6.1(b):*** Funding support for the Minnesota Home Ownership Center. ***Measurable Objective 6.1(c):*** Number of realtors and lenders of color who have been trained on Minnesota Housing homebuyer programs.

Results:

Measurable Objective 6.1(a):

Home Ownership Opportunity Alliance (HOA) general meetings – 5

Home Ownership Opportunity Alliance (HOA) leadership meetings – 5

Total – 10 meetings

Measurable Objective 6.1(b):

105,702.26 – technical assistance/operating support

40,226.25 – NFMC

145,928.51 - Total

Measurable Objective 6.1(c): Minnesota Housing trained 1,605 lenders and 723 real estate agents but does not track the race/ethnicity of those trained.

Action 6.2: Market mortgages and downpayment assistance to households of color.	***Measurable Objective 6.2:*** Number of loans to households of color that are made or purchased by Minnesota Housing.
Results: Of the homeownership loans Minnesota Housing Financed in FFY 2017, 1,175 loans or 33.2% were to households of color or Hispanic origin- on increase from 31.5% in FFY2016.	
Action 6.3: Educate homebuyers on the responsibilities and roles of realtors, lenders, and other actors who will be involved in their home buying experience so that they may recognize steering should it occur.	***Measurable Objective 6.3:*** Number of persons attending Home Ownership Center homebuyer training.

Results:

- Homebuyer Education: 3,644 persons attending
- Framework (on-line education; MN only): 8,956 persons attending
- Homebuyer Counseling: 2,370 persons attending

Action 6.4: Provide housing subsidy for persons with serious mental illness (pertains exclusively to rental housing subsidy).	***Measurable Objective 6.4:*** Number of households receiving assistance.

Results: 799 households with serious mental illness received rental assistance through funds provided by Bridges, Bridges ELHIF, and Bridges RTC programs between 10/1/16 and 9/30/17.	
Action 6.5: Provide permanent supportive housing for persons and families with mental illness, substance abuse disorders, or HIV/AIDS who are homeless or at risk of homelessness.	***Measurable Objective 6.5:*** Number of households provided permanent supportive housing.
Results: 3,470 households lived in permanent supportive housing between 7/1/16 and 6/30/17. Of the adults in those households, 1.95% were living with HIV/AIDS, 56.60% were living with mental illness, and 34.29% had a substance abuse disorder. Data available as of 9/30/2017 is reported.	

Impediment 7: Denial of home purchase loans (SF Specific)

Action 7.1: Enhance homebuyer understanding of real estate transactions, provide information on resources available to them if they are denied credit or feel they are discriminated against in the mortgage market, and establishing and keeping good credit through education and training.	***Measurable Objective 7.1***: Number of persons attending Home Ownership Center homebuyer training.
Results: - Homebuyer Education: 3,644 persons attending - Framework (on-line education; MN only): 8,956 persons attending - Homebuyer Counseling: 2,370 persons attending	
Action 7.2: Reach out to lenders, realtors, and emerging market communities through industry and emerging market community events to make them aware of Minnesota Housing's first time homebuyer programs.	***Measurable Objective 7.2.(a):*** Number of events attended or sponsored ***Measurable Objective 7.2.(b)*** Percent of loans made to emerging market borrowers
Results: ***Measurable Objective 7.2.(a):*** Minnesota Housing participated in 28 emerging market community events and completed outreach to 76 lenders and 15 real estate agents. ***Measurable Objective 7.2.(b):*** Of the homeownership loans Minnesota Housing financed in FFY 2017, 1,175 loans or 33.2% were to households of color.	

Impediment 8*: *Predatory-style lending activities (SF Specific)

***Action 8.1*:** Enhance homebuyer understanding of real estate transactions so that they may recognize predatory lending and provide resources for them to discuss possible predatory loan products.	***Measurable Objective 8.1*:** Number of attendees of homeownership training
Results: - Homebuyer Education: 3,644 persons attending - Framework (on-line education; MN only): 8,956 persons attending - Homebuyer Counseling: 2,370 persons attending - Homeownership Capacity: 610 households assisted - Build Wealth: 225 households assisted	
Action 8.2: Limit subordinations of HOME HELP down payment assistance loans to mortgages at prevailing rates and fees for the borrower's risk category.	***Measurable Objective 8.2:*** The number of requests for subordination to predatory loans that are rejected.
Results: Of the 73 subordination request denied, 3 were denied because of predatory terms.	

Public Sector Impediments, Actions, and Measurable Objectives

Impediment 1*: *Insufficient fair housing outreach and education efforts

***Action 1.1*:** Work with Minnesota NAHRO and the Minnesota Multi Housing Association to provide education to public sector housing providers through at their annual conferences.	***Measurable Objective 1.1*:** Number of outreach and education activities conducted.
Results: Minnesota Housing participated in the 2017 Minnesota MultiHousing Working Together Conference and NAHRO's Spring and Fall 2017 Conferences. DEED worked with Minnesota NAHRO to facilitate fair housing outreach to public sector housing providers at their annual fall conference each year. DEED currently manages 96 open grants in which each grantee must conduct one fair housing activity per year.	
***Action 1.2*:** Distribute fair housing flyers and education materials at annual conferences, public venues, and other opportunities.	***Measurable Objective 1.2*:** Number of materials distributed.
Results: The following number of brochures and posters were distributed and taken by attendees at conferences: 2017 Working Together Conference • Fair Housing and Equal Opportunity for All (English): 50 distributed/5 taken • Fair Housing and Equal Opportunity for All (Spanish): 10 distributed/0 taken • Fair Housing and Equal Opportunity for All (Vietnamese): 10 distributed/2 taken • Fair Housing and Equal Opportunity for All (Hmong): 10 distributed/2 taken • Are You a Victim of Housing Discrimination: 20 distributed/10 taken • Equal Opportunity Poster: 17 distributed/13 taken • Resident Rights and Responsibilities: 10 distributed/10 taken	

2017 Spring NAHRO Conference:

- Fair Housing and Equal Opportunity for All (English): 20 distributed/20 taken
- Fair Housing and Equal Opportunity for All (Spanish): 10 distributed/4 taken
- Fair Housing and Equal Opportunity for All (Russian): 10 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Vietnamese): 10 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Hmong): 10 distributed/0 taken
- Are You a Victim of Housing Discrimination: 25 distributed/5 taken
- Equal Opportunity Poster: 25 distributed/4 taken
- Resident Rights and Responsibilities: 20 distributed/3 taken

2017 Fall NAHRO Conference:

- Fair Housing and Equal Opportunity for All (English): 25 distributed/18 taken
- Fair Housing and Equal Opportunity for All (Spanish): 15 distributed/2 taken
- Fair Housing and Equal Opportunity for All (Russian): 15 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Vietnamese): 15 distributed/0 taken
- Fair Housing and Equal Opportunity for All (Hmong): 15 distributed/0 taken
- Are You a Victim of Housing Discrimination: 15 distributed/10 taken
- Equal Opportunity Poster: 15 distributed/1 taken
- Resident Rights and Responsibilities: 15 distributed/2 taken

The following number of brochures and posters were distributed to customers (which include tenants of assisted housing):

- Fair Housing and Equal Opportunity for All (English): 6
- Fair Housing and Equal Opportunity for All (Spanish): 2
- Fair Housing and Equal Opportunity for All (Russian): 2
- Fair Housing and Equal Opportunity for All (Vietnamese): 1
- Fair Housing and Equal Opportunity for All (Hmong): 1
- Are You a Victim of Housing Discrimination: 40
- Equal Opportunity Poster: 5
- Resident Rights and Responsibilities: 15

Impediment 2: Lack of sufficient fair housing testing and enforcement activities

Action 2.1: Determine with the Minnesota Department of Human Rights the process of testing and enforcement and how it can be supported by the state.	***Measurable Objective 2.1.1***: Determine appropriate support roles of the Department of Employment and Economic Development, Minnesota Housing, and the Department of Human Services. ***Measurable Objective 2.2.1***: Execute support roles.

Results:
2.1.1 and 2.2.1 Due to resource limitations, DHR is not conducting testing. Complaints are investigated in accordance with agency protocols.

Impediment 3: *NIMBYism (Not in My Backyard) tendencies and planning and zoning decisions affect housing availability*

Action 3.1: Incent decisions by communities that decrease segregation and increase economic integration of populations.	***Measurable Objective 3.1:*** Number of Minnesota Housing developments that are awarded selection points for zoning flexibility and economic integration.
Results: 200 units were selected in economically integrated areas of opportunity. Selection points are no longer provided for zoning flexibility, as economic integration provides a much more direct incentive to decrease segregation and increase economic integration of populations.	
Action 3.2: Provide internet links and other pre-existing materials to city staff and developers to inform citizens about affordable housing to reduce NIMBYism.	***Measurable Objective 3.2:*** Number of internet links on Minnesota Housing's webpage, and other materials identified to be made available to city staff and developers.
Results: Fair Housing • 2012 Analysis of Impediment to Fair Housing Report' – Sections V – IX would be of benefit to a wide range of housing partners – including city staff and developers on understanding the elements of NIMBYISM • Minnesota Housing's revamped Fair Housing web page includes approximately 20 resources containing basic housing information, how to report Fair Housing complaints, and a link fairhousingmn.org. Policy & Research /Research & Reports (7 Links) • Temporarily Double Low Income Housing Tax Credit Allocations for Preservation • Continuing Rental Assistance for USDA Rural Development Properties with Maturing Mortgages • Authority to Reallocate Chronically Unused Project-Based Rent Subsidies • Affordable Housing and Supportive Services for Older Adults in Rural Communities Demonstration • Need for Workforce Rental Housing in Minnesota Housing • Housing Location Preferences of Minnesotans • The Impact of Affordable Housing on Communities and Individual (Discussion Paper) Community Profiles for Planning (1 Link) Tool available to City planning staff relevant to working with development partners.	

CR-40 - Monitoring 91.220 and 91.230

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

Small Cities Development Program (SCDP): DEED monitors each grantee through two monitoring methods conducted by SCDP staff; desk and on-site. Desk monitoring is conducted on an ongoing basis from the start of the grant until closeout. The SCDP staff representative reviews startup documents; policies and procedures, environmental documents, ongoing activities, disbursement request, labor standards, annual reports/performance measurements, audits, final reporting, and closeouts reporting. On-Site monitoring is conducted by SCDP staff at least once during the term of the funding agreement. The State can decide to conduct a desk versus an on-site monitoring based on cost and time evaluation. Follow-up monitoring may occur if there are significant findings of noncompliance with program requirements or if other administrative difficulties become apparent from reviews. Monitoring of economic development projects uses the same process as those established through the state of Minnesota's CDBG competitive program.

DEED has developed a checklist to assist in the monitoring areas such as grant management; fair housing and equal opportunity employment; Davis Bacon Labor Standards; inspections and bidding; and contractor payments. Staff ascertain if the activities stated within the approved application are eligible activities and address federal objectives, and if adequate progress has been made by the grantee within the time stated in the funding agreement.

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

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

HOME: Minnesota Housing monitors HOME Rental Rehabilitation and Affordable Rental Preservation properties for compliance, requiring owners to submit tenant income and rent information for review annually. Multifamily staff physically inspect each property at least as frequently as required by 24 CFR

§92.504(d) for compliance with property standards and to verify the accuracy of information owners submitted.

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

HOPWA Monitoring : Minnesota Housing monitors the HOPWA program. Inspection of properties assisted under Housing Opportunities for Persons with AIDS (HOPWA) includes a physical inspection of the property, tenant file review to conform eligibility, and HOPWA Development Review using the checklist that covers whether there are service plans in place; whether HOPWA residents receive the services offered to them; if any adverse actions have been taken against residents since the last HOPWA review; if residents were terminated from the program, review evidence of due process that was provided the tenants; and compliance with audit and record retention requirements.

Requirements include: 1) owners annual submission of a Deferred Loan Owner Certification and report of unit events, including income and rent certifications, in the Property Online Reporting Tool; and 2) property inspections per Minnesota Housing Board-approved inspection cycle unless they have compliance issues that require more frequent inspections. The inspection cycle is every two years for properties with $500,000 or more of deferred loan financing; every five years for deferred loan amounts greater than $100,000 and less than $500,000; and every 10 years for deferred loans of $100,000 or less, unless the property also received Low-Income Housing Tax Credits, in which case the property is inspected according to the tax credit schedule. Monitoring of emergency rent and mortgage assistance includes: monthly review of administrative budget, production, and utilization of funding; evidence that the grantee is collecting appropriate demographic data; and biennial site visits to the grantee to review the following:

- Policies and procedures
- Compliance with audit and data practices requirements
- Documentation of compliance with time limits for assistance
- Documentation of all aspects of tenant eligibility
- Documentation that each participant was provided an opportunity to receive case management services
- Source documentation of rental, mortgage, or utility expense

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

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

The state notified the public of the availability of the draft the State Register and through state social media outlets and eNews. The draft CAPER for 2017 was available for public comment for 15 days beginning November 14, 2017, and extending through the close of the business day on November 28, 2017. Minnesota Housing and DEED posted copies of the CAPER on their websites and hard copies were available from Minnesota Housing, DEED, and DHS upon request.

Public input into the draft CAPER is considered in preparing the final report to HUD and the state responds in writing to each commenter. One organization submitted public comments on the CAPER draft in FFY 2017.

CR-45 - CDBG 91.520(c)

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

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

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?	No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 91.520(d)

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

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

Minnesota Housing has used past HOME allocations to fund downpayment assistance to first-time homebuyers, rehabilitation loans to homeowners, and rehabilitation loans to owners of rental property. Currently, based on the critical need to preserve existing affordable rental housing, all HOME funds have been allocated to the HOME Program.

The following table lists results of on-site inspections of properties funded under the HOME Rental Rehabilitation Program and HOME Affordable Rental Preservation programs. Among the 1,299 HOME units, fewer than 28 were found to be in violation of program standards; all violations have been or are in the process of being corrected. Two properties have had very recent inspections and as of the date this report was compiled, results were not yet available. Two properties are scheduled for inspection in November and December 2017 in coordination with inspections required for other agency programs.

Property Number	Property Name	City	Total HOME Units	IDIS #	Compliance End Date	No Longer Monitored Date	No Longer Monitored Reason	Date of Physical Inspection	Date of File Review	Compliance Status
D0012	Northbridge Apartments	Albert Lea	26	8936	2/6/2024			7/14/2017	7/17/2017	Habitability violation satisfactorily corrected
D0013	Albertville Meadows	Albertville	36	6933	1/3/2017	1/3/2017	Compliance obligations successfully fulfilled for full term			
D0137	Carter Place	Bemidji	10		4/17/2018			6/28/2017	8/21/2017	Habitability violations satisfactorily corrected
D0216	College Drive Townhouses	Brainerd	20	5656	9/28/2019			8/16/2017	8/21/2017	Habitability violation in process of correction
D0232	Unity Place	Brooklyn Center	98	8339	7/10/2024			5/18/2017	5/5/2017	No violations
D0246	Woodmere Apartments	Buffalo	54	7043	1/8/2023			10/12/2017	7/27/2017	No tenant file violations. Habitability violations in process of correction
D0271	Bridge Run Townhomes	Cannon Falls	18	7771	10/6/2016	10/6/2016	Compliance obligations successfully fulfilled for full term			
D0419	The Crossroads	Dodge Center	37	5596	4/27/2020			10/24/2017	7/27/2017	No violations
D0489	Yorkdale Townhomes	Edina	22	8933	11/13/2028			4/5/2017	4/5/2017	Habitability violations satisfactorily corrected
D0614	Harmony Manor	Harmony	17	7034	5/10/2017	5/10/2017	Compliance obligations successfully fulfilled for full term			
D0665	Jackson Family Housing	Jackson	12		8/8/2021					
D0703	Edgewood Townhomes	Litchfield	29	7115	7/26/2023			7/25/2017	7/27/2017	Habitability violations satisfactorily corrected
D0714	Stone Creek Townhomes	Luverne	19	5567	5/19/2020					
D0734	Gus Johnson Plaza	Mankato	26	9345	3/16/2026			7/13/2017	7/13/2017	Habitability and tenant file violations satisfactorily corrected
D0854	Seward Square	Minneapolis	19	9238	4/22/2025					
D1048	Westgate-New Prague	New Prague	36	5868	8/16/2020			7/11/2017	7/27/2017	Habitability violations satisfactorily corrected

Property Number	Property Name	City	Total HOME Units	IDIS #	Compliance End Date	No Longer Monitored Date	No Longer Monitored Reason	Date of Physical Inspection	Date of File Review	Compliance Status
D1130	Storybrook Apartments	Pipestone	40	8064	8/13/2018			6/14/2017	7/27/2017	Habitability violations satisfactorily corrected
D1130	Storybrook Apartments	Pipestone	12	8231	8/9/2023			6/14/2017	7/27/2017	Habitability violations satisfactorily corrected
D1350	Bandel Hills TH	Rochester	11		5/3/2026					
D1424	Spring Grove Manor	Spring Grove	28	7045	6/13/2017	6/13/2017	Compliance obligations successfully fulfilled for full term			
D1492	Woodland Village TH	Saint Cloud	8		9/30/2023			6/13/2017	7/20/2017	No violations
D1552	Lewis Park Apartments	Saint Paul	63	9239	5/9/2025			5/23/2017	6/14/2017	Habitability and tenant file violations satisfactorily corrected
D1886	Three Rivers Duplexes	Northfield	8		12/31/2026			7/19/2017	7/27/2017	Habitability violations satisfactorily corrected
D1893	Fisher Townhomes	Fisher	10		11/21/2030					
D2391	West Birch Townhomes	Princeton	8		10/12/2028					
D2393	Ridgeview Court Townhomes	Paynesville	8		11/1/2028					
D2476	804 2nd St N	Mankato	1	5873	8/1/2017		In process of closing out HOME affordability period			
D2521	Broadway Apartments -- (Crookston)	Crookston	12		10/14/2019					
D3370	Ebenezer Tower	Minneapolis	43	9344	6/30/2031			5/22/2017	5/22/2017	Habitability violations satisfactorily corrected
D3394	Village Green Manor	Moorhead	50	7021	5/23/2017	6/1/2017	Compliance obligations successfully fulfilled for full term			

Property Number	Property Name	City	Total HOME Units	IDIS #	Compliance End Date	No Longer Monitored Date	No Longer Monitored Reason	Date of Physical Inspection	Date of File Review	Compliance Status
D3414	Housing of Olivia - Westcourt	Olivia	49	5549	5/23/2017		In process of closing out HOME affordability period			
D3435	Country Village Apts	Redwood Falls	33	5565	8/21/2019			9/7/2017	9/7/2017	No violations
D3475	Maryland Park	Saint Paul	32	9381	6/26/2044			scheduled for 12/5/2017	scheduled for 12/5/2017	Physical inspection and tenant file review to be conducted in December in coordination with section 8 MOR.
D3524	Morningside Terrace / Bluff View Flats	Winona	26	9709	4/5/2027			2/22/2017	2/22/2017	No violations
D3787	New San Marco Apartments	Duluth	6	4944	6/4/2028			10/20/2017	10/13/2017	Results not yet available
D6401	River Valley Apartments	Wabasha	24	5881	5/24/2020					
D7154	McDermott Ave	Kandiyohi	16	7003	3/12/2017	5/1/2017	Compliance obligations successfully fulfilled for full term			

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

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

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

According to HUD's ***HOME Summary of Accomplishments,*** in HOME projects completed in FFY 2017, 49% of householders were of a race other than white and 5% were of Hispanic ethnicity. According the Census Bureau's ***American Community Survey, 2016,*** an estimated 19% of Minnesota's low and moderate income households are of a race other than white and 5% are of Hispanic ethnicity.

Note that HOME funds historically have been available primarily in non-entitlement areas, which may have limited previous opportunity for HOME-funded projects to serve a higher percentage of people of color or Hispanic ethnicity. Over three-quarters of HOME projects for which rehabilitation was completed in 2017 are located in the Twin Cities metropolitan area, where the proportion of non-white or Hispanic households is higher than in the state as a whole.

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

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

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

Minnesota Housing requests funding proposals from housing sponsors under a consolidated application process. The agency combines tax credits with amortizing mortgages and deferred loans using state

appropriations, agency resources, and contributions from funding partners to make tax credit developments more affordable to lower income households.

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

Minnesota Housing awarded a total of more than $8.6 million in housing tax credits in 2017 for an estimated 588 affordable rental units; suballocators allocated an additional $4.04 million in tax credits for 306 units.

CR-55 - HOPWA 91.520(e)

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

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

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	220	178
Tenant-based rental assistance	0	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	220	178

Table 14 – HOPWA Number of Households Served

Narrative

The state provided housing assistance to 178 households through the use of HOPWA funds for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family. The five-year plan projected 220 households be served with HOPWA funds in 2017. The five year goal for HOPWA households served of 1,100 is based upon HUD projections for Minnesota through formula modernization, which will be phased in over a five year period.

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

Minnesota Housing received $175,184 in HOPWA funds in FFY 2017 and committed this HOPWA funding to the Minnesota AIDS Project (MAP) as in previous years. MAP is an agency that has established statewide networks to deliver assistance in areas of need throughout Greater Minnesota. MAP's Greater

Minnesota emergency housing assistance program has worked closely with HIV service providers in Greater Minnesota, including the Mayo Clinic's HIV Clinic and Social Services, the Rural AIDS Action Network, and MAP's own case management program in Duluth.

Using HOPWA assistance, MAP provides short-term rent, mortgage, and utility assistance to prevent the homelessness of eligible individuals or families.

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

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

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

ESG Contact Name

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

ESG Contact Address

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

ESG Secondary Contact

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

2. Reporting Period—All Recipients Complete

Program Year Start Date	10/01/2016
Program Year End Date	09/30/2017

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

Subrecipient or Contractor Name: BI-COUNTY COMMUNITY ACTION PROGRAM, INC
City: BEMIDJI
State: MN
Zip Code: 56601, 2463
DUNS Number:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 20000

Subrecipient or Contractor Name: PRAIRIE FIVE COMMUNITY ACTION COUNCIL, INC
City: MONTEVIDEO
State: MN
Zip Code: 56265,
DUNS Number:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 16138

Subrecipient or Contractor Name: THREE RIVERS COMMUNITY ACTION COUNCIL
City: Zumbrota
State: MN
Zip Code: 55992, 0157
DUNS Number:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 70000

Subrecipient or Contractor Name: United Community Action Program
City: Willmar
State: MN
Zip Code: 56201, 3304
DUNS Number: 037473485
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 173036

Subrecipient or Contractor Name: KOOTASCA COMMUNITY ACTION, INC.
City: Grand Rapids
State: MN
Zip Code: 55744, 3982
DUNS Number:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 25000

Subrecipient or Contractor Name: INTER-COUNTY COMMUNITY COUNCIL
City: Oklee
State: MN
Zip Code: 56742, 0189
DUNS Number:
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 37500

Subrecipient or Contractor Name: Lutheran Social Services of MN
City: St. Paul
State: MN
Zip Code: 55108,
DUNS Number: 079728721
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 20000

Subrecipient or Contractor Name: SIMPSON HOUSING SERVICES
City: Minneapolis
State: MN
Zip Code: 55404, 2347
DUNS Number: 783848922
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 50000

Subrecipient or Contractor Name: LAKES AND PRAIRIES COMMUNITY ACTION PARTNERSHIPS
City: Moorhead
State: MN
Zip Code: 56560, 2083
DUNS Number: 039375647
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 90000

Subrecipient or Contractor Name: RED LAKE HOMELESS SHELTER, INC
City: Redlake
State: MN
Zip Code: 56671, 0280
DUNS Number: 623149254
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 50000

Subrecipient or Contractor Name: SALVATION ARMY ROCHESTER
City: Rochester
State: MN
Zip Code: 55906, 3706
DUNS Number: 125485958
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 60250

Subrecipient or Contractor Name: ST. STEPHEN'S HUMAN SERVICES
City: Minneapolis
State: MN
Zip Code: 55404, 3315
DUNS Number: 607313850
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 50000

Subrecipient or Contractor Name: Interfaith Action of Greater Saint Paul
City: Saint Paul
State: MN
Zip Code: 55105, 1815
DUNS Number: 138618165
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 65000

Subrecipient or Contractor Name: Avenues for Homeless Youth
City: Minneapolis
State: MN
Zip Code: 55411, 3944
DUNS Number: 196777184
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 39250

Subrecipient or Contractor Name: Community Action Center of Northfield, Inc.
City: Northfield
State: MN
Zip Code: 55057, 2760
DUNS Number: 164131369
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 40000

Subrecipient or Contractor Name: Catholic Charities - St. Paul/Mpls Higher Ground/Dorothy Day
City: Minneapolis
State: MN
Zip Code: 55403, 2513
DUNS Number: 108504168
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 50000

Subrecipient or Contractor Name: Lakes and Pines Community Action Council, Inc.
City: Mora
State: MN
Zip Code: 55051, 1227
DUNS Number: 074217639
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 67525

Subrecipient or Contractor Name: Mahube-Otwa Community Action Partnership
City: Detroit Lakes
State: MN
Zip Code: 56501, 2722
DUNS Number: 037473071
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 135000

Subrecipient or Contractor Name: New Pathways
City: Cambridge
State: MN
Zip Code: 55008, 1519
DUNS Number: 044054570
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 41750

Subrecipient or Contractor Name: Our Saviour's Outreach Ministries
City: Minneapolis
State: MN
Zip Code: 55404, 3842
DUNS Number: 601158137
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 45000

Subrecipient or Contractor Name: Ours to Serve House of Hospitality, Inc.
City: Bemidji
State: MN
Zip Code: 56601, 2918
DUNS Number: 962478096
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 90000

Subrecipient or Contractor Name: Partners for Affordable Housing
City: Mankato
State: MN
Zip Code: 56001, 4430
DUNS Number: 015129260
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 125000

Subrecipient or Contractor Name: Salvation Army - St. Cloud
City: Saint Cloud
State: MN
Zip Code: 56304, 1247
DUNS Number: 002805922
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 112500

Subrecipient or Contractor Name: Semcac
City: Rushford
State: MN
Zip Code: 55971, 8812
DUNS Number: 066860073
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 26000

Subrecipient or Contractor Name: Ruth's House of Hope
City: Faribault
State: MN
Zip Code: 55021, 6027
DUNS Number: 149047396
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 25000

Subrecipient or Contractor Name: Dorothy Day House of Hospitality
City: Moorhead
State: MN
Zip Code: 56560, 3531
DUNS Number: 164181034
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 50000

Subrecipient or Contractor Name: Grace House of Itasca County
City: Grand Rapids
State: MN
Zip Code: 55744, 3835
DUNS Number: 799149344
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 79500

Subrecipient or Contractor Name: Solid Ground
City: White Bear Lake
State: MN
Zip Code: 55110, 5689
DUNS Number: 797160843
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 60000

Subrecipient or Contractor Name: Arowhead Economic Opportunity Agency
City: Virginia
State: MN
Zip Code: 55792, 2776
DUNS Number: 082523713
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 96109

Subrecipient or Contractor Name: Scott Carver Dakota CAP Agency, Inc.
City: Shakopee
State: MN
Zip Code: 55379, 1840
DUNS Number: 085104610
Is subrecipient a victim services provider: N
Subrecipient Organization Type: Other Non-Profit Organization
ESG Subgrant or Contract Award Amount: 116750

CR-65 - Persons Assisted

4. Persons Served

4a. Complete for Homelessness Prevention Activities

Number of Persons in Households	Total
Adults	52
Children	39
Don't Know/Refused/Other	0
Missing Information	0
Total	**91**

Table 15 – Household Information for Homeless Prevention Activities

4b. Complete for Rapid Re-Housing Activities

Number of Persons in Households	Total
Adults	200
Children	181
Don't Know/Refused/Other	0
Missing Information	0
Total	**381**

Table 16 – Household Information for Rapid Re-Housing Activities

4c. Complete for Shelter

Number of Persons in Households	Total
Adults	5,529
Children	865
Don't Know/Refused/Other	21
Missing Information	
Total	**6,415**

Table 17 – Shelter Information

4d. Street Outreach

Number of Persons in Households	Total
Adults	0
Children	0
Don't Know/Refused/Other	0
Missing Information	0
Total	**0**

Table 18 – Household Information for Street Outreach

4e. Totals for all Persons Served with ESG

Number of Persons in Households	Total
Adults	5,806
Children	1085
Don't Know/Refused/Other	21
Missing Information	0
Total	**6,912**

Table 19 – Household Information for Persons Served with ESG

5. Gender—Complete for All Activities

	Total
Male	4,361
Female	2,497
Transgender	19
Don't Know/Refused/Other	21
Missing Information	14
Total	**6,912**

Table 20 – Gender Information

6. Age—Complete for All Activities

	Total
Under 18	1,085
18-24	716
25 and over	5,090
Don't Know/Refused/Other	1
Missing Information	20
Total	**6,912**

Table 21 – Age Information

7. Special Populations Served—Complete for All Activities

Number of Persons in Households

Subpopulation	Total	Total Persons Served – Prevention	Total Persons Served – RRH	Total Persons Served in Emergency Shelters
Veterans	385	1	6	378
Victims of Domestic Violence	1,367	13	77	1,277
Elderly	382	1	5	376
HIV/AIDS	24	0	0	24
Chronically Homeless	1,111	0	14	1,097
Persons with Disabilities:				
Severely Mentally Ill	1,568	16	49	1,503
Chronic Substance Abuse	491	3	16	472
Other Disability	1,361	13	38	1,310
Total (Unduplicated if possible)	0	0	0	0

Table 22 – Special Population Served

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

8. Shelter Utilization

Number of New Units - Rehabbed	0
Number of New Units - Conversion	0
Total Number of bed-nights available	506,985
Total Number of bed-nights provided	487,792
Capacity Utilization	96.2%

Table 23 – Shelter Capacity

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

As stated in the State's 2017 Action Plan, the following performance standards will be used for evaluating each ESG-funded activity:

Emergency Shelter

GOAL: 9,400 individuals in households receiving safe, adequate emergency shelter. OUTCOME: 6,415

The goal of sheltering 9,400 individuals was not achieved. Year-to-year changes in the types and capacity of shelters funded with ESG continue to affect the number of persons reported in ESG-funded shelters. The largest contributor to the decrease in 2016 was the decision of a sub-recipient with two large night-by-night shelters to use ESG funding for just one of their two shelter projects, which reduced the number of persons reported under the CAPER by over 2,000 households. This change in reported households is not the result of any decreased need or capacity in the state's shelter system. DHS also funds shelters with state appropriations for emergency shelter, and some of the largest shelters funded at the time of the State's last Strategic Plan (when goals are set) are instead funded with state appropriations.

Prevention (Re-Housing)/Rapid Re-Housing

GOAL: 446 individuals in households are stably re-housed. OUTCOME: 472

The goal of rapidly rehousing 446 persons was achieved, with 472 persons being served with rental assistance and housing relocation and stabilization services.

GOAL: 358 households remain stably housed at program exit (or 76 percent, depending on the number of exits in 2017).

OUTCOME: Of the 304 households who exited during the program year, 249 (or 82 percent) remained stably housed at program exit. The goal was achieved.

In addition to the above performance standards developed in consultation with the CoCs, the State has implemented a process by which the outcomes of ESG-funded programs (documented in semi-annual and annual HMIS reports) are sent to each CoC Coordinator for their information and review.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year		
	2015	**2016**	**2017**
Expenditures for Rental Assistance	0	0	$81,984
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	27,846
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	170,934
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0
Subtotal Homelessness Prevention	**0**	**0**	**280,764**

Table 24 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year		
	2015	**2016**	**2017**
Expenditures for Rental Assistance	0	0	269,804
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	46,825
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	255,107
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0
Subtotal Rapid Re-Housing	**0**	**0**	**571,736**

Table 25 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year		
	2015	**2016**	**2017**
Essential Services	0	0	586,019
Operations	0	0	634,853
Renovation	0	0	0
Major Rehab	0	0	0
Conversion	0	0	0
Subtotal	**0**	**0**	**1,220,872**

Table 26 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year		
	2015	2016	2017
Street Outreach	0	0	0
HMIS	0	0	20,953
Administration	0	0	133,021

Table 27 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2015	2016	2017
	0	0	2,227,345

Table 28 - Total ESG Funds Expended

11f. Match Source

	2015	2016	2017
Other Non-ESG HUD Funds	0	0	382,767
Other Federal Funds	0	0	63,436
State Government	0	0	559,283
Local Government	0	0	161,007
Private Funds	0	0	1,051,589
Other	0	0	9,263
Fees	0	0	0
Program Income	0	0	0
Total Match Amount	**0**	**0**	**2,227,345**

Table 29 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2015	2016	2017
	0	0	4,454,690

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE HOUSING

"Do Justice, love mercy, walk humbly with your God." Micah

MICAH

November 28, 2017

Our faith commands us to love others as ourselves, to be a welcoming community for all and to ensure the people impacted by the housing crisis and/or homelessness are decision makers at every level to ensure their needs are met.

MICAH's Mission is: Every one, without exception, has a decent, safe, accessible and affordable home.

Thank you for the opportunity to comment on Minnesota's Consolidated Annual Performance and Evaluation Report (CAPER) for Federal Year 2017.

1. We appreciated the overview and more detailed data prepared by Western Economic Services LLC., contracted to develop the 2017-2021 draft. The inclusion of additional data and charts by various income levels and basic race categories was very helpful. More detailed information by the various groups that are in each racial group by neighborhoods and specific locations in communities are critical as we target the limited funding available. **Unfortunately this CAPER did not provide the same detailed information and seems to have several places where sentences and information is not clearly conveyed. For example the first line on page 3 Goals and Outcomes starts by saying "this could be an overview", is this or is it not MHFA CAPER?**

2. We request a listing of all resources and amounts from each program and agency that were utilized in the 2017 CAPER not just general numbers. Pages 13 and 14 needs to include this detail. In previous Plans, the State listed all the State resources and brief description of each resource and State agency administering it, that are coordination with the Federal resources in the plan. Please include this again. The statement of coordinating with community resources would be enhanced by this information. Unfortunately, our community resources also have many barriers to accessing them by people with limited income, diverse

populations, and people at risk or experiencing homelessness which is not clearly stated in the draft.

3. We are very concerned that the number of people served emergency shelters was not met because a provider used funds for only 1 of their 2 formerly funded shelters. **The goal was 11,152 only served 6,252**. We believe this may have significantly undercounted the number of people experiencing homelessness in the HUD homeless count(S Count) since only those in shelters, transitional housing and unsheltered are included. We believe that the S Count is an inaccurate count because it only counts those who were able to get into shelters and transitional programs and depending on the outreach if it is extensive as the youth the number was higher, if it was limited as it was with singles and families it is lower. HUD does NOT provide bonus points to communities where homeless population increases, so there is no incentive to do a good unsheltered count. The HUD definition of homeless is different from HHS, VA, Department of Education, thus several numbers are generated from multiple
4.
5.
6.
7.

sources that creates confusing messages to policy makers and the public. We are very concerned about undercount and misrepresentation of all people experiencing homeless by the Point in Time Count. The PIT at best gives numbers from HUD funded shelters and programs. Many agencies especially faith communities are not participating in HUD funding due to restrictions. To continue to utilize this poor data set continues to confuse the public and elected officials who can see the numbers of people at risk and/or experiencing homelessness are growing in their communities due to the lack of affordable housing and wages/public assistance benefits that are not at livable incomes.

4. MHFA must develop a work around to address the constraints of HUD's IDIS software, to provide actual activity for HOME units.

5. Page 6 We encourage MHFA to change language in paragraph 3 from **supportive to affordable housing**- since many of the programs listed do not provide supportive services.

6. Page 15. Why was no money spent for minority business development?

7. Please explain reason CDBG income is unknown for Year 1.

8. We are please the State is updating its AI and we request more than 15 days to comment and it not be released for comment in which a major Holiday occurs as this report was released prior to Thanksgiving. This limits the time for others to comment on plans.

9. We are very concerned on utilizing general population data from the American Community Survey 2016. We encourage using data for the income eligibility populations. Since a higher percentage of our diverse communities are at 80% or below median, they should be compared to Caucasian at that same income level. While we think the State is making some positive movement in recognizing and helping to address disparities, it is clear that significant disparities continue in almost all program areas. The data from specific communities funded by CDBG clearly shows limited use by our diverse populations.

10. We believe the goals in next year Action Plan need to address our concerns and comments. Page 17

11. We are pleased the State developed a new strategic homeless plan that focuses on the entire population experiencing homelessness, not just on long term homeless. We need to prevent people from becoming long term homes by having a fully functioning Continuum to Housing including Prevention, Outreach, Shelter, Transitional Housing, Supportive and Affordable Housing

12. We continue to be very concerned that HMIS costs are more than what the State appropriates for Shelter in a year as indicated on page 20. The State appropriates $125,000, MHFA out of its own resources provided $225,000 with other State Agencies also funding HMIS How much? (Current State appropriations for Day Shelters and Emergency Shelters annually is $500,000, page 21.) Is data more important than sheltering people? MICAH continues to be very concerned about the cost of funding HMIS and requests an audit of all costs of HMIS- by each State agency, staff time, resources in systems, and provider staff time and costs for systems. We are also concerned about data privacy of people experiencing homelessness, HMIS, coordinated entry and other homeless regulations which may be barriers for people accessing homeless services.

13. It is unclear why the **nearly 6500 homeless households** served Housing Trust Fund dollars that provide rental assistance are not counted in the homeless population count.

Since they are not counted as homeless, this program should be under the affordable housing rent subsidies not homeless section.

14. We are pleased the State are addressing mainstream access issues for people experiencing homelessness. (Page 22) The U.S. GAO reports on Homelessness and Mainstream Programs from 1999 and 2000 spelled out these barriers and potential solutions.

15. Page 23. Please identify number of youth served in each program year with State appropriations to DHS.

16. We strongly encouraged MHFA and the State to continue to expand funding to the Enhanced Homeownership Capacity Initiative to address our disparities in Homeownership.

17. Will the State fund troubled PHAs in 2018. No funding was provided in 2017 (page 24)

18. We are please the State is identifying limited resources as being a barrier in provision of affordable housing and greatest unmet need is for those extremely low income (ELI) (under 30% median) renters. We are pleased to see the HOME program targeting more housing and Housing Trust Fund using resources for ELI renters. How will 2018 plan provide more assistance, especially with our growing elderly population moving into the rental market and the conversion of NOAH units?

19. We are pleased to see the State engaging individuals impacted by the housing crisis (page 26) please provide how MHFA does it, detailed summaries of these meetings and their recommendations. What does MHFA do for non- Literate Households?

20. We appreciate DEED addressing Lead paint hazards, does MHFA also require this in all rehabilitation of units built before 1978? We did not see any resources allocated to address this important health issue. **Grantees must provide all housing occupants the required handouts; lead hazard information pamphlet**

and collect owner acknowledgement of receipt. P 31-32 ADD REQUIREMENT THAT MULTI-LANGUAGE MEETINGS BE HELD FOR POPULATIONS THAT ARE NOT LITERATE IN ENGLISH. We hope the State will support MICAH's Lead Poisoning Prevention Act- Dustin Luke Shields Act as the Bill was reintroduced in 2017 State Legislative Session (This bill was named after a former MICAH staff's child who was poisoned by lead.).

21. Please list the DHS OEO programs funded $35 million/year and amount/program, numbers served, by race/ethnicity and income. Page 27.

22. Please include Faith Communities in the network for affordable housing and community development. Page 27.

23. $2.6 million under Technical Assistance and Operating Support in 2017. Please identify the organizations and funding level. How many were diverse organizations?

24. Page 28. We strongly encourage people impacted by homelessness, faith community and other advocates provides input into the MN Interagency Council on Homelessness Plans on at least quarterly basis.

25. Pages 30- 46. **We have significant concerns about the State's Impediments to Fair Housing Choice and suggested Actions**. **Fair Housing is the Law and Actions need to be taken to enforce the law and require all funded entities to be in full compliance**. Many of the actions and measurable objectives are process not outcome goals. Such as distributing materials, publicize information how many took info, etc. **We are hopeful the draft AI that will be released later this year provides outcome goals that enforce the law.**

    p. 33 Fair Housing Training for Industry Partners – Develop trainings on current issues, needs to be expanded. How many trainings are carried out? How many fair housing complaints are filed? Are their efforts to understand the types of housing discrimination people of color experience?

    Page 42. How does the Home Ownership Center work with social service agencies to publicize the homebuyer training?

25. Page 51. We continue to encourage a small portion of HOME Funds to be used for Tenant Based Rent Subsidies.

26. Pages 52-54. 13 of the 17 Properties Reviewed (over 75%) had Habitability violations, while they were satisfactorily corrected this is very troubling statistic about funded developments.

27. HOME program serving diverse communities. We are pleased that 49% of householders were of race other than white and 5% were Hispanic ethnicity. Page 55.

28. We request the State track and report activities of program income. Page 55

29. We request that MHFA will focus tax credits on preserving NOAH units in 2018 action plan and monitoring of compliance with Affirmatively Furthering Fair Housing will include MHFA allocation and sub-allocation.

30. Pages 68- 74. Homeless numbers do not include race and ethnicity info. Please include in final report. We are also concerned other resources utilized with ESG but not identified. Please provide complete information on persons served with other resources too.

31. We appreciate the excellent work MHFA does do in coordinating resources with State and Federal appropriations and resources. We continue to request greater transparency in use of all our resources being managed by MHFA.

Thank you again for the opportunity to comment on the draft FY 2017 CAPER.

Sincerely,

Sue Watlov Phillips

Sue Watlov Phillips, M.A.
Executive Director, MICAH

METROPOLITAN INTERFAITH COUNCIL ON AFFORDABLE

"Do Justice, love mercy, walk humbly with your God."

MICAH

November 28, 2017

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State of Minnesota (Minnesota Housing, MN DEED, and MN DHS) comments appear in red below each question/comment.

1. We appreciated the overview and more detailed data prepared by Western Economic Services LLC., contracted to develop the 2017-2021 draft. The inclusion of additional data and charts by various income levels and basic race categories wass very helpful. More detailed information by the various groups that are in each racial group by neighborhoods and specific locations in communities are critical as we target the limited funding available. **Unfortunately this CAPER did not provide the same detailed information and seems to have several places where sentences and information is not clearly conveyed. For example the first line on page 3 Goals and Outcomes starts by saying "this could be an overview", is this or is it not MHFA CAPER?**

   The purpose of the CAPER is to report on funds utilized during FFY 2017 as guided by the Consolidated Plan. Planning documents like the Consolidated Plan include the detailed data and charts that represent the market. The example on page 3 of information not clearly conveyed is part of the CAPER template and can't be removed.

2. We request a listing of all resources and amounts from each program and agency that were utilized in the 2017 CAPER not just general numbers. Pages 13 and 14 needs to include this detail. In previous Plans, the State listed all the State resources and brief description of each resource and State agency administering it, that are coordination with the Federal resources in the plan. Please include this again. The statement of coordinating with community resources would be enhanced by this information. Unfortunately, our community resources also have many barriers to accessing them

by people with limited income, diverse populations, and people at risk or experiencing homelessness which is not clearly stated in the draft.

The purpose of the CAPER is to report on Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships (HOME), Housing Opportunities for Persons With Aids (HOPWA), and National Housing Trust Fund (NHTF) Programs. Other funding activities are not reported in the CAPER.

3. We are very concerned that the number of people served emergency shelters was not met because a provider used funds for only 1 of their 2 formerly funded shelters. **The goal was 11,152 only served 6,252**. We believe this may have significantly undercounted the number of people experiencing homelessness in the HUD homeless count(S Count) since only those in shelters, transitional housing and unsheltered are included. We believe that the S Count is an inaccurate count because it only counts those who were able to get into shelters and transitional programs and depending on the outreach if it is extensive as the youth the number was higher, if it was limited as it was with singles and families it is lower. HUD does NOT provide bonus points to communities where homeless population increases, so there is no incentive to do a good unsheltered count. The HUD definition of homeless is different from HHS, VA, Department of Education, thus several numbers are generated from multiple sources that creates confusing messages to policy makers and the public. We are very concerned about undercount and misrepresentation of all people experiencing homeless by the Point in Time Count. The PIT at best gives numbers from HUD funded shelters and programs. Many agencies especially faith communities are not participating in HUD funding due to restrictions. To continue to utilize this poor data set continues to confuse the public and elected officials who can see the numbers of people at risk and/or experiencing homelessness are growing in their communities due to the lack of affordable housing and wages/public assistance benefits that are not at livable incomes.

   This comment appears to confuse the CAPER "Number of Persons Served with ESG funds" and the HUD Annual Point in Time Count which Continuum of Cares are responsible for conducting. The State has no control over how HUD structures the CAPER requirements. As part of the CAPER, the State is required to report to HUD and the public the number of persons served in ESG-funded programs. If a sub-recipient has multiple shelter programs, but chooses only to use the ESG funds to support one shelter program, we are required to report those in the ESG-funded shelter. This results in a lower number of persons sheltered with ESG, but does not mean that there was a reduction in the number of homeless persons. DHS intends to clarify this in the CAPER narrative.

4. MHFA must develop a work around to address the constraints of HUD's IDIS software, to provide actual activity for HOME units.

Minnesota Housing has resolved the IDIS issue and has modified the narrative to reflect this. The tables are showing actual activity.

5. Page 6 We encourage MHFA to change language in paragraph 3 from **supportive to affordable housing**- since many of the programs listed do not provide supportive services.

   We have added clarifying language to read "In addition to providing affordable housing".

6. Page 15. Why was no money spent for minority business development?

   Developers and contractors are required to conduct sufficient marketing activities to encourage Minority and Women Owned Business Entities to bid on projects. There have been amounts shown for this item in prior years.

7. Please explain reason CDBG income is unknown for Year 1.

   CDBG Program Income reports are being collected and data will be included in the Final PER.

8. We are please the State is updating its AI and we request more than 15 days to comment and it not be released for comment in which a major Holiday occurs as this report was released prior to Thanksgiving. This limits the time for others to comment on plans.

   The AI will have a 30 day comment period outside of major holidays.

9. We are very concerned on utilizing general population data from the American Community Survey 2016. We encourage using data for the income eligibility populations. Since a higher percentage of our diverse communities are at 80% or below median, they should be compared to Caucasian at that same income level. While we think the State is making some positive movement in recognizing and helping to address disparities, it is clear that significant disparities continue in almost all program areas. The data from specific communities funded by CDBG clearly shows limited use by our diverse populations.

   We agree and will change the table accordingly.

   CDBG Funds can only be available to all applicants regardless of race who meet the federal objective of low and moderate income. Eligibility is based on total income of all members of the household not to exceed 80% of County Median Income adjusted to household size. These income figures are determined by HUD annually.

10. We believe the goals in next year Action Plan need to address our concerns and comments. Page 17

    The FY 2018 Action Plan is expected to be out for public comment in late January.

11. We are pleased the State developed a new strategic homeless plan that focuses on the entire population experiencing homelessness, not just on long term homeless. We need to prevent people from becoming long term homes by having a fully functioning Continuum to Housing including Prevention, Outreach, Shelter, Transitional Housing, Supportive and Affordable Housing

    The purpose of the CAPER is to report on CDBG, ESG, HOME, HOPWA, and National Housing Trust Fund Programs. Other funding activities are not reported in the CAPER.

12. We continue to be very concerned that HMIS costs are more than what the State appropriates for Shelter in a year as indicated on page 20. The State appropriates $125,000, MHFA out of its own resources provided $225,000 with other State Agencies also funding HMIS How much? (Current State appropriations for Day Shelters and Emergency Shelters annually is $500,000, page 21.) Is data more important than sheltering people? MICAH continues to be very concerned about the cost of funding HMIS and requests an audit of all costs of HMIS- by each State agency, staff time, resources in systems, and provider staff time and costs for systems. We are also concerned about data privacy of people experiencing homelessness, HMIS, coordinated entry and other homeless regulations which may be barriers for people accessing homeless services.

    The purpose of the CAPER is to report on CDBG, ESG, HOME, HOPWA, and National Housing Trust Fund Programs. HMIS activities are not reported in the CAPER.

13. It is unclear why the **nearly 6500 homeless households** served Housing Trust Fund dollars that provide rental assistance are not counted in the homeless population count. Since they are not counted as homeless, this program should be under the affordable housing rent subsidies not homeless section.

    We agree and have revised the section for clarity.

14. We are pleased the State are addressing mainstream access issues for people experiencing homelessness. (Page 22) The U.S. GAO reports on Homelessness and Mainstream Programs from 1999 and 2000 spelled out these barriers and potential solutions.

The State remains committed to implementing the Foundational Services Practices and increasing access to Mainstream Programs for persons experiencing homelessness.

15. Page 23. Please identify number of youth served in each program year with State appropriations to DHS.

State Fiscal Year	Appropriation	Number of Youth Served
2015	3,119,000	5,594
2016	4,119,000	14,961
2017*	4,152,000	12,332

* In 2017 DHS changed the guidelines for reporting on youth served by HYA in Outreach Programs, which contributed to a decrease reported youth served.

16. We strongly encouraged MHFA and the State to continue to expand funding to the Enhanced Homeownership Capacity Initiative to address our disparities in Homeownership.

The purpose of the CAPER is to report on CDBG, ESG, HOME, HOPWA, and National Housing Trust Fund Programs. Other funding activities are not reported in the CAPER.

17. Will the State fund troubled PHAs in 2018. No funding was provided in 2017 (page 24)

The State's 2018 Annual Action Plan is expected to be available for public comment in late January. The state does not have a specific plan to provide other financial assistance to troubled PHAs.

18. We are please the State is identifying limited resources as being a barrier in provision of affordable housing and greatest unmet need is for those extremely low income (ELI) (under 30% median) renters. We are pleased to see the HOME program targeting more housing and Housing Trust Fund using resources for ELI renters. How will 2018 plan provide more assistance, especially with our growing elderly population moving into the rental market and the conversion of NOAH units?

The State's 2018 Annual Action Plan is expected to be available for public comment in late January and will describe these activities.

19. We are pleased to see the State engaging individuals impacted by the housing crisis (page 26) please provide how MHFA does it, detailed summaries of these meetings and their recommendations. What does MHFA do for non- Literate Households?

In FY 2017, the reporting year of the CAPER, the state conducted significant citizen engagement focusing on fair housing issues in advance of the Analysis of

Impediments to Fair housing. Summaries of these meetings will be in the AI draft (expected to be available for public comment in late January).

20. We appreciate DEED addressing Lead paint hazards, does MHFA also require this in all rehabilitation of units built before 1978? We did not see any resources allocated to address this important health issue. **Grantees must provide all housing occupants the required handouts; lead hazard information pamphlet and collect owner acknowledgement of receipt.** P 31-32 ADD REQUIREMENT THAT MULTI-LANGUAGE MEETINGS BE HELD FOR POPULATIONS THAT ARE NOT LITERATE IN ENGLISH. We hope the State will support MICAH's Lead Poisoning Prevention Act- Dustin Luke Shields Act as the Bill was reintroduced in 2017 State Legislative Session (This bill was named after a former MICAH staff's child who was poisoned by lead.).

    Minnesota Housing requires all recipients to adhere to all state and federal requirements pertaining to lead based paint. While no specific resources are set aside for lead based paint activities, such activities are allowable expenses for HOME/NHTF to be used to meet those requirements.

21. Please list the DHS OEO programs funded $35 million/year and amount/program, numbers served, by race/ethnicity and income. Page 27.

    The Total Amount of DHS-OEO programs (not including housing programs) should say $26 million/year. This will be updated in final version. Below are the DHS-OEO programs and corresponding annual funding amounts. Due to space and time limitations in the HUD CAPER reporting, it is not possible to include all requested information.

Anti-Poverty Program	**Annual Funding**
Community Services Block Grant	8,136,525
MN Community Action	3,928,000
MN Community Action (one-time funds)	750,000
Family Assets for Independence in Minnesota (FAIM)	325,000
FAIM (one-time funds)	250,000
The Emergency Food Assistance Program (TEFAP)	850,000
Minnesota Food Shelf Program (MFSP)	1,318,000
MFSP	375,000
MFSP (one-time funds)	375,000
SNAP-Education	7,164,022
SNAP-Outreach	2,352,135
TOTAL	25,823,682

22. Please include Faith Communities in the network for affordable housing and community development. Page 27.

This section will be clarified to include faith based organizations.

23. $2.6 million under Technical Assistance and Operating Support in 2017. Please identify the organizations and funding level. How many were diverse organizations?

    The purpose of the CAPER is to report on CDBG, ESG, HOME, HOPWA, and National Housing Trust Fund Programs. Other funding sources are not reported on in the CAPER.

24. Page 28. We strongly encourage people impacted by homelessness, faith community and other advocates provides input into the MN Interagency Council on Homelessness Plans on at least quarterly basis.

    The Minnesota Interagency Council on Homeless is outside the scope of the state's reporting of federal funds.

25. Pages 30- 46. **We have significant concerns about the State's Impediments to Fair Housing Choice and suggested Actions**. **Fair Housing is the Law and Actions need to be taken to enforce the law and require all funded entities to be in full compliance**. Many of the actions and measurable objectives are process not outcome goals. Such as distributing materials, publicize information how many took info, etc. **We are hopeful the draft AI that will be released later this year provides outcome goals that enforce the law.**

    A draft AI is expected to be available for public comment in late January.
    p. 33 Fair Housing Training for Industry Partners – Develop trainings on current issues, needs to be expanded. How many trainings are carried out? How many fair housing complaints are filed? Are their efforts to understand the types of housing discrimination people of color experience?

    Trainings are conducted at the annual Working Together Conference. An additional training was conducted through the Minnesota Multi Housing Association conference.

    Between 2012 and 2016, approximately 500 complaints were filed by Minnesota Residents, either to the Minnesota Department of Human Rights or HUD.

    Community engagement conducted during 2017, as part of the forthcoming AI, was directed towards understanding the types of housing discrimination faced by households of color or Hispanic ethnicity, or persons with disabilities.

    Page 42. How does the Home Ownership Center work with social service agencies to publicize the homebuyer training?

The Homeownership Center publicizes the housing counseling agencies' homebuyer education courses on the Homeownership Center's website. Bi-annually, the Homeownership Center collects the agencies' education course calendar. Once the consumer searches the homebuyer education courses by city/ zip code, agencies within the radius of the consumer's city/zip will appear with next available courses. Additionally, the Homeownership Center utilizes social media to direct consumers to their website (http://www.hocmn.org/), direct consumer calls to agencies closest to the consumer, and involve agencies in events such as homeownership month, resources, etc.

25. Page 51. We continue to encourage a small portion of HOME Funds to be used for Tenant Based Rent Subsidies.

    Thank you for your comment.

26. Pages 52-54. 13 of the 17 Properties Reviewed (over 75%) had Habitability violations, while they were satisfactorily corrected this is very troubling statistic about funded developments.

    Most violations are minor. The most common violations are inoperable smoke detectors or emergency lights. Even if a unit has multiple smoke detectors or a hallway has multiple emergency lights, if one isn't working it's a violation. While the percentage of properties with violations seems high, the number of violations found at each property was minimal relative to the hundreds of potential violations in the UPCS dictionary of deficiency items and the number of HOME units inspected. In all cases owner/agent satisfactorily corrected the violations.

27. HOME program serving diverse communities. We are pleased that 49% of householders were of race other than white and 5% were Hispanic ethnicity. Page 55.

    Thank you for the comment.

28. We request the State track and report activities of program income. Page 55

    Program income is included with activities reported in the CAPER.

29. We request that MHFA will focus tax credits on preserving NOAH units in 2018 action plan and monitoring of compliance with Affirmatively Furthering Fair Housing will include MHFA allocation and sub-allocation.

    The purpose of the CAPER is to report on CDBG, ESG, HOME, HOPWA, and National Housing Trust Fund Programs. Other funding activities are not reported in the CAPER.

30. Pages 68- 74. Homeless numbers do not include race and ethnicity info. Please include in final report. We are also concerned other resources utilized with ESG but not identified. Please provide complete information on persons served with other resources too.

    HUD has a prescriptive format for CAPER reporting, which is done using an electronic system that cannot be modified by the State. This system no longer includes race/ethnicity information under CR-65 (Persons Assisted). However, this information can be found for all CAPER programs under CR-10 on pg.7 of the report.
    Regarding your comment about "other resources used with ESG but not identified" we are unsure what resources you are referencing. These pages are intended to reflect the number of persons served in ESG-funded programs, and per the CAPER instructions do not to include persons served with other resources.

31. We appreciate the excellent work MHFA does do in coordinating resources with State and Federal appropriations and resources. We continue to request greater transparency in use of all our resources being managed by MHFA.

    Thank you for the comment.

Thank you again for the opportunity to comment on the draft FY 2017 CAPER.

Sincerely,
Sue Watlov Phillips
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Executive Director, MICAH