

City of Rochester, Minnesota  
Consolidated Annual Performance and Evaluation Report

2018

# *CAPER*



**Approved**

April 3, 2019



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## **CR-05 - Goals and Outcomes**

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

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

This annual report is Year Four of the City of Rochester, MN Five-year Consolidated Plan for the 2015-2019 period. During this reporting period \$415,036.50 was expended from HUD CDBG Entitlement Grant program. In addition, \$68,255.74 720 was leveraged from other public and private sources to implement HUD-eligible projects during the reporting period. The City's Single-Family Rehabilitation Loan program generated \$220,020.91 from repayment of loans and \$720 City Home Rehabilitation Loan Program was provided by the owners that received assistance through the City's Single-Family Rehabilitation Loan Program.

There were 5 activities allocated for 2018 CDBG funding. Of the 5 activities, none were completed. A balance of \$459,629.30 of CDBG funding remains for 5 activities to be completed (some activities have had small incremental draws). The remaining are: The City's Single-Family Rehab program (YR 2018 # 487 and YR 2017 #479; \$349,407.75 unspent), City's Single Family Rehab Program Administration (YR 2018 # 490; \$41,124.31 unspent), CDBG Program Administration (YR 2018 # 489 and YR 2017 #478; \$15,103.23 unspent), Women's Shelter Roof Project (YR 2017 # 485 and YR 2018 #488; total of \$43,100 unspent), and Ability Building Center (YR 2018 # 486; \$10,900 unspent).

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

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

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	100	93	93.00%	35	26	74.29%
Affordable Housing	Affordable Housing	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		400	0	0.00%
Planning	Non-Housing Community Development	CDBG: \$	Other	Other	1	0	0.00%			
Public Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5	655	13,100.00%	600	0	0.00%
Public Facilities	Non-Housing Community Development	CDBG: \$	Facade treatment/business building rehabilitation	Business	5	0	0.00%			
Public Service	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	200	0	0.00%			

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

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

The City of Rochester allocated 83.7% of the 2018 CDBG dollars for the following priorities identified in the City’s 2015-2019 Five Year

Consolidated Plan as follows:

Priority #1 – Affordable Housing – Owner Occupied Rehabilitation: \$361,700 (+\$220,020.91 program income). 50% complete.

City’s Single-Family Home 2% Loan Rehabilitation Loan.

Priority #2 – Affordable Housing—Rehabilitation of Rental Units: \$12,400. 100% complete.

Accessible Space

Priority # 9 – Public Facilities – Rehabilitation: \$150,276.10. 61% complete

Ability Building Center

Women’s Shelter – Roof

Mayo Civic Center

The remaining \$97,800 of the CDBG funds were allocated to 2019 CDBG funding.

## CR-10 - Racial and Ethnic composition of families assisted

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

91.520(a)

	<b>CDBG</b>
White	32
Black or African American	5
Asian	0
American Indian or American Native	0
Native Hawaiian or Other Pacific Islander	0
<b>Total</b>	<b>37</b>
Hispanic	2
Not Hispanic	38

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

### Narrative

The information provided above comes from 6 activities completed during 2018 using 2017 CDBG funding, 3 activities completed during 2018 with 2016 CDBG funding, 1 activity completed during 2018 with 2015 CDBG funding, and 1 activity completed during 2018 with 2013 funding. Note that 1 person identified as Black/African American and White, and 2 persons identified as other multi-racial/Hispanic, which is not displayed individual but in the total persons.

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

**Identify the resources made available**

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	607,800	

**Table 3 - Resources Made Available**

**Narrative**

The following public and private resource dollars were made available:

CDBG Dollars: \$607,800

Program Income: \$220,020.91

Other Funds:

- \$34,526 City Home Rehab 2% Loan program
- \$2,370.40 Accessible Space from Other Federal Funds
- \$31,359.64 Mayo Civic Center from State/Local Funds

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

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

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

**Narrative**

CDBG dollars were distributed through projects that were city-wide.

A total of \$315,654.05 were spent (52% of total CDBG funds spent) and \$220,020.91 of program income were provide to the City’s Single-Family Rehab 2% Loan Program.

## Leveraging

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

The City's Single-Family Rehabilitation Loan program generated \$220,020.91 from repayment of loans. Of the \$220,020.91, \$178,240.25 was revolved back into the City's Single-Family Rehabilitation Loan program allowing additional projects to be completed. The remaining balance of the loan repayments \$41,780.66 was allocated into the administration of the City's Single-Family Rehabilitation Loan program. In addition to the repayments, a total of \$720 was provided by the owners that received assistance through the City's Single-Family Rehabilitation Loan Program and \$67,896.04 total from the other funds.

The City of Rochester has allocated \$522,029 of Tax Increment Financing (TIF) for one new affordable housing rental projects (total of 60 rental units) during 2018. This project is currently under construction.

The Olmsted County Board of Commissioners have approved a property tax levy of more than \$2 million in 2018 to support HRA housing program, leveraging additional government and nonprofit investment with the development of new affordable housing and other programs in Olmsted County, including the City of Rochester. The tax levy assistance with development of housing was launched in March of 2017. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and ineligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year.

CDBG funds are used to leverage additional private, state and local resources from agencies that are allocated CDBG funds. The City does not obtain the leverage or matching funds from the subgrantees. Private, state, and local funds from the agencies are distributed by the agencies. These funds are distributed prior to spending the CDBG funding.

The City of Rochester anticipates additional resources to be available citywide from Minnesota Housing Finance Agency provided to the Olmsted County HRA (OCHRA), developers (TIF funding), and non-profits serving low-moderate income persons. The OCHRA administers the MN Housing Rehabilitation Program.



## CR-20 - Affordable Housing 91.520(b)

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

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	400	0
Number of Non-Homeless households to be provided affordable housing units	35	26
Number of Special-Needs households to be provided affordable housing units	14	14
<b>Total</b>	<b>449</b>	<b>40</b>

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	35	26
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>35</b>	<b>26</b>

Table 6 – Number of Households Supported

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

The City continues to strive to meet their goals and outcomes. If meeting a goal and outcome problem is encountered it is due to lack of funding sources.

Currently, the Rochester-Olmsted Consolidated Planning Department, the City of Rochester, Destination Medical Center, Rochester Area Foundation, area realtors, and Rochester Multi-Housing Association are

collaborating to create an annual state of the housing report, which can help guide decisions and provide an update on the status of the rental and for sale market, with considering its affordability.

The City will continue to offer and consider requests that address the priorities established in the City’s 2015-2019 Five Year Consolidated Plan.

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

The City of Rochester is aware of the needs of many and various community development activities (both housing and non-housing needs). Funding limitations will not allow all of the City’s needs and requests to be met. However, the City hopes to continue carrying out the CDBG program in future years to meet the needs for the extremely low to low-moderate income individuals and families through the priority goals listed in the City’s 20105-2019 Five Year Consolidated Plan. The priorities are:

- Single Family Rehabilitation
- Rental Unit Rehabilitation
- Emergency Shelter for Homeless
- Affordable Housing
- Special Needs Housing
- Youth Programs
- Child Care Program
- Senior Services
- Public Facilities
- Planning
- Neighborhood Facilities
- Handicap Services

The CDBG program will also continually assess the goals, objectives and outcomes of each approved activity using CDBG funds.

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

<b>Number of Households Served</b>	<b>CDBG Actual</b>	<b>HOME Actual</b>
Extremely Low-income	19	0
Low-income	11	0
Moderate-income	10	0
<b>Total</b>	<b>40</b>	<b>0</b>

**Table 7 – Number of Households Served**

**Narrative Information**

The City will continue to fund activities which address their priority needs as indicated in their 2015-2019 Five Year Consolidated Plan. 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). These programs are addressed through Olmsted County Community Services and private non-profit agencies.

An example of activity efforts addressing “worst case” needs:

An upcoming project is hoping to break ground in 2019. The Jeremiah Program has secured land in Rochester, serving 40 single mothers with children who are considered to be in poverty. This year, the Olmsted County Board approved to designate 20 Housing Choice Vouchers to the project, and the City Council approved establishing a TIF district for the project and \$660,652 in TIF assistance be provided to the project as a pay-as-you-go basis. The program provides transitional housing while participants complete a program providing mothers with career-track college educations as well as childhood education programs for their children.

Accessible Space’s property, Bostrom Terrace, replaced flowing for 14 accessible apartments serving low income households—funded with CDBG funds.

The Olmsted County HRA has begun to establish a waitlist for using a tax levy addressing affordable housing activities. These funds will be primarily used to rehabilitate owner-occupied dwellings for income qualified residents of Olmsted County. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City’s Rehab program. Similar rehab work is eligible and ineligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program’s goal is to provide 15-20 loans each year.

Other ways the community is working to provide affordable housing include local developer’s efforts to develop up to 20 single-family dwellings selling at less than \$200,000 for income qualifying households; they are also collaborating with the Rochester Area Foundation on some houses to provide different financing options and ensure long term availability to income qualifying households.

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

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

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

The City of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies that aim to reduce and end homelessness. In 2018, the City of Rochester accepted a projects requested by the Women's Shelter which address reducing and ending homelessness. The other incomplete project funds \$27,500, in addition to \$15,600 from 2017 towards replacing the roof rafter tails at the main shelter—the project should be complete by spring of 2019.

Three Rivers Community Action is the Continuum of Care (CoC) for Olmsted County (including the City of Rochester). Through The CoC funding, the following projects received funding:

- Olmsted County HRA: \$116,467 – The Francis has 19 housing units with support services for individuals with long histories of homelessness. Supportive services are provided by Olmsted County Community Services.
- Silver Creek Corners: \$118,671 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (30 supported by the CoC, 10 with GRH). Meals provided with round the clock staffing. Collaboration between City Center Housing and Olmsted County Community Services.
- Olmsted County Community Services: PSH Zumbro Valley \$156,188 + new expansion grant for \$30,864 (total \$187,052). Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- Rochester Salvation Army: Castlevue Apartments \$84,128 for services and \$61,170 for rental subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.
- Center City Housing: \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

All homeless designated housing and services are filled via Coordinated Entry. Street outreach for unsheltered homeless persons occurs via Lutheran Social Services (for youth to age 24) and Zumbro Valley Health Center outreach workers (for adults). People who engage with the outreach workers are connected to emergency shelter for immediate needs and/or to a Coordinated Entry access site if the individuals desire to access longer-term homeless-specific resources, including CoC-funded housing and services.

Contact information for access sites for Coordinated Entry are posted online and linked to state and federal housing resource searches. Posters with access sites' information are placed in locations frequented by people experiencing homelessness. Poster locations include services agencies, libraries, laundromats, etc. Access sites listed for Olmsted County are Three Rivers Community Action, Zumbro Valley Health Center, Salvation Army, Olmsted County Community Services, Women's Shelter, Lutheran Social Services LINK program, and Minnesota Assistance Council for Veterans.

At an access site, people experiencing homelessness complete an assessment for housing and services which is used to prioritize referrals for openings that occur in the community, and are contacted when an opening occurs. The assessment is shared by all homeless-specific housing and services programs.

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

The City of Rochester does not administer emergency shelter and transitional housing needs of homeless persons programs directly, but will continue to offer and consider requests from agencies that address emergency shelter and transitional housing needs of homeless persons. Agencies reaching out to homeless persons are part of the Continuum of Care (CoC) for Olmsted County. Three Rivers Community Action, Inc. is the CoC for Olmsted County, including the City of Rochester.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- **Olmsted County HRA:** \$116,467 – The Francis has 19 housing units with support services for individuals with long histories of homelessness. Supportive services are provided by Olmsted County Community Services.
- **Silver Creek Corners:** \$118,671 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (30 supported by the CoC, 10 with GRH). Meals provided with round the clock staffing. Collaboration between City Center Housing and Olmsted County Community Services.
- **Olmsted County Community Services:** PSH Zumbro Valley \$156,188 + new expansion grant for \$30,864 (total \$187,052). Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- **Rochester Salvation Army:** Castlevue Apartments \$84,128 for services and \$61,170 for rental

subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.

- **Center City Housing:** \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

Olmsted County recently receives grant dollars from the MN Department of Corrections to develop transitional housing services for clients on probation or supervised release. In 2017, the County began working with Damascus Way to operate this programming out of their space at the Juvenile Detention Center; Damascus Way has offered transitional housing in Rochester since July 2006.

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

The City of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies who assist in 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.

In 2018, the City of Rochester accepted a project requested by the Women's Shelter which address reducing and ending homelessness. The other incomplete project funds \$27,500, in addition to \$15,600 from 2017 towards replacing the roof rafter tails at the main shelter—the project should be complete by spring of 2019. Though a Wilder Research reported that in 2015, 9,312 people were found to have no place to call home in Minnesota, the U.S. saw a decline in Veteran Homelessness as a whole, as HUD reported in decreased 5.4% since last year. Agencies reaching out to homeless persons are part of the Continuum of Care (CoC) for Olmsted County. Three Rivers Community Action, Inc. is the CoC for Olmsted County, inclu

Through the Continuum of Care (CoC) funding, the following projects received funding:

- **Olmsted County HRA:** \$116,467 – The Francis has 19 housing units with support services for individuals with long histories of homelessness. Supportive services are provided by Olmsted

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- **Silver Creek Corners:** \$118,671 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (30 supported by the CoC, 10 with GRH). Meals provided with round the clock staffing. Collaboration between City Center Housing and Olmsted County Community Services.
- **Olmsted County Community Services:** PSH Zumbro Valley \$156,188 + new expansion grant for \$30,864 (total \$187,052). Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- **Rochester Salvation Army:** Castlevue Apartments \$84,128 for services and \$61,170 for rental subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.
- **Center City Housing:** \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

Through a grant of \$70,000 from the Mayo Clinic, The Zumbro Valley Health Center will purchase key equipment and cover operational expenses, to support the delivery of mental and chemical health services as well as medical and care coordination services to those that are under-insured or uninsured in Southeast Minnesota.

**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 programs that help 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 but will continue to offer and consider requests from agencies that address these needs.

In 2018, the City of Rochester accepted a projects requested by the Women’s Shelter which address reducing and ending homelessness. The other incomplete project funds \$27,500, in addition to \$15,600 from 2017 towards replacing the roof rafter tails at the main shelter—the project should be complete by spring of 2019. Agencies reaching out to homeless persons are part of the Continuum of Care (CoC) for Olmsted County. Three Rivers Community Action, Inc. is the CoC for Olmsted County, including the City of Rochester.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- **Olmsted County HRA:** \$116,467 – The Francis has 19 housing units with support services for individuals with long histories of homelessness. Supportive services are provided by Olmsted County Community Services.
- **Silver Creek Corners:** \$118,671 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (30 supported by the CoC, 10 with GRH). Meals provided with round the clock staffing. Collaboration between City Center Housing and Olmsted County Community Services.
- **Olmsted County Community Services:** PSH Zumbro Valley \$156,188 + new expansion grant for \$30,864 (total \$187,052). Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- **Rochester Salvation Army:** Castlevue Apartments \$84,128 for services and \$61,170 for rental subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.



- **Center City Housing:** \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

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

### **Actions taken to address the needs of public housing**

As reported in the Olmsted County HRA PHA 5- Year and Annual Plan, the Olmsted County HRA proposes to provide safe, decent, and affordable housing to low-income families and Extremely low-income families through continued successful administration of Low Income Public Housing programs achieving the highest rating possible through the Public Housing Assessment System. They will continue to improve public housing units for the future, possibly using the Rental Assistance Demonstration program.

The Olmsted County HRA administers the Housing Choice Voucher program and Public Housing. The Olmsted County is allotted up to 556 vouchers, of which 15 are specific VASH vouchers, 30 Project Based Vouchers, 19 Mainstream vouchers and 2 FUP vouchers. Many households have been on a voucher waitlist since 2012—about 141 families remain on the waiting list for housing assistance. Approximately 750 units of housing are provided through low-income public housing, housing option program, housing for people with special needs, and T-RAP.

The HRA administers several programs funded by MN Housing, including Bridges, T-RAP, and HOP. Additionally, the HRA administers the MN Housing Rehab program and has begun its own levy-funded rehab program in 2017. That program will provide low-interest deferred loans to low and moderate-income households for safety and security rehab projects, or accessibility projects. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and ineligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year.

The Olmsted County HRA opened the Low Income Public Housing program waiting list during 2016. The list closed once the OCHRA received 500 Applications.

The Olmsted County HRA also owns a number of rental properties and leases to low-moderate income households described as follows:

- Flood Homes. 14 single family properties with a total of 15 units.
- River's Edge. This is a mixed income development which provides a number of affordable and market rate units totaling 39 units.
- The Frances. Consisting of 18 units providing housing for homeless individuals with supportive services provided by Olmsted Community Services.
- Rolling Heights. This is an RRDL property consisting of 16 two-bedroom units for elderly/disabled households.
- Silver Creek Corner. Permanent Supportive Housing for chronic inebriates who are also

homeless, housing 40 units of single-resident occupancy. This was a collaborative project between City Center Housing Corp., Olmsted County Community Services and the Olmsted County HRA.

- Northgate: A Section 811 property assisting elderly and disabled individuals.
- Bandel Hills: A mixed income townhome development which provides 25 affordable units.
- Halling House: 8 two-bedroom units for under fair market rate rents

Immediate needs include additional Section 8 Housing Choice Vouchers made available by Congress and HUD, develop marketing strategies that promote landlord participation in the Section 8 programs, and Promotion of affordable housing unit developments.

The Olmsted County Housing and Redevelopment Authority has less than 250 Public Housing units and therefore is recognized as a Small PHA according to HUD standards.

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

The Olmsted County Housing & Redevelopment Authority (OCHRA) Board is comprised of eight members; seven members consist of the Olmsted County Board of Commissioners and one resident member who is a current voucher holder or Public Housing resident.

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

Not Applicable--The Olmsted County HRA is not a troubled HRA.

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

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

The City of Rochester adopted their Comprehensive Plan in April of 2018. The document, entitled Planning 2 Succeed (P2S), updates the City's Comprehensive Plan and presents a vision of a more balanced approach to the distribution of growth between edge areas and infill/redevelopment areas, encouraging densification, and allowing the City to grow in a more fiscally responsible way.

Public meetings were held to allow the community an opportunity to provide feedback on the scenario planning process. 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.

The Comprehensive Plan outlines many goals which guide future policies to put the plan to work. Likewise, the Comprehensive Plan's core principles include expanding housing diversity, enhancing the integrity of existing neighborhoods, and to champion social equity and environmental justice.

The City has hired a consultant to update our Land Development Manual and Zoning Ordinances to help achieve the goals laid out in the Comprehensive Plan. The goal is to adopt the high priority Land Development Manual and Zoning Ordinances changes by July of 2019. The City has added two new zoning districts: a Transit-Oriented Development (TOD) zone and an R2x zone, designed to encourage infill and redevelopment around key corridors and near the Downtown. Both zoning districts could aid affordable housing and align with CDBG goals by increasing density near jobs and Public Transportation, loosening land use controls, and encouraging residential investment. Other possible recommendations include supporting all people to have fair and equal access to adequate affordable housing, establishing a diverse mix of housing types, support housing in locations that contribute to a neighborhood identity, and avoid creating isolated residential developments which are not part of a larger neighborhood.

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

There are a wide variety of community-based service providers, faith-based organizations, and others addressing obstacles to meeting underserved needs in the community. The City has provided CDBG funding supporting public projects including youth activities, gang prevention, domestic violence services, support for seniors and the disabled for low-income households and homeless services. Many of the community-based service providers are a part of the Continuum of Care consortium for SE Minnesota.

Agencies reaching out to homeless persons are part of the Continuum of Care (CoC) for Olmsted County. Three Rivers Community Action, Inc. is the CoC for Olmsted County, including the City of Rochester.

Through the Continuum of Care (CoC) funding, the following projects received funding:

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- **Rochester Salvation Army:** Castlevue Apartments \$84,128 for services and \$61,170 for rental subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.
- **Center City Housing:** \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

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

It is estimated that there are 48,000 housing units located within the City of Rochester. The Census shows that 53% (24,449) of the housing stock was built prior to 1979. A Study “Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Housing, Report to Congress, HUD December 7, 1990” states that 90% of homes built before 1940 contain lead-based paint and 62% of those built between 1960 and 1978.

All project contracts require compliance with the Lead Based Paint Poisoning Prevention Act.

All participants of the City's Home Rehabilitation Program are provided the brochure on the hazards of lead-based paint, and are required to complete and sign a lead-based paint certification. They are also required to sign acknowledgement of receiving a copy of the US Department of Housing and Urban Development Lead-Based Paint Notification form.

A lead-based paint risk assessment test and clearance is conducted on all rehabilitation projects receiving CDBG funding for affordable housing.

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

There are a wide variety of community-based service providers, faith-based organizations and others working to reduce the number of poverty-level families in the community. Most anti-poverty programs that provide income support and employment opportunities are largely the responsibility of the County, State, and Federal governments. Local agencies addressing the anti-poverty needs are Salvation Army, the Olmsted County HRA, Olmsted Community Services, and Zumbro Valley Mental Health Center to name a few.

Through the Section 8 voucher program, the HRA has 20 spots for voucher families to participate in Family Self-Sufficiency programs, or FSS. This program allows voucher holders to escrow a portion of their monthly rent monthly for up to five years, which may then be used to assist with higher education, purchase of a home, etc. Currently, 15 households utilize this program.

Additionally, the HRA administers the MN Housing Rehab program and is starting its own levy-funded rehab program in 2018. That program will provide low-interest deferred loans to low and moderate-income households for safety and security rehab projects, or accessibility projects. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City's Rehab program. The county program's goal is to provide 15-20 loans each year.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- **Olmsted County HRA:** \$116,467 – The Francis has 19 housing units with support services for individuals with long histories of homelessness. Supportive services are provided by Olmsted County Community Services.
- **Silver Creek Corners:** \$118,671 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (30 supported by the CoC, 10 with GRH). Meals provided with round the clock staffing. Collaboration

between City Center Housing and Olmsted County Community Services.

- **Olmsted County Community Services:** PSH Zumbro Valley \$156,188 + new expansion grant for \$30,864 (total \$187,052). Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- **Rochester Salvation Army:** Castlevue Apartments \$84,128 for services and \$61,170 for rental subsidies for single adults experiencing chronic homelessness (total \$145,294). The rental subsidy grant was transferred from Olmsted County HRA to Salvation Army this past year.
- **Center City Housing:** \$85,295 for rental subsidies for homeless families with children at Gage East Apartments (made possible by Housing Infrastructure Bonds). Services (and rental subsidies and services for homeless youth) are provided from other sources.

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

Staffing for administration of the CDBG entitlement grant and the City's Single-Family Rehabilitation programs is provided by the Rochester-Olmsted County Planning Department, through a Cooperation Agreement.

The City of Rochester has a history of working with agencies and other city departments requesting the use of CDBG funding delivering a variety of public services and improvements (including handicapped) that serve low and moderate-income persons. The City continues to work with agencies providing services needed for permanent affordable housing, emergency shelters, rental assistance, and housing services for people who are homeless. This gap can be addressed through additional funding sources whether federal, state, or local.

The City of Rochester supported approval of the Olmsted County HRA Tax Levy to provide affordable housing opportunities in the City of Rochester.

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

The City of Rochester has a history of working with agencies and other city departments requesting the use of CDBG funding to deliver a variety of public services and improvements (including handicapped)

that serve low and moderate-income persons. The City continues to work with agencies providing services needed for permanent affordable housing, emergency shelters, rental assistance, and housing services for people who are homeless. This gap can be addressed through additional funding sources whether federal, state, or local.

The Olmsted County HRA has recently began utilizing a local tax levy, capturing more than \$2 million in 2018. The tax levy is designated to address housing needs and incentives for private developers to build affordable units. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and ineligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year.

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

There are no negative effects of public policies on affordable housing and residential investment.

The City of Rochester is committed to building an inclusive community. To this end, the City of Rochester is committed to:

- Supporting the Olmsted County Human Rights Ordinance and the work of the Olmsted County Human Rights Commission in implementing the Ordinance.
- Supporting low income tax credit housing and other subsidized housing of high quality in locations that are accessible to employment, neighborhood amenities, and commercial services.
- Supporting well designed private development proposals that include townhouses, condominiums, apartments, and appropriate commercial uses as part of neighborhood development areas.
- Enforcing minimum standards for housing and enforce such ordinances such as the Disorderly Use Ordinance in to address neighborhood concerns about crime and potential impacts on property values.
- Increasing the supply and land zoned for lower cost housing, especially providing for mixtures of housing by style and cost.
- Providing for neighborhoods that are integrated by income class, race, age, ability, and are accessible to all modes of travel by all ages and ability levels.
- Providing incentives to developers to accommodate affordable housing up front as part of well planned communities.

The City of Rochester will continue to offer and consider requests for CDBG funding from agencies that work with housing and public service activities.

The Olmsted County HRA has approved utilizing a local tax levy, capturing more than \$2 million in 2018.



The tax levy is designated to address housing needs and incentive for private developers to build affordable units. In 2018, 20 HRA loans were granted for single-family dwelling rehabilitation (19 in Rochester and one outside city limits within the county). The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and ineligible, the loan is deferred while requiring 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year.

## **CR-40 - Monitoring 91.220 and 91.230**

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

All recipients of Community Development Block Grant (CDBG) Program funds are required to complete an agreement with the City of Rochester. This agreement specifies the amount of CDBG funding received and what regulations the recipient must meet to spend the funding. The agreement also includes a description of their CDBG funding activity, national objective that is being met, and performance measurement objective/outcome/statement(s).

The CDBG Administrator addresses the required environmental issues for each activity that receives CDBG funding.

The CDBG Administrator, for the City of Rochester, monitors all recipients of CDBG funding either at the time of spending or during completion of the CAPER reporting. The monitoring may consist of reviewing the year end independent audit, required to be completed by each recipient receiving over \$25,000 of CDBG funding, record keeping requirements, including any program income. For program eligibility, the City's Five Year Consolidated Plan requirements and performance measurement objective/outcome/statement activities are reviewed at the time of application for CDBG funding.

The City of Rochester does not release CDBG funding to a recipient prior to the City receiving funds from HUD nor prior to work being complete. [ET1] The CDBG Administrator and the City Administrator's Office review each payment request individually and approve payments as the recipient submits a request for payment. When submitting a payment request, the recipient must include supporting documentation or provide staff access to files that present evidence that the activity meets a National Objective and the record keeping requirements.

All activities are required to report information needed for IDIS reporting, allowing the City of Rochester to complete its Consolidated Annual Performance and Evaluation Report (CAPER) to the US Department of Housing and Urban Development.

The City of Rochester, as required by HUD, has an annual independent audit completed. To date, there have been no findings regarding the use of CDBG funding or the City's procedure in monitoring the activities of CDBG funding.

The CDBG Administrator provides technical assistance to citizen and /or groups as requested.

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

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

A notice was published in the local newspaper requesting comments on the City's performance with CDBG on March 12th, 2018. The draft copy was made available for public review comment beginning Tuesday, March 12th, 2018 and ending Wednesday, March 27th , 2018.

A draft copy of the City's Annual Performance and Evaluation Report (CAPER) for 2018 was available at the Rochester-Olmsted County Planning Department, Administration at City Hall and on the City's Website for review.

Comments received: No comments were received from the available draft copy of the City of Rochester 2018 CAPER.

**CR-45 - CDBG 91.520(c)**

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

There were no changes in the City's program objectives.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No

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

**CR-45 - CDBG 91.520(c)**

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

There were no changes in the City's program objectives.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?**

No

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