



**2019 ANNUAL ACTION PLAN  
COMMUNITY DEVELOPMENT BLOCK GRANT  
PROGRAM  
Rochester, MN**

**Submitted to HUD:  
Approved:**

**DRAFT**

Edens, Taryn

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# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The Consolidated Plan for the City of Rochester, Minnesota was completed in response to requirements set forth by the Department of Housing and Urban Development (HUD). The City of Rochester only receives funding from the Community Development Block Grant program.

The purpose of the Consolidated Plan and Annual Action Plan is:

- To identify the city's housing and community development needs, priorities, goals and strategies;
- To stipulate how funds will be allocated to area housing and community development nonprofit organizations and governmental units.

The Annual Action Plan addresses how the City intends to spend its 2019 HUD Entitlement funds in the areas of housing and community development.

The 2019 Annual Action Plan is year five of the 2015-2019 Five Year Consolidated Plan.

### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Estimated Housing Needs	Five Year Goals
Acquisition of existing rental units	0
Production of new rental units	0
Rehabilitation of existing rental units	3
Rental Assistance	0
Acquisition of existing owner units	0
Production of new owner units	0
Rehabilitation of existing owner units	80

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Homeownership Assistance	0
Rehabilitation Special Needs Housing	5
Rehabilitation Homeless Shelters	3
Public Facilities	10
Neighborhood Facilities	1

(City Park & Recreation)

Planning - 2 projects

The objective of performance is to provide safe, decent and affordable housing by preserving the existing housing stock and developing opportunities for the addition of new affordable rental and homeownership units. This will assist in revitalizing residential neighborhoods of desirable quality and stability, by representing Rochester’s citizens in terms of race, income group and household type.

**3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Summary of Past Performance, Program Years 2015-2018. As reported in the 2018 CAPER.

<u>Activity</u>	<u>Total</u>
Rental Owners	2
Homeless Housing	4,227
Owner Housing	105
Special Needs Housing	3
Public Facilities	659
Public Service	574
Planning	1

During this past year, the City of Rochester has met their goals by utilizing CDBG funds for projects addressing housing needs (rental and owner occupied).

**4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

Citizen input is important to solicit throughout the development of the Annual Action Plan for the City of Rochester. As such the City of Rochester adopted a Citizen's Participation Plan in 1990 and was updated in April, 2006. The adopted Citizen Participation Plan includes information on the CDBG program, offers technical assistance, allows for the public to assess all aspects of the performance of the CDBG program, process for grievances/complaints, application for funding process, and public hearing processes, including utilizing bi-lingual staff if needed.

The City of Rochester conducts public hearings to obtain citizen views, respond to questions, development needs and review of proposed activities prior to determining final appropriations. Copies of the proposed use of funds will be available at City Hall, the Rochester-Olmsted Planning Department and the city's website.

A notice that the City of Rochester was accepting applications for the 2019 CDBG program was published in the local newspaper on July 27, 2018. The notice also included the dates for two public hearings, the first being September 5, 2018 and the second being October 1, 2018. The first public hearing provided opportunity for public input. The second public hearing the City Council announced their 2019 CDBG allocations. A copy of the notice and summary of eligible CDBG activities was also sent to non-profits advocates serving low-moderate income persons, social service agencies, homeless and housing providers, health professionals, and local government agencies addressing community development needs in the area.

A notice that the City of Rochester has completed a draft of the Annual Action Plan has been published in the local newspaper for public comment on October 15, 2018. The notice includes the dates public comments will be accepted: October 15, 2018 November 14, 2018. Lastly, the notice states how our proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts based on last year's actual allocation. It states in 2018, The City of Rochester received \$602,500 from the Department of Housing and Urban Development through the CDBG Program. In 2019, if the City of Rochester expects to receive approximately \$600,000, from the Department of Housing and Urban Development through the CDBG Program. If the funding received is more than 25% of the anticipated amount, the City Council will review and determine approval through the public hearing process. If less than \$525,000 is received, all projects will be reduced by the same proportion down to the amount received (except the Home Rehab program and Administration costs). If more than \$525,000 is received (but is less than 25% of the anticipated amount), the additional funding allocation will first be determined by The City, and then by The City Council if the unanticipated amount is considered substantial.

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The following agencies attended the first public hearing held on September 5, 2018:

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Thrive Child Care and Family Resource Center

125 Live, Inc.

Intercultural Mutual Assistance Association

Boys & Girls Club of Rochester

Family Service Rochester

Bear Creek Services

Buena Vista Association

Hiawatha Homes Foundation

Child Care Resource & Referral

Excerciabilities, inc.

Ability Building Center

Zumbro Valley Health Center

**6. Summary of comments or views not accepted and the reasons for not accepting them**

No unaccepted views or comments received.

**7. Summary**

**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator		City of Rochester, MN

**Table 1 – Responsible Agencies**

**Narrative (optional)**

Through a cooperative agreement, staffing for the City of Rochester's Community Development Block Grant (CDBG) program is provided by the Rochester-Olmsted Planning Department. The Planning Department is a consolidation of City and County jurisdictions.

**Consolidated Plan Public Contact Information**

Taryn Edens, CDBG Program/Planner

Rochester-Olmsted Planning Department

2122 Campus Drive SE, Suite 100

Rochester, MN 55904

## **AP-10 Consultation – 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

The City of Rochester conducts public hearings to obtain citizen views, respond to questions, development needs and review of proposed activities prior to determining final appropriations. Copies of the proposed use of funds will be available at City Hall, the Rochester-Olmsted Planning Department and the city's website.

For purpose of the 2015-2019 Five Year Consolidated Plan for the City of Rochester, a Consolidated Plan Public Meeting was conducted on September 10, 2014. A notice was placed in the local newspaper inviting interested parties the opportunity to voice their opinions regarding the City's housing and development needs. No one attended this public meeting. The draft copy of the 2015-2019 Consolidated Plan was available to the public for comment for a 30 day period beginning October 9, 2014 until November 7, 2014. The meeting was intended to provide an opportunity for citizens, social service agencies, homeless and housing providers, health professionals advocates, and local governments to provide input on the most pressing housing and community development needs in the area.

The location and timing of this meeting is accessible and flexible to reach the broadest audience. The issue is the need for more of public interested in participating and extending communication of the event. To resolve this in the future, we will consider broadening our areas of communication of this meeting. Some examples include posting the event on the City's website, a radio broadcast, and personally emailing community stakeholders to spread the word to other community members. Stakeholders include neighborhood associations, any associations supporting protected classes and our major employer (the Mayo Clinic).

In addition, the surveys conducted by the City of Rochester for its 2015-2019 Consolidated Plan, information/data that was included from the November, 2014 release of the Comprehensive Housing Needs Assessment for Olmsted County, Minnesota completed by the Maxfield Research, Inc. was accessed and used in City's 2015-2019 Consolidated Plan. The Maxfield Research, Inc. engaged with Olmsted County Community Services (in coordination with the Mayo Clinic, Rochester Area Foundation and City of Rochester) to conduct a Comprehensive Housing Needs Assessment for Olmsted County. The primary research included interviews with rental property managers and owners, developers, business leaders, the local CoC regarding homeless data [Rochester is part of the SE MN Regional Continuum of Care (CoC) Network], City staff, and others involved in the housing market in Olmsted County.

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

For the 2019 Annual Action Plan, the City of Rochester published a notice in the local newspaper requesting applications for the 2019 CDBG funding year. The City also conducted two public hearings regarding the allocations for the 2019 CDBG program year.

The City of Rochester participated in the Comprehensive Housing Needs Assessment for Olmsted County, Minnesota, conducted by Maxfield Research, Inc. The Rochester Area Foundation, Mayo Clinic, City of Rochester and Olmsted County engaged towards the completion of the study. The study provides results of the Shelter Survey completed by the MN Department of Children, Families and Learning, conducted two times a year.

The City of Rochester works with a number of public and private agencies that address the needs of low-moderate income persons, including but not limited to, affordable housing issues, coordinated housing assistance, and services of homeless persons. The City supports these agencies by providing CDBG funding opportunities, if requested by the agency.

The City also supports numerous agencies by providing funding from the city's contingency budget. Such agencies include: Rochester Senior Center, RNeighbors, Diversity Council, Youth Commission, SE MN Initiative Fund and Human Rights Commission. The City will also support these local agencies with CDBG funding opportunities, if requested by the agency.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City of Rochester does not directly provide programs that address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and unaccompanied youth) and persons at risk of homelessness. The Continuum of Care for Rochester is provided through Three Rivers. These programs are delivered by private non-profit agencies such as: Rochester Area Family Y, Olmsted County HRA, SE MN Center for Independent Living, Bear Creek Services, Hiawatha Homes, Women's Shelter, Salvation Army, Zumbro Valley Mental Health Center, Community Housing Partnership, Catholic Charities, and Lutheran Social Services.

The City of Rochester completed the Environmental Assessment Clearance for the Olmsted County HRA. This agency is providing Section 8 Rental Base Assistance for a project developed through Center City Housing. The project known as the Gage East project provides 30 project-based housing vouchers, specifically for low-income families with children who have a history of homelessness.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate**

**outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The City of Rochester is not an entitlement for receiving ESG funds from the Department of Housing and Urban Development (HUD). HUD provides funding to service programs through their Continuum of Care (CoC program). Several local non-profit agencies receive funding: Salvation Army, Zumbro Valley Mental Health, Olmsted County HRA and Center City Housing.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	OLMSTED COUNTY HOUSING & REDEVELOPMENT AUTHORITY
	<b>Agency/Group/Organization Type</b>	Housing PHA Services - Housing Services-Children Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The Olmsted County HRA recently adopted a local tax levy. The City of Rochester is engaged with the Olmsted County HRA with implantation of their housing rehab program. In addition, the City of Rochester expanded their Housing Rehab Loan program target area to be citywide. This will complement the HRA's proposed rehab program and result overall in a higher number of low-income households served as well as a higher volume of quality housing stock. Agency sent information regarding the availability of 2019 funding via email.
2	<b>Agency/Group/Organization</b>	BEAR CREEK SERVICES
	<b>Agency/Group/Organization Type</b>	Housing Services-Persons with Disabilities Publicly Funded Institution/System of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.</p>
3	<p><b>Agency/Group/Organization</b></p>	<p>ROCHESTER AREA FOUNDATION - FIRST HOMES PROGRAM</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing Services - Housing Business Leaders Civic Leaders Foundation</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment</p>

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
4	<b>Agency/Group/Organization</b>	COMMUNITY HOUSING PARTNERSHIP, INC.
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Education Business Leaders Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
5	<b>Agency/Group/Organization</b>	SE MN Center for Independent Living (SEMCIL)
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Education Business Leaders Civic Leaders
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
6	<b>Agency/Group/Organization</b>	Hiawatha Homes
	<b>Agency/Group/Organization Type</b>	Housing Services-Persons with Disabilities Publicly Funded Institution/System of Care Foundation
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.</p>
7	<p><b>Agency/Group/Organization</b></p>	<p>ZUMBRO VALLEY MENTAL HEALTH CENTER</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing  Services - Housing  Services-Persons with Disabilities  Services-Persons with HIV/AIDS  Services-homeless  Publicly Funded Institution/System of Care  Neighborhood Organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Homeless Needs - Chronically homeless  Homelessness Needs - Unaccompanied youth</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.</p>
8	<p><b>Agency/Group/Organization</b></p>	<p>SALVATION ARMY ROCHESTER</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing  Services - Housing  Services-Children  Services-Elderly Persons  Services-Persons with Disabilities  Services-homeless  Publicly Funded Institution/System of Care  Business Leaders  Neighborhood Organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs, and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.</p>
9	<p><b>Agency/Group/Organization</b></p>	<p>ROCHESTER AREA HABITAT FOR HUMANITY</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing Business and Civic Leaders Neighborhood Organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment</p>

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs, and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2018 funding via email.
10	<b>Agency/Group/Organization</b>	Women's Shelter
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Victims of Domestic Violence Publicly Funded Institution/System of Care
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Needs - Unaccompanied youth

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs, and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
11	<b>Agency/Group/Organization</b>	Accessible Space, Inc.
	<b>Agency/Group/Organization Type</b>	Housing Services-Persons with Disabilities Publicly Funded Institution/System of Care Major Employer
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
12	<b>Agency/Group/Organization</b>	Dorothy Day House of Hospitality
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Business Leaders Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs, and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.
13	<b>Agency/Group/Organization</b>	United Way of Olmsted County
	<b>Agency/Group/Organization Type</b>	Services-Children Business Leaders Civic Leaders Neighborhood Organization
	<b>What section of the Plan was addressed by Consultation?</b>	Low income programs

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. United Way response: Education (support learning and development of children and youth so they become responsible contributing citizens - birth to 18 years of age); 2) Income (increase income, assets and job training for improved financial stability - 18 years to 65 years); Health (achieve optimal health through promoting wellness and health care access) All ages. The City of Rochester funds the United Way Gang Prevention Program with CDBG funding. Agency sent information regarding the availability of 2019 funding via email.</p>
14	<p><b>Agency/Group/Organization</b></p>	<p>Ability Building Center</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Services-Persons with Disabilities Business Leaders Neighborhood Organization</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Non-Homeless Special Needs</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. Ability Building Center response: To provide employment opportunities to individuals with disabilities, provide community based activities to develop independent living skills, incorporate wellness awareness into employment and activities. The City provides CDBG funding to complete improvements at the Ability Building Center main facility providing a safe and accessible structure for employment of individuals with disabilities independent living skills. To incorporate wellness awareness into employment and activities. The City provides CDBG funding to complete improvements at the Ability Building Center main facility providing a safe and accessible structure for employment of individuals with disabilities. Agency sent information regarding the availability of 2019 funding via email.</p>
15	<p><b>Agency/Group/Organization</b></p>	<p>SENIOR CENTER OF ROCHESTER</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Services-Elderly Persons Business Leaders Civic Leaders</p>
	<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Seniors</p>

	<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p> <p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. Senior Center response: 1) Increase access to services and programs that promote independence to the communities aging population; 2) Promote health and wellness opportunities for the over age 65 population 3) Assist, support, and provide services that enable older adults to continue to live independently in their own homes. Increase capacity via partnership and collaborations. Partnering with the City's Park and Recreation Department and sharing facility amenities when the new Senior Center is completed. The Senior Center is currently conducting a partnership analysis to determine priority partnership goals and objectives. Creating programs that enhance wellness Senior Services High Need \$40,000-\$50,000 annually. As stated above, the City has partnered with the Senior Center with the construction of a new Senior Facility adjacent to the City Recreation Center. Agency sent information regarding the availability of 2019 funding via email.</p>
16	<p><b>Agency/Group/Organization</b></p>	<p>CENTER CITY HOUSING CORP.</p>
	<p><b>Agency/Group/Organization Type</b></p>	<p>Housing  Services - Housing  Services-Children  Services-homeless  Services-Education  Regional organization  Neighborhood Organization</p>

<p><b>What section of the Plan was addressed by Consultation?</b></p>	<p>Housing Need Assessment  Public Housing Needs  Homeless Needs - Chronically homeless  Homeless Needs - Families with children  Homelessness Strategy</p>
<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>Survey information located in the City's 2015-2019 Five Year Consolidated Plan. This survey was sent requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on September 10, 2014 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs, and barriers to affordable housing and on the formulation of such needs. The consultation resulted in a better understanding of areas for improved coordination. Agency sent information regarding the availability of 2019 funding via email.</p>

**Identify any Agency Types not consulted and provide rationale for not consulting**

No agencies were intentionally not consulted for the process of the City's 2019 Annual Action Plan.

Through the review process of the City's Consolidated Plan the local CoC was contacted. The CoC provided information for the homelessness needs assessment. Information/data provided by the local CoC was also provided in the Comprehensive Housing Needs Assessment for Olmsted County, MN completed by Maxfield Research Inc.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Three Rivers	These programs are delivered by private non-profit agencies such as: Rochester Area Family Y, Olmsted County HRA, SE MN Center for Independent Living, Bear Creek Services, Hiawatha Homes, Women's Shelter, Salvation Army, Zumbro Valley Mental Health Center, Community Housing Partnership, Catholic Charities and Lutheran Social Services.

**Table 3 – Other local / regional / federal planning efforts**

**Narrative (optional)**

Through the review process of the City’s Consolidated Plan the local CoC was contacted. The CoC provided information for the homelessness needs assessment. Information/data provided by the local CoC was also provided in the Comprehensive Housing Needs Assessment for Olmsted County, MN completed by Maxfield Research, Inc. The Continuum of Care for Rochester is provided through Three Rivers. These programs are delivered by private non-profit agencies such as: Rochester Area Family Y, Olmsted County HRA, SE MN Center for Independent Living, Bear Creek Services, Hiawatha Homes, Women's Shelter, Salvation Army, Zumbro Valley Mental Health Center, Community Housing Partnership, Catholic Charities and Lutheran Social Services.

In addition the surveys conducted by the City of Rochester for its 2015-2019 Consolidated Plan, information/data that was included from the November, 2014 release of the Comprehensive Housing Needs Assessment for Olmsted County, Minnesota completed by the Maxfield Research, Inc. was accessed and used in City’s 2015-2019 Consolidated Plan. The Maxfield Research, Inc. engaged with Olmsted County Community Services (in coordination with the Mayo Clinic, Rochester Area Foundation and City of Rochester) to conduct a Comprehensive Housing Needs Assessment for Olmsted County. The primary research included interviews with rental property managers and owners, developers, business leaders, the local CoC regarding homeless data (Rochester is part of the SE MN Regional Continuum of Care (CoC) Network City staff and others involved in the housing market in Olmsted County.

The City of Rochester participated in the Comprehensive Housing Needs Assessment for Olmsted County, Minnesota, conducted by Maxfield Research, Inc. The Rochester Area Foundation, Mayo Clinic, City of Rochester and Olmsted County engaged towards the completion of the

study. The study provides results of the Shelter Survey completed by the MN Department of Children, Families and Learning, conducted two times a year.

The City of Rochester works with a number of public and private agencies that address the needs of low-moderate income persons, including but not limited to, affordable housing issues, coordinated housing assistance and services of homeless persons. The City supports these agencies by providing CDBG funding opportunities, if requested by the agency.

The City also supports numerous agencies by providing funding from the city's contingency budget. Such agencies include: Rochester Senior Center, RNeighbors, Diversity Council, Youth Commission, SE MN Initiative Fund and Human Rights Commission. The City will also support these local agencies with CDBG funding opportunities, if requested by the agency.

**AP-12 Participation – 91.105, 91.200(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

A notice published in local newspaper that the City is accepting applications for its 2019 CDBG funding. The notice identifies the City of Rochester priority needs identified as: affordable housing, senior programs, public services needs including activities benefiting handicapped persons, youth services and transportation services.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Newspaper Ad	Non-English Speaking - Specify other language: Spanish  Persons with disabilities  Non-targeted/broad community	17 agencies submitted requests for the 2019 CDBG funding. Of the 17 agencies, 12 agencies had representatives that attended and spoke at the public hearing.	The 12 agencies that attended and spoke at the public hearing explained their programs and their 2019 CDBG requests to City Council.	No comments not accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p>	17 agencies submitted requests for the 2019 CDBG funding. Of the 17 agencies, 12 agencies had representatives that attended and spoke at the public hearing.	The 12 agencies that attended and spoke at the public hearing explained their programs and their 2019 CDBG requests to City Council.	No comments not accepted.	
3	Emailed 2018 requests notice to 40 agencies working with low-moderate income persons	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p>	17 agencies submitted requests for the 2019 CDBG funding. Of the 17 agencies, 12 agencies had representatives that attended and spoke at the public hearing.	The 12 agencies that attended and spoke at the public hearing explained their programs and their 2019 CDBG requests to City Council.	No comments not accepted.	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	600,000	40,000	97,800	737,800	600,000	Our annual allocation increased this year, and our program income remains relatively constant. We estimate \$600,000 remaining in the ConPlan term if \$600,000 is granted next year.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

Agencies awarded CDBG funds will provide the additional resources through their budget which may include private, state or local funds to complete their activity.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

N/A

**Discussion**

Agencies applying for CDBG funds are required to include information how they will leverage additional resources to complete their activity.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2015	2019	Affordable Housing		Owner Occupied Rehabilitation Special Needs Housing	CDBG: \$574,172	Homeowner Housing Rehabilitated: 36 Household Housing Unit
2	Public Facilities	2015	2019	Non-Housing Community Development		Public Facilities	CDBG: \$23,628	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 600 Persons Assisted
3	Public Service	2015	2019	Non-Housing Community Development		Child Care Programs	CDBG: \$50,000	Public service activities other than Low/Moderate Income Housing Benefit: 4 Persons Assisted

Table 6 – Goals Summary

#### Goal Descriptions

<b>1</b>	<b>Goal Name</b>	Affordable Housing
	<b>Goal Description</b>	
<b>2</b>	<b>Goal Name</b>	Public Facilities
	<b>Goal Description</b>	
<b>3</b>	<b>Goal Name</b>	Public Service
	<b>Goal Description</b>	

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

Through the public hearing process and its adopted Citizen Participation Plan, the City of Rochester allocated an estimated \$697,800 to serve low and moderate income persons/households within the City of Rochester.

#### Projects

#	Project Name
1	City's 2% Home Rehab Loan Program
2	Ability Building Center
3	Women's Shelter
4	CDBG Program Administration
5	City's 2% Home Rehab Loan Program Administration

**Table 7 - Project Information**

#### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

The 2019 proposed activities address the priorities established in the approved 2015-2019 Consolidated Plan for the City of Rochester.

**AP-38 Project Summary**  
**Project Summary Information**

1	<b>Project Name</b>	City's 2% Home Rehab Loan Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Owner Occupied Rehabilitation
	<b>Funding</b>	CDBG: \$568,672
	<b>Description</b>	Provide a two percent (2%) simple interest bearing deferred loan of up to \$30,000 per unit to low-moderate income owner occupants for rehabilitation of substandard single family structures. Applicants are accepted throughout the year on a first-come, first-serve basis and placed on an existing waiting list. The 2% simple interest bearing loans must be repaid when the property is sold or transferred or if the property ceases to be the owner's principal place of residence. Properties eligible must be located in the approved target areas, located within the City of Rochester. The program is administered by staff of the Rochester-Olmsted Planning Department.
	<b>Target Date</b>	12/31/0019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	35 low-moderate income households
	<b>Location Description</b>	Council approved city-wide target area.
	<b>Planned Activities</b>	Provide a two percent (2%) simple interest bearing deferred loan of up to \$30,000 per unit to low-moderate income owner occupants for rehabilitation of substandard single family structures. Applicants are accepted throughout the year on a first-come, first-serve basis and placed on an existing waiting list. The 2% simple interest bearing loans must be repaid when the property is sold or transferred or if the property ceases to be the owner's principal place of residence. Properties eligible must be located in the approved target areas, located within the City of Rochester. The program is administered by staff of the Rochester-Olmsted Planning Department.
2	<b>Project Name</b>	Ability Building Center
	<b>Target Area</b>	
	<b>Goals Supported</b>	Public Facilities
	<b>Needs Addressed</b>	Public Facilities
	<b>Funding</b>	CDBG: \$23,628

	<b>Description</b>	The Ability Building Center is a non-profit providing rehabilitation and employment services for persons with disabilities and other special needs. CDBG funding allocated to assist with replacing an outdated exterior insulation and finish on front entry-wing wall.
	<b>Target Date</b>	12/31/0019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	600 individuals
	<b>Location Description</b>	1911 NW 14th Street, Rochester, MN
	<b>Planned Activities</b>	Replace two failing main entry doors and outdated HVAC control system.
<b>3</b>	<b>Project Name</b>	Women's Shelter
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Owner Occupied Rehabilitation Special Needs Housing
	<b>Funding</b>	CDBG: \$5,500
	<b>Description</b>	Women's Shelter a non-profit agency providing emergency and transitional housing for battered women.
	<b>Target Date</b>	12/31/0019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	4 individuals
	<b>Location Description</b>	3108 Highway 52 N, Rochester, MN 55901
	<b>Planned Activities</b>	Install a wheel-chair lift at Westchester Manor group home benefitting four women with developmental (and physical) disabilities.
<b>4</b>	<b>Project Name</b>	CDBG Program Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG: \$50,000

	<b>Description</b>	Funds to assist with the overall program management, coordination, monitoring and evaluation of the CDBG program for the City of Rochester. Staffing provided by the Rochester-Olmsted Planning Department.
	<b>Target Date</b>	12/31/0019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	NA
	<b>Location Description</b>	2122 Campus Drive SE, Suite 100, Rochester, MN 55904
	<b>Planned Activities</b>	NA
<b>5</b>	<b>Project Name</b>	City's 2% Home Rehab Loan Program Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Owner Occupied Rehabilitation
	<b>Funding</b>	CDBG: \$50,000
	<b>Description</b>	Funds to assist with program administration of the City's Single Family Rehabilitation 2% Loan Program. Staffing provided by the Rochester-Olmsted Planning Department.
	<b>Target Date</b>	12/31/0019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	35 low-moderate income households.
	<b>Location Description</b>	Citywide
	<b>Planned Activities</b>	

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The City of Rochester does not have any areas of low-income and/or minority concentration. Activities for the 2019 Action Plan distributed as follows:

City's Single Family 2% Rehab Loan Program: Citywide

Bear Creek Services (residential group home serving handicapped individuals) located in Census Tract: 13.02

Ability Building Center (public facility serving handicapped individuals) located in Census Tract: 14.01

Thrive Child Care and Family Resource Center (public facility providing childcare to low-income households) located in Census Tract: 4

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>

**Table 8 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Target area for the City's Home Rehab Program was expanded to citywide. The target area was expanded due to age of housing and possibility of lead based paint in the structures.

### **Discussion**

Affordable Housing is among the City of Rochester's top priority. In general, Rochester is predicting a shortage in supply of housing as the population grows (noted in the Maxfield Housing Study and Plan to Succeed Comprehensive Plan). Currently, we are seeing a trend for more development of rental properties (new or otherwise), and foresee this making up more of the future supply of housing.

# Affordable Housing

## AP-55 Affordable Housing – 91.220(g)

### Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	400
Non-Homeless	35
Special-Needs	0
Total	435

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	35
Acquisition of Existing Units	0
Total	35

Table 10 - One Year Goals for Affordable Housing by Support Type

### Discussion

Affordable Housing is among the City of Rochester’s top priority. In 2017, the local newspaper and the City Council have had numerous discussions on the topic area. Thus, the City had a consultant, Grounded Solutions Network, evaluate the City’s Housing Market, and made recommendations for a Mixed Income Housing Policy. This report spurred more discussion on what the City can do to develop/make affordable housing more available. The City has proposed an update to their rental development policies to ultimately include more affordable housing on any project receiving TIF dollars—these recommendations are still being reviewed. Another result of this discussion is a local group named CURE, Communities United for Rochester’s Empowerment. This group of community members advocate for affordable housing. Ultimately, the City has done much to encourage affordable housing and is continuing to review how they can do more.

In general, Rochester is predicting a shortage in supply of housing as the population grows (noted in the Maxfield Housing Study and Plan to Succeed Comprehensive Plan). Currently, we are seeing a trend for more development of rental properties (new or otherwise), and foresee this making up more of the future supply of housing. New developments like First Avenue Flats fit this trend and provide additional affordable housing options, as its prices are based on requirements outlined by government assistance with construction costs. The single-family housing market in Rochester has been in short supply resulting

in available for-sale units remaining available on the market for a short time. Per local reporters, the City is observing a pause in this market urgency, leading way to a more balanced market, but this could be seasonal and is still considered a rather tight market. It has also been reported that house flippers are thriving despite the housing shortage. All of this is being taken into consideration while the City is currently reviewing a Mixed Income Housing Policy.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The Olmsted County HRA continues to assess and improve program efficiencies and customer service to the Public Housing residents. This last year has seen staff changes that have allowed for a program reorganization, resulting in new staff with extensive experience with property maintenance and management.

### **Actions planned during the next year to address the needs to public housing**

The greatest Public Housing needs continue to be updating the deferred maintenance to the properties. The Olmsted County HRA has spent 2017 working with financial analyst Ehlers Financial Services to develop a debt remediation plan and also assess financial costs relating to the properties. This will now lead us into hiring a contractor to assist the HRA with developing a comprehensive Capital Improvement Plan (CIP). Minnesota Housing has announced an intent to release an RFP for the POHP grant, which is a grant designed with bonding dollars to assist publicly owned housing units with repairs relating to health and safety. The HRA intends to use the results of the CIP and financial management plan to submit a comprehensive request for funding from MN Housing to improve specific public housing properties. Additionally, the HRA will be moving forward on updating playground and basketball hoops for two of the townhome housing complexes.

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

The HRA continues to hold weekly office hours at two of the public housing complexes, and will be increasing time spent onsite at these and other properties in the upcoming year. This will allow staff to form closer relationships with the tenants, and create a venue in which to voice property safety and household concerns. It also allows staff to respond in a thoughtful and timely manner, as well be proactive rather than reactive when property concerns arise.

Staff is also working to create resident commissions at each site, with select members then also sitting on a Resident Advisory Board (RAB). This provides the residents with a formal avenue to address their concerns about their property, and bring concerns forward to the larger RAB. The RAB is also the formal

input to the PHA Plan. This committee structure is intended to begin in 2018.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

NA

**Discussion**

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

The City of Rochester does not administer homeless and other special needs activities directly.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

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

The City of Rochester will continue to offer our considerations in funding requests to agencies that work with homeless persons (especially unsheltered persons) that assess their individual needs.

Agencies that work with homeless person were provided information that the City of Rochester is considering requests for the 2019 CDBG program.

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

The City of Rochester will continue to offer and consider requests to agencies that work with emergency shelter and transitional needs of homeless persons.

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

The City of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies that work with helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) making the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless form becoming homeless again.

The Olmsted County HRA has provided 30 project based housing vouchers which are used at the Gage East project. The vouchers are specifically for low-income families with children who have a history of

homelessness. The Gage East project opened its doors in September, 2016. The vouchers are specifically for low-income families with children who have a history of homelessness. The recently built 55-unit building for young people and families who have been homeless or challenged by "difficult rental histories". The average tenants will pay one-third of their income to live there, she said, with no time limit on how long they can stay.

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

The City of Rochester does not administer homeless programs directly, but will continue to offer our considerations in funding requests from agencies that work with helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) making the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

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## **Discussion**

During the 2019 CDBG application process, the City of Rochester received four requests to assist addressing housing/supportive service needs of non-homeless persons with special needs. Bear Creek Services was awarded 2019 CDBG funding to install a wheel-chair lift at Westchester Manor group home benefitting four women with developmental (and physical) disabilities. Ability Building Center was awarded 2019 CDBG funding to replace two failing main entry doors and an outdated HVAC control

system which all serve approximately 600 individuals with special needs.

The City will continue to offer our considerations in funding requests from agencies that assist with housing/supportive service needs of non-homeless persons with special needs.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

The Rochester Comprehensive Plan has been adopted by the City Council on April 16, 2018. The plan outlines barriers to affordable housing as well as considerations for the future which could impact affordable housing. Some findings include a significant growth in population by 2040 to be approximately 55,000 new residents, 50,000 new jobs, and approximately 24,000 new housing units to add to the city's housing stock. In addition to an overall increase in people, the demographic makeup and size of future households will have an impact on the need for affordable housing. The plan notes demographic changes such as an increase in married couples without children, single-person households, and a notable increase in individuals ages 65 and older. Rochester will also see an increase in low-income households as a result in lower wage jobs being added to support other new jobs.

Other barriers the Comprehensive Plan notes include:

- The City of Rochester had almost 3 million visitors in 2015, due to the Mayo Clinic being our biggest economic driver; that number is expected to rise to 4 million visitors by 2022. This additional increase in visitors adds to our housing needs for short and long-term stays.
- Rochester's physical structure is different in that it can be considered a suburb as well as a strong city with a central downtown—thus we will need to consider new infrastructure as well as rebuilding aging infrastructure throughout the city.
- As we look towards improving transportation modes, we must be strategic in placing mixed-use residential development to have a greater impact in costs associated with affordable housing.
- Residents also face limited land and increasing property values, both of which act as a barrier to affordable, new housing.

The Olmsted County Housing and Redevelopment Authority (OCHRA) organized a Housing Environmental Scan in 2018 to articulate current housing issues, clarify roles and efforts, identify resources and gaps, as well as develop priorities and goals. OCHRA included many community stakeholders during various sessions to accomplish this purpose. Ultimately, they found barriers to affordable housing to include a low living wage, scarcity of supportive housing, community attitudes towards supportive housing and uncommon housing stock (like manufactured homes), lack of large rental units, lack of supply of affordable rental units and accessible housing, stringent rental criteria, short term rentals, financial education of home ownership, lack of collaboration, home owner expectations, zoning, transportation, reimbursement rates of accessible housing, licensing requirements for accessible housing, and staff scarcity in accessible housing.

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the**

## **return on residential investment**

Rochester is a growing community and that growth is anticipated to continue. Growth and change presents both opportunities and challenges. Long-range planning is needed to position the City to address its long-term needs; to be resilient; to support changing demographics; and to address housing demand, multi-modal transportation needs, growth in jobs and visitors, and more; while working with finite resources. Rochester's long-range planning effort, referred to as "Planning to Succeed" or P2S, has updated the City's Comprehensive Plan.

The City of Rochester is updating its zoning ordinance in accordance with current planning practices and the new Comprehensive Plan. Updating the City's Land Development Manual is a critical step toward implementing P2S. P2S presents a vision to reduce the amount of vehicular traffic entering downtown through a change in choice of transportation and an increase of housing options around downtown.

As part of that update, changes will be made to the City's land development manual to encourage infill/redevelopment and densification near downtown. For example, Planning staff is proposing the creation of two new zoning districts; the "TOD Transit Oriented" district and the "R2x" district. The target completion date for all zoning ordinance changes is July of 2019.

The Olmsted County Board has authorized a levy of special benefit tax by the Olmsted County Housing and Redevelopment Authority (OCHRA) up to 0.0185 percent. This levy will support the OCHRA's housing programs which include new construction of affordable housing and rehabilitation of existing housing units.

### **Discussion:**

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

The City of Rochester does not provide any programs that directly address the reduction of poverty level for persons (including worst-case & underserved needs, and persons with disabilities) residing within the City of Rochester. Most programs working with poverty level persons (including worse-case & underserved needs, and persons with disabilities) are addressed through the Community Services Department of Olmsted County (including the City of Rochester) and private non-profit agencies.

The City of Rochester acknowledges that the major obstacle to meeting underserved needs is the lack of funding and recognizes the need for such programs by supporting agencies that work with state and federal sources on obtaining financing for their programs. In addition, the City of Rochester ensures compliance with program and comprehensive planning requirements.

Agencies providing housing assistance continue to investigate funding sources to meet the needs of housing, and provide some incentives for builders, developers and property management / owners.

The City's primary focus to meeting undeserved needs is to provide affordable housing for poverty level persons. Here are our actions for resolution:

- Continue providing Tax Increment Financing Assistance to developers as warranted based upon existing housing market conditions.
- Support the Olmsted County Housing and Redevelopment Authority in their efforts to administer the Section 8 Homeownership Program. The program will provide homeownership assistance by sending a portion of the mortgage payment to the assisted family to send in with their share of the mortgage payment. Homeownership assistance eligibility will be for up to 15 years.
- Continue to offer financial assistance through the Community Development Block Grant program to the Southeastern Minnesota Center for Independent Living, Inc. (SEMCL) for their Home Accessibility Modification Program.
- Document the number of additional affordable units that become available through the Low Income Housing Tax Credit, Tax Increment Financing, First Homes Program and local non-profit

housing providers.

- Encourage landlords to apply for a variance to the City of Rochester's Housing Code, requesting approval for additional persons in a rental unit for lease to families needing 3+ bedrooms. The procedure for applying for a variance is provided by the Olmsted County HRA when a client of the Section 8 Program is over-occupying a unit.

### **Actions planned to address obstacles to meeting underserved needs**

The City of Rochester recognizes the need for such programs that assists in the elimination of barriers to affordable housing by supporting agencies that work with state and federal sources on obtaining financing for their programs.

The City of Rochester will continue to work with the Olmsted County HRA in establishing a rehabilitation program for existing housing with funding provided by the approved Olmsted County HRA tax levy.

Approved projects in the Rochester area include:

Three Rivers Community Action, Inc. – Affordable Gap Financing Single Family - \$222,000 (funding source MN Housing, Greater MN Housing Fund).

Rochester - IAF Development, LLC – 68 unit Multifamily - \$13,687,130 (funding source MN Housing).

As mentioned earlier, providing affordable housing is a priority. Here are other actions we are taking:

- Continue to offer financial assistance through the Community Development Block Grant program to the First Homes Program established by the Rochester Area Foundation.
- Offer financial assistance through the Community Development Block Grant program and land donation to the Olmsted County Housing and Redevelopment Authority with the construction of a 39 unit (one & two bedroom units) multifamily project.
- Continue providing Tax Increment Financing Assistance to developers as warranted based upon

existing housing market conditions.

- Support the Olmsted County Housing and Redevelopment Authority in their efforts to administer the Section 8 Homeownership Program. The program will provide homeownership assistance by sending a portion of the mortgage payment to the assisted family to send in with their share of the mortgage payment. Homeownership assistance eligibility will be for up to 15 years.
- Continue to offer financial assistance through the Community Development Block Grant program to the Southeastern Minnesota Center for Independent Living, Inc. (SEMCL) for their Home Accessibility Modification Program.
- Document the number of additional affordable units that become available through the Low Income Housing Tax Credit, Tax Increment Financing, First Homes Program and local non-profit housing providers.
- Encourage landlords to apply for a variance to the City of Rochester's Housing Code, requesting approval for additional persons in a rental unit for lease to families needing 3+ bedrooms. The procedure for applying for a variance is provided by the Olmsted County HRA when a client of the Section 8 Program is over-occupying a unit.

### **Actions planned to foster and maintain affordable housing**

The City of Rochester recognizes the need for such programs that assists in the elimination of barriers to affordable housing by supporting agencies that work with state and federal sources on obtaining financing for their programs.

The City of Rochester will continue to work with the Olmsted County HRA in establishing a rehabilitation

program for existing housing with funding provided by the approved Olmsted County HRA tax levy.

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- Continue providing Tax Increment Financing Assistance to developers as warranted based upon existing housing market conditions.
- Support the Olmsted County Housing and Redevelopment Authority in their efforts to administer the Section 8 Homeownership Program. The program will provide homeownership assistance by sending a portion of the mortgage payment to the assisted family to send in with their share of the mortgage payment. Homeownership assistance eligibility will be for up to 15 years.
- Continue to offer financial assistance through the Community Development Block Grant program to the Southeastern Minnesota Center for Independent Living, Inc. (SEMCL) for their

## Home Accessibility Modification Program.

- Document the number of additional affordable units that become available through the Low Income Housing Tax Credit, Tax Increment Financing, First Homes Program and local non-profit housing providers.
- Encourage landlords to apply for a variance to the City of Rochester's Housing Code, requesting approval for additional persons in a rental unit for lease to families needing 3+ bedrooms. The procedure for applying for a variance is provided by the Olmsted County HRA when a client of the Section 8 Program is over-occupying a unit.

### **Actions planned to reduce lead-based paint hazards**

The City of Rochester will continue to provide funding to their Home Rehab program. The City of Rochester has integrated the Final Rule – Lead Safe Housing Regulation, effective September 15, 2000 into the City's Single Family Home Rehabilitation 2% Loan Program. Currently there are 20 applicants on the waiting list for the City's Home Rehabilitation program. Since some of the properties were built prior to 1978. It is unclear, at this time, as to how many properties may be completed.

All participants of the City's Home Rehabilitation Program receive brochures on the hazards of lead base paint and are requested to complete and sign a lead base paint certification and sign that they have received a copy of the US Department of Housing and Urban Development, Lead Base Paint Notification form. A lead-based paint risk assessment test and clearance is conducted on all properties receiving CDBG funding.

### **Actions planned to reduce the number of poverty-level families**

The City of Rochester does not provide any programs that directly address the reduction of poverty level for persons (including worst-case & underserved needs, and persons with disabilities) residing within the City of Rochester. Most programs working with poverty level persons (including worse-case & underserved needs, and persons with disabilities) are addressed through the Community Services Department of Olmsted County (including the City of Rochester) and private non-profit agencies.

The City of Rochester acknowledges that the major obstacle to meeting underserved needs is the lack of funding and recognizes the need for such programs by supporting agencies that work with state and federal sources on obtaining financing for their programs. In addition, the City of Rochester ensures

compliance with program and comprehensive planning requirements.

Agencies providing housing assistance continue to investigate funding sources to meet the needs of housing, and provide some incentives for builders, developers and property management / owners.

### **Actions planned to develop institutional structure**

The City of Rochester will continue to work in partnership with agencies that address affordable housing, youth services, senior services, and other public services to low and low-moderate income persons.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

The City of Rochester works with several public and private agencies addressing the needs of low-moderate income persons, including but not limited to, affordable housing issues. The City supports numerous agencies by providing funding from the City's contingency budget. Such agencies include: Rochester Senior Center, RNeighbors, Diversity Council, Youth Commission, SE MN Initiative Fund and Human Rights Commission. The City also supports local agencies by providing CDBG funding opportunities, if requested by the agency.

Through a cooperation agreement with the City of Rochester, the Rochester-Olmsted County Planning Department provides staffing for administration of the CDBG program and administration of the city's 2% Home Rehabilitation Loan Program (CDBG funded) and its CDBG program.

### **Discussion:**

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

#### Introduction:

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	97,800
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>97,800</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

Overall Benefit is a consecutive period of three years to determine overall benefit of low and moderate income persons.

## **Attachments**

**Grantee SF-424's and Certification(s)**

**PENDING 2019 CONTRACT AWARD**