

**The FY 2007
Minneapolis**

HUD CONSOLIDATED PLAN
for Housing and Community Development

**One Year Action Plan
June 1, 2007 – May 31, 2008**

**Community Development Block Grant
Emergency Shelter Grant
Housing Opportunities for Persons with
AIDS
HOME Investment Partnerships
American Dream Downpayment Initiative**

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Executive Summary

The Minneapolis Consolidated Plan is a comprehensive document that addresses the City's housing and community development and public service needs. The Consolidated Plan is a combination housing plan, community development and public service plan and application for the following five U.S. Department of Housing and Urban Development (HUD) entitlement programs:

- Community Development Block Grant
- Emergency Shelter Grant
- Housing Opportunities for Persons with AIDS
- HOME Investment Partnerships
- American Dream Downpayment Initiative

The City of Minneapolis' 2007 Consolidated Plan fiscal year runs from June 1, 2007 through May 31, 2008. The City's lead agency responsible for the plan's development is the Office of Grants & Special Projects in the Office of the City Coordinator. This year's Consolidated Plan is an update of the five-year strategy covering fiscal years 2005-2009. The executive summary includes objective/outcome expectations, as well as an evaluation of past performance. The 2007 Consolidated Plan states of how the City intends to spend its HUD entitlement funds in the areas of housing and community development, public service, and administration. The Consolidated Plan ties HUD grant-funded spending to other funding initiatives in the City that benefit the City's low- and moderate-income residents. The 2007 Consolidated Plan amends sections of 2005-2009 Consolidated, which is a 5-Year Plan.

Summary of Objective and Outcome Expectations

The City of Minneapolis' performance measurement system is tied to City department, or program lines, and to the annual budget process. In previous years, the Consolidated Plan provided an estimate of *output* measures in compliance with HUD's data system – for example, measured were the number of affordable houses, the number of health service beneficiaries, or the number of business development sites. Beginning last year, the Consolidated Plan included additional measures of performance to define, or quantify longer-term goals by incorporating projected *outcome* measures. Quantifiable results-oriented goals for capital programs, such as job creation, housing, and economic development are tied to a unified framework for the benefit of low-income residents.

The U.S. Department of Housing and Urban Development (HUD), through its efforts to better quantify program performance at the national level, has required participating jurisdictions to develop their consolidated planning process using a results-oriented standardized performance measurement system. 2007 will be the second year the City of Minneapolis has implemented this new standard performance measurement framework for all its Consolidated Plan activities (Appendix Table 3).

The outcome performance measurement system, and its use by the City of Minneapolis, and all HUD grantees, will enable HUD to collect information on the outcomes of all Consolidated Plan activities nation-wide. HUD's goal is to clearly demonstrate program results at the national level to enhance the budget process. This system is described on HUD's website:

<http://www.hud.gov/offices/cpd/about/performance/index.cfm>. All jurisdictions, including Minneapolis will report grant performance expectations, and results, within the context of its community needs and priorities, as well as in the context of performance measurement at the national level. HUD has recently begun to publish these outcome results.

The City includes the logic model framework as a contract requirement for public service programs funded with CDBG. Also, the HOPWA program requires an annual performance report (APR) to be submitted at the end of each program year, that includes the logic model framework. The APR is used to aggregate the annual accomplishments from the City's subrecipient HOPWA programs (see Chapter 2).

The Consolidated Plan provides a general outline of community needs, strategies, planned activities, priorities and performance expectations. The 2007 Consolidated Plan has defined the City's HUD funded program activities (Appendix Table 3) together with its performance expectations in terms of HUD's new performance measurement system. The new framework quantifies program *outcomes* using the three national objectives:

1. creating suitable living environments
2. providing decent housing, and
3. expanding economic opportunities

and tying those to the new *outcome* criteria:

1. availability/accessibility
2. affordability, and
3. sustainability

The performance expected from each HUD-funded activity has been identified by each respective City's program/project managers using a single combination of these 3 outcomes, and 3 objectives – there is a total of 9 outcome/output combinations. The table below is a summary of how the City of Minneapolis will be allocating its grant fund programs among low-income beneficiaries within the following performance framework (Chart A).

Minneapolis 2007 HUD Program Outlay and Performance Projections (Chart A)

Framework for Public Service and Capital Projects	Outcome #1: “Availability / Accessibility”	Outcome #2: “Affordability”	Outcome #3: “Sustainability”
Objective #1: “Suitable Living Environment”	\$1,536,390 Beneficiaries: 25,107	\$205,000 Beneficiaries: 200	\$678,500 Beneficiaries: 158,500
Objective #2: “Decent Housing”	\$597,000 Beneficiaries: 50	\$10,661,000 Beneficiaries: 511	\$728,000 Beneficiaries: 125
Objective #3: “Economic Activity”	-	-	\$2,563,000 Beneficiaries: 431

(Beneficiaries include low-income households, persons)

Chart A above represents the compiled responses from program managers from City agencies and subrecipients representing the forty Consolidated Plan program activities the City employs using funding for CDBG, HOME, HOPWA, and ESG. Each program manager has identified one combination from three outcomes and three objectives that best reflects how to achieve the priorities

Beneficiary Outputs Compared to Outcomes and Objectives (Chart B)

Outcome / Objectives →	Suitable Living Environment - Improved/New Accessibility	Suitable Living Environment - Improved/New Affordability	Suitable Living Environment - Improved/New Sustainability	Decent Housing - Improved/New Sustainability	Decent Housing - Improved/New Affordability	Decent Housing - Improved/New Availability	Economic Opportunity - Improved/New Accessibility	Economic Opportunity - Improved/New Affordability	Economic Opportunity - Improved/New Sustainability
Outputs ↓									
Number that will have new access to this service or benefit	15,582			15	300				182
Number that will have improved access to this service or benefit	9,525	200			53	50			249
Number that will receive a service or benefit that is no longer substandard			158,500		158				
Number that will have new access to this type of public facility or									

infrastructure improvement									
Number that will have improved access to this type of public facility or infrastructure improvement									
Number that will be served by public facility or infrastructure that is no longer substandard				110					

throughout the Consolidated Plan. Chart B compares each combination of Outcome and Objective in Chart A to each of HUD’s new Output measure criteria compiled in Chart C.

For example, from Chart A, the City will Create Decent Housing with Improved/New Affordability, for 511 low-income beneficiaries, by leveraging \$10.78 million through its capital programs, to provide affordable housing opportunities. Program managers indicate, from Chart C, that 300 of the total 511 beneficiaries will have new access to affordable housing, 53 of the beneficiaries will have improved access to housing, and 158 will have housing that is no longer substandard. Also, as noted from Appendix Table 3, this programming includes 395 housing units, 111 housing vouchers for persons with HIV/AIDS, and 10 organizations who provide indirect assistance through pre-development affordable housing activities.

The Emergency Shelter Program provides \$597,347 capital funding to providers facilitating Decent Housing with Improved/New Availability – providing those with services or benefits that are no longer substandard. The Minneapolis Public Housing Authority will make capital improvements to its housing stock with over \$228,000 of CDBG funding – the City anticipates that 110 housing units will benefit with improvements sustaining a decent housing environment. Improvements to housing stock consist of renovation, rehab and modernization to maintain an overall level of public housing that is no longer substandard.

The City, in providing economic opportunities, anticipates a CDBG investment of over \$2.56 million to provide economic opportunity through improved/new sustainability for over 430 beneficiaries. This includes developing strategies for linking over 175 low-income residents with job openings, which support the City’s living wage policy, through developed partnerships in the Industry Cluster Program, and through the Adult Training, Placement & Retention program. Sustainable economic opportunities are provided with over \$477,000 of Public Service funding for Youth Employment Training, a program that will provide over 260 youth summer employment. These opportunities will provide work experience, education, mentorship, leadership development through 40 community-based organizations and 7 public schools. Additionally, the City’s Commercial Economic Development program will target assistance to provide commercial center improvements and business rehabilitation for commercial

projects that meet CDBG guidelines. Of these program beneficiaries, approximately two-thirds will have improved access to these services, and a third will find these as new economic opportunities, not otherwise available.

In addition to the Youth Program noted above, the City will direct an additional \$1.1 million for direct Public Services to provide suitable living environments, through availability/accessibility, affordability, or sustainability for over 12,000 low-income beneficiaries; plus, over 158,000 residents in targeted areas will benefit indirectly from CDBG-funded Graffiti removal on public property. Direct Public Service programs, as identified in Appendix Table 3, include a range of activities including school readiness, housing advocacy, curfew truancy, children health care, senior services, block nurse, and multi-cultural services. These lower income persons in Minneapolis will have new access, or improved access and affordability for these services.

Minneapolis 2007 HUD Program Projected Outputs to be Completed and Reported at Year-end (Chart C)

16,059	Number that will have new access to service or benefit
10,047	Number that will have improved access to service or benefit
158,340	Number that will receive a service or benefit that is no longer substandard
368	Number that will have new access to public facility or infrastructure improvement
-	Number that will have improved access to public facility or infrastructure improvement
110	Number that will be served by public facility or infrastructure that is no longer substandard

Results from these City programs, at 2007 program year-end, will be compiled and reported in the CAPER. The results will provide information to enhance policy-maker decisions, and benefit the community development and public service planning and priority-making processes.

Relative Allocation of Priorities

The City of Minneapolis assigns a high priority (H) to a vast majority of program strategies funded throughout the Consolidated Plan, as referenced in Appendix Table 3. Priorities used in determining eligible projects to be funded with Consolidated Plan resources are based on several variables, including, estimated funding resources, historic funding resources, needs and strategies

procured from an array of planning documents produced by the City and outside agencies, estimates derived from projections developed based on funding experience and projected forward into time. Citizens can expect that the annual budget is a statement on priorities by the City. Priorities are relative and follow these classifications:

High (H): The City plans to use available Consolidated Plan funds for activities to meet the need during the Five-Year Strategic Plan.

Medium (M): The City plans to use any available funds, including Consolidated Plan funds, for activities to meet the need during the Five-Year Strategic Plan, and can assist organizations in seeking funds to meet the need.

Low (L): The City does not envision using any available Consolidated Plan funds for activities to meet the need during the Five-Year Strategic Plan. The City will consider certifications of consistency for other organizations' applications for federal assistance to meet these needs.

The City of Minneapolis continues to allocate its Consolidated Plan funding priorities based on the relative needs, as described above, and in terms of median family income (MFI), as follows:

Beneficiaries of 2007 Consolidated Plan program funds based on very low-, low-, and moderate- income categories:	0-30% MFI Very Low	31-50% MFI Low	51-80% MFI Moderate
CDBG Capital Expenditures	50%	50%	
CDBG Public Service Expenditures	50%	50%	
HOME Investment Partnership	37.5%	37.5%	25%
ESG (Emergency Shelter Grant)	100%		
ADDI (American Dream Downpayment)			100%
HOPWA	100%		

Consolidated Plan Past Performance Summary

As it has done over the past several Consolidated Plan years, the City continues to meet and exceed the priorities, goals and strategies expressed through the Consolidated Plan process. In summary, the City seeks to expand economic opportunities to benefit its low and moderate income citizens, preserve and create decent, affordable housing opportunities, address the needs faced by

those who are homeless or are threatened with homelessness, provide accessible public services for vulnerable populations, affirmatively further fair housing, and leverage its federal HUD funding with other funds to make significant, sustainable change in the community.

HUD, as required, conducts an annual review of performance by the City of Minneapolis, and has provided a report with the results of their last review. HUD has assured the City of Minneapolis of its accomplishments during the previous year and of its achievement of the Consolidated Plan objectives. Minneapolis accomplishments as noted by HUD in their report included the following:

- The City's funds were committed and expended in a timely manner;
- Based on the most recent information available, from the City's 2005 CAPER, accomplishments in the program year include:
 - Improvements to over 350 owner-occupied units and 850 rental units were rehabilitated or preserved using CDBG and HOME funds;
 - One public facilities and 17 child care centers received CDBG public facility assistance;
 - Six blighted structures were removed;
 - Over 1,600 low- and moderate-income persons received job training and placement assistance;
 - Four economic development activities were assisted;
 - Over 20,900 people were assisted with public service activities including senior services, child care, employment training and health services;
 - Three organizations received ESG funding, which assisted over 250 shelter beds;
 - Three organizations received HOPWA funding, which assisted over 100 units; and
 - Lead based paint screening and reduction continued to be done on properties assisted.

Within this environment, the City is now submitting the 2007 update to the 2005-09 Five-Year Consolidated Plan to HUD restating many of these needs and reaffirming its commitment to use its HUD funding in a manner that continues to maximize HUD dollars. The Plan also states the City's commitment to working with local partners to achieve ambitious goals, such as eliminating chronic homelessness in the state and lead-based paint hazards in the City by 2010, achieving a sustainable balance in the siting of affordable housing, new economic opportunities and environmental quality.

The City has much to show for its efforts, however, great need still exists in the community, especially for those at the lowest of incomes. Housing costs in the City have risen at an accelerated pace. Rental vacancies have fluctuated between high and low rates since the end of the 90s. Even though, for the entire market, rental vacancies are high, units that are priced at the most affordable

levels and exhibiting quality still incur great demand. Strength in the housing market, high valuations, and other factors have not translated positively for those at the lowest income levels trying to find affordable housing.

Increasing cuts at both the federal and state levels of government have put a squeeze on the ability of the City of Minneapolis to meet the demand for public service programs. The vulnerability of low- and moderate income residents is especially great and the ability to meet community needs with federal funds is limited by shrinking federal budgets. For example, the current federal appropriation for 2007 is expected to be approximately the same as for 2006. The 2006 Consolidated Plan dropped to \$18.9 million from \$21.7 million in 2004. The City is concerned about the impact these cuts have, and will have, on the CDBG program and the vulnerable residents, principally low- and moderate-income persons. Because of these cuts to the programs and projects funded by CDBG, the number of residents served by these activities, have been cut as well. These reductions have affected the City's business plan and strategic outlook for community and business development, public service and affordable housing, for the poorest and most vulnerable citizens of Minneapolis.

Citizen Participation Plan

The City of Minneapolis has many processes for involving citizens in its decision-making; including City council committee meetings, neighborhood revitalization meetings, numerous boards and public hearings designed to solicit public comments.

A citizen participation plan designed specifically for the Consolidated Plan has been jointly developed by staff of the City of Minneapolis, Community Planning and Economic Development (CPED), and the Minneapolis Public Housing Authority (MPHA). The citizen participation plan can be found in Chapter 1 and Chapter 6 and comments are summarized in the Appendix.