DRAFT
State of Minnesota
Consolidated Annual Performance and Evaluation Report for Federal Fiscal Year 2011

Final to be submitted to the U. S. Department of Housing and Urban Development
December 2011

CONTENTS

Page

Executive Summary 3

Introduction 4

I. Summary of Resources and Distribution of Funds 5

II. General CAPER Narratives 11

- *A. Assessment of the Three- to Five-Year Goals and Objectives* 11
- B. *Affirmatively Furthering Fair Housing* 12
- *C. Affordable Housing* 15
- *D. Continuum of Care* 16
- *E. Other Actions* 22
- *F. Leveraging Resources* 30
- *G. Citizen Comment* 31
- *H. Self-Evaluation* 31
- *I. Monitoring* 36

III. CDBG Program Narrative 40

IV. HOME Program Narrative 42

V. HOPWA Program Narrative 48

VI. ESG Program Narrative 54

EVHI, RHAG, Economic Development/Initiative Fund Region Map 55

Guide to Acronyms 57

Home Compliance Status Report 58

Data are not currently available for the ***HOME Annual Performance Report.*** *Complete information will be included in the final report submitted to HUD by December 31, 2011.*

Executive Summary

Minnesota has three fundamental objectives in the distribution of housing and community development resources: to create suitable living environments, to provide decent affordable housing, and to create economic opportunities within the state.

The ***Minnesota Consolidated Housing and Community Development Plan*** presents the state's strategy (a five-year plan with annual action updates) for using federal funds to meet these objectives and serves as a condition for funding of: the Small Cities Development Program (SCDP), HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grants (ESG). The state has drafted a new five-year plan, the ***Consolidated Housing and Community Development Plan, FY 2012-2016,*** which will be submitted to the U.S. Department of Housing and Urban Development in January of 2012.

The ***Consolidated Annual Performance and Evaluation Report (CAPER)*** provides information with which to measure state agency performance in meeting objectives established in the previous year's action plan. The state has drafted a CAPER that will be submitted to the U.S. Department of Housing and Urban Development in December 2011**.**

The largest number of households that the state assisted in 2011 using HUD resources was through Emergency Shelter Grants to assist people experiencing homelessness. Assistance helps to cover operating costs for emergency shelter facilities as well as supportive services to individuals or families; ESG funding is also used for homelessness prevention activities. The largest dollar amount that the state provided in 2011 using HUD resources was through the Small Cities Development Program to assist communities with public facilities projects, economic development, and housing rehabilitation. In working toward its goals in FFY 2011, HUD allocated and the state disbursed federal funds in the following amounts:

Program	**HUD Allocation to Minnesota**	**State Expenditure for Assistance to Households**
Small Cities Development	$18,512,969	$18,474,846 (awarded)
HOME	$9,243,787	$5,416,704
Emergency Shelter Grants	$1,241,665	$1,178,236
HOPWA*	$139,821	$141,450

*In FY11, the HOPWA Sponsor grant term was changed from a December – November funding term to an October – September funding term. This resulted in a two month overlap of FY10 funds in October and November 2010, and a higher utilization of funds during those two months.

State of Minnesota
Consolidated Annual Performance and
Evaluation Report for
Federal Fiscal Year 2011

Introduction
On behalf of the State of Minnesota, Minnesota Housing, the Minnesota the Department of Employment and Economic Development (DEED), and the Minnesota Department of Human Services (DHS) submit the ***Consolidated Annual Performance and Evaluation Report*** (CAPER) to the U. S. Department of Housing and Urban Development (HUD) for Federal Fiscal Year 2011. This is in fulfillment of HUD's requirements for the consolidating planning and fund application process as provided by Code of Federal Regulations, title 24, section 91.520.

The ***Minnesota Consolidated Housing and Community Development Plan*** presents the state's strategy for using federal funds to meet specific housing and community development needs under the: Small Cities Development Program (SCDP); HOME Investment Partnerships Program; Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Shelter Grants (ESG).

This CAPER summarizes assistance provided through state agencies in Federal Fiscal Year 2011 (October 1, 2010 through September 30, 2011). The report includes a discussion of the resources available to the state, the way in which state agencies used those resources, the number and types of households assisted, and how other public policies affected affordable and supportive housing and community development (note the Self-Evaluation section and program narratives). Information in this report should enable a comparison between anticipated and actual assistance activities, as well as progress toward meeting objectives identified in the last five-year plan, ***Consolidated Housing and Community Development Plan, FY 2007-2011***.

Federal assistance reported in the CAPER generally is available across the state. (Exception: Minnesota's CDBG program is not available in entitlement communities.) Entitlement communities or counties that receive CDBG funding allocations directly and therefore are **not** covered by the state's CDBG program are: the cities of Bloomington, Coon Rapids, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Saint Paul, Moorhead, Saint Cloud, Rochester, Duluth, Mankato, North Mankato, Woodbury, and the counties of Hennepin, Anoka, Dakota, Ramsey, Washington, and Saint Louis..

Access to Data
The following reports are available upon request from Minnesota Housing, DEED, or DHS:

- PR06—a list of all projects for a plan year by project number, including disbursements by program for each project's activities.
- PR12— a financial report for ESG.
- PR23—a series of reports that present demographic data on CDBG and HOME beneficiaries, including household distributions by race/ethnicity and income group.

IDIS reports may be obtained from Minnesota Housing at: 400 Sibley, Suite 300, Saint Paul, MN 55101 or by calling 1-800-657-3769 (toll free) or 651-296-7608 or by e-mail to mn.housing@state.mn.us. Additional information on HOME and HOPWA funding selections also is available from: http://www.mnhousing.gov

Information and details concerning residential and rental rehabilitation projects for 2011 can also be found in DEED's *Performance Evaluation Report (PER)*. The PER as well as information regarding job creation and community development can be obtained by contacting DEED at: Minnesota Department of Employment and Economic Development, Main Office, 332 Minnesota Street, Suite E-200, Saint Paul, MN 55101 or 651-259-7114, 888-GET-JOBS (438-5627), Fax 651-296-0994, TTY/TDD 651-282-5909. Additional information also is available at: www.deed.state.mn.us/Community/

Additional information regarding ESG projects or activities is available through DHS at: Minnesota Department of Human Services, Office of Economic Opportunity, P.O. Box 64962, Saint Paul, MN 55164-0962 or (651) 431-3824 or at: http://www.dhs.state.mn.us/cfs/oeo/esgp.htm

I. Summary of Resources and Distribution of Funds

In working toward its goals in FFY 2011, the state received allocations from HUD and spent federal funds in the following amounts:

Program	HUD Allocation to Minnesota	State Expenditure for Assistance to Households
Small Cities Development	$18,512,969	$18,474,846 (awarded)
HOME	$9,243,787	$5,416,704
Emergency Shelter Grants	$1,241,665	$1,240,248
HOPWA*	$139,821	$141,450

* In FY11, the HOPWA Sponsor grant term was changed from a December – November funding term to an October – September funding term. This resulted in a two month overlap of FY10 funds in October and November 2010, and a higher utilization of funds during those two months.

The CAPER does not report on Minnesota's performance under economic stimulus programs created by the Housing and Economic Recovery Act of 2008 (HERA) or the American Recovery and Reinvestment Act of 2009 (ARRA), or on Neighborhood Stabilization. Jurisdictions report on these programs separately according to the respective program requirements. For more information on these federal resources allocated to the state, visit this website: http://www.mnhousing.gov/

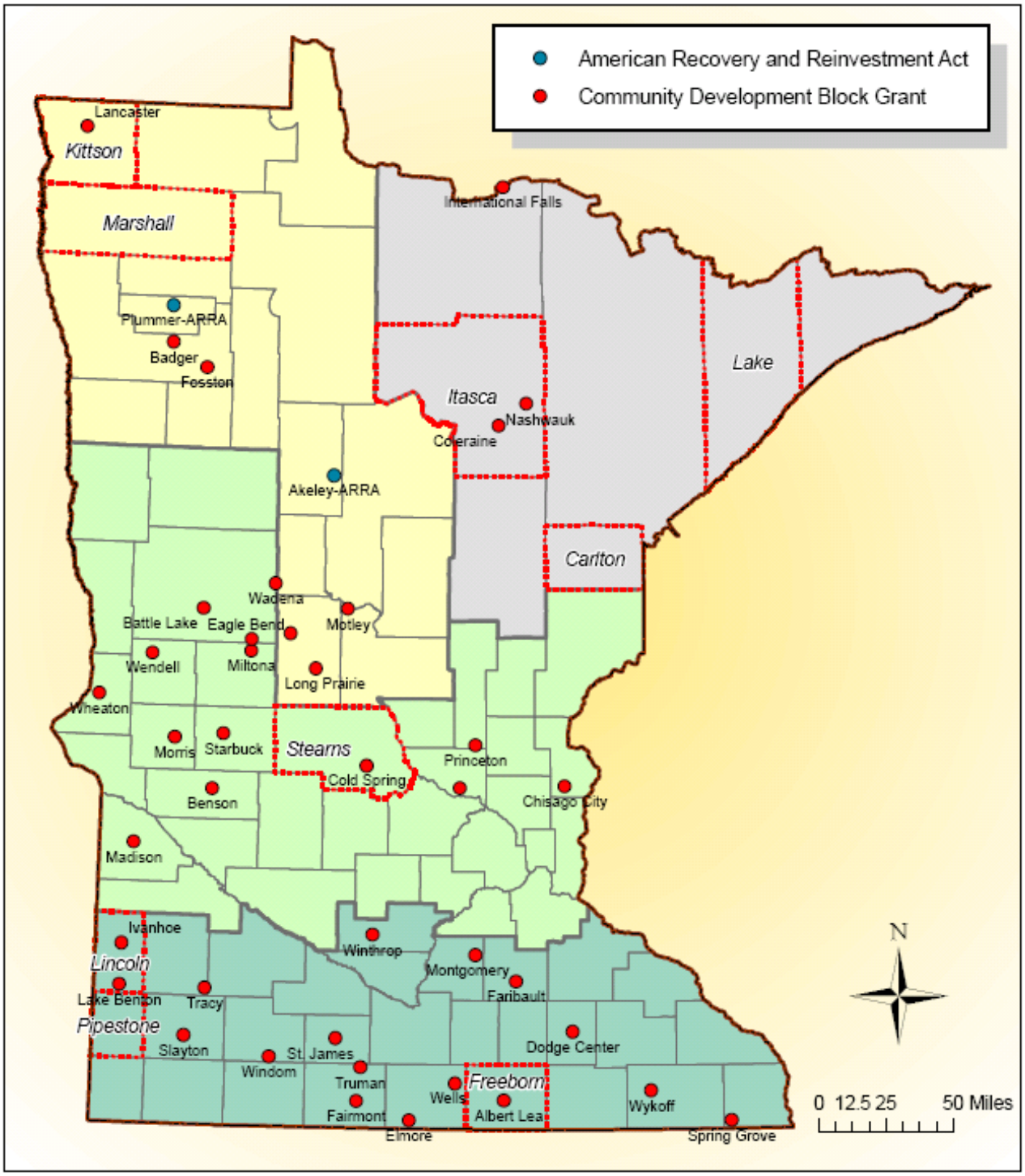
Minnesota historically has received the largest amount of assistance from HUD for housing and community development under the Small Cities Development Program (SCDP), administered through the Department of Employment and Economic Development (DEED).

Eligible applicants for the SCDP funds are cities, counties and townships in areas of the state that do not qualify as entitlement entities and, therefore, are not eligible to receive an allocation of Community Development Block Grant funds directly from HUD. These are cities with a population under 50,000 and counties and townships with an unincorporated population of fewer than 200,000.

The state awards SCDP funds to applicants on a competitive basis; communities may use funds for public facilities, economic development, downtown commercial revitalization, residential housing rehabilitation (owner and renter occupied), new housing construction, homeownership assistance, and relief from flood or other natural disasters. In order to be considered eligible, an applicant must be in substantial compliance with all applicable State and Federal laws, regulations and Executive Orders that pertain to the CDBG Small Cities Development Program.

2011 Awarded Projects

Small Cities Development Program



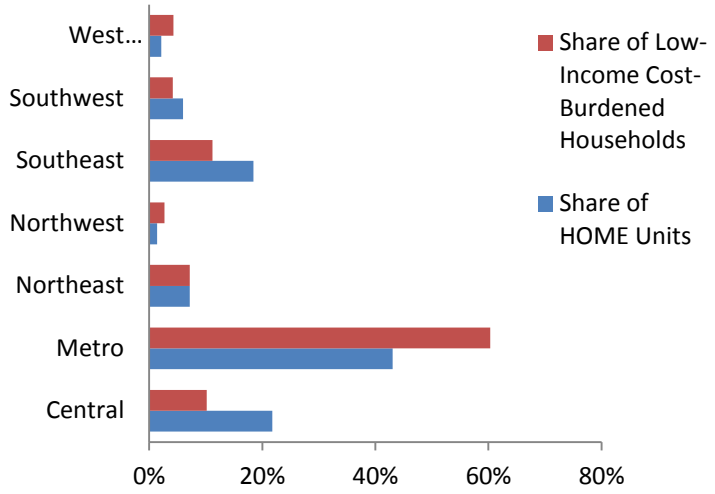
POSITIVELY Minnesota

Department of Employment and Economic Development

HOME funds historically have comprised Minnesota's second largest allocation of federal grant housing assistance. Minnesota Housing has provided HOME funds for a variety of activities, including downpayment assistance, single and multifamily rehabilitation, and operating expense payments for Community Housing Development Organizations. Note that HOME funds for entry cost assistance and rehabilitation of owner-occupied properties were available in entitlement areas; funds for rental rehabilitation were available in both entitlement and non-entitlement areas, though only used in non-entitlement areas.

Share of low-income cost-burdened households is a proxy of the need for housing assistance. Based on the availability of detailed data from the *2010 Census*, the state will measure the need for assistance more precisely.

Distribution of HOME Assistance by Region in Minnesota, 2011



Source: Census Bureau, *American Community Survey, 2005-2009*.

Minnesota Housing also receives the state's allocation of HOPWA formula funds from HUD. The agency administers HOPWA funds in cooperation with the Minnesota HIV Housing Coalition in Greater Minnesota. The City of Minneapolis receives and allocates funds in the 13-county Twin Cities area.

The Department of Human Services (DHS) administers federal funds from HUD under the Emergency Shelter Grant (ESG). ESG provides assistance to grantees throughout the state for the operating costs of shelters and essential services. The state selects grantees on a competitive basis. The reporting year for the CAPER overlaps two ESG state fiscal years, 2011 (7/1/2010– 6/30/2011) and 2012 (7/1/2011– 6/30/2012). The following table shows the ESG funding awards for both of these state fiscal years:

ESG Funding Awards

Agency	2011 ESG allocation	2012 ESG allocation
Ain Dah Yung	$20,000.00	-
Anoka County Community Action Program, Inc.	20,000.00	$20,000.00
Arrowhead Economic Opportunity Agency, Inc.	56,500.00	55,000.00
Avenues for Homeless Youth	29,250.00	39,250.00
Bi-County Community Action Program, Inc.	7,750.00	-
Care and Share Center, Inc.	46,718.00	69,841.00
Catholic Charities - Hope Street	25,000.00	39,000.00
Catholic Charities of the Archdiocese of St Paul and Minneapolis	55,460.00	39,325.00
Churches United for the Homeless	70,000.00	80,000.00
Churches United in Ministry (CHUM)	35,000.00	35,000.00
Community Action Center of Northfield, Inc.	20,000.00	21,250.00
East Metro Women's Council	15,000.00	15,000.00
Families Moving Forward	54,500.00	-
Heartland Community Action Agency, Inc.	24,000.00	27,500.00
Inter-County Community Council, Inc.	10,000.00	15,000.00
KOOTASCA Community Action, Inc.	35,000.00	-
Lakes and Pines Community Action Council, Inc.	17,150.00	72,500.00
Lutheran Social Service of Minnesota (St. Paul - TLPY)	20,000.00	26,250.00
Mahube Community Council, Inc.	17,500.00	22,500.00
Motivation, Education & Training, Inc.	19,369.00	-
New Pathways	40,000.00	40,000.00
Northwest Community Action Agency	-	15,000.00
Otter Tail-Wadena Community Action Council, Inc.	16,000.00	-
Our Savior's Outreach Ministries	54,860.00	27,430.00
Ours to Serve House of Hospitality, Inc	55,000.00	60,000.00
Partners for Affordable Housing	53,000.00	56,876.00
Prairie Five Community Action Council	-	7,500.00
Red Lake Homeless Shelter, Inc.	37,500.00	50,000.00
Rise Housing Services, Inc.	15,000.00	30,000.00
Ruth's House of Hope	20,000.00	20,000.00
Saint Paul Area Council of Churches	54,500.00	52,000.00
Salvation Army (Brainerd)	4,000.00	5,000.00
Salvation Army (Rochester)	5,000.00	5,000.00
Salvation Army (St. Cloud)	46,500.00	50,000.00
Scott-Carver-Dakota CAP Agency, Inc.	19,000.00	40,000.00
Semcac	26,000.00	26,000.00
Simpson Housing Services, Inc.	54,860.00	27,430.00
St. Stephen's Human Services	54,860.00	27,430.00
The Refuge	-	40,000.00
West Central Minnesota Communities Action, Inc.	10,000.00	-
Western Community Action, Inc.	14,000.00	22,500.00

The state also receives allocations of federal funds to provide assistance that do **not** meet HUD reporting guidelines for the CAPER and therefore are not included in the assessment of the state's performance toward meeting goals for housing and community development assistance. These allocations are discussed below:

DHS receives funding allocations from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) under Projects for Assistance in Transition from Homelessness (PATH). PATH funds provide a variety of individual

program specific services including outreach, screening and treatment, referrals, housing assistance, support services, linkage with mental health services, and other types of assistance for homeless adults with a serious mental illness. In 2011, Minnesota received $821,000 of PATH funds available through SAMHSA.

The U.S. Departments of Energy and Health and Human Services award funds to the state for weatherization, energy assistance, and energy-related repair. The Minnesota Department of Commerce received and allocated more than$153 million in 2011 for energy assistance and weatherization.

The Minnesota Department of Public Safety receives an allocation of federal funds annually, a portion of which may be used to provide operating assistance and other related assistance to emergency shelters for battered women and their children.

Minnesota Housing is the state's principal allocator of federal Housing Tax Credits and sells revenue bonds, both of which are activities important to the provision of affordable housing and are authorized in the federal tax code. In 2011, the state and its suballocators awarded $11.5 million in credits for the development of more than 1,000 units of affordable rental housing.

In FFY 2011, Minnesota Housing expended $69.8 million of federal Section 8 Housing Assistance Payments to assist more than 12,000 households occupying Minnesota Housing-financed rental housing built under the New Construction component of the Section 8 program. Minnesota Housing, under a contract with HUD, also expended $102.7 million in federal Section 8 Housing Assistance Payments for more than 18,000 households occupying HUD or conventionally financed housing. Minnesota Housing also expended $1.6 million in federal Section 236 funds in FFY 2011 for interest reduction payments on Minnesota Housing-financed developments.

Minnesota Housing received Emergency Homeowners' Loan Program (EHLP) funds from HUD in 2011 to provide foreclosure counseling assistance for up to 840 primarily unemployed or underemployed homeowners expected to benefit from interest free EHLP loans. As of the end of 2011, 353 loan commitments were made under the program.

HUD finances rental housing development in Minnesota through Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities**.**

HUD Awards for Affordable Housing Assistance in Minnesota,
FFY 2011-Not yet available

Description	Project location	Number of units	Capital advance	Rental subsidy
Section 202				
Section 202				

Minnesota also provides housing and community development assistance through a variety of state or agency-funded programs or through the sale of tax-exempt revenue bonds. Activities include: entry cost assistance and homeownership financing to first-time buyers; loans to

homeowners to improve the property they occupy; foreclosure remediation; deferred loans or grants to communities to meet local revitalization needs; and construction, acquisition, and rehabilitation of affordable rental housing through first mortgages, deferred loans, and operating subsidies to housing sponsors.

The Minnesota Legislature appropriates funds for homeownership education, counseling and training, and foreclosure prevention assistance as well as Family Homeless Prevention and Assistance. Under the Technical Assistance and Operating Support Program and the Nonprofit Capacity Building Revolving Loan Program, the state provides assistance to local nonprofit organizations to increase their capacity to meet local housing needs.

With various DEED funding sources and programs available, communities can undertake activities to strengthen communities and their housing stock in a coordinated and simultaneous approach. DEED provides resources for cleanup of contaminated sites through its state-funded Contaminated Cleanup and Redevelopment. The Public Facilities Authority lends funds to communities for sewer improvement and water improvement projects.

The Minnesota Department of Human Services serves 16,600 elderly and disabled people per month under the state-funded Group Residential Housing program (GRH). This is an income supplement program that pays room-and-board costs for low-income adults who have been placed in a licensed or registered setting with which a county human service agency has negotiated a monthly rate.

Minnesota state agencies report to the Governor and the public at least annually on their performance toward achieving established goals. The progress of state agencies toward achieving their overall goals is measured by a variety of indicators; results may be reviewed at: www.accountability.state.mn.us/

II. General CAPER Narratives

A. Assessment of the Three- to Five-Year Goals and Objectives

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. As shown in the **Priority Housing Activities/Investment Plan Table** on page 35, the state met or exceeded its five-year goals as well as most of its annual goals for assisting households.

The resources of state agencies provide the greatest amount of assistance for affordable housing in Minnesota. The most abundant resource available to states for affordable housing assistance continues to be proceeds from the sale of revenue bonds. Appropriations from the Minnesota Legislature are an important resource that supports housing and community development programs, and Minnesota Housing uses some of its own resources, such as reserves, to provide additional leverage in projects that may not have access to adequate sources of funding for affordable housing or housing for people with special needs.

The largest number of people that the state assists with federal resources is through ESG, assisting people experiencing homelessness. Assistance includes operating and supportive service costs for emergency shelter facilities.

The largest amount of assistance that the state provides with federal resources is through the Small Cities Development Program funded by CDBG, particularly for the rehabilitation of owner-occupied homes and the improvement of public facilities.

With continuing economic difficulties, the state has been unable to meet production goals in some programs, especially those housing and community development programs funding construction and rehabilitation. The Self-Evaluation section provides a more detailed analysis of the state's progress toward meeting goals.

B. *Affirmatively Furthering Fair Housing*

DEED requires all grantees to develop a fair housing plan that affirmatively furthers fair housing. SCDP grantees also must consider equal employment opportunity and affirmative action throughout the life of their grants in all activities and grant administration. At the annual Implementation Workshop held for new grantees, equal employment opportunity requirements are discussed and a handbook is distributed which details the statutory requirements and the actions which need to be taken or suggested be taken. Grantees are required to include equal opportunity language in all contracts; engineers and architects include equal opportunity materials (including EO 12846, Section 3 Clause, Uniform Administrative Requirements, and a list of applicable laws) in all bidding and contract documents. Equal employment opportunity actions and requirements are discussed at pre-construction conferences and other forums as appropriate. Grantees report to DEED, annually, on the number and amount of contracts that were awarded to women- or minority-owned businesses and Section 3 businesses.

Minnesota Housing's Administrative Procedures Manual, Administrative Monitoring Checklist, and File Compliance and Property Inspection Checklists for the HOME Rental Rehabilitation Program promote the understanding of affirmative fair housing compliance (including monitoring of Affirmative Fair Housing Marketing Plans). Minnesota Housing has required that property owners submit Affirmative Fair Housing Marketing Plans for the marketing and occupancy of units assisted in developments of five units or more. Owners must update these marketing plans at least once every three years.

The state has prepared an *Analysis of Impediments to Fair Housing Choice* that identifies conditions that may act as impediments to fair housing in these main areas:

- homeownership: access to credit and to information about the buying process and limited affordability in some areas of the state;
- private rental housing: discrimination during the application process, the costs of application, outreach to communities of color;
- subsidized rental housing: limited usability of housing vouchers, the cost of rental housing.

The *Analysis of Impediments to Fair Housing Choice* is available from Minnesota Housing upon request. Annual summaries of actions the state has taken to address impediments have been included as part of the CAPER report beginning in 2002. An updated *Analysis of Impediments to Fair Housing Choice* should be available in January of 2012.

The following is a summary of actions the state has taken to address impediments to fair housing in 2011:

Homeownership

Homeownership Education, Counseling, and Training (HECAT), funded through state appropriations, federal appropriations, and Minnesota Housing resources, has served an average of 18,400 households annually in the last five years (2007-2011). At least one person in each household securing mortgage financing under CASA (a targeted mortgage program provided by Minnesota Housing) must complete a qualified homebuyer education class prior to loan closing. Program initiatives provide pre- and post-purchase information to homebuyers and counseling assistance to homeowners who may be facing foreclosure. HECAT programs target traditionally underserved communities and communities most easily victimized by predatory lending practices. In 2011, 27 percent of households participating in HECAT (55 percent in Minneapolis and Saint Paul) were of color.

Minnesota Housing, the Family Housing Fund, and more than a dozen other public and private participants have funded "Don't Borrow Trouble," a public information campaign that provides education for homebuyers and homeowners, as well as consumer guidance to avoid predatory lending.

Minnesota Housing has supported Habitat for Humanity homeownership efforts since 1991. In September of 2009, Minnesota Housing's Board of Directors approved a $4 million allocation of agency resources to Habitat to be disbursed during the 2010-2011 biennium. Homebuyers funded by Minnesota Housing through Habitat in 2011 had a median income of $32,844 in the Twin Cities metro area and $30,448 in Greater Minnesota. One hundred percent of the homebuyers in the Twin Cities region in 2011 and 9 percent in Greater Minnesota were households of color.

HOME HELP provides entry cost assistance for lower income borrowers for whom the entry cost of homeownership is unaffordable. This assistance, offered to households with the greatest need, is available through Minnesota Housing's Community Activity Set-Aside (CASA) first mortgage program. Minnesota Housing has marketed the availability of HOME HELP assistance to potential homebuyers who are least likely to apply for the housing, in order to make them aware of available affordable housing opportunities. Since June of 2008, the residents of nearly 700 mobile home parks and 43 public housing authorities (in the counties for which funds are available) have received notice of the availability of HOME HELP downpayment assistance.

In 2011, according to IDIS report PR23, 32 percent of homebuyers with HOME HELP assistance were of a race other than White and 11 percent were of Hispanic or Latino ethnicity.

The Emerging Markets Homeownership Initiative (EMHI) is funded by a consortium of agencies led by Fannie Mae, the Federal Reserve Bank of Minneapolis, and Minnesota Housing. EMHI's business plan, which calls for 40,000 new homeowners from communities of color by 2012, is based on three basic strategies: improve trusted guidance to emerging market communities, provide opportunity to expand and tailor outreach efforts, and offer innovative structural support to enhance mortgage products and processes. A copy of the final business plan is available at www.mnhousing.gov/ and information on current EMHI activities is available at: http://www.hocmn.org/en/emhi.cfm

Multifamily Rental Housing

Information available in 2011 on more than 10,000 tenant households occupying Minnesota Housing-assisted developments shows that 48 percent throughout the state (60 percent in the Twin Cities region) were headed by a person of color, i.e., identified as of a race other than White or of Hispanic or Latino ethnicity. Data indicate that 49 percent of households in the developments for which owners claimed federal Housing Tax Credits (60 percent in the Twin Cities region) were households of color.

The Minnesota Legislature appropriated $82 million to Minnesota Housing for the 2010-2011 biennium: $14.4 million for the preservation of affordable rental housing, $21.1 million for the Housing Trust Fund, and $14.8 million for the Economic Development and Housing Challenge Fund. Households of color typically comprise 50 percent or more of the tenant households assisted under each of these programs.

Minnesota Housing funded rental assistance vouchers for nearly 2,000 low-income households under the Housing Trust Fund (a state-funded account) in 2011; more than 64 percent were households of color. The median annual income of households receiving vouchers under the Housing Trust Fund was $7,680.

Even in a difficult economy, the federal government has maintained a commitment to privately owned affordable housing by providing support to retain project based subsidies and to maintain and slightly increase the number of vouchers. Public housing capital funds increased slightly in 2010 but were reduced in 2011 and will be reduced again in 2012. The enacted budgets recognize the need to incent property owners not to opt out of the Section 8 program.

In 2011, 32 percent of the households occupying Section 8 units for which Minnesota Housing administers contracts were households of color. Seventy-four percent of Section 8-assisted households in the city of Minneapolis and 68 percent in the city of Saint Paul were households of color.

For more information on households of color as a percentage of total households assisted through Minnesota Housing, visit: www.mnhousing.gov/news/reports/index.aspx (see Housing Assistance in Minnesota).

Homelessness
In 2004, staff from DEED, DHS, Minnesota Housing, and other public and private stakeholders participated in a working group that developed the state's first Business Plan to End Long-Term Homelessness in Minnesota by 2010. The plan identified the state's strategies to achieve the goal of 4,000 new supportive housing opportunities by 2010. In 2010, Minnesota Housing announced a "recalibration" of the business plan due to difficult economic conditions that stalled housing development, including the development of supportive housing. The state's goal has been revised to 4,000 new supportive housing opportunities by 2015. More than 3,400 supportive opportunities for the long-term homeless have been funded as of September 2011. Cumulative progress was ahead of annual targets until 2009 as shown here: www.mnhousing.gov/initiatives/housing-assistance/index.aspx

The Minnesota Legislature has funded the Family Homeless Prevention and Assistance Program (FHPAP) since 1993. The legislative appropriation for this program was $14.9 million for the 2010-2011 biennium. FHPAP has assisted an average of 8,500 households a year over the last five years with a high of more than 11,000 households in 2009. Available data indicate that between 50 percent and 60 percent of the household assisted under FHPAP during that time have been households of color.

Data from the most recent Wilder Research survey (2009) of homeless people indicate that half of homeless people in the Twin Cities are African American, 20 percent in Greater Minnesota are American Indian, and 39 percent of all homeless households in the state are of color.

C. Affordable Housing
HUD does not consistently require jurisdictions, in each of the various Community Planning and Development programs, to collect or report the data necessary to determine housing affordability. Agencies have cooperated to the extent possible in providing information.

Data on the affordability of housing funded through SCDP (as defined by Section 215 guidelines) is not available; however, data on incomes of households assisted under SCDP activities indicate that in FFY 2011, 99 percent of households reported had incomes at or below 80 percent of area median income.

The ESG program has no goal to provide affordable housing as defined by Section 215 and DHS does not collect income information on ESG recipients. Most of the people assisted under this program have few or no resources; one of the basic criteria for qualifying for assistance is having no resources to afford housing even for a single night. ESG is the largest of Minnesota's federally funded efforts to address worst-case needs.

In accordance with guidelines, all tenants, homebuyers and homeowners under HOME and HOPWA programs administered by Minnesota Housing have gross incomes at or below 80 percent of area median family income.

D. Continuum of Care

Continuum of Care is a community strategic plan to organize and deliver housing and services to reduce the incidence of homelessness by assisting homeless individuals, youth, and families with children to move to self-sufficiency and permanent housing. The Continuum of Care includes: prevention, outreach and assessment, emergency shelter, transitional housing, and permanent supportive housing or other permanent housing. Annually, Continuum of Care organizations apply to HUD for funding under the McKinney Vento Homeless Assistance Program to address homelessness. The Minnesota Interagency Council on Homelessness (MICH) assists planning efforts in the Minnesota Continuum of Care regions.

Currently, 11 Continuum of Care (CoC) regions exist in Minnesota. CoC committees have developed the regional plans that identify and describe homelessness, 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.

ESG funding is used to strengthen the Continuum of Care systems by providing direct services to homeless persons. ESG funds were provided to grantee agencies in every CoC region, each of which has as a priority to provide shelter and supportive services for homeless individuals and families. ESG funds were provided to shelters in all CoC regions to pay for the operating and service costs of these programs.

Both Minnesota Housing and DHS use CoC Plans in the process of reviewing and selecting proposals under the ESG and transitional housing programs. DHS offers each CoC committee the opportunity to provide comments and recommendations on each ESG application submitted from their region. This allows CoC committees to have input into how ESG funds are spent in their community, ensuring that funds are filling gaps in their CoC systems.

CoC plans are available at:
www.mnhousing.gov/initiatives/housing-assistance/continuum/index.aspx
or through one of these offices:

Affordable Housing Contacts in Minnesota, 2010-2011

Continuum of Care (COC)—a community plan to organize and deliver housing and services to reduce the incidence of homelessness by assisting homeless individuals, youth and families with children to move to self-sufficiency and permanent housing.

Minnesota Interagency Council on Homelessness (MICH)—the goal of MICH is to maximize and coordinate state resources to prevent and address homelessness.

Regional Housing Advisory Group (RHAG)—Regional Housing Advisory Groups are forums for discussion among core stakeholders. Minnesota Housing staff works closely with each group to assure that Minnesota Housing receives input pertaining to its goals and the group has an opportunity to share information on issues of concern to the region.

Heading Home Minnesota—statewide strategy which includes Minnesota's Business Plan to End Long-Term Homelessness and regional/local "Heading Home" Initiatives, which represent partnerships with support of the public, business, nonprofit and philanthropic sectors and the faith community.

For additional support:
Corporation for Supportive Housing 612-721-3700

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
METROPOLITAN AREA					
Anoka County	COC and Heading Home Contact: Kristina Hayes Anoka County Housing Coordinator Tel: 763-323-5707 Kristina.Hayes@co.anoka.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov
Dakota County	COC Contact: Marsha Milgrom Dakota County Social Services Tel: 651-554-5918 marsha.milgrom@co.dakota.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
Hennepin County	COC Contact: Mark Hendrickson Hennepin County Housing Development Tel: 612-348-2199 mark.hendrickson@co.hennepin.mn.us Heading Home Contact: Cathy ten Broeke Tel: 612-596-1606 Cathy.ten.Broeke@co.hennepin.mn.us	Ji-Young Choi Minnesota Housing Tel: 651-296-9839 ji-young.choi@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov
Ramsey County	COC Contact: Jim Anderson Ramsey County Human Services Tel: 651-266-4116 jim.anderson@co.ramsey.mn.us Heading Home Contact: Carol Zierman Ramsey County Planning Office 651-266-8004 carol.zierman@co.ramsey.mn.us	Alison Legler Human Services Tel: 651-431-3848 alison.legler@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov
Scott/Carver Counties	COC and Heading Home Contact: Rebecca Bowers Scott, Carver, Dakota CAP Tel: 651-322-3513 Rebecca.Bowers@capagency.org	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
Washington County	COC Contact: Diane Elias Washington County Community Services Tel: 651-430-8317 diane.elias@co.washington.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov
GREATER MINNESOTA					
Central	COC and Heading Home Contact: Hanna Klimmek Central MN Housing Partnership Tel: 320-259-0393 hanna@cmhp.net	Erin Schwarzbauer Minnesota Housing Tel: 651-296-3656 erin.schwarzbauer@state.mn.us	Multifamily: Wendy Bednar Tel: 651-297-3540 wendy.bednar@state.mn.us Single Family: Suzanne Best Tel: 651-297-3131 Suzanne.best@state.mn.us		Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov
Northeast	COC and Heading Home Contact: Patty Beech N.E. MN CoC Coordinator Tel: 218-525-4957 pbeech@cpinternet.com	Pat Leary Human Services/OEO Tel: 651-431-3824 pat.leary@state.mn.us	Multifamily: Terri Parker Tel: 651-297-5141 terri.parker@state.mn.us Single Family: Devon Pohlman Tel: 651-296-8255 devon.pohlman@state.mn.us		Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts	HUD Contacts
Northwest	COC and Heading Home Contact: Patrick Grundmeier Beltrami Area Service Collaborative Tel: 218-333-8191 patrick@beltrami.org	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: Phil Hagelberger Tel: 651-297-7219 phillip.hagelberger@state.mn.us Single Family: Calvin Greening Tel: 651-296-8843 Cal.Greening@state.mn.us	Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov
Southeast	COC and Heading Home Contact: Mary Ulland-Evans Three Rivers Community Action Tel: 507-732-8555 mary.ullandevans@threeriverscap.org Heading Home Olmsted Contact: Corrine Erickson	Pat Leary Human Services/OEO Tel: 651-431-3824 pat.leary@state.mn.us	Multifamily: Susan Thompson Tel: 651-296-9838 susan.thompson@state.mn.us Single Family: Cheryl Rice Tel: 651-297-3124 cheryl.rice@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov
Southwest	COC and Heading Home Contact: Justin Vorbach SW Minnesota Housing Partnership Tel: 507-836-1609 justinv@swmhp.org	Alison Legler Human Services Tel: 651-431-3848 alison.legler@state.mn.us	Multifamily: Phil Hagelberger Tel: 651-297-7219 phillip.hagelberger@state.mn.us Single Family: Ruth Simmons Tel: 651-297-5146 ruth.simmons@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts	HUD Contacts
St. Louis County	COC and Heading Home Contact: Laura DeRosier St. Louis County Health Tel: 218-725-5236 derosierl@co.st-louis.mn.us	Vicki Farden Minnesota Housing Tel: 651-296-8125 vicki.farden@state.mn.us	Multifamily: Terri Parker Tel: 651-297-5141 terri.parker@state.mn.us Single Family: Devon Pohlman Tel: 651-296-8255 devon.pohlman@state.mn.us	Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov
West Central	COC and Heading Home Contact: Carla Solem West Central CoC Coordinator Tel: 701-306-1944 carlas@cableone.net	Ji-Young Choi Minnesota Housing Tel: 651-296-9839 ji-young.choi@state.mn.us	Multifamily: Ted Tulashie Tel: 651-297-3119 ted.tulashie@state.mn.us Single Family: Michael Nguyen Tel: 651-296-7620 michael.nguyen@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov

Minnesota's Homeless Management Information System (HMIS) is an internet-based system that presents standardized and timely information to housing and service providers to better serve their clients. Local planners, providers, and advocates have developed a version of the system that strengthens provider efforts to end homelessness without jeopardizing the privacy of those they are serving. Statewide implementation of HMIS began on July 1, 2005. All required agencies or departments, along with many voluntary participants, now use HMIS. As of 2010, an estimated 230 organizations providing approximately 72 percent of the 13,500 available beds in Minnesota shelters, transitional, and permanent supportive housing were using HMIS. For more information on Minnesota's HMIS see: www.hmismn.org/index.php

E. Other Actions

Address obstacles to meeting underserved needs

According to the *2010 Census*, 33 percent of all households (50 percent of renters) in Minnesota have housing cost burdens (paying more than 30 percent of income for housing). Insufficient funding continues to be a major obstacle to meeting the need for affordable housing. While Minnesota is a leader among states in appropriating funds for affordable housing, HUD's discretionary budget authority has been reduced in FFY 2011 and 2012. The need for assistance is growing relative to available resources, especially resources that are the most useful for providing housing for extremely low-income families, i.e., funds that do not require debt service payments.

The state addresses obstacles to housing and community development and strategies or actions taken in Section 91.315 (Strategic Plan) and Section 91.320 (Action Plan) of its five-year and annual consolidated plans. The ability to meet anticipated needs is subject to a variety of factors that are not necessarily within the control of the state, such as the capacity of communities and local partners to participate in assistance programs, the availability of feasible development or funding proposals, and local zoning and other regulations.

Foster and maintain affordable housing

Despite a $5 billion budget deficit in Minnesota, Governor Dayton signed a bill in 2011 appropriating nearly $76.1 million to Minnesota Housing for affordable housing programs in 2012-2013. The deficit prompted a 6.3 percent appropriation reduction. Final appropriations for 2012-2013 by program are as follows:

Minnesota Housing Finance Agency State Appropriations, FY2012-2013

Housing Trust Fund	$19,110,000
Preservation	$14,626,000
Family Homeless Prevention	$14,930,000
Challenge Fund	$13,910,000
Rehabilitation Loans	$4,898,000
Bridges (rental assistance)	$5,276,000
Homeownership Counseling	$1,502,000
Homeownership Assistance Fund (entry cost assistance)	$1,594,000
Capacity Building Grants	$250,000
Total	$76,096,000

For a more complete summary and details visit Legislative Updates at this website: http://www.mnhousing.gov/news/reports/index.aspx

Housing Tax Credits (HTC) have been an important tool in the development and preservation of affordable rental housing in Minnesota since 1987. Minnesota Housing monitors more than 23,000 HTC housing units throughout the state; suballocators (including Minneapolis, Rochester, Saint Cloud, Saint Paul, and Dakota and Washington counties) monitor units in developments within their own jurisdictions

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., serves the lowest income households, serves the long-term homeless, preserves federally assisted housing. The state's most recent Qualified Allocation Plan and priorities for housing tax credit allocation may be viewed at:
www.mnhousing.gov/housing/developers/allocation/index.aspx

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

The State of Minnesota and its tax credit suballocators awarded a total of $11.5 million in tax in 2011 for more than 1,000 affordable rental units.

Eliminate barriers to affordable housing
The consolidated planning process has assisted the state in identifying a variety of barriers to affordable housing including: zoning, land use, and impact fees; property tax rates; assessment procedures; and a mismatch between job, housing, and public transportation. The ***Consolidated Housing and Community Development Plan, FY 2012-2016***, scheduled to be available in January 2012, will include the identification of current barriers to affordable housing. Information and ideas will be solicited from housing and service provider, planners, nonprofit agencies, service deliverers, and the general public. The citizen participation process includes a series of public forums held throughout the state, three focus groups, and two surveys concerning housing/community development and impediments to fair housing.

A number of attendees at public forums held for the development of the last five-year consolidated plan (2007-2011) identified a lack of local capacity to plan, apply for grants, and execute housing initiatives in their jurisdictions as barriers to affordable housing. To address this barrier, Minnesota Housing provides assistance under the Technical Assistance and Operating Support Program (more than $3 million for 2012) funded through state and federal appropriations and agency resources. Minnesota Housing also funds the Nonprofit Capacity Building Revolving Loan Program ($5.3 million for 2012), using its own reserves to cover a portion of the predevelopment costs typically incurred in developing affordable housing. Community Housing Development Organizations (CHDOs) working on HOME projects have been eligible to apply for these predevelopment assistance programs.

In an attempt to address barriers to the production of new affordable housing, such as the cost of land, labor, and materials, the Minnesota Legislature enacted and funded the Livable Communities Act of 1995. This action enables the Metropolitan Council (the regional planning organization) to provide incentives to participating communities in the Twin Cities metro area to encourage affordable housing development and economic revitalization initiatives. For more information see: www.metrocouncil.org/

The state's tax structure has been identified as a barrier to the development of affordable housing, a barrier that the Minnesota Legislature has attempted to diminish through various revisions to property tax laws related to rental housing. The current Low Income Rent Classification provides property rate reductions for qualifying units in some rent and income-restricted properties. For more information see:
www.mnhousing.gov/housing/developers/lirc/index.aspx

Overcome gaps in institutional structure and enhance coordination
Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit organizations, and local governments throughout the state. DEED, DHS, and Minnesota Housing work both to minimize assistance gaps and to coordinate available resources in a variety of ways. Minnesota Housing and its partners issue joint requests for proposals and coordinate the process of reviewing and selecting proposals for funding.

SCDP is available only in nonentitlement jurisdictions within the state, e.g., areas that do not receive a direct allocation of federal funds from HUD. DEED does not make geographic set-asides; all eligible nonentitlement applicants compete equally for available funds. Applications for SCDP are evaluated and ranked based on physical and financial needs, projected impact, cost effectiveness, and demographic characteristics, e.g., number of persons at or below poverty level, estimated market value. Economic development applications are evaluated based on creation or retention of private sector jobs, levels of private investment, and the increase in local tax base. Performance Evaluation Reports completed by DEED staff identify the location of proposed and actual projects by municipality.

DHS determines geographic targets for ESG funding by a formula that takes into account the number of people in poverty, the number of people paying more than 50 percent of their income for rent, and the number of households receiving public assistance. This targeting formula also includes a determination of the amount of DHS funding received in the previous year for programs to address homelessness. The actual amount of ESG funding awarded to a geographic area might vary from the targeted amount based on the number and adequacy of applications received from that area. DHS has chosen to provide supplemental ESG funding in entitlement areas; however, in FFY 2011, it gave priority to programs located in non-entitlement areas. DHS sends requests for proposals to all grantees participating in the program previously, all Continuum of Care Committees throughout the state, and all other interested parties who contact DHS program staff and request to be added to the mailing list. DHS also publishes the Request for Proposals in the State Register and posts the RFP on the DHS website.

Community Housing Development Organizations (CHDOs) are nonprofit entities that serve as owners, developers, or sponsors of affordable housing projects with access to a set-aside of a jurisdiction's federal HOME funds. Minnesota Housing has made an extensive effort to identify and work with CHDOs in its HOME programs and has certified approximately 28 organizations as CHDOs to date.

Programs available through the U.S. Department of Agriculture's Rural Development (RD) are an important source of assistance in Greater Minnesota. A variety of assistance is available, including: financing for the development of rental housing in rural areas, tenant-based rental assistance, and loans and grants to homeowners to rehabilitate their property. Minnesota Housing and RD continue to cooperate to provide affordable housing in small towns and rural areas. Minnesota Housing and RD staff work together as needed, on a case-by-case basis, with developers applying for Rental Rehabilitation funds. Minnesota Housing and RD architects coordinate work on jointly funded projects by sharing information concerning inspections and draws. In order to meet certain federal match requirements, RD proposals may obtain funding through applicable Minnesota Housing programs, e.g., Housing Trust Fund. DEED funds also may be matched with funds from RD to maintain affordability for communities and persons with low- and moderate-incomes and to finance public infrastructure. RD assistance is not provided through state agencies; therefore, in accordance with HUD instructions, data are not included in this performance report.

Minnesota's Regional Housing Advisory Groups (RHAGs), formed in 2003, provide forums for regional discussion among core housing stakeholders, including state agencies. State agency staff conduct consultations with the RHAGs who hold regularly scheduled meetings. During the RHAG consultations, attendees identify and prioritize the strengths and weaknesses of their regions, as well as housing and community development needs. State staff also conduct consultations with the Greater Minnesota Continuum of Care Committees. Groups represented on the Continuum of Care include community action agencies, homeless persons, funders, advocacy groups, faith-based organizations, non-profit organizations, school systems, law enforcement, and local and state government agencies.

In an effort to coordinate resources for affordable housing, Minnesota Housing, the Metropolitan Council, and the Family Housing Fund formed the Metropolitan Housing Implementation Group (MHIG) with the HUD area office, Minneapolis Public Housing Authority, Local Initiatives Support Corporation, Greater Metropolitan Housing Corporation, Corporation for Supportive Housing, and the Minnesota office of the Federal National Mortgage Association as partners. MHIG investment guidelines are used in evaluating proposals for the development of affordable housing in the metropolitan area. MHIG agencies cooperate in advertising for, reviewing, and selecting development proposals for funding. MHIG cooperates with municipal governments to implement the provisions of the Metropolitan Livable Communities Act.

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

The Greater Minnesota Interagency Preservation Work Group is a consortium of public and nonprofit agencies created to work together to cooperatively address the preservation of federally assisted rental housing in Minnesota outside of the Twin Cities metro area. The participants include Minnesota Housing, HUD, USDA, DEED, Federal Home Loan Bank of Des Moines, Duluth LISC, and the Greater Minnesota Housing Fund. By coordinating information about properties at risk of converting to market rate housing or at risk of loss due to physical deterioration, the participants are able to more strategically target their combined resources.

The Interagency Task Force on Homelessness was established by state statute in 1990 to: 1) investigate, review, and improve the current system of service delivery to people who are homeless or at risk of becoming homeless; 2) improve coordination of resources and activities of all state agencies relating to homelessness; and 3) advise Minnesota Housing in managing the Family Homelessness Prevention and Assistance Program (FHPAP). In 2008 the Minnesota Interagency Council on Homelessness was formed to replace the Interagency Task Force. The Council includes the following state departments: Corrections, Employment and Economic Development, Human Services, Housing, Public Safety, and Veterans Affairs, with the

Department of Human Services represented by the offices of Mental Health, Chemical Health, Economic Opportunity, and Community Living Supports.

The Interagency Council coordinates and supports the regional Continuum of Care committees, regional advisory groups to the Family Homeless Prevention and Assistance Program, Minnesota's work on the Homeless Management Information System (HMIS), and all state programs impacting homelessness.

In addition to the Interagency Council, Minnesota has a broad-based community presence in preventing and ending homelessness. Called Heading Home Minnesota (HHM), this group includes philanthropic, faith and business leaders from the private sector. HHM's primary goals are to raise awareness about homelessness (and especially about the potential to end homelessness) throughout the state, to coordinate regional plans to prevent and end homelessness (there are now seven such plans in Minnesota) and to bring resources of the private sector to bear on creative solutions to homelessness.

The goals of Minnesota's Business Plan to End Long-Term Homelessness are to: 1) reduce the number of Minnesotans who experience long-term homelessness; 2) reduce the inappropriate use of crisis services; and 3) improve employability and other outcomes for families and individuals experiencing long-term homelessness. This state plan for ending long-term homelessness in Minnesota by 2010, published by the Working Group on Long-Term Homelessness, called for the collaboration of governmental entities; private sector developers and businesses; and nonprofits, charitable groups and faith-based organizations. The state "recalibrated" the plan in 2010 based on difficult economic conditions that prevented the plan from being completed as intended.

The plan facilitates the coordination of supportive housing efforts between funders, providers of services, and housing developers to make better use of currently available funding streams. Between 2004 and 2015, the plan estimates a total of $483 million will provide 4,000 supportive housing opportunities (supportive housing units or vouchers) for households experiencing long-term homelessness. Resources will include federal, state, local, philanthropic and private contributions. For additional details or a copy of the original and "recalibrated" plan, call Minnesota Housing or check this website:
www.mnhousing.gov/initiatives/housing-assistance/homelessness/index.aspx

The Minnesota HIV Housing Coalition (formerly called the Coalition for Housing for Persons with HIV) was formed in 1993 to facilitate access to quality housing and appropriate support services for individuals and families living with HIV in Minnesota. The Coalition advises the City of Minneapolis and Minnesota Housing on the expenditure of HOPWA funds. Minnesota Housing and the City of Minneapolis collaborate in allocating HOPWA funds to projects throughout the state for which sponsors seek assistance through the Request for Proposal process. Minnesota Housing continues to seek input from DHS on outreach efforts to ensure that the state addresses the needs of the HIV/AIDS population outside the 13-county Twin Cities metro area (the City of Minneapolis administers HOPWA inside the Twin Cities metro area). DHS, which

has a broad understanding of regional HIV/AIDS issues and programs, is the official administrator of federal Ryan White Part B and AIDS Drug Assistance Program (ADAP) funding for Minnesota. As the Part B Grantee, DHS is charged with addressing the needs of persons living with HIV throughout the entire state of Minnesota. DHS has access to comprehensive needs assessment information through its involvement with the Minnesota Ryan White HIV Services Planning Council.

Improve public housing and resident initiatives

The state does not own public housing or administer public housing funds.

Public housing rehabilitation is an eligible use of SCDP funds for which housing authorities may apply to DEED. The rehabilitation of public housing is not an eligible use of HOME funds.

Evaluate and reduce lead-based paint hazards

DEED's and Minnesota Housing's federally funded programs comply with the lead-based paint requirements of 24 CFR Part 35.

For better coordination of state programs, DEED has adopted MDH's priority of addressing only those homes with pregnant women and/or children under six years of age. This policy has also been adopted by the Environmental Protection Agency.

DEED has a lead hazard reduction policy that requires notification of residential owners, inspection of deteriorated paint, correction and removal, if applicable, in accordance with HUD/MDH requirements. In addition, all grantees are required to include in all residential rehabilitation contracts language, which prohibits the use of lead paint and requires contractors to carry out rehabilitation in accordance with lead safe work practices where applicable with particular attention to residential units with pregnant women or children less than six years of age.

Lead hazard reduction is an eligible improvement in state- and Minnesota Housing-funded property improvement and rehabilitation loan programs. In December 2004, the Minnesota Housing board of directors approved a lead-based paint policy of substantially complying with the HUD lead rule (24 CFR Part 35) in state-funded programs with health and safety requirements. When Minnesota Housing provides non-federal funds through its consolidated RFP that constitute a substantial portion of a rental project's funding, or when the agency's funds are secured with a first mortgage, an analysis of lead-based paint is conducted as part of the environmental review and hazards are mitigated.

DEED and Minnesota Housing are members of the Minnesota Collaborative Lead Education and Assessment Network (M-CLEAN), which is convened by the Minnesota Department of Health. Members are all state and local government and nonprofit organizations dealing with lead-based paint and public health. M-CLEAN provides a forum for sharing information among its members, and for providing, on an informal basis, a sounding board for possible lead policies.

In addition to the above activities, the Environmental Health Division of the State of Minnesota's Department of Health oversees a comprehensive lead remediation program that includes testing, health care and environmental remediation. The program is largely funded by federal dollars (HUD and Centers for Disease Control and Prevention), with additional funding provided by the state's general fund. For more information see: www.health.state.mn.us/divs/eh/lead/index.html

Ensure compliance with program and comprehensive planning requirements
In 2011, the state certified 10 local affordable housing projects or programs submitted to DEED for review for consistency with the state's Consolidated Plan.

Minnesota Housing has a longstanding commitment to advancing sustainable building and land use in the affordable housing sector. The agency encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems and that minimizes the consumption of natural resources both during construction/rehabilitation and in the long-term maintenance and operation of housing.

Having applied revised sustainable design criteria to new multifamily development beginning in 2007, the agency completed implementation of these criteria in its Community Revitalization Program in 2008 and for the rehabilitation of multifamily rental housing in June of 2009. To understand more about Minnesota Housing sustainable design criteria in single and multifamily programs visit:
http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_008011.pdf

Reduce the number of persons living below the poverty level
The Office of Economic Opportunity (OEO) at DHS administers a variety of federal and state funded anti-poverty and self-sufficiency programs, allocating more than $40 million a year in federal and state appropriations to more than 200 organizations and programs working with low-income families in Minnesota. These programs address families' basic social needs while providing opportunities for the development of the skills necessary for economic self-sufficiency.

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.

Data from a DHS longitudinal study of MFIP shows that the proportion of recipients with family income below federal poverty guidelines decreased by 22 percentage points over a 10-year period; however, the percentage in deep poverty rose. More information about the study and about assistance under MFIP is available at: www.dhs.state.mn.us

F. Leveraging Resources

DEED leverages its SCDP housing rehabilitation funds with Minnesota Housing, 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 SCDP projects historically have leveraged nonfederal funds in an amount at least equal to SCDP funds.

In 2011, HOME provided 13 percent of the total funds used in completed HOME Rental Rehabilitation projects; the remainder was provided by other public or private entities or property owners. Minnesota Housing has used Housing Tax Credits as well as HOME funds for the development of affordable rental housing in conjunction with other contributions. Under the HOME program, each participating jurisdiction has contributed funds to affordable housing in an amount that is not less than 25 percent of HOME funds drawn from a jurisdiction's HOME Investment Treasury account during the reporting period. Minnesota met HUD's HOME match contribution requirement in FFY 2011 and carried over qualifying excess match dollars to FFY 2012.

Minnesota Housing also leverages federal funds and funds from outside the agency in other state or agency funded assistance programs such as the Economic Development and Housing Challenge Fund, the Housing Trust Fund, and the Low and Moderate Income Rental Program. Local contributions are essential to the provision of affordable housing and community development and have included donations of land, write-down of project costs, tax increment financing, and municipal financing. Under the Mortgage Revenue Bond-financed Community Activity Set-Aside (CASA), Minnesota Housing gives priority during the selection process to those proposals that demonstrate local investment pursuant to a housing plan, local government participation that reduces costs, and the extent to which private investors (e.g., local employers) contribute. Under the state-appropriated Challenge Fund selection process, , Minnesota Housing ranks higher those development proposals that include a financial contribution from an area employer; local unit of government; or philanthropic, religious, or charitable organization.

Minnesota's private foundations have contributed their resources to a variety of single-family programs and multifamily projects; the McKnight and Blandin Foundation funding of the Greater Minnesota Housing Fund is one example of this contribution. The Greater Minnesota Housing Fund provides opportunities for the development of affordable housing programs and projects outside the Twin Cities metro area. The contributions of foundations and nonprofit organizations to affordable housing development, while significant, are not reported to state agencies and cannot be documented here. (***Minnesota's Consolidated Plan for Housing and Community Development*** includes a list of major foundations and nonprofit organizations in Minnesota that work to provide or promote affordable housing.)

ESG requires a one-to-one matching of funds. In FFY 2011, DHS used state funds ($2,933,725 in Transitional Housing Program funds and $343,700 in Emergency Services Program funds) to meet the Emergency Shelter Grant Program matching requirement.

Under Projects for Assistance in Transition from Homelessness (PATH) in FFY 2011, DHS disbursed $821,000 in federal PATH funds and $568,049 in matching state funds for PATH (only $273,667 was required for the match). The combined resources funded mental health staff to provide homeless outreach, engagement, and housing and service linkage to 1,940 enrolled households. The increase in the number of enrolled households from FFY 2010 is the result of both yearly fluctuations in need and service provision and the addition of a PATH program in rural north central Minnesota. Technical assistance is provided to PATH providers to clarify criteria for PATH program eligibility and a common understanding of PATH data elements. The technical assistance is having an impact on PATH data reporting as eligibility is refined and data is clarified. The number of persons contacted by PATH staff decreased from 4,044 in FFY 2010 to 3,607 in FFY 2011.

G. Citizen Comment

Minnesota state agencies use the Consolidated Planning process to maintain awareness of local assistance needs. DEED takes the lead in conducting public hearings and forums on the Consolidated Plan annually, in various areas around the state.

The state notified the public of the availability of the draft in the *Star Tribune*. The draft CAPER for 2011 was available for public comment for 15 days, beginning December 1, 2011 and extending through the close of the business day on December 15, 2011. Copies of the CAPER were posted in the websites of Minnesota Housing and DEED, and photocopies were available from Minnesota Housing and DEED upon request. Comments will be incorporated into the final document submitted to HUD.

H. Self-Evaluation

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 91.320 and Appendix E of the ***Consolidated Housing and Community Development Plan, FY 2007-2011***). Annual Action plan updates address how those objectives are to be met.

The state met or exceeded its five-year goals for assistance to households in most programs, particularly under SCDP (rehabilitation of owner-occupied units), HOME (renter occupied units), and HOPWA. With an unreachable goal for homeownership entry cost assistance in 2008, difficulty in implementing HOME-funded rehabilitation for homeowners, and severe economic and housing market conditions, the state fell short of its goals under SCDP new rental housing production and HOME-funded programs for homebuyers and homeowners.

In 2010, Minnesota Housing began funding the rehabilitation of owner-occupied units with HOME funds rather than state appropriations, which the agency anticipated would be more

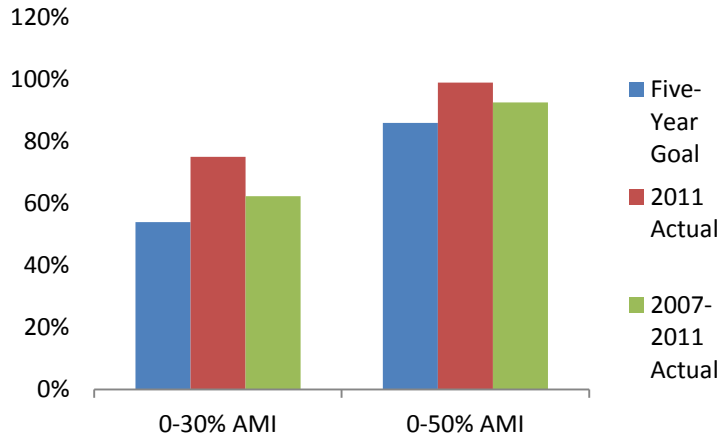
effectively used for the rehabilitation of rental housing. This change in funding streams resulted in a severe slow-down in rehabilitation loans to homeowners in 2010 and 2011. Program administrators were unable to implement HOME guidelines in a manner that met local homeowner need for rehabilitation assistance. Clearly, the state did not anticipate this change in the use of HOME funds when setting its five-year goals.

The availability of the federal first-time homebuyer tax credit, increasingly affordable house prices, and first mortgage financing through Minnesota Housing enabled the state to assist more households than expected with HOME downpayment assistance in 2010 and 2011; however, the average per household amount necessary to assist first-time homebuyers was much higher than expected resulting in a large gap between the goal and actual activity in 2008. Note that the goal for HOME-funded homeownership assistance was revised in 2009; a revised goal for HOME homeownership assistance for the five-year plan (i.e., 1,538 households) modestly exceeds actual activity.

The state revised its planned activity for ESG in its annual Action Plan for 2010 and 2011. ESG funds were used to support the ongoing efforts to provide shelter and supportive services to homeless persons; however, both planned and actual assistance activity for ESG are significantly lower than in previous years because prevention activities were not funded under ESG, including several large programs for which assistance had been reported in previous years.

The original goal for serving renters by income group was that 54 percent would have incomes 0-30 percent of area median income (AMI) and 86 percent would have incomes in 0-50 percent of AMI. Minnesota has exceeded those goals in 2011 and for the five-years between 2007 and 2011.

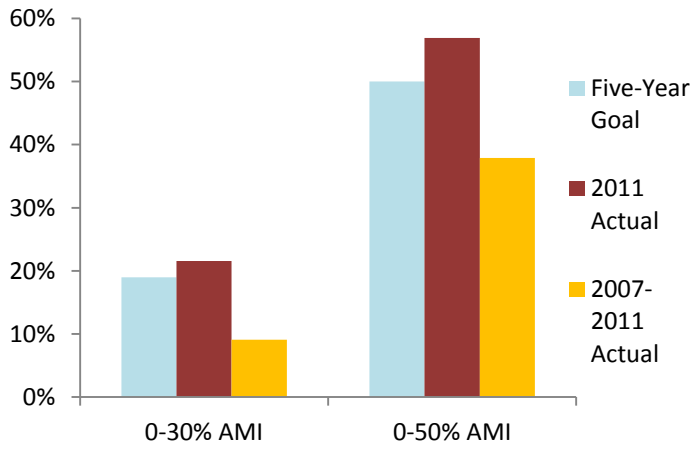
Anticipated and Actual Assistance to Renter Households by Income Group



The original goal for serving homeowners and homebuyers income group was that 19 percent would have incomes 0-30 percent of area median income (AMI) and 50 percent would have incomes in 0-50 percent of AMI. Minnesota exceeded those goals in 2011, but did not meet

them in the five years between 2007 and 2011. Minnesota Housing did not anticipate that during that time, HOME funds would be used for more homeownership than rehabilitation assistance, which may have resulted in borrowers with higher incomes.

Anticipated and Actual Assistance to Homeowners and Buyers Households by Income Group



The state projected in its five-year plan that all households to be served under CDBG would be low income, but did not project numbers to be assisted by specific income category. The numbers of renters and owners in the following table, **Projected and Actual Assisted Households by Income Group,** do not include CDBG-assisted households at this time. Information from IDIS reports indicates that in 2011, 98 percent of households served under CDBG had incomes at or below 80 percent of median income and 27 percent had incomes at or below 50 percent.

Data available through the IDIS Housing Performance Report indicates that all HOME-funded activity in 2011 fulfilled the objective of providing decent, affordable housing.

The state met assistance goals for 2011 and the last five years (2007-2011) as shown in the following tables, which use both numbers of units assisted and incomes of assisted households as indicators of progress toward achieving goals. (Note that the state projects anticipated households assisted by income group only once—in its five-year plan. The Annual Action Plan includes updates of projected assistance activity based on specific information concerning fund allocation amounts.

Priority Housing Activities/Investment Plan Table
Projected and Actual Assisted Households

	2007-2011		Year 1 (2007)		Year 2 (2008)		Year 3 (2009)		Year 4 (2010)		Year 5 (2011)	
Priority Need	**Five-Year Plan**	**Actual Activity**	**Action Plan**	**Actual Activity**	**Action Plan**	**Actual Activity**	**Action Plan**	**Actual Activity**	**Action Plan**	**Actual Activity**	**Action Plan**	**Actual Activity**
CDBG (SCDP)												
Acquisition for rehab		3				3						
Acquisition of real property	7	156	7	11		120		6		6		13
Homeownership assistance	24	25	13	17	7	3	4	2		3		
Rehabilitation of existing rental units	614	628	184	167	120	73	150	169	80	134	80	85
Rehabilitation of existing owner units	2,005	2,598	532	646	373	464	350	443	375	483	375	562
Production of new rental housing units	167	102	14	32			28	18	100	24	25	28
Relocation	0	8		7		1						
HOME												
Rehabilitation of existing rental units	1,535	1,786	450	441	450	362	360	580	125	248	150	155
Rehabilitation of existing owner units	575	128					295		120	30	160	98
Homeownership assistance	2,085	1,297	62	62	1,090	61	543	399	280	562	110	213
HOPWA												
Rental assistance												
Short term rent/mortgage utility payments	655	746	135	125	110	139	110	167	150	155	150	160
ESG*	108,235	103,248	35,408	19,383	24,970	26,441	24,970	30,386	9,743	13,144	13,144	13,894
Total	115,902	110,725	36,805	20,891	27,120	27,667	26,810	32,170	10,973	14,789	14,194	15,208

*Individuals

Priority Housing Needs/Investment Plan Table
Projected and Actual Assisted Households by Income Group

	2007-2011		Year 1 (2007)		Year 2 (2008)		Year 3 (2009)		Year 4 (2010)		Year 5 (2011)	
Priority Need	**5-Yr. Goal Plan***	**Actual Activity**	**Plan**	**Actual Activity**	**Plan**	**Actual Activity**	**Plan**	**Actual Activity**	**Plan***	**Actual Activity**	**Plan***	**Actual Activity**
Renters												
0 - 30 of MFI	1,215	1,083	243	257	243	257	243	296	243	156	243	117
31 - 50% of MFI	720	509	144	129	144	129	144	136	144	78	144	37
51 - 80% of MFI	315	112	63	31	63	31	63	35	63	14	63	1
Owners												
0 - 30 of MFI	60	127	12	5	12	5	12	9	12	41	12	67
31 - 50 of MFI	95	388	19	13	19	13	19	87	19	165	19	110
51 - 80% of MFI	155	869	31	44	31	44	31	261	31	386	31	134
Homeless**												
Individuals	86,623	107,364	19,383	24,970	19,383	24,970	24,970	30,386	9,743	13,144	13,144	13,894
Families												
Non-Homeless Special Needs												
Elderly												
Frail Elderly												
Severe Mental Illness												
Physical Disability												
Developmental Disability												
Alcohol or Drug Abuse												
HIV/AIDS*	655	746	135	125	110	139	110	167	150	155	150	160
Victims of Domestic Violence												
Total (Sec. 215 and other)												
215 Renter												
215 Owner												

*This is the original planned five-year distribution; the state typically does not revise planned activity by income group in the annual Action Plan.

**These are homeless persons assisted. HOPWA and ESG do not require the affordability standards of 92.252 and 92.254 to be met.

All SCDP beneficiaries were projected to have incomes at or below 80 percent of area median income; however, the state did not project numbers of households to be served through SCDP by specific income group.

I. Monitoring

Rental Housing

Minnesota Housing will monitor HOME Rental Rehabilitation and HOME Rental Capital properties for compliance by annually requiring owners to submit tenant income and rent information for review for compliance with HOME regulations. Minnesota Housing multifamily division staff will 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 regarding tenant incomes and rents, and continued use of a HOME-eligible lease form.

Minnesota Housing employs a "HOME Rental Rehabilitation Loan Program Compliance Manual" that it provides to owners and management agents of HOME-assisted rental properties. Minnesota Housing has not yet implemented the HOME Rental Capital program, but a similar compliance manual will be employed in that program as well. The manual covers all HOME compliance issues, including leases, rents, incomes, maintaining unit mix, affirmative marketing, and property standards.

Minnesota Housing has completed development of and has implemented a "Compliance Monitoring System" for tracking required submissions from owners, instances of non-compliance, and reporting on whether compliance is achieved. The system is automated with pre-determined times for follow-up reminders to staff to complete identified tasks and jobs according to the required schedule, reporting to managers when internal standards for correcting non-compliance are not met, and automatic notices to owners and property managers when non-compliance is found.

In 2011, Minnesota Housing conducted on-site inspections of __properties (___HOME units) as shown in the HOME Compliance Status Report. The on-site inspection consists of a review of administrative records such as utility allowance source documentation, resident selection plan, affirmative marketing, ongoing lead-based paint maintenance records (where applicable), as well as a physical inspection and tenant file review of 15 percent of the HOME-assisted units. As a rule, Minnesota Housing inspects a minimum of four HOME units (or all HOME units if the property has four or less HOME units). Properties that show limited information on the HOME Compliance Status Report did not require an inspection in 2011.

According to Minnesota Housing's monitoring procedure, if a property is found to be out of compliance either as a result of the owner certification, tenant reporting or by inspection, the owner is given a notice of noncompliance and a correction period, generally 30 days. If all noncompliance is not corrected within this period, the owner is given a 10-day grace period with which to address any remaining issues. If noncompliance remains uncorrected, the property is discussed at a HOME team meeting for further action. Possible action may be extension of the effective period, calling the loan due, or other action appropriate to the situation.

Downpayment Assistance
Minnesota Housing monitors compliance in its HOME Help program by reviewing each downpayment assistance file for eligibility before funding it, and annually reviewing the performance of each lender that originates the loans. Results of each lender review are shared with the lender, both verbally and in writing. Areas requiring improvement and strategies for performance improvement are discussed with the lender.

The Agency' staff will monitor the work of each of its contract inspectors by re-inspecting a sample of homes, but no fewer than one house per contract inspector. The size of the re-inspection sample for each contract inspector will depend on the outcome of re-inspections previously conducted. In addition to this re-inspection protocol, each inspection is reviewed by Agency staff to ensure that visual assessments of paint are conducted for properties that are built before 1978, that if paint stabilization is required a clearance examination demonstrates clearance, and that items identified as deficient in the initial inspection are indicated as corrected in the follow-up inspection report. This review is completed before HOME funds are committed and disbursed.

CHDO Operating Support
Minnesota Housing will review a CHDO's compliance with the HOME regulation's definition of CHDO before entering into a written agreement for operating support. Monitoring will occur as invoices are received to ensure that operating costs charged to the program are only for the purposes identified in the CHDO's application, and do not include costs associated with a project that has received CHDO set-aside funds or costs incurred as an administrator in any HOME program.

Single-Family Rehabilitation
All loan documents and verifications are submitted to Minnesota Housing for review for compliance before HOME funds are committed. Loans are reviewed for:

- HOME compliance;
- Minnesota Housing program/policy compliance;
- Fraud or misrepresentation on the part of any party involved in the transaction; and
- Trends and/or other indicators that may have an impact on the financial viability of the loan program in part or in whole.

This will occur via a four stage loan review process throughout the life of the loan origination, rehabilitation and loan purchase approval process, specifically:

- The first stage will be the environmental review;
- The second stage will be at time of loan commitment;
- The third stage will be half way through rehabilitation; and
- The fourth stage will be upon completion of the rehabilitation and before loan purchase approval.

In addition to a complete review of each loan file for compliance with program requirements, Rehabilitation Loan Program Lenders will be monitored on a regular basis. Lenders will be selected for monitoring based on an annual risk analysis, which includes these variables:

- Loan Volume,
- Number of findings during loan review,

- Communication status,
- Staff turnover;
- Last time monitored; and,
- Outcome of last monitoring visit.

Based on this risk analysis, the goal is to monitor five lenders a year. There are currently 44 lenders enrolled in the program, 23 of which are active.

Monitoring will include, but is not limited to:
Ensuring Lenders maintain capital and trained personnel adequate to render the services required as a part of the Lender's participation in the Program;
Ensuring Lenders maintain loan program records;
Ensuring Lenders maintain appropriate insurance coverage; and
Site visits to rehabilitated properties assisted by the Rehabilitation Loan Program.

Errors in any aspect of the loan origination and documentation processes are communicated to lenders as they are identified by Agency staff and must be corrected before the loans are purchased by Minnesota Housing. On-site monitoring results are documented by Agency staff and provided in writing to the appropriate staff at the originating lender's office.

HOPWA
1) Owners annual submission of a Deferred Loan Owner Certification and Characteristics of Tenant Household Report.
2) Property inspections per our 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.

Inspection 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.

Monitoring of emergency rent and mortgage assistance includes:
1. Monthly review of administrative budget, production, and utilization of funding.
2. Evidence that the grantee is collecting appropriate demographic data.
3. 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

Emergency Shelter Grants

Each year DHS program staff review all ESGP grantees using a risk analysis tool created with technical assistance from HUD. The tool has four broad areas of analysis:

- General agency information. This includes such factors as new executive director or fiscal director, previous monitoring results, identification of difficulties in a variety of areas, or a new grantee.
- Program operations. This includes compliance and reporting issues, policies and procedures.
- Fiscal operations. This includes financial information such as reporting, audit findings, delinquencies, turnover in accounting staff.
- Agency Board of Directors/Executive Management. This includes agency mission, roles and responsibilities, conflicts, negative press, board issues.

Use of the tool allows DHS staff to determine if a grantee needs immediate attention or if the grantee can receive a visit as part of regular monitoring. In either case, the focus of the monitoring will include any areas highlighted by the risk analysis tool. A regular monitoring rotation ensures grantees are monitored at least once during every grant cycle (every two years).

Grantee issues also may be identified through monitoring visits by state agency staff. Monitoring looks at the overall agency capacity to deliver services determined through a guided discussion that includes managers as well as direct service staff. Areas of discussion may include an overview of the strengths and challenges facing the community and participants, coordination and collaboration efforts, goals and outcomes, staffing and communication, information management, fiscal systems, and governance. A random selection of files is reviewed to check on specific documentation of: homelessness, disability status, target population, on-going assessment, follow-up, and supportive services. In addition, there is verification of homeless participation in policies and project development, the full number of participants being served, and the timeliness of grant expenditures.

Grantees receive a report on the monitoring visit within a month of the visit. Issues such as late reporting must be corrected immediately. Capacity building occurs as the field representative provides assistance to the grantee during the year. Program staff worked collaboratively with monitoring staff to develop the new monitoring instrument, which is reviewed and updated regularly.

Community Development Block Grant
It is DEED's standard that each grantee be monitored through an on-site visit at least once during the term of the funding agreement. Follow-up monitoring may occur if there are significant findings of noncompliance with program requirements to ensure that problems have been corrected or if other indicators of program noncompliance or administrative difficulties become apparent from reviews of program documents, telephone conversations, or other sources.

The monitoring process includes a review of a sample of files to determine compliance with program requirements and the existence and application of good financial management practices. A monitoring checklist/guide has been developed by DEED as a tool to assist in the monitoring process. Results of the monitoring are discussed with each grantee, and issues and their resolution are put in writing and sent to the appropriate officials of the grantee. All grants are subject to monitoring to ascertain whether the activities stated within the approved application address federal objectives, are eligible activities, and if adequate progress has been made by the grantee within the time period stated in the funding agreement.

Program Narratives
III. CDBG Program Narrative
The primary objective of the Small Cities Development Program (SCDP) is to develop viable urban communities by providing decent affordable housing and suitable living environments. SCDP does this by expanding economic opportunities, principally for persons of low and moderate income. SCDP funds can be used for a variety of activities, most often to address community needs for owner-occupied housing rehabilitation, rental and/or commercial rehabilitation, or public facility improvements.

Proposals may either be a Single Purpose or Comprehensive Application:

Single Purpose applications must consist of one or more activities designed to meet a specific housing or public facilities need within a community;

Comprehensive applications must consist of at least two interrelated projects that are designed to address community development needs and which, by their nature, require a coordination of housing, public facilities or economic development activities.

All proposals submitted must meet one of three federal objectives:

- Benefit to low and moderate income persons;
- Elimination of slum and blight conditions, or;
- Elimination of an urgent threat to public safety

All proposals recommended for approval must provide evidence of meeting, at a minimum, one of these federal objectives.

Proposals were due on November 17, 2011 under the Small Cities Development Program (SCDP) request issued by DEED. All SCDP proposals were evaluated and ranked by both a lead and backup reviewer on need, impact, cost effectiveness, organizational capacity and leveraging of non-SCDP resources. Demographic information was provided by the state

demographer's office and ranking was based on the number and percentage of people in poverty in a specific area.

The lead reviewer was responsible for presenting their scoring recommendations to the selection committee that was comprised of all SCDP Regional Representatives. During selection meetings, comments and suggestions were received from all staff in determining application scores.

For applications that had a public facility component, SCDP staff contacted representatives from Rural Development, Minnesota Pollution Control and Public Facilities Authority for their input. Additionally, applications that focused on rental or homeownership development received insight and recommendations from both Minnesota Housing and the Greater Minnesota Housing Fund.

DEED announced the following amount of CDBG funds were available in 2011:

HUD 2011 CDBG Award	**$18,512,969**
Administrative Amount	$(470,259)
Amount available for awards from CDBG	**$18,042,710**
Amount provided to Economic Development (15%)	$(2,706,407)
Amount available from HUD for SCDP grants	**$15,336,303**

Reverted funds from 2002-2009 SCDP Program Years	$1,012,258
Funds transferred from Economic Development to SCDP	$1,622,183
2009 ARRA Funds	$530,051
Amount Available for SCDP Grants	**$18,500,795**
Amount Recommended for SCDP Grants	**$(1,8474,46)**
Balance Available for Urgent Need Projects	**$29,950**

For 2011, the following is the funding breakdown for this year's awards:

- 55% For owner occupied rehabilitation;
- 17% For public facility projects;
- 15% For commercial rehabilitation;
- 3% For rental rehabilitation;
- 3% For clearance and demolition;
- 3% For acquisition of real property
- 2% For community facilities
- 1% For rental/new development;
- 1% For homeowner assistance

The Commissioner has the authority to modify these percentages if it has been determined there is a shortage of funding in any category. For 2011, there were 85 pre-applications submitted requesting over $51,613,399. From those pre-applications, 64 full applications were submitted requesting $27,996,306.

The following is an overview of the number of full applications received, the amount of SCDP funds requested, the number of projects within each region recommended for approval, and the recommended SCDP award amounts in 2011:

SCDP Applications and Recommendations for FFY 2011

Region	# of Pre-Applications Received	SCDP Funds Initially Requested Per Region	# of Full Applications Received	SCDP Funds Requested in Full Applications	Number Recommended for Approval	Recommended SCDP Awarded Amount
1	10	$6,271,710	9	$4,831,416	6	$2,495,797
2	4	$2,045,051	1	$245,051	1	$245,051
3	9	$4,996,071	8	$3,726,806	6	$2,095,498
4	14	$7,751,607	8	$3,809,360	7	$2,946,150
5	7	$4,331,295	5	$2,330,380	4	$1,796,522
6E	1	$600,000	-	-	-	$0
6W	4	$1,827,700	3	$816,200	2	$488,300
7E	3	$1,590,625	2	$997,325	2	$780,625
7W	4	$3,151,318	4	$2,151,318	3	$963,130
8	11	$7,081,500	8	$2,881,500	7	$1,811,767
9	8	$4,878,440	8	$2,978,440	7	$2,575,840
10	9	$6,639,582	8	$3,228,510	6	$2,276,166

Based on application evaluations, staff recommended approval of 51 proposals totaling $18,474,846.

IV. HOME Program Narrative

Assessment of Relationship of HOME Funds to Goals and Objectives

The state used its HOME allocation in 2011 to fund four activities: rehabilitation loans for owners of rental property, rehabilitation loans for homeowners, downpayment assistance to first-time homebuyers, and CHDO operating expenses.

Minnesota Housing's Action Plan designated HOME formula grant funds received for 2011 as follows:

Minnesota Housing Allocation of HOME Funds for 2011

Program or activity	Allocation of funds	Percentage of funds
Rehabilitation for homeowners	$3,697,515	40%
Rehabilitation for rental property	$3,235,325	35%
Downpayment assistance for first-time homebuyers	$924,379	10%
CHDO operating expenses	$462,189	5%
Agency overhead	$924,379	10%
Total	$9,243,787	100%

Projects completed in 2011 included a total of $95,416,704 in HOME funds for affordable housing for 466 low-income households, including $1,853,423 in downpayment assistance to 213 first-time homebuyers; $2,244,174 in rehabilitation assistance to 98 low-income homeowners; and $1,319,107 for the rehabilitation of 162 units of rental housing of which 155 were occupied as of September 30, 2011. Rental rehabilitation occurred in the HOME Rental Rehabilitation program, which was in run-off in 2011, using fund commitments from years prior to 2011.

Data available from IDIS Housing Performance Report PR85 indicates that all HOME-funded activity in 2011 fulfilled the objective of providing decent, affordable housing.

The state does not use HOME funds for tenant-based rent assistance, given the amount of assistance already available through the Section 8 Housing Assistance Payments Program. According to HUD's **Resident Characteristics Report as of September 30, 2009,** housing authorities in the state administer nearly 30,000 Section 8 certificates and vouchers. In addition, the state legislature's biennial appropriation to Minnesota Housing includes funding for tenant-based rental assistance.

Minnesota Housing anticipated that funding the single family Rehabilitation Loan Program with HOME funds would improve the delivery and administration of that program. The shift to state appropriations as a funding source for the Rental Rehabilitation Program and HOME as a funding source for the Rehabilitation Loan Program was implemented at the beginning of FFY 2010. Administrators found HOME rules unfamiliar and difficult, which decreased loan production under the single family program both in 2010 and 2011 (see also Section H of the CAPER Narratives).

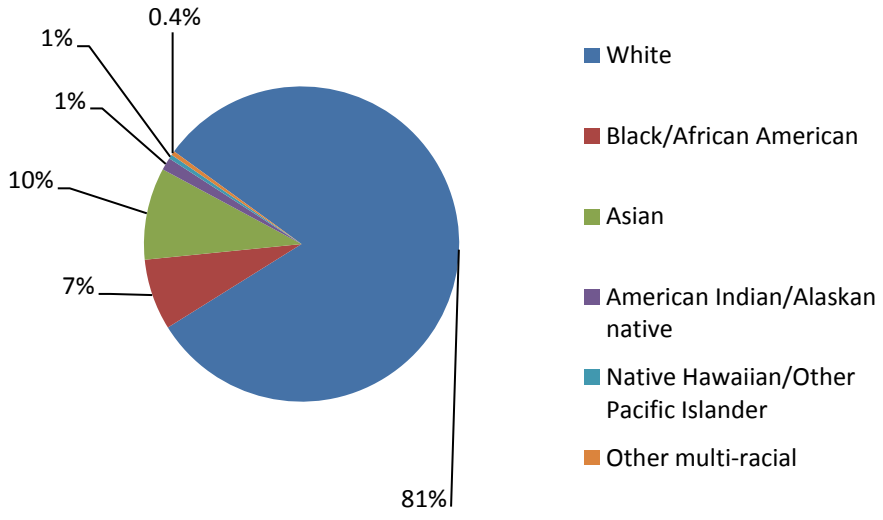
Information from HUD's *SNAPSHOT of HOME Program Performance as of 9/30/11* shows achievement in using HOME funds and enables a comparison between Minnesota's progress and the actions of other state participating jurisdictions. Minnesota has committed 89 percent of the total HOME allocation amount it has received and ranks 33 of 51 states on a composite of indicators that measure performance (a rank of one is the highest). Measures for which Minnesota ranking was better than the national average include: the percentage of funds disbursed, the percentage of extremely low-income renters benefitted, and the average cost

per unit of both single and multifamily rehabilitation. The *SNAPSHOT of HOME Program Performance as of 9/30/11* is available at: www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/index.cfm?qr=4q10

Several projects that received allocations of HOME Rental Rehabilitation funds before 2011 and were located in communities that did not receive entitlements directly from HUD were closed in 2011. HOME-funded rehabilitation loans to homeowners have been available statewide, as has HOME downpayment assistance to first-time homebuyers and the Rental Capital program. The Rental Capital program was only recently implemented with no activity to report in 2011 The location of properties purchased or rehabilitated in any given year affects the state's opportunity to serve households of color. In FFY 2011, 19 percent of households assisted under HOME programs were of a race other than White and six percent were Hispanic or Latino.

In 2011, Minnesota Housing continued to provide HOME HELP downpayment assistance to first-time homebuyers in conjunction with the Community Activity Set-Aside Program (CASA), first mortgage financing targeted to households of color and to foreclosed properties. The use of HOME HELP with CASA and the fact that increasing the homeownership rate among households of color is one of Minnesota Housing's strategic goals contributed to the relatively high percentage of homebuyers of color served.

Households Assisted under
Minnesota Housing's HOME-Funded Programs, FFY 2011



Information shown here is based on characteristics of the householder, only. According to information from the Census Bureau's *2010 American Community Survey*, an estimated 12 percent of the households in Minnesota were headed by a person of a race other than White or a person of Hispanic or Latino ethnicity.

HOME Program Annual Performance Report

Annual Performance Report
HOME Program

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 8/31/2009)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/MI) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31. Send one copy to the appropriate HUD Field Office and one copy to: **HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410**	This report is for period (mm/dd/yyyy) Starting	Ending	Date Submitted (mm/dd/yyyy)
	10/1/2009	9/30/2010	12/31/2010

Part I Participant Identification

1. Participant Number	2. Participant Name
M-10-SG-27-0100	State of Minnesota

3. Name of Person completing this report	4. Phone Number (Include Area Code)
Minnesota Housing	651-296-7608

5. Address	6. City	7. State	8. Zip Code
400 Sibley Street, Suite 300	Saint Paul	MN	55101

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period	2. Amount received during Reporting Period	3. Total amount expended during Reporting Period	4. Amount expended for Tenant-Based Rental Assistance	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5
$23.22	$227,043.86	$227,058.47	$0	$8.61

Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE) b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	f. White Non-Hispanic
A. Contracts 1. Number						
2. Dollar Amount						
B. Sub-Contracts 1. Number						
2. Dollar Amount						

	a. Total	b. Women Business Enterprises (WBE)	c. Male
C. Contracts 1. Number			
2. Dollar Amount			
D. Sub-Contracts 1. Number			
2. Dollar Amounts			

Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number						
2. Dollar Amount						

Part V 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. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost
1. Parcels Acquired	0	$0
2. Businesses Displaced	0	$0
3. Nonprofit Organizations Displaced	0	$0
4. Households Temporarily Relocated, not Displaced	0	$0

Households Displaced	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
5. Households Displaced - Number	0					
6. Households Displaced - Cost						

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 12/31/2012)

Match Contributions for **Federal Fiscal Year (yyyy)** 2011

Part I Participant Identification

1. Participant No. (assigned by HUD)	2. Name of the Participating Jurisdiction	3. Name of Contact (person completing this report)
M-11-SG-27-0100	Minnesota Housing Finance Agency	James Cegla
5. Street Address of the Participating Jurisdiction		4. Contact's Phone Number (include area code)
400 Sibley Street, Suite 300		651-297-3126
6. City	7. State	8. Zip Code
Saint Paul	MN	55101

Part II Fiscal Year Summary

1. Excess match from prior Federal fiscal year	$ 49,045,557	
2. Match contributed during current Federal fiscal year (see Part III.9.)	$ 13,483,966	
3. Total match available for current Federal fiscal year (line 1 + line 2)		$ 62,529,523
4. Match liability for current Federal fiscal year		$ 1,866,596
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)		$ 60,662,927

Part III Match Contribution for the Federal Fiscal Year

1. Project No. or Other ID	2. Date of Contribution (mm/dd/yyyy)	3. Cash (non-Federal sources)	4. Foregone Taxes, Fees, Charges	5. Appraised Land / Real Property	6. Required Infrastructure	7. Site Preparation, Construction Materials, Donated labor	8. Bond Financing	9. Total Match
Trust Fund TBRA	FY 2011	$11,472,347						$11,472,347
Bridges TBRA	FY 2011	$2,011,619						$2,011,619

form **HUD-40107-A** (12/94)

HOME MBE and WBE Report
The state itself does not enter into any single or multifamily rehabilitation contracts; therefore, information is not reported on HUD form 40107. The state did not fund any minority-owned properties in 2011 under HOME Rental Rehabilitation.

Assessments
Onsite inspections of rental properties and inspection results are located in the HOME Compliance Status Report in this CAPER.

Under the HOME Rental Rehabilitation Program each owner receives a copy of the Minnesota Housing HOME Rental Rehabilitation Owner's Manual. Minnesota Housing provides clear directions to owners about fair housing and equal opportunity requirements and implementation of those requirements. It outlines the purpose of the affirmative fair housing marketing plan requirements and provides guidance related to implementation, record-keeping, and monitoring, and specifically requires an Affirmative Fair Housing Marketing Plan (HOME Form 11) for projects with five units or more.

Under HOME HELP downpayment assistance to first-time buyers, Minnesota Housing contracts with local inspectors as described in Section I. Five percent of the current inspector contracts are with minority-owned business; the majority of those contracts are with nonprofit organizations.

V. HOPWA Program Narrative
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). In 2011, Minnesota Housing received a HOPWA allocation of $139,821 which has been committed to continue funding the Minnesota AIDS Project (MAP). 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, Minnetonka Health Project, the Rural AIDS Action Network, and MAP's own case management program in Duluth.

Minnesota Housing and the Department of Human Services collaborate to undertake outreach efforts that will ensure the needs of people with HIV/AIDS living in Greater Minnesota are met. This collaboration allows for greater coordination in the implementation of HIV/AIDS related projects.

In addition to emergency housing assistance, some of the activities funded with HOPWA grants in the past include a comprehensive needs assessment and the development of a five-year plan for meeting the housing needs of people living with HIV. To respond to the difficulty isolated Minnesotans experience in locating and accessing services, Minnesota HOPWA funds also have

been used to fund an information and housing intervention network to connect participants to needed services that will help individuals maintain their housing or obtain housing.

Presently HOPWA funds are used to assist people living with HIV in Greater Minnesota to prevent homelessness through the provision of short-term emergency housing (rental and mortgage assistance) and utility payments. In FFY 2011, 58 percent of assisted households had incomes below 30 percent of area median income and 85 percent had incomes below 50 percent of area median income. HOPWA funds were used to assist households in 43 of the 76 counties in Greater Minnesota.

Case managers or service providers refer the majority of applicants for emergency assistance. As part of the application process, clients are asked to work with their case managers to strategize how they will be able to maintain their housing. Of the 160 households assisted with HOPWA, 101 received short-term assistance the previous year, and 89 the year before. This may include up to two months of rent or mortgage assistance, and/or utility assistance, particularly as home heating costs during the winter in Minnesota have risen and can put a low-income household at risk of experiencing homelessness. Funding through HOPWA plays a significant role in helping persons living with HIV/AIDS and their families living in Greater Minnesota maintain safe and affordable housing. When persons living with HIV/AIDS have safe and affordable housing they improve their access to health care and other support services.

Following priorities set by the Minnesota HIV Housing Coalition, which acts as an advisory group to make recommendations for HOPWA funding, renewals for ongoing programs receive funding priority. There is a separate renewal process for ongoing HOPWA programs. If funds appropriated exceed the amount necessary to continue those programs at comparable levels, or if priorities change to address changing needs, those funds will be made available in the Minnesota Housing Multifamily Consolidated RFP process.

The principles that guide the work of the Minnesota HIV Housing Coalition are to:

- Improve access to housing for people living with HIV/AIDS,
- Expand the range of housing options for people living with HIV/AIDS,
- Continue Quality Improvement – provide housing and services based on promising best practices, and
- Provide advocacy and education.

Minnesota Housing will continue to administer HOPWA funds for Greater Minnesota in cooperation with the Minnesota HIV Housing Coalition. Due to limited funds and high demand, it is expected that subsequent funding will go toward continuing the emergency housing assistance provided by the Minnesota AIDS Project in Greater Minnesota.

More detailed information on the availability or use of HOPWA funds is available by contacting Minnesota Housing or visiting this website: www.mnhousing.gov/initiatives/housing-assistance/rental/MHFA_004599.aspx

General Project Sponsor Information (for each project sponsor):
1-C. Program Year 5 CAPER Specific HOPWA Objectives

Barriers	Strategies
1. There has been an increase in the number of people living with HIV in Greater Minnesota, and the need for financial assistance continues to grow. This population is struggling with limited financial resources, increased cost of living expenses, and a shortage of permanent affordable housing opportunities.	1. Working with other state agencies to make other funds available or leverage funds. The emergency housing assistance HOPWA program uses a lottery system each month and limits assistance to two months per household up to the monthly allotment of available funds, in order to ensure that the funds are available throughout the year. Case Managers assist clients in developing a housing plan to maintain housing stability.
2. Reduced state Human Services funding has resulted in fewer dollars for services, and caused the elimination of staff positions in the non-profit organizations delivering services to persons living with HIV/AIDS, and added many new responsibilities to the remaining staff.	2. Worked with other state agencies and nonprofits to survey the needs of persons with HIV/AIDS in rural Minnesota. Information from the survey was used to target funding and activities. Work with other state agencies to increase service funding that will help households access and maintain affordable housing.
3. Rural Minnesota service providers are often unaware of the persons in their community who are living with HIV/AIDS, and may be unaware of the needs of these persons, or may have prejudices that affect the availability of housing.	3. Work with other agencies, organizations, housing and service providers to provide information and training, which is used to promote education and increase housing opportunities.

PART 2: Accomplishments Data - CAPER Chart 1 (planned goal) and Chart 2 (actual)

	HOPWA Performance Charts 1 (planned goal) and 2 (actual)	Outputs Households				Funding		
		HOPWA Assistance		Non-HOPWA				
		a.	b.	c.		a.	b.	g.
		Goal	Actual	Goal		Goal	Actual	Leveraged Non-HOPWA
1.	Tenant-based Rental Assistance							
2.	Units in facilities supported with operating costs: Number of households supported							
3.	Units in facilities developed with capital funds and placed in service during the program year: Number of households supported							
4.	Short-term Rent, Mortgage and Utility payments	150	160			$143,341	$141,450	$44,040
	Housing Development (Construction and Stewardship of facility based housing)	**Output Units**						
5.	Units in facilities being developed with capital funding but not yet opened (show units of housing planned)							
6.	Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3- or 10- year use agreements							
7.	Adjustment to eliminate duplication (i.e., moving between types of housing)							
	Total unduplicated number of households/units of housing assisted							
	Supportive Services	**Output Households**						
8.	i) Supportive Services in conjunction with HOPWA housing activities[1]							
	ii) Supportive Services NOT in conjunction with HOPWA housing activities[2]							
9.	Adjustment to eliminate duplication							
	Total Supportive Services							
	Housing Placement Assistance[3]							
10.	Housing Information Services							
11.	Permanent Housing Placement Services							
	Total Housing Placement Assistance							
	Housing Development, Administration, and Management Services							
12.	Resource Identification to establish, coordinate and develop housing assistance resources							
13.	Grantee Administration (maximum 3% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					$4,128	$4,128	
14.	Project Sponsor Administration (maximum 7% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					$10,108	$9,889	
	Total costs for program year					$157,577	$155,467	

1. Supportive Services in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4-a).
2. Supportive Services NOT in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4 –c.).
3. Housing Placement Activities: if money is spent on housing placement activities in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-a); if not in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-c).

*HOPWA Budget – In FY11, the HOPWA Sponsor grant term was changed from a December – November funding term to an October – September funding term. This resulted in a two month overlap of FY10 funds in October and November 2010. HOPWA Budget includes proration of FY2010 funds for those two months.

3. Instructions on HOPWA CAPER Chart 3 on Measuring Housing Stability Outcomes:

Type of Housing Assistance	[1] Total Number of Households Receiving HOPWA Assistance	[2] Number of Households Continuing	[3] Number of Exited Households Component and Destination
Tenant-based Rental Assistance			1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing) =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
Facility-based Housing Assistance			1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing) =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
Short-term Housing Assistance	**Total Number of Households Receiving HOPWA Assistance**	**Of the Total number Households Receiving STRMU Assistance this operating year**	**Status of STRMU Assisted Households at the End of Operating Year**
Short-term Rent, Mortgage, and Utility Assistance	160	**What number of those households received STRMU Assistance in the prior operating year: 101** **What number of those households received STRMU Assistance in the two (2) prior operating years (ago): 89**	1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing)* = 144
			4 (Other HOPWA) =
			5 (Other Subsidy) = 8
			6 (Institution) = 1
			7 (Jail/Prison) = 2
			8 (Disconnected) = 3
			9 (Death) = 2

4. HOPWA Outcomes on Access to Care and Support

Categories of Services Accessed	Households Receiving Housing Assistance within the Operating Year	Outcome Indicator
1. Has a housing plan for maintaining or establishing stable on-going housing.	152	*Support for Stable Housing*
2. Has contact with case manager/benefits counselor consistent with the schedule specified in client's individual service plan..	152	*Access to Support*
3. Had contact with a primary health care provider consistent with the schedule specified in client's individual service plan,	154	*Access to Health Care*
4. Has accessed and can maintain medical insurance/assistance.	155	*Access to Health Care*
5. Successfully accessed or maintained qualification for sources of income.	153	*Sources of Income*

	A. Monthly Household Income at Entry or Residents continuing from prior Year End	Number of Households			B. Monthly Household Income at Exit/End of Year	Number of Households
i.	No income			i.	No income	
ii.	$1-150			ii.	$1-150	
iii.	$151 - $250			iii.	$151 - $250	
iv.	$251- $500			iv.	$251- $500	
v.	$501 - $1,000			v.	$501 - $1,000	
vi.	$1001- $1500			vi.	$1001- $1500	
vii.	$1501- $2000			vii.	$1501- $2000	
viii.	$2001 +			viii.	$2001 +	

VI. ESG Program Narrative

Every year in Minnesota, persons without shelter die of exposure to the elements. Sheltering persons with ESG funds provides a safe place to stay and shelter enhances access to services such as transitional housing, permanent housing, and other mainstream resources. For state Consolidated Plan Program Year 2011, the state assisted 13,894 homeless persons with ESG funding.

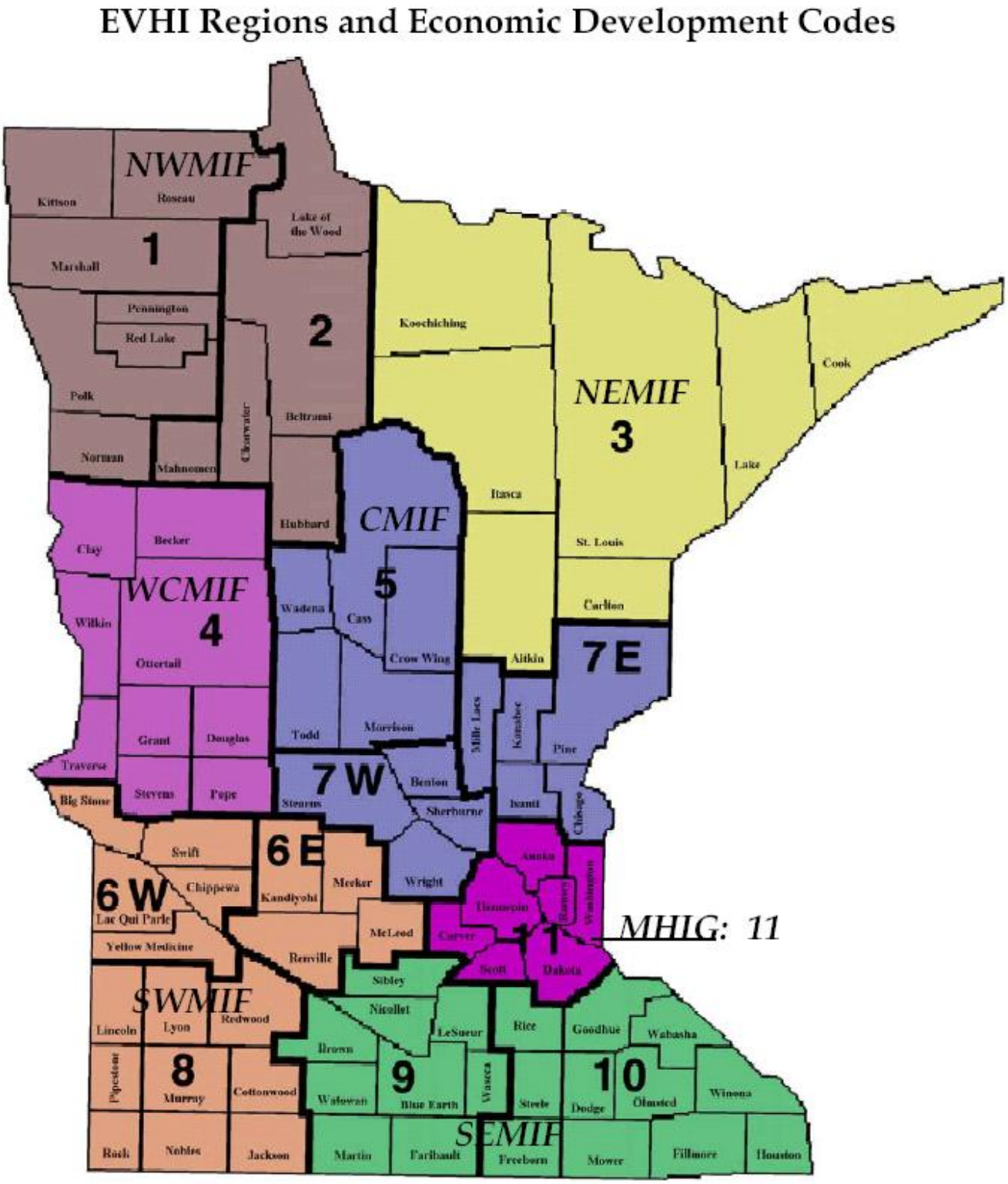
The state used Emergency Shelter Grant Program funding of $1,178,236 in FFY 2011 to support the ongoing efforts to provide shelter and to provide supportive services to homeless persons (and $62,012 for state administrative costs). DHS provided ESG funds to emergency shelter and supportive service only projects for the purpose of maintaining current levels of service.

ESG funds were used to provide supportive services to persons through the shelter program they were staying in or at drop-in centers. Supportive services included case management, transportation, mental health care, substance abuse treatment, childcare, and legal advice and assistance.

The State of Minnesota Interagency Task Force on Homelessness, in consultation with the Minnesota Housing Partnership, has provided technical assistance to assist in the establishment of Continuum of Care Committees across the state. Currently, 11 Continuum of Care (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 and transitional housing.

The state does not have the resources to formally evaluate the outcomes of ESG funded shelter and supportive services, but it is generally agreed upon by service providers, Continuum of Care committees and the state's Interagency Council on Homelessness that ESG not only provides homeless persons with a safe place to stay, but also serves as a point from which people may be referred to other needed services and housing.

EVHI, RHAG, Economic Development/Initiative Fund Region Map



The color-coded areas are the seven current Minnesota Initiative Fund Regions. Old Economic Development regions are numbered 1 – 11.

Minnesota Counties by Region

Northwest:
Beltrami
Clearwater
Hubbard
Kittson
Lake of the Woods
Mahnomen
Marshall
Norman
Pennington
Polk
Red Lake
Roseau

Northeast:
Aitkin
Carlton
Cook
Itasca
Koochiching
Lake
Saint Louis

West Central:
Becker
Clay
Douglas
Grant
Otter Tail
Pope
Stevens
Traverse
Wilkin

Central:
Benton
Cass
Chisago
Crow Wing
Isanti
Kanabec
Mille Lacs
Morrison
Pine
Sherburne
Stearns
Todd
Wadena
Wright

Southwest:
Big Stone
Chippewa
Cottonwood
Jackson
Kandiyohi
Lac Qui Parle
Lincoln
Lyon
McLeod
Meeker
Murray
Nobles
Pipestone
Redwood
Renville
Rock
Swift
Yellow Medicine

Southeast:
Blue Earth
Brown
Dodge
Faribault
Fillmore
Freeborn
Goodhue
Houston
Le Sueur
Martin
Mower
Nicollet
Olmsted
Rice
Sibley
Steele
Wabasha
Waseca
Watonwan
Winona

Metro:
Anoka
Carver
Dakota
Hennepin
Ramsey
Scott
Washington

Guide to Acronyms

AMI	Area median income
CAPER	Consolidated Annual Performance and Evaluation Report
CDBG	Community Development Block Grant (federal)
CHDO	Community Housing Development Organization
CoC	Continuum of Care
CPD	Community Planning and Development (HUD department)
DHS	Minnesota Department of Human Services
DEED	Minnesota Department of Employment and Economic Development
ESG	Emergency Shelter Grant (federal)
FNMA	Federal National Mortgage Association
HMIS	Homeless Management Information System
HOPWA	Housing Opportunities for Persons with AIDS (federal)
HTC	Housing Tax Credits (federal)
HUD	U.S. Department of Housing and Urban Development
IDIS	HUD information system
LISC	Local Initiatives Support Corporation
LMI	Low and moderate income
MDH	Minnesota Department of Health
MFIP	Minnesota Family Investment Program
PATH	Projects for Assistance in Transition from Homelessness (federal)
RD	Rural Development, U.S. Department of Agriculture
SCDP	Small Cities Development Program (federal)
SHP	Supportive Housing Program (federal)
USDA	U.S. Department of Agriculture

HOME COMPLIANCE STATUS REPORT

Home Compliance Status Report

October 1, 2010 – September 30, 2011

D#	Property Name	Property City	Total Units	# of HOME units	Date of physical inspection	Date of File review	Comments	Compliance Status
D0009	Trailside Apartments	Albert Lea	110	79	3/15/2011	3/15/2011	File and physical violations were satisfactorily clarified or corrected.	In Compliance
D0102	Sun Crest II	Avon	12	10	8/15/2011	8/30/2011	No violations noted	In Compliance
D0121	Red Pine Estates	Bemidji	86	77	5/12/2011	11/17/2011	File violations noted. Physical violations have been corrected.	Correction Pending
D0137	Carter Place	Bemidji	18	10	11/8/2011	11/8/2011	No violations noted	In Compliance
D0213	Trail Ridge	Brainerd	18	17				
D0216	College Drive Townhouses	Brainerd	24	20	4/27/2011	5/4/2011	No violations noted.	In Compliance
D0274	Cannon Falls Congregate (stonehouse)	Cannon Falls	32	32	10/12/2011	10/12/2011	No violations noted.	In Compliance
D0314	Larson Commons	Cloquet	85	73	8/9/2011	8/9/2011	No violations noted.	In Compliance
D0405	Honeytree Apartments	Delano	25	22				
D0419	The Crossroads	Dodge Center	37	37	7/20/2011	9/14/2011	No violations noted	In Compliance
D0492	Dove Terrace Apartments	Elk River	50	46	8/12/2011	8/12/2011	No violations noted	In Compliance
D0548	Pine Street Apartments	Foley	8	6	8/3/2011	8/3/2011	No violations noted	In Compliance
D0655	Evergreen Apartments	Hutchinson	62	61	8/22/2011	8/22/2011	No violations noted	In Compliance
D0665	Jackson Family Housing	Jackson	12	12	9/13/2011	9/20/2011	Physical violations noted.	Correction Pending
D0671	Oakwood Homes	Karlstad	45	8	4/13/2011	11/10/2011	No violations noted	In Compliance
D0714	Stone Creek Townhomes	Luverne	24	19				

HOME COMPLIANCE STATUS REPORT

D0720	Park Terrace	Mahnomen	18	11	sched 12/8/2011	sched 12/8/2011		Inspection in Process
D0722	Cherry Ridge Apartments	Mankato	83	52	7/27/2011	9/6/2011	File violation was satisfactorily corrected	In Compliance
D0737	Mankato Transitional Housing	Mankato	7	3				
D0999	River Park View Apartments	Monticello	31	31	9/2/2011	9/2/2011	No violations noted	In Compliance
D1031	Eastwood Manor	Motley	15	13				
D1048	Westgate-New Prague	New Prague	37	36	5/11/2011	10/7/2011	Physical violations have been corrected. File violations and owner failed to provide utility allowance and tenant selection plan	Inspection in Process
D1072	Three Links	Northfield	84	58	8/25/2011	10/3/2011	No violations noted.	In Compliance
D1123	Prairie Manor Apartments	Pierz	16	15	9/28/2011	9/28/2011	Physical and file violations noted.	Correction Pending
D1203	626 Bush Street	Red Wing	3	3				
D1350	Bandel Hills TH	Rochester	25	11	4/20/2011	8/30/2011	No violations noted	In Compliance
D1390	Russell Arms/Benton Heights	Sauk Rapids	91	81	2/15/2011	3/14/2011	No violations noted	In Compliance
D1484	La Cruz Community (fka Great River Commons	Saint Cloud	104	26	8/3/2011	8/3/2011	File and physical violations noted.	Correction Pending
D1492	Woodland Village TH	Saint Cloud	32	8	7/21/2011	8/3/2011	File violations were satisfactorily clarified or corrected.	In Compliance
D1692	Evergreen-Waconia	Waconia	46	36	6/22/2011	8/15/2011	No violations noted	In Compliance
D1717	Warroad Townhomes	Warroad	30	10	5/10/2011	11/7/2011	No violations found	In Compliance
D1768	Garden Court	Winnebago	36	28	5/4/2011	9/15/2011	No violations found during inspection. One units is out of compliance due to over income at initial occupancy and one unit has rent that exceeds allowable HOME rent limit.	Correction Pending
D1782	Viking Terrace	Worthington	60	51	10/5/2011	10/27/2011	Physical and file violations noted.	Correction Pending

HOME COMPLIANCE STATUS REPORT

D1832	Fairview Apts -- Fairfax, MN	Fairfax	25	21				
D1886	Three Rivers Duplexes	Northfield	8	8	9/15/2011	9/20/2011	Physical violations noted.	Correction Pending
D1893	Fisher Townhomes	Fisher	10	10	7/19/2011	11/8/2011	Physical violations noted.	Correction Pending
D1932	City Of Fosston / Fosston Eda	Fosston	14	14				
D2233	Lake Grace Apartments	Chaska	96	45	8/30/2011	8/30/2011	One file violation noted.	Correction Pending
D2346	Maple Lake Housing Dev Corp	Maple Lake	62	58	8/24/2011	8/24/2011	No violations noted.	In Compliance
D2391	West Birch Townhomes	Princeton	24	8				
D2393	Ridgeview Court Townhomes	Paynesville	20	8				
D2631	Groundhouse Apts	Ogilvie	8	7	7/13/2011	7/13/2011	No violations noted.	In Compliance
D3066	Willow Run I	Willmar	78	64	9/13/2011	9/13/2011	File violations were satisfactorily clarified or corrected.	In Compliance
D3223	The Bell Apts	Belgrade	28	28	9/29/2011	9/29/2011	No violations noted.	In Compliance
D3344	Hartshorn Manor	Madelia	40	39	8/16/2011	8/17/2011	Physical violations were satisfactorily corrected.	In Compliance
D3360	Oak Ridge Manor -- Melrose	Melrose	25	22	9/22/2011	9/27/2011	No violations noted.	In Compliance
D3435	Country Village Apts	Redwood Falls	60	33	8/24/2011	10/17/2011	No violations noted.	In Compliance
D3787	New San Marco Apartments	Duluth	70	6	9/16/2011	9/16/2011	No violations noted.	In Compliance
D3884	Riverwood Pines	Little Falls	24	19	11/2/2011	9/8/2011	Physical violation noted.	Correction Pending
D4039	1255 4 1/2 St NW	Rochester	6	6				
D4075	The Francis (fka Candle Rose Apts)	Rochester	18	17				
D4103	Westbrook Apartments	Westbrook	24	19	8/29/2011	9/20/2011	Physical violations noted.	Correction Pending
D4166	800 Winona	Chatfield	8	6				

HOME COMPLIANCE STATUS REPORT

D4167	Siewert, Paul	Red Wing	3	3				
D4168	815 Grand	Chatfield	8	8				
D4169	Savage, James	Chatfield	8	8				
D4204	312 SE Litchfield Avenue	Willmar	5	4				
D4225	Grove City Community Homes	Grove City	26	21	9/12/2011	9/12/2011	No violations noted.	In Compliance
D4267	914 North 2nd Street	Mankato	3	3	6/29/2011	6/29/2011	No violations noted.	In Compliance
D4290	Brooks Senior Citizens Homes, Inc	Brooks	14	10				
D4769	Hancock Housing	Hancock	8	7	9/29/2011	11/21/2011	No violations noted.	In Compliance
D4799	221 Walnut Street	Mankato	6	6				
D5276	242 5th St E	Red Wing	3	3				
D5291	520 4th St S	Mankato	3	3				
D5341	1016 8th Street	Wadena	2	2	9/28/2011	9/28/2011	File violations were satisfactorily clarified or corrected.	In Compliance
D5342	421 1st Street East	Thief River Falls	2	2				
D5343	Pine West Complex	Cold Spring	42	37	9/1/2011	9/1/2011	No violations noted.	In Compliance
D5344	301 & 315 E. Frazee and 350 E. Scharf	Vergas	21	15	8/22/2011	8/22/2011	Physical and file violations as well as failure to provide utility allowance and tenant selection plan.	Correction Pending
D5346	500 3rd Street SE	Perham	8	6	8/22/2011	8/22/2011	Physical and file violations as well as failure to provide utility allowance and tenant selection plan.	Correction Pending
D5347	26 W. Mill St.	Pelican Rapids	1	1				
D5348	22 - 24 5th Street NW	Glenwood	2	2	11/21/2011	11/21/2011	Physical and file violations noted.	Correction Pending
D5349	317 7th Ave. E.	Alexandria	3	3	9/29/2011	9/29/2011	Owner failed to provide a written tenant selection plan.	Correction Pending
D5352	321 7th Ave. E.	Alexandria	4	4	9/29/2011	9/29/2011	Owner failed to provide a written tenant selection plan.	Correction Pending
D5353	1019 Bryant Street	Alexandria	1	1				

HOME COMPLIANCE STATUS REPORT

D5354	305 4th Ave. East	Alexandria	9	7	Sched 12/7/2011	Sched 12/7/2011		Inspection in Process
D5384	480 W. Main Street	Osakis	24	19				
D5386	716 -718 North Broadway	Rochester	6	6	8/17/2011	8/17/2011	Physical and file violations were satisfactorily corrected or clarified.	In Compliance
D5387	115-117 East 8th St.	Zumbrota	2	2				
D5388	1013 Peaceful Ridge Road	Red Wing	3	3				
D5389	466 9th Street	Red Wing	2	2				
D5392	1709 Pacific Ave.	Benson	5	5	8/25/2011	8/25/2011	No violations noted.	In Compliance
D5423	828-830 5th St N	Mankato	7	7	6/29/2011	6/29/2011	No violations noted.	In Compliance
D5583	303 Whited Street	Jeffers	8	7	9/22/2011	Sched for 11/22/2011		Inspection in Process
D5604	503 2nd Ave. SW	Pipestone	4	4				
D5624	G.E.M. Apartments	Madelia	12	10	8/16/2011	8/17/2011	Physical violations were satisfactorily corrected.	In Compliance
D5626	908 7th Avenue NW	Rochester	1	1				
D5628	424 W 5th St	Red Wing	8	8	7/27/2011	7/27/2011	Owner's failure to provide a tenant selection plan was satisfactorily corrected.	In Compliance
D5629	1730 Old West Main	Red Wing	1	1				
D5644	Englehardt Apts	Rochester	12	8	8/31/2011	8/31/2011	File violations were satisfactorily corrected or clarified.	In Compliance
D5647	301 4th St E	Red Wing	1	1				
D5717	509 E. Main Street	Madelia	12	10	8/16/2011	8/17/2011	Physical violations were satisfactorily corrected.	In Compliance
D5718	719 1st St SW	Rochester	11	10				
D5821	456 13th Ave NW	Rochester	6	6				
D5847	J & C Properties LLC	Winona	4	4				
D5868x	Old City Hall Apartments	Waconia	13	10	Sched for 11/23/2011	Sched for 11/23/2011		Inspection in Process
D5933	115 6th St NE	Staples	2	2	7/20/2011	7/20/2011	Physical and file violations and owner failed to provide a tenant selection plan.	Correction Pending

HOME COMPLIANCE STATUS REPORT

D5934	145 2nd Ave. NE	Elgin	12	12				
D5982	Tamarac Manor	Underwood	16	11				
D5994	118 Conley Ave S	Thief River Falls	4	4	6/22/2011	5/2/2011	Physical violations were satisfactorily corrected.	In Compliance
D6015	508 2nd Ave NE, Staples	Staples	3	3	7/20/2011	7/20/2011	Physical and file violations and owner's failure to provide a tenant selection plan were satisfactorily clarified or corrected.	In Compliance
D6016	325 Minnesota Ave NW, Bemidji	Bemidji	7	7				
D6018	Gonvick Community Homes	Gonvick	8	8	9/29/2011		Owner failed to provide tenant files, utility allowance, tenant selection plan and rent ledgers for review.	Correction Pending
D6034	Mayview Apartments	Akeley	20	16	6/24/2011	6/24/2011	Physical violations noted.	Correction Pending
D6035	B & E Apartments	Staples	14	11				
D6036	B&E Apartments	Staples	12	10				
D6038	Willows Apartments	Little Falls	21	21				
D6039	Wimmer Homes	Ada	14	9				
D6042	1330 2nd St SE, Rochester	Rochester	11	10				
D6043	Mar-Bel Homes, Inc.	Grygla	28	10	6/22/2011	6/22/2011	Physical and file violations and owner failed to provide tenant selection plan. In addition, two units were occupied by over income households that have since vacated. These units remain vacant.	Correction Pending
D6083	Haffner Rental	Elgin	6	6				
D6084	Boyer I & II Apts.	Moorhead	8	6				
D6085	2414 3rd Ave N	Moorhead	18	18				
D6088	462 6th St N	Mankato	2	2	6/29/2011	6/29/2011	File violations were satisfactorily corrected.	In Compliance
D6089	312 4th St N	Mankato	3	3	6/30/2011	6/30/2011	Physical and file violations and owner's failure to provide a tenant selection plan.	Correction Pending
D6091	416 Broad St N	Mankato	3	3	9/16/2011	9/16/2011	Physical and file violations and owner's failure to provide a tenant selection plan were satisfactorily clarified or corrected.	In Compliance

HOME COMPLIANCE STATUS REPORT

D6092	1930 - 1930 1/2 3rd Ave	Mankato	2	2	6/30/2011	6/30/2011	Physical violations and rents exceed allowable HOME limits due to incorrect utility allowance were satisfactorily corrected.	In Compliance
D6093	108 5th St S	Mankato	2	2				
D6094	321 Broad St N	Mankato	2	2				
D6095	403 Broad St N	Mankato	3	3				
D6096	313 Riverfront Dr N	Mankato	2	2	8/10/2011	8/10/2011	Physical and file violations, owner's failure to provide a tenant selection plan and lead-based paint disclosure were satisfactorily corrected or clarified.	In Compliance
D6097	301 Riverfront Dr N	Mankato	14	14	7/8/2011	7/8/2011	File violations and failure to provide a tenant selection plan were noted.	Correction Pending
D6100	Parkview Apartments	Brownton	16	16	8/16/2011	8/17/2011	No violations noted.	In Compliance
D6101	321 1st St S	Willmar	2	2				
D6102	908 2nd St SW	Willmar	1	1				
D6105	Midway Apartments	Brownton	12	12	8/16/2011	8/17/2011	Physical violations were satisfactorily corrected.	In Compliance
D6106	North State Apartments	Waseca	24	24	8/17/2011	8/17/2011	Physical violations were satisfactorily corrected.	In Compliance
D6401	Wabasha Apartments	Wabasha	24	24				
D6402	Loki Properties LLP	Red Wing	4	4				
D6404	1509 Bush St	Red Wing	1	1				
D6406	1333 12th St	Red Wing	2	2				
D6408	321 Riverfront Dr N	Mankato	2	2				
D6409	116 Shaubut St	Mankato	2	2				
D6411	328 Carney Ave	Mankato	2	2				
D6412	312 Pleasant St E	Mankato	2	2				
D6417	719 1st St NW	Rochester	3	3				
D6418	15 11th Ave NE	Rochester	4	4				
D6419	419 11th St NW	Rochester	1	1				
D6420	1718 45th St NW	Rochester	4	3				

HOME COMPLIANCE STATUS REPORT

D6421	206 6th St SE	Stewartville	25	20	8/26/2011	8/26/2011	No violations noted	In Compliance
D6422	553 2nd St SW	Perham	3	3	9/28/2011	9/28/2011	Physical and file violations and failure to provide an updated utility allowance were noted.	Correction Pending
D6423	Braham Heights	Braham	12	11	7/13/2011	7/13/2011	No violations noted.	In Compliance
D6424	Richhaven Apts	Richmond	20	19	9/8/2011	9/16/2011	File violation noted.	Correction Pending
D6427	149 Welcome Ave E	Mankato	4	4				
D6428	106 Iowa Ave	Hoffman	1	1				
D6429	410 10th Ave E	Alexandria	2	2				
D6492	706 & 708 Holden Ave	Henning	8	6	11/21/2011	11/21/2011	File violations noted.	Correction Pending
D6734	303 4th St	Hoffman	1	1				
D6754	611 Riverfront Dr N	Mankato	2	2				
D6756	211-213 Washington Ct	Mankato	4	4				
D6757	339 Pleasant St E	Mankato	2	2				
D6854	1908, 1912, 1918 18 1/2 Ave NW	Rochester	12	11				
D6994	1700 45th St NW	Rochester	4	4				
D7054	1706 45th St NW	Rochester	4	4				
D7074	407 1st Ave NE	Byron	6	6				
D7095	611 Bluff St	Red Wing	2	2				