

2015-19 CONSOLIDATED PLAN ANNUAL ACTION PLAN

Program Year 2019: June 1, 2019 – May 31, 2020

CITY OF SAINT PAUL
1100 CITY HALL ANNEX
425 WEST FOURTH STREET
SAINT PAUL, MN 55102

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**Building
community wealth
through business,
housing, jobs,
planning, financial
and cultural assets.**



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CONSOLIDATED PLAN 2015-2019
ANNUAL ACTION PLAN 2019-20
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Executive Summary

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

1. Introduction

This document is the one-year Annual Action Plan (AAP) for the City of Saint Paul, Minnesota for program year 2019-20 to be submitted to the U.S. Department of Housing and Urban Development (HUD). The AAP includes the City's application for 2019 Community Development Block Grant (CDBG) funding, which the City uses to invest in housing, public improvements, economic development, public services, and job creation activities. Saint Paul also receives HOME Investment Partnerships Program (HOME) funding to assist in the provision of long-term, safe, and affordable housing. And, the City receives Emergency Solutions Grant (ESG) funding, which provides programs to assist individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. This document will be submitted to HUD by May 15, 2019.

The City is considered an entitlement community by HUD. Eligibility for participation as an entitlement community is based on population data provided by the U.S. Census Bureau and metropolitan area delineations published by the Office of Management and Budget (OMB). HUD determines the amount of each entitlement grantee's annual funding allocation formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. The City estimates receiving \$6,293,101 in CDBG funding; \$1,938,350 in HOME program funding; and \$566,521 in ESG funding for FY 2019-20. In addition, the City estimates using about \$556,899 in CDBG program income and has HOME program income of \$932,611 in-hand. Total estimated HUD funding is \$10,287,482. These estimates are based on the City receiving the same level of funding from HUD in FY 2019-20 that was received in FY 2018-19. Should the City receive funding greater or less than the estimated amount, funding for all CDBG, HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocations received from HUD.

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.

Through the needs and market assessment undertaken for and during the consolidated planning process, the City identified 21 priority needs in the Strategic Plan chapter of the its 2015-2019 Consolidated Plan. These priorities include:

1. Preservation of existing affordable rental housing;
2. Development of new affordable rental housing;
3. Housing rehabilitation assistance
4. Non-housing community development (job training and small business development, youth services, financial planning assistance, renter education, credit repair assistance, and criminal record expungement);

5. Fair housing and housing anti-discrimination efforts;
6. Supportive services to help households remain housed;
7. Tenant and landlord education;
8. Increased homeownership opportunities;
9. Homeless prevention strategies;
10. Individual homeless persons' need assessment;
11. Emergency shelters and transitional housing;
12. Transitions to permanent housing;
13. Public facilities;
14. Public infrastructure;
15. Public service needs;
16. Economic development needs;
17. Planning needs;
18. Lead-based paint abatement plan implementation;
19. Acquisition, demolition, and clearance of property;
20. Property maintenance code enforcement; and
21. Community outreach to underserved populations.

Meeting these priorities continues to be the focus of the City's 2019-20 Annual Action Plan.

3. Evaluation of past performance

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

High priority housing needs the City's 2015-2019 Consolidated Plan are those of low-income, special needs, and elderly homeowners, as well as those of small, large, and special needs renter households in. The goals identified in the housing section of the City's 2040 Comprehensive Plan and to be used to guide housing policy and development are: decent, safe, and healthy housing for all city residents; well-designed, energy-efficient buildings constructed with quality materials; fair and equitable access to housing for all city residents; a supportive environment for homeownership; stable rental housing; improved access to affordable housing; and strong neighborhoods to support lifelong housing needs.

Historically, the City has utilized the greater part of its funding from HUD on housing activities (primarily for rehabilitation), and it continued to do so in the last program year. During the 2017-18 program year, approximately 100 percent of CDBG project funding were used for activities that benefited low- to moderate-income persons. A total of 99 housing units were rehabilitated, 7 new rental units were constructed, 1 new homeowner housing unit was constructed, 3 businesses were assisted, and 13 jobs were created during the program year. The housing total fell short of the proposed 155 total housing units goal identified in the 2015-2019 Consolidated Plan, primarily due to a shortfall to the shortage of construction industry labor and suitable building sites. The competition for labor and land with market rate housing was painfully apparent during FY 2017-18 and continues into FY 2018-19. It is anticipated that competition will continue into the upcoming fiscal year.

The City and its partners provided housing assistance to 31 extremely-low income (30% of AMI) households, 30 very-low income (50% of AMI) households, and 49 low-income (80% of AMI) households. Of households served, 32 were Asian, 18 Black, 48 White, and 1 reported Other race. Four of the households were Hispanic and 38 were female-headed households.

Housing programs administered by the City were available citywide to income eligible households. The City provided funding to sub-recipients, whose programs were available to income eligible citizens residing in the sub-recipient service area. These areas included Districts Councils 1 through 8, 11, and 17.

The City's HOME program produced 7 rental units during the program year 2017-18. Of those units, 2 units were leased to households at or below 50% AMI and 5 units to households at or below 60% AMI. The households reported as follows: 1 Black/African American, 4 Asian, 2 Other, and 2 households reported Hispanic.

The City's ESG program includes eligible activities of homelessness prevention, emergency shelter operations, street outreach, rapid re-housing services, data collection, and ESG program administration for which the City's ESG program reported serving 4,713 households comprising of 6,083 persons, during HUD FY 2017-18.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City's Citizen Participation process centers around the Capital Improvement Budget (CIB) process. Currently, the CIB committee is comprised of 18 Saint Paul citizens representing each of the Minnesota senate districts located in Saint Paul. These citizens are charged with hearing project proposal presentations, scoring projects, and offering comments. The CIB process was re-designed beginning with the FY 2018-19 Consolidated Plan budget. Whereas the City budget is completed and approved on an annual basis, the CIB budget is completed for a two-years cycle based on recommendations from the CIB Committee, as shown in Attachment A.

A public hearing was held during the CIB funding cycle to solicit comments regarding funding selection and priorities prior to the Committee making its formal recommendations. The CIB Committee's recommendations are presented to the Mayor and Council and are the basis for the selection of projects and programs funded with CDBG funds. There are additional comment periods and public hearings held during the adoption of the City budget and the consolidated planning process.

The City also sought input from public and private agencies that provide health, social, and fair housing services, including agencies focused on services to children, elderly, persons with disabilities, and the homeless. The continuous coordination and collaboration between the City, Ramsey County CoC, and other housing/health care providers allows the City to regularly assess the needs of homeless individuals and families. State and local health and child welfare agencies were consulted regarding addressing lead-based paint hazards section of the Action Plan.

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.

A summary of the comments received during the public hearing held on June 5, 2017, as part of the CIB funding cycle is attached. No additional comments were received during the City's annual budget process, which included the CIB and Con Plan budgets. An additional public hearing for comment on the current Annual Action Plan for FY 2019-20 will be held on March 20, 2019. Comments received will be included as Attachment A.

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

The public comment period will be March 2, 2019 through April 2, 2019. All comments will be considered.

7. Summary

The Planning and Economic Development Department (PED), Finance and Administration, Grants Compliance Division is the CDBG Administrator and lead agency responsible for the preparation of the FY 2019-20 Annual Action for HUD grant funds. The PED's Housing Division administers HOME program and ESG funding.

The Consolidated Plan describes the City's housing market conditions, identifies the need for affordable housing and community development and provides strategies to address these needs for a period of five year. The plan coordinates the City's housing and economic development plans with other public, private and nonprofit community housing providers and non-housing service agencies. The resulting Consolidated Plan and subsequent Annual Action Plans provide a unified vision for community development and housing actions with the primary goals of providing affordable housing, public services, revitalized neighborhoods, support for homeless and special needs populations, the elimination of blight on a spot basis, and the expansion of economic development opportunities.

The Annual Action Plan documents the many services, activities, and initiatives designed to improve the quality of life for Saint Paul citizens by providing decent housing, a suitable living environment, and the expansion of economic opportunities for low- and moderate-income persons. This report highlights actions to be taken over the next 12 months (June 1, 2019 through May 31, 2020) to address priority needs.

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	SAINT PAUL	Planning and Economic Development
HOME Administrator	SAINT PAUL	Planning and Economic Development
ESG Administrator	SAINT PAUL	Planning and Economic Development

Table 1 – Responsible Agencies

Narrative (optional)

The City's Planning and Economic Development Department (PED) is responsible for the administration of a variety of planning, housing, business and economic development activities. These activities support neighborhood initiatives and provide direct benefits to home owners, home buyers, renters, and businesses. PED also staffs the Saint Paul Housing and Redevelopment Authority (HRA), a legally distinct local entity which undertakes housing and commercial and business development activities. These activities include authorization of the acquisition of real estate, housing and commercial loans and grants, and the issuance of local bonds. Working in conjunction with community and neighborhood partners, the city has increased investment and values throughout Saint Paul. It is the goal of the City to ensure Saint Paul is the most livable city in America. PED manages all Federal funding received through HUD, \$9 million annually. Additional City resources used to build community wealth through business, housing, jobs, planning, financial, and cultural assets include: \$33.1 million from the City's Sales Tax Revitalization (STAR) program, \$81.5 million in Parking assets, and 46 tax increment financing (TIF) districts generating approximately \$27.36 million annually. The combined funding financed affordable, and market rate housing development, housing preservation through rehabilitation, and mortgage foreclosure prevention; economic development strategies which promote commercial corridors, business retention and recruitment, small business lending; Emergency Solutions Grant programs, and Neighborhood and Cultural Sales Tax loan and grant programs.

Consolidated Plan Public Contact Information

Questions and/or comments on the Annual Action Plan may be directed to the following PED staff:

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Written comments should be sent to the following address:

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AP-10 Consultation - 91.100, 91.200(b), 91.215(1)

1. Introduction

The City of Saint Paul consulted with numerous organizations, local government agencies, and City departments throughout the consolidated planning process. The City held several community meetings and requested information via phone, e-mail, and in person interviews with organizations, and the review of additional research documentation throughout the year. The City's Housing staff consults with the Saint Paul Public Housing Agency (STPHA), Minnesota Housing Finance Agency (MHFA), community housing development corporations, for-profit and non-profit housing developers, and organizations and institutions that provide resources to finance, construct, and preserve affordable housing developments citywide. City staff continued to utilize "pop-up" community meetings as an alternative means to encourage community engagement. It provides a creative, interactive way for citizens to participate in Saint Paul's project planning processes, provide input on City programs and initiatives, share ideas, and provide feedback. The City has determined that "pop-up" meetings work well to reach citizens who are unable to come to formal public meetings. "Pop-up" meetings have included participation for people of diverse ages, abilities, and cultural backgrounds. The City recognizes that community voices have a direct impact on citywide projects and encourages feedback and input from all Saint Paul citizens in a variety of ways.

The City's Emergency Solutions Grant (ESG) program works with the Minnesota Housing Finance Agency, Ramsey County Continuum of Care (CoC) and its committees, Ramsey County Community Corrections, community agencies that serve those at-risk of homelessness, emergency shelters, transitional housing providers, affordable housing providers, and community agencies that assist homeless citizens challenged with mental illness and/or substance abuse disorders. As a result, the City's ESG Program is coordinated with Ramsey County HUD-funded programs and CoC programs, as well as state-funded Family Homelessness Prevention Assistance Program (FHPAP).

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(1)).

The City has strong relationships with numerous organizations, local government agencies, and City departments. The City consults with these organizations on an on-going basis. Specifically, throughout the year, the City's Housing staff consulted with STPHA, community housing development organizations/community development corporations (CHDOs/CDCs) and assisted housing providers to develop affordable housing citywide. Catholic Charities continues to operate, on the City's behalf, Saint Paul Residence (120 supportive housing units - using the Housing First model). Saint Paul Residence provides services for those at-risk of homelessness, formerly homeless, and late stage alcoholic homeless citizens - many of whom also have physical, health, and/or mental health issues.

The City's ESG staff partnered with mental health and community service providers to assist homeless citizens challenged with mental illness. During the year, the City also partnered with mental-health agency street outreach workers to assist homeless citizens living in places unfit for human habitation.

The City, through the Saint Paul Police Department (SPPD), is a committed partner in encouraging and supporting mental health and wellness. Through the SPPD's Mental Health Unit (MHU), specialized officers conduct proactive and reactive services citywide in an effort to connect citizens in need of services with available community resources, helping to significantly reduce mental-health-crisis-related arrests and repeat calls for service. With a concentration on community outreach, the unit seeks to be part of the conversation before tragedy occurs and possibly prevent behaviors that can lead to arrest or tragedy. The MHU, in conjunction with the City's Community Engagement Office conducted meetings citywide to introduce and educate citizens, mental health and community service providers on the MHU, its functions, and educate community members on how to assist the MHU so that it may work more effectively. The MHU, originally 4 officers and 2 case managers will add 3 more police officers with 2019 budget increases.

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.

Throughout the year via monthly meetings with the CoC Governing Board, CoC committees and members, and community agencies and service providers, the City's ESG Program is discussed and how it relates to the larger CoC. City staff consult with the CoC Coordinator on a regular basis in addition to attending regularly scheduled monthly meetings. City staff and the CoC Coordinator review all ESG, CoC, and FHPAP funding allocations and service delivery programs. This provides a basis from which to set priorities for city ESG funding and service priorities such that city and CoC funding is complementary. In accordance with the CoC Governing Board, service priorities are: homeless families with school age children; homeless unaccompanied youth, and citizens with mental illness. After consultation with the CoC, the City increased funding to make street outreach a higher priority – to assist homeless citizens living outside, sleeping in downtown skyways, or using metro transit as nightly shelter. The City and County provided additional funding for a winter shelter, Winter Safe Space, was again funded for winter 2018-19. The number of beds increased from 50 to 64 and is located in the lower level of the Ramsey County Government Center East Building in downtown Saint Paul. While sheltered at Winter Safe Space, outreach workers work with residents to inform and connect them with social services. Metro Transit Police, through its Homeless Action Team (HAT) provides support and resources that can assist the homeless population sheltering on Metro Transit trains and stations. The goal is outreach rather than enforcement. The team, made up of 2 sergeants and 4 officers, will introduce themselves and find out the person's needs and how they can be assisted. The HAT team added a night case manager to assist Metro Transit Police in late January 2019. The City continues to provide financing to create more affordable supportive housing, such as the Ain Dah Yung housing development for homeless youth, which received LIHTCs, in 2018 and in 2019, for the development of 42 units of permanent supportive housing.

Describe consultation with the Continuum(s) of Care that serve 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's ESG staff works with the CoC Coordinator and CoC Governing Board members. In consultation with the CoC, ESG funding is allocated to programs that 1) promote a comprehensive delivery of homeless services; 2) assist underserved communities; 3) provide services as needed to achieve the goals of the CoC, Ramsey County FHPAP, and ESG; 4) reduce the number of emergency shelter residents at the Dorothy Day Center-Higher Ground; and 5) address city concerns while meeting HUD's national housing objectives.

In addition, City ESG staff consults with the CoC Coordinator and funders to recommend priorities for ESG funding allocations. The City presents its annual ESG budget to the CoC Governing Board for a community discussion on each ESG program component - emergency shelter, street outreach, homelessness prevention, rapid re-housing, and HMIS. Establishing the proposed 2019 ESG budget allocations reflects the continued recognition of the need for additional street outreach to homeless citizens living outside or in areas unfit for human habitation.

City ESG and CoC staff work together to establish performance standards for ESG, CoC, and FHPAP programs. Currently, CoC staff continues to develop and refine performance matrices that apply to CoC and ESG funded activities. Project outcomes are also discussed with ESG/CoC/FHAP service providers. During 2019-20, CoC Coordinator and City ESG staff will conduct a HUD program-related training for CoC, ESG, and FHPAP providers. The CoC Coordinator will also provide additional training on the established performance matrix and project outcomes trainings. During the program year, staff from the City, CoC, and Institute for Community Alliance (ICA) as the HMIS administrator, will continue to develop a more responsive HMIS system.

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	Agency/Group/Organization	District Councils
	Agency/Group/Organization Type	Planning organization Neighborhood organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Market Analysis Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	17 separate 501(c)3 organizations make up the collective district councils. The City contracts with these organizations to provide planning and advice on physical, economic, and social development of the districts' defined areas, identifying needs, and initiating community programs. Input on project proposals is provided.

2	Agency/Group/Organization	Capital Improvement Budget (CIB) Committee
	Agency/Group/Organization Type	Planning organization Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The CIB Committee, a volunteer group of citizens, reviews and ranks all proposals for CDBG funds over the course of several public meetings. After review and public hearing, the CIB Committee makes recommendations to elected officials on the allocation of CDBG funds. Those recommendations are sent out to neighborhood organizations and posted on the City's website for additional comments. The CIB budget is then incorporated into the City's budget cycle where a second public hearing is held before adoption. Outcomes of this process include in-depth review and community engagement of applications for CDBG funding.
3	Agency/Group/Organization	Ramsey County Human Services
	Agency/Group/Organization Type	Services - Housing Other government - County
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City ESG staff consults with Ramsey County Continuum of Care (CoC) Coordinator and attends monthly CoC and Family Homelessness Prevention Assistance Program (FHPAP) meetings to implement comprehensive services that assist homeless and at-risk of being homeless citizens. The outcome is that ESG staff and the CoC Governing Board recommend funding allocations for CoC and FHPAP services. Other outcomes are the development of ESG, FHPAP, and CoC program evaluations, additional service provider staff training a

4	Agency/Group/Organization	Saint Paul Public Housing Agency (PHA)
	Agency/Group/Organization Type	Housing – PHA Services – Housing Services – Children Services - Elderly Services – Homeless Services - Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City and PHA representatives participate on an on-going basis with the CoC Family Homelessness Prevention Assistance Program Committee and other housing initiatives. City and PHA have a working partnership which recognizes the challenges faced by the PHA administration and PHA residents. Outcomes are increased use of STPHA's Project-Based Section 8 and Housing Choice Vouchers at eligible affordable housing developments financed by the City.
5	Agency/Group/Organization	Minnesota Home Ownership Center (MNHOC)
	Agency/Group/Organization Type	Housing Regional organization
	What section of the Plan was addressed by Consultation?	Housing Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City housing staff participates with the MNHOC to implement home ownership programs - home buyer counseling, mortgage foreclosure prevention, and home buyer initiatives for underserved communities. The anticipated outcome is the continual development of multi-lingual and multi-cultural homeownership classes and mortgage foreclosure counseling services. Additionally, City staff participates with MNHOC's Home Ownership Alliance (HOA). Anticipated outcomes are long-term homeownership strategies to reduce the racial disparity in homeownership.

6	Agency/Group/Organization	Ramsey County, Minnesota
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City consults with Ramsey County Community Services and Economic Development staff regarding: employment and training, regional fair housing initiatives, affordable housing development, and community service. Additionally, the County provides comments on the City's proposed Annual Action Plan.
7	Agency/Group/Organization	Saint Paul Independent School District #625 (SPPS)
	Agency/Group/Organization Type	Services - Education Other government - Local
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	City ESG staff and Saint Paul Public Schools (SPPS) Title 1 Coordinator serve as committee members of the CoC Governing Board and Ramsey County Family Homelessness Prevention Assistance Program. City staff consults SPPS Title 1 Program staff regarding: the needs of homeless students; needs of students aging out of the foster care; and the need for family shelter beds. Anticipated outcomes are more shelter beds for families, particularly those with school-aged homeless children, and unaccompanied youth.

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

No specific agency types were intentionally left out of the consolidated plan process.

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 (CoC)	Ramsey County Human Services	City ESG funding priorities and Ramsey County CoC strategic priorities have similar goals and priorities are complementary.
Thrive MSP 2040	Metropolitan Council	The City's strategic priorities for anti-poverty measures, fair housing, equal economic opportunity, business development, economic development, and job creation are in line with the strategies identified in the Metropolitan Council's Thrive MSP 2040 plan document.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

Heading Home Ramsey is Ramsey County's CoC. The primary goal of the CoC is to coordinate and facilitate access to services and benefits as individuals and families move through the shelter process to permanent housing and self-sufficiency. The CoC brings together local services and agencies to achieve this goal.

Heading Home Ramsey engages in ongoing strategic planning to improve, update, and strengthen both the CoC and the initiative's overall plan for ending and preventing homelessness. The governing board, its committees, and member organizations meet regularly, which includes city staff, to routinely review data, assess capacity, identify gaps, and analyze what programs are working successfully. The result culminates in refining services, strategies, and priorities to end and prevent homelessness.

Thrive MSP 2040, prepared by the Metropolitan Council, is a long-range plan for the Twin Cities. Thrive MSP 2040 sets the policy foundations for systems and policy plans developed by the Council which includes transportation, water resources, regional parks, and housing. These plans address issues that transcend any one neighborhood, city, or county, in order to build and maintain a thriving metropolitan region.

The City's Citizen Participation process centers around the Capital Improvement Budget (CIB) process. Currently, the CIB committee is comprised of 18 Saint Paul citizens representing each of the Minnesota senate districts located in Saint Paul. These citizens are charged with hearing project proposal presentations, scoring projects, and offering comments. A public hearing was held during the CIB year 1 funding cycle on June 5, 2017, to solicit comments regarding funding selection and priorities prior to the CIB committee making its formal recommendations. The CIB Committee's recommendations are presented to the Mayor and Council and are the basis for the selection of projects and programs supported with CDBG funds. There are additional comment periods and public hearings held during the adoption of the City budget and the consolidated planning process.

In developing the Annual Action Plan the City coordinated with the following: The Salvation Army, Model Cities, Saint Paul Public Libraries, West Side Community Health Services, Ramsey County Public Health Department, Radian Health, Minnesotans Standing Together to End Poverty, Solid Ground, Twin Cities Housing Development Corporation, Ramsey County Community Corrections, Project for Pride in Living, Minnesota Assistance Council for Veterans, Minnesota Engagement on Shelter and Housing, Minnesota Housing Assistance Center, Veterans Services of Ramsey County, Minnesota Department of Human Services, Ramsey County Financial Assistance Services Shelter Team, Community Stabilization Project, Ain Dah Yung Center, Dayton's Bluff Neighborhood Housing Services, East Side Neighborhood Development Company, Rondo Community Land Trust, Neighborhood Development Alliance, NeighborWorks Home Partners, North East Neighborhoods Development Corporation, Saint Paul Public Schools REACH/Fostering Connections, Face to Face, Lutheran Social Services of Minnesota, Theresa Living Center, Catholic Charities of St. Paul and Minneapolis, Saint Paul District Councils, and Saint Paul Public Housing Agency.

DRAFT

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.

Efforts for citizen participation, linked to the annual allocation of CDBG funds, occurs during the Capital Improvement Budget (CIB) process. The CIB Committee is comprised of 18 Saint Paul citizens representing each Minnesota senate district within Saint Paul. These citizens are charged with hearing proposed project presentations, scoring, and offering comments. A public hearing was held during the CIB funding cycle to solicit comments on funding selection and priorities prior to formal Committee recommendations. The Committee's recommendations were presented to the Mayor and Council and were the basis for selection of CDBG projects and programs. A copy of the recommendation letter from the Committee to the Mayor is included in Attachment A; the 2018-19 and 2019-20 CIB and budget calendar is in Attachment B. The CIB process described here is a bi-annual process, initiated for 2018-19, in which projects are approved for 2 years. In the second year, the proposed budget may be revised if 1 of 3 conditions is met: elimination of a life/safety hazard; leverage of non-city funding; or coordination with other projects. As with the first year of the bi-annual process, the Committee reviews and recommends projects, Mayor proposes a budget, and City Council approves the budget, see Attachment C for details.

A new initiative was implemented in 2018; from October 13 to November 28, the City held 11 community input sessions. These sessions, *The Voice of the Community*, were part of a broader agenda which aims to be more inclusive and put a higher value on community engagement to inform the work the city does at all levels and across departments. Three sessions had direct connection with how the City utilizes HUD funding. These session dates and topics were: October 23, Fair and Affordable Housing; October 30, Equitable Economic Development; and November 18, Safe Housing. The comments received from these sessions fell into very general categories: lack of safe affordable housing; landlords unwilling to accept HCV vouchers; need for more housing choice – location, type, price; fair housing violations by landlords and tenant unawareness of their rights; need for increased equity in public transit throughout the entire city; and more equity in neighborhood infrastructure. It is an emerging process. The City has scheduled the next round of meetings throughout the city and taken on a new name – *Imagine Our City*. The meetings during February 2019 are in collaboration with District Councils and community organizations; the goal is to engage citizens and develop a shared vision for the future of the City. The feedback will contribute meaningfully and influence the development of equity plans for a more equitable and inclusive city. HUD funding is integral to achieving this vision.

CIB recommendations are based on level HUD funding in FY2019-20 as received in FY2018-19. City estimates receiving \$6,293,101 CDBG funding, \$1,938,350 HOME funding, and \$566,521 ESG funding. In addition, the City estimates using CDBG program income of \$556,899, and has in-hand \$932,611 in HOME program income. Total estimated HUD funding is \$10,287,482. Should the City receive funding greater or less than the estimated amount, funding for all CDBG, HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocations received.

The City publishes the Annual Action Plan on its website and make copies available at every branch library and bookmobile (total of 14 locations). A public notice about the availability of

the 2019-20 Annual Action Plan with 30-day comment period and notice of public hearing will be published in the *Pioneer Press*. A notification will go out through the City's Early Notification System to every District Council asking for review and comments during the comment period. Any comments received will be incorporated into the plan.

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	Public Meeting	Non-targeted / broad community	The 18 members of the CIB committee held interviews of CDBG applicants on April 3, 10, and 17, 2018, and attended a bus tour of the project sites on April 24, 2018.	Recommendations were made on the distribution of CDBG funds for the 2018 and 2019 Program Years (June 1, 2018 through May 31, 2020).	One recommended project was determined not to be eligible for CDBG funds and removed from the list. The City acknowledged the importance of the project to the committee and community, and identified non-CDBG funds for the project.	https://www.stpaul.gov/departments/mayors-office/committees-boards-and-commissions/capital-improvement-budget-cib-committee
2	Public Hearing	Non-targeted / broad community	A public hearing was held on June 5th, 2017, at 6 pm at 15 W. Kellogg Blvd, Room 40, St. Paul, MN 55102.	A summary of comments is included in Attachment A to this plan.	All comments were considered.	https://www.stpaul.gov/sites/default/files/Media%20Root/Financial%20Services/2017%20CIB%20Public%20Hearing%20Notice.pdf
3	Internet Outreach	Non-targeted / broad community	CIB recommendations were posted on the City's website as a booklet and through Open Budget for review prior to adoption.			http://budget.stpaul.gov/#/year/2018/capital/0/serve?vis=barChart

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)
4	Public Meeting	Non-targeted / broad community	City Council reviewed the recommended CDBG allocations as part of the complete city budget review process at a public meeting on November 7, 2018; 15 W. Kellogg Blvd, St. Paul, MN 55102	Additional information was requested by the council on historic allocation. One recommendation was made to increase funding to one proposed recipient.	All comments were considered.	https://stpaul.legistar.com/Calendar.aspx
5	Public Hearing	Non-targeted / broad community	A public hearing was held on the final version of the proposed budget on December 5, 2018, at 5:30 pm in Council Chambers at 15 W Kellogg Blvd, St. Paul, MN 55102.	All comments received were in regard to the operating budget and the tax levy.	No comments were received in regard to the CDBG allocations.	https://stpaul.legistar.com/Calendar.aspx
6	Public Hearing	Non-targeted / broad community	A public hearing will be held on March 20, 2019, 3 pm, 25 W. 4 th St, 1300 City Hall Annex, Room 1303. Saint Paul, MN 55102.	All comments will be included into the plan.		

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)
7	Newspaper Ad	Non-targeted / broad community	Public Hearing notice will be published in the Pioneer Press, March 2, 2019. Citizen comments will be accepted by means of e-mail, written submissions, in-person submissions, by facsimile or in-person at the public hearing.	All comments will be incorporated into the plan.		
8	E-mail	Non-targeted / broad community	Distributed public hearing notices to all 17 District Councils neighborhood associations, and citizens participating in the Early Notification System (approximately 3,000 citizens).	All comments will be included into the plan.		

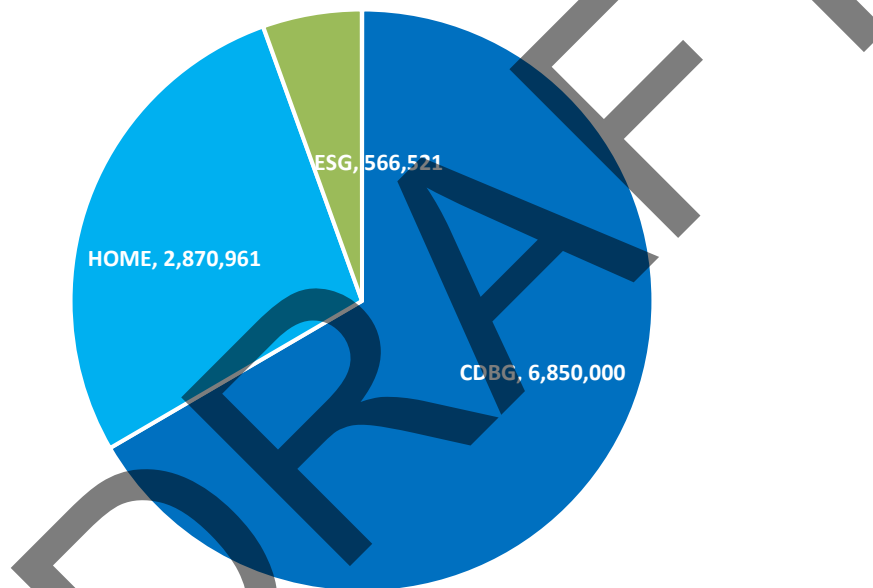
Table 4 – Citizen Participation Outreach

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

Introduction

All proposed project amounts stated in the FY 2019-20 AAP are estimates based on the City receiving the same level of funding from HUD in FY 2019-20 that was received in FY 2018-19. The City estimates receiving \$6,293,101 of CDBG funding, \$1,938,350 of HOME program funding, and \$566,521 of ESG funding. In addition, the City estimates using about \$556,899 in CDBG program income and has in-hand \$932,611 in HOME program income. Total HUD resources are estimated to be \$10,287,482. Should the City receive funding greater or less than the estimated amount, funding for all CDBG, HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocations received from HUD.

FY 2019-20 Consolidated Plan Budget



The City has identified state, local, and private resources expected to be available to leverage and/or match HUD funding to address priority needs and the objectives put forward in the Strategic Plan. These resources may include:

- Local Housing Trust Fund
- STAR
- HRA
- Neighborhood Commercial Parking Fund
- MHFA
- TIF
- LIHTC
- Metropolitan Council
- CoC
- ESG Match
- HOME Match
- Bonds
- DEED/MEED

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 5				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	6,293,101	556,899	0	6,850,000	0	Expected amount available for the remainder of consolidated plan assumes a small decrease in funding for the remaining year.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,938,350	932,611	0	2,870,961	0	Expected amount available for the remainder of consolidated plan assumes a small decrease in funding for the remaining year.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	566,521	0	0	566,521	0	Expected amount available for the remainder of consolidated plan assumes steady funding for the remaining 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.

HUD continues to require that all participating jurisdictions (PJ) match, with non-federal funds, no less than 25 cents for each dollar of HOME funds spent on affordable housing. The City again received a match reduction of 50 percent due to fiscal distress and is only required to match each dollar spent with 12.5 cents non-federal match. The City will continue to leverage other private and public funds in the development of HOME-funded affordable housing and accumulate additional match.

ESG grant regulations require that grant funds to be matched 100 percent or dollar for dollar. Match requirements will be satisfied, as follows, when paid with non-ESG funds:

- Cash
- Value or fair rental value of any donated material or building
- Value of any lease on a building
- Salary paid to staff to carry out the program of the recipient or sub-recipient
- Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community

The City actively pursues and/or requires developers to apply for State funding programs to include: Minnesota Housing Finance Agency, Minnesota State General Obligation (GO) Bonds, Metropolitan Council, the Minnesota Department of Employment and Economic Development (DEED), and the Federal Home Loan Bank's Affordable Housing program. Private funding is derived from foundations, fund raising, conventional loans, and developer cash and equity. City funding may include local housing trust fund, HRA funds, LIHTC, TIF, Conduit Revenue Bonds, STAR Funds, Neighborhood Commercial Parking Fund, and discounted City/HRA owned land.

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

The City owns property which may be suitable for development and as appropriate issues RFPs for development of these properties.

Discussion

Saint Paul leverages housing investments with economic development, transportation, and other infrastructure investments, so that improvements serve residents in their primary function, and also support other goals of the City. The City continues to encourage alternative modes of transportation through continued investments in public transit, development along main transit lines, and investment in bike lanes and paths.

Transit oriented design (TOD) has been a priority for the City for several years and continues to be. For the City, TOD means the development is walkable, moderate to high density development served by frequent transit with a mix of housing, retail, and employment choices designed to allow people to live and work with less or no dependence on a personal car. The City currently has 2 primary central corridor station plans and has 8 TOD developments completed or in-progress. TOD also spurs development; a University of Minnesota Humphrey School study noted that building permits along the Green line increased significantly, compared

to permit applications along existing transit routes that had similar major intersections – resulting in more housing, commercial/retail development, and jobs.

Neighborhood STAR Program awards loans and grants for capital improvement projects in Saint Paul neighborhoods, and is funded with 50 percent of city sales tax proceeds.

The Commercial Vitality Zone Program invests in neighborhood commercial districts to promote city-wide vitality, growth, and equity. Funded by an annual sales tax revenue fund (a half-cent local sales tax) to further residential, cultural, commercial, and economic development. Each year since inception, one or more commercial zones are selected for funding. Project areas are catalytic – projects within the zone leverage other investments and opportunity to build off existing plans; are targeted toward areas of concentrated poverty and/or where 50 percent or more of residents are people of color (ACP or ACP50); increase vitality, strengthen commercial areas and make them more vibrant; and funded projects will grow the tax base.

Opportunity Zones (OZ) are a new community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide. The City has opted to work with the Federal Opportunity Zone program. OZ funds will help bring new investments to Saint Paul in areas of need that have investment potential. The City will work to guide OZ investments to align with core City values: equity; innovation, resilience; lifelong learning; economic inclusion and justice; and community-first public safety.

Strategic Investment Fund: The purpose of the Strategic Investment Fund is to attract for-profit businesses currently located outside Saint Paul to relocate to the city. Funding is based on businesses whose local operations will do the most to expand the City's economy, have a record of profitability, and be willing to participate the Metropass Program to encourage use of public transit.

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	Homeless Prevention	2015	2020	Homeless	Citywide	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing	ESG: \$566,521	Tenant-based rental assistance / Rapid Rehousing: 100 Households Homeless Person Overnight Shelter: 4,500 Persons Homelessness Prevention: 100 Persons
2	Housing Rehabilitation	2015	2020	Affordable Housing	Citywide	Affordable Rental Housing Preservation of Affordable Rental Housing Housing rehabilitation assistance Lead based paint	CDBG: \$3,118,000	Rental units rehabilitated: 25 Housing Unit Homeowner Housing Rehabilitated: 75 Housing Unit
3	Public Services	2015	2020	Non-Housing Community Development	Citywide	Non-housing community development Fair Housing and housing discrimination. Public service needs Community outreach	CDBG: \$252,000	Public service activities other than Low-/Moderate-Income Housing Benefit: 4,500 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Community Engagement	2015	2020	Non-Housing Community Development Crime prevention	Citywide	Non-housing community development Public service needs Community outreach	CDBG: \$345,000	Public service activities other than Low-/Moderate-Income Housing Benefit: 121,000 Persons Assisted
5	Youth Employment	2015	2020	Non-Housing Community Development Employment	Citywide	Non-housing community development Public service needs	CDBG: \$371,000	Public service activities other than Low-/Moderate-Income Housing Benefit: 400 Persons Assisted
6	Economic Development	2015	2020	Non-Housing Community Development	Citywide	Economic development needs	CDBG: \$620,000	Facade treatment/business building rehabilitation: 3 Jobs created/retained: 7 Businesses assisted: 3
7	Remediation of Substandard Properties	2015	2020	Non-Housing Community Development	Citywide	Non-housing community development Acquisition, demolition, clearance of property Code enforcement	CDBG: \$375,000	Buildings Demolished: 12 Buildings
8	Development of New Housing	2015	2020	Affordable Housing	Citywide	Affordable Rental Housing Increase homeownership opportunities	CDBG: \$154,000 HOME: \$2,677,126	Rental units constructed: 19 Housing Units Homeowner Housing Added: 11 Housing Units
9	Public Improvements	2015	2020	Public facilities	Citywide	Non-housing community development Public facilities	CDBG: \$227,000	Public Facility or Infrastructure Activities other than Low-/Moderate-Income Housing Benefit: 15,000 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homeless Prevention
2	Goal Name	Housing Rehabilitation
3	Goal Name	Public Services
4	Goal Name	Community Engagement
5	Goal Name	Youth Employment
6	Goal Name	Economic Development
7	Goal Name	Remediation of Substandard Properties
8	Goal Name	Development of New Housing
9	Goal Name	Public Improvements

Table 7 – Goal Descriptions

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

The City intends to use available resources to provide affordable housing options during FY 2019-20 and assist extremely low-income, low-income, and moderate-income households. The City's priorities have been identified in accordance with current market conditions and provisions of the City's Consolidated and Comprehensive Plans, which include but are not limited to include: increasing the supply of quality, affordable, mixed-income housing.

The Saint Paul Public Housing Agency (PHA) is an important provider of affordable housing for thousands of Saint Paul households with the greatest need (households at or below 30% of AMI). PHA owns and manages 4,273 public housing units and administers 4,714 Housing Choice Vouchers and related Section 8 subsidies (as of February 2019). These include 100 Family Unification Program (FUP) vouchers, 152 Mainstream Program/Disability vouchers, 6 Section 8 Mod Rehab SRO vouchers, and 231 Veterans Affairs Supportive Housing (VASH) vouchers. PHA has allocated 516 project-based vouchers (PBVs); and more than half of those (328) are in supportive housing developments. In total, PHA provides over 9,000 affordable homes to more than 21,000 people.

One-year goals for the number of households to be supported using the resources available at the city level:

• Homeless:	0
• Non-homeless:	19
• Special Needs:	<u>0</u>
TOTAL:	19

One-year goals for the number of households to be supported with available resources at the city level (by strategy):

• Rental Assistance:	0
• Production of New Units:	19
• Rehabilitation of Existing Units:	0
• Acquisition of Existing Units:	<u>0</u>
TOTAL:	19

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Projects

AP-35 Projects- 91.220(d)

Introduction

The project summary information provides a description and funding amount for each of the projects the City plans to undertake in HUD Fiscal Year 2018 with CDBG, HOME, and ESG funding. The CIB Committee recommended the FY 2019-20 capital projects through the 2018-2019 capital improvement budget process.

Projects

#	Project Name
1	Acquisition Activities
2	Clearance Activities
3	Neighborhood Non-Profits
4	Community Engagement
5	Youth Employment
6	Housing Real Estate Multi-Unit Development Fund
7	Single Unit Rehabilitation
8	Housing Construction
9	Commercial Corridor and Citywide Economic Development
10	Planning and Administration
11	Eastview Play Area
12	Public Facility
13	ESG19SaintPaul

Table 8 - Project Information

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

Capital project priorities were recommended by the CIB Committee. Recommendations were based upon consolidated plan priority needs and goals, strength of proposals, staff rankings, public input, and available resources. The primary obstacle to addressing underserved needs continues to be the reduction in funding available and the increasing demand for services and affordable housing (single family, multi-family, for sale and rental).

The City's ESG allocation partially funds emergency shelters, transitional housing services, street outreach to homeless residents, homelessness prevention, and rapid re-housing programs that support the needs of homeless or those at risk of becoming homeless. Saint Paul annually allocates its ESG funding after review by City staff in consultation with the Ramsey County CoC Coordinator with final approval by City Council.



AP-38 Project Summary

Project Summary Information

1	Project Name	Acquisition Activities
	Target Area	Citywide
	Goals Supported	Remediation of Substandard Properties
	Needs Addressed	Acquisition, demolition, clearance of property
	Funding	CDBG: \$225,000
	Description	Funds are requested for the HRA to acquire strategic, hazardous and/or blighted properties for reuse as determined by input and support from the applicable recognized community organizations representing the neighborhood in which the property is located.
	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Activities are available to eligible properties City-wide
	Planned Activities	Acquisition of vacant, underutilized properties, and related demolition and/or relocation costs. This funding has historically been used for larger development sites. Substandard structures will be cleared, and the sites will be redeveloped.
2	Project Name	Clearance Activities
	Target Area	Citywide
	Goals Supported	Remediation of Substandard Properties
	Needs Addressed	Acquisition, demolition, clearance of property
	Funding	CDBG: \$375,000
	Description	Citywide, multi-year program to provides resources to clear buildings are considered nuisance properties, and/or pose a threat to public health and safety. Properties must have been 1) vacant for at least 1 year; or 2) vacant and unfit for habitation for at least 90 days. These structures are typically identified on the City's vacant building list. The program is administered by City Code Enforcement staff in the Dept of Safety and Inspections.
	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	This project will have an indirect benefit to neighboring residents.
	Location Description	Activities will be carried out on a spot by spot basis City-wide.
	Planned Activities	Demolition of vacant buildings considered nuisance properties that pose a threat to public health and/or safety

3	Project Name	Neighborhood Non-Profits
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Non-housing community development Fair Housing and housing discrimination. Tenant and landlord education Public service needs Community outreach
	Funding	CDBG: \$252,000
	Description	Public service activities to include fair housing activities, community engagement, domestic violence prevention, criminal restorative justice, health care, employment training, conflict resolution, and emergency shelter.
	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Activities will be carried out City-wide
	Planned Activities	Assistance to public service programs administered by nonprofit organizations throughout the City. Programs include services for children, youth, families, senior citizens, domestic violence prevention, citizen participation, conflict resolution, emergency shelter, and community restorative justice. Applications and work plans are evaluated and selected by City Council. This program also receives local funding.
4	Project Name	Community Engagement
	Target Area	Citywide
	Goals Supported	Community Engagement
	Needs Addressed	Non-housing community development Public service needs Community outreach
	Funding	CDBG: \$345,000
	Description	The program provides funding for District Councils in Planning Districts 1-8, 11, and 17 for crime prevention, community outreach and development, and policy development activities. The program also receives local funding.
	Target Date	4/1/2021
	Estimate the number and type of families that will benefit from the proposed activities	CDBG funds will be used for activities in the CDBG eligible areas of the City. Approximately 120,000 low- to moderate-income residents will be assisted with the CDBG funds. Local funding is available for non-CDBG eligible areas.

	Location Description	CDBG eligible districts 1-8,11, and 17
	Planned Activities	Crime prevention, community development, and policy development activities
5	Project Name	Youth Employment
	Target Area	Citywide
	Goals Supported	Youth Employment
	Needs Addressed	Non-housing community development Public service needs Economic development needs Community outreach
	Funding	CDBG: \$371,000
	Description	This multi-year program provides economically disadvantaged City of Saint Paul youth with educational and employment opportunities. Income eligible youth are referred to this program by the Saint Paul School District and other community organizations. Services include remedial education, classroom and occupational skills training, and part-time employment.
	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	Youth from approximately 322 LMI families will benefit from the employment training and internships.
	Location Description	All City of Saint Paul Youth from Low- to Moderate-Income households are eligible to participate.
	Planned Activities	Services include remedial education, classroom and occupational skills training, and part-time employment.
6	Project Name	Housing Real Estate Multi-Unit Development Fund
	Target Area	Citywide
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Preservation of Affordable Rental Housing Affordable Rental Housing Lead based paint
	Funding	CDBG: \$678,000
	Description	Assist in financing the preservation, rehabilitation or new production of affordable housing. Implement CDBG eligible activities related to acquisition and related costs (e.g. relocation, demolition, site preparation, and adjacent public improvements), rehabilitation, new construction, and related costs that are part of the total development cost of a housing project. Implement the housing component of larger mixed-use developments as determined by the Mayor, City Council/HRA and neighborhood.
	Target Date	12/31/2020

	Estimate the number and type of families that will benefit from the proposed activities	Approximately 40 families under 80 percent area median household income will benefit from this activity.
	Location Description	Projects will be selected throughout the City
	Planned Activities	Financing to assist in the preservation, rehabilitation or new production of affordable housing.
7	Project Name	Single Unit Rehabilitation
	Target Area	Citywide
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Housing rehabilitation assistance Lead based paint
	Funding	CDBG: \$2,045,000
	Description	City and CDC-provided loan funding to assist low-income households to rehabilitate their homes by addressing CDBG eligible uses: (i.e. building code enforcement, lead paint abatement, hazardous waste treatment, handicap accessibility, energy improvements, and window, roof and siding replacement, etc.). Funds are also used for emergency repair of water/sewer lines, deficient furnaces and water heaters.
	Target Date	4/1/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 80 low- to moderate-income households will benefit from this activity.
	Location Description	CDBG eligible households throughout the City are eligible for this activity.
	Planned Activities	Financing to assist income eligible owner occupants of single family and duplex properties.
8	Project Name	Housing Construction
	Target Area	Citywide
	Goals Supported	Development of New Housing
	Needs Addressed	Affordable Rental Housing Increase homeownership opportunities
	Funding	CDBG: \$100,000 HOME: \$2,583,865
	Description	This project will produce new units of housing either by rehabilitating vacant structures or with new construction activities, both of which may include acquisition, demolition and relocation

	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 1 new unit of housing that will benefit a low- to moderate-income family will be created using CDBG funds. We estimate 26 families will receive benefit from investment of HOME funds. Eleven (11) households will benefit from affordable home ownership opportunities and an additional 15 households will benefit from newly constructed affordable rental units.
	Location Description	Project sites to be determined
	Planned Activities	New units of housing either by rehabilitating vacant structures or construction of new units, both of which may include acquisition, demolition, and relocation.
9	Project Name	Commercial Corridor and Citywide Economic Development
	Target Area	Citywide
	Goals Supported	Economic Development
	Needs Addressed	Economic development needs
	Funding	CDBG: \$620,000
	Description	Activities carried out by the City or its CDC partners to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements, and development citywide.
	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	The activity will assist businesses that either serve low- to moderate-income areas or create jobs for low- to moderate-income persons.
	Location Description	This activity is available to eligible businesses city-wide.
10	Planned Activities	Activities to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements, and development citywide.
	Project Name	Planning and Administration
	Target Area	Citywide
	Goals Supported	Community Engagement
	Needs Addressed	Planning needs Community outreach Compliance Monitoring Oversight
	Funding	CDBG: \$1,388,000 HOME: \$287,096

	Description	Funding for the management, coordination, oversight, and monitoring of the CDBG program, and costs included in the City's approved Indirect Cost Plan; for planning activities in CDBG eligible areas of the City; environmental and historic reviews of HUD funded projects.
	Target Date	12/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	This activity will indirectly benefit all LMI households citywide.
	Location Description	This activity will not benefit a physical location
	Planned Activities	Funds are budgeted to pay salary and operating costs for overall administration and coordination of budget development, citizen participation, reporting, and compliance for Consolidated Plan grants. Staff includes Managers, Financial Analysts, Compliance Coordinators, IDIS Coordinator, and Administrative Support.
11	Project Name	Eastview Play Area
	Target Area	Eastview neighborhood and surrounding residents.
	Goals Supported	Public Improvements
	Needs Addressed	Non-housing community development Public facilities
	Funding	CDBG: \$227,000
	Description	Removal and replacement of existing play equipment. Eastview Recreation Center Play Area enhancements to: include new play equipment, resilient surfacing for ADA compliance, other amenities such as seating, signage, and landscaping.
	Target Date	4/1/2021
	Estimate the number and type of families that will benefit from the proposed activities	The service area of this park includes 9,905 low- to moderate-income persons.
	Location Description	1675 5th Street East, St. Paul, MN 55106
12	Project Name	Public Facility
	Target Area	Citywide
	Goals Supported	Public Improvements
	Needs Addressed	Non-housing community development Public facilities
	Funding	CDBG: \$54,000
	Description	Renovation of existing public facility serving low to moderate income neighborhood.

	Target Date	12/31/2020
	Estimate the number and type of families that will benefit from the proposed activities	Project will serve low- to moderate-income persons.
	Location Description	Project site to be determined
	Planned Activities	Public Facility
13	Project Name	ESG19SaintPaul
	Target Area	Citywide
	Goals Supported	Homeless Prevention
	Needs Addressed	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing
	Funding	ESG: \$566,521
	Description	Activities to include homeless prevention, shelter operations, essential services, street outreach, rapid re-housing, and ESG administration. Funding for emergency shelter operations and street outreach will not exceed 60 percent of ESG funding award and no more than 7.5 percent for administrative costs.
	Target Date	05/31/2021
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 4,500 individuals and families experiencing homelessness or at risk of homelessness will be assisted
	Location Description	Citywide – specifically Catholic Charities Family Service Center and Higher Ground facility; Ain Dah Yung Youth Shelter, The Family Place, Interfaith Action Project Home family shelter, Lutheran Social Services Safe House, Salvation Army Booth Brown house, Theresa Living Center, YWCA transitional housing
	Planned Activities	Activities include homeless prevention services, emergency shelter operating costs, essential services, street outreach, rapid re-housing, and ESG administration.

Table 9 – Project Summary



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

With the exception of the 1 play area, none of the 2019 activities have an address specific location. All of the activities described in the Action Plan are programs which are available citywide or have service areas that include one or more neighborhoods (districts) in the City.

A map which shows the areas of the City with at least 51 percent low/moderate income persons is titled as CDBG eligible block groups and tracts and included in Attachment I. All activities providing an area benefit being carried out in 2019 will have a service area that is located primarily in a shaded portion of the map.

Activities carried out by the City which provide a direct benefit (primarily housing activities) are available citywide to income eligible households, while direct benefit activities carried out by sub-recipients are available to income eligible households located in the neighborhoods served by the sub-recipient. Many of the sub-recipients and subgrantees receiving CDBG funds are located in the Inspiring Communities (formerly known as Invest Saint Paul) initiative priority areas. The City will spend a significant portion of its CDBG and HOME funding on activities located in these areas.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically.

By allocating investments citywide the City is working to prevent additional concentrations of low-income and minority populations through targeted affordable housing projects through the expansion of access to economic and employment, housing options for low- and moderate-income citizens citywide.

Discussion

HUD funding will continue to be used for housing activities citywide. Public infrastructure projects in low/mod areas will utilize CDBG funds in conjunction with local and state funds (STAR funding, local bonds, Municipal State Aid), providing improvements citywide for the benefit of all citizens.



Affordable Housing

AP-55 Affordable Housing- 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	19
Special-Needs	0
Total	19

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through:	
Rental Assistance	0
Production of New Units	19
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	19

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion

The City estimates providing HOME funding for the construction 3 multifamily rental properties, a total of approximately 345 affordable units, of which it is estimated 19 units will be HOME-assisted. The City will continue its citywide owner-occupied rehab program as well as continuing to fund and work with its non-profit partners resulting in about 73 owner-occupied homes rehabilitated – a strategic effort to preserve affordable housing. Additional projects will include working with non-profit partners to rehabilitate and/or redevelopment HRA-owned properties for resale or rental to low-income households.



AP-60 Public Housing – 91.220(h)

Introduction

The Saint Paul Public Housing Agency (PHA) is an important provider of affordable housing for thousands of Saint Paul households with the greatest need (households at or below 30% of AMI). PHA owns and manages 4,273 public housing units and administers 4,714 Housing Choice Vouchers and related Section 8 subsidies (as of February 2019). These include 100 Family Unification Program (FUP) vouchers, 152 Mainstream Program/Disability vouchers, 6 Section 8 Mod Rehab SRO vouchers, and 231 Veterans Affairs Supportive Housing (VASH) vouchers. PHA has allocated 516 project-based vouchers (PBVs); and more than half of those (328) are in supportive housing developments. In total, PHA provides over 9,000 affordable homes to more than 21,000 people.

The Annual Agency Plan for Federal FY 2019 (PHA's Fiscal Year 2020, beginning April 1, 2019), and the Five-Year Capital Fund Plan are available on the PHA website at: <http://www.PHA.org/reports-and-publications/agency-plan>.

The PHA continues to move toward green and sustainable solutions. The City Council presented the 2017 Sustainable Saint Paul Award for Green Practices to the PHA in recognition of its green initiatives. PHA retains consultants to conduct energy audits of its properties and incorporates feasible recommendations for energy improvements into its capital needs planning. Xcel Energy, a valued partner, has borne most of the cost for energy audits. Ongoing green initiatives include installing water saving faucets, shower heads, and toilets; lighting retrofits; weather stripping, and additional attic insulation. The PHA has also installed a computerized energy management system (EMS) at all 16 public housing hi-rises which allows staff to monitor and control HVAC systems remotely resulting in increased energy efficiency and savings. The PHA also utilizes District Energy St. Paul at 4 of its hi-rise apartment buildings and central administrative office building, utilizing an alternative energy source for its residents and community spaces.

The PHA has maintained its High Performer status under HUD's Public Housing Assessment System (PHAS) for 28 consecutive years. The PHA does not administer HOPE VI activities or Mixed-Finance Modernization and Development. PHA has also maintained its High Performer status under HUD's Section 8 Management Assessment Program (SEMAP) for 17 consecutive years. The PHA successfully implements and administers current agreements for Project-Based Vouchers (PBV); including PBV(s) in supportive housing that supports the State of Minnesota, Ramsey County, and the City of Saint Paul with their plans to end homelessness.

Actions planned during the next year to address the needs to public housing.

Rental Assistance Demonstration Conversion (RAD) – By late 2019 most units will be converted to the Project-Based Rental Assistance (PBRA). PHA will continue to own, manage, maintain, and improve units through long-term PBRA contracts. The primary benefit is more predictable, reliable funding.

Capital Improvements - In implementing its 5-Year Capital Plan 2018-2022, Capital Fund Program dollars renovate/modernize units with improvements for fire and life safety. Units are renovated/maintained using green sustainable designs to conserve energy and water. To

modernize and preserve units HUD Capital Fund grants are used, forgivable loans from MHFA's Publicly Owned Housing Program (POHP), and grants from Federal Home Loan Bank's Affordable Housing Program. After RAD conversion, the 5-Year Capital Plan will use PBRA housing assistance payments (HAP).

Housing Choice Vouchers (HCV) - Continued use of all 4,714 vouchers, without exceeding authorized limits, and continued collaboration with the CoC to meet housing needs of the most vulnerable citizens.

Project-Based Vouchers (PBV) – PBV contracts continue and expiring contracts at successful developments are renewed; subsidizes rental units in privately-owned mixed-income supportive housing, and other affordable housing developments. Supportive housing is in partnership with organizations providing services to those having experienced homelessness/have barriers to stable housing. These units support State, County, and City plans to end/reduce homelessness. Continued collaboration with longstanding partners - City, Ramsey County, St. Paul Foundation, and others - with PBVs for mixed-income, supportive housing, and project-based VASH vouchers for veterans. PHA committed to project-basing up to 300 vouchers over 5 years for mixed-income, supportive-housing for homeless; a combination of HCVs, VASH, and FUP vouchers. Up to 125 will be in MHFAs 2019 Consolidated Request for Proposals through 3 separate offerings: up to 50 HCVs to project-based mixed-income developments – affordable/market-rate; up to 50 HCVs to project-based supportive housing; and up to 25 VASH vouchers to project-based supportive housing.

VASH Program – Assists homeless veterans receiving services from the Veterans Administration with a voucher for rent in privately-owned housing. PHA has a total of 231 vouchers.

Mainstream Program-Housing Opportunities for Persons with Disabilities - vouchers for disabled to rent affordable private housing of their choice. HCVs may also serve any group identified as having the worst housing need, e.g. very low-income/disabled. PHA has a total of 152 vouchers.

Family Unification Program Vouchers (FUP) - Provides 100 vouchers in partnership with Ramsey County Community Human Services Department (RCCHSD). Vouchers support families working with RCCHSD's Child Protection Unit to secure stable housing and be unified with their children. About 25 vouchers assist 18-24-year-olds who have aged out of or left foster care at age 16 or older, are homelessness or at risk of becoming homeless.

Tenant Protection/Preservation Vouchers (TPV) - Ensures no displacement of low-income residents when a property is no longer subject to income-restrictions and tenants do not have a voucher to ensure affordability. TPVs allow eligible tenants to remain at the property, protected from future rent increases or use the subsidy to move to another rental unit.

Waiting Lists - October 1, 2018 the waiting list for public housing closed with over 11,000 households on the list. PHA's HCV waiting list has an expected wait of 3-4 years. Applications are still taken for 2 programs: Congregate Housing Services Program (CHSP) which develops individualized services for elderly/disabled to maintain independence; and the Wilder Assisted

Living Program (ALP) which brings supportive services to those living in Hamline and Ravoux Hi-Rises.

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

The PHA Board of Commissioners established the PHA's Resident Advisory Board (RAB) with membership comprised of:

- All members of the Hi-Rise Presidents Council - 16 members, comprised of the president or other representative leader from each hi-rise.
- All members of the Family Residents' Citywide Residents Council (CWRC) - 16 members, including the 4 officers from each family housing development.
- Section 8 representatives who volunteered for the RAB in response to mailings and flyers in the Rental Office.
- Two PHA Commissioners who are Public Housing residents: 1 Commissioner represents hi-rise residents and 1 Commissioner represents family residents.

RAB membership fluctuates due to changes in Resident Council officers, residents moving out of public housing or leaving the Section 8 program, etc. There are also public housing resident leaders who are not currently members of the Presidents Council or CWRC but participate actively in RAB meetings. RAB meeting agendas are sent to all RAB members and Southern Minnesota Regional Legal Services, Inc. (SMRLS).

The PHA actively encourages discussions about planning capital improvements and PHA policies. During the year, PHA Senior Management meets with members of the RAB, including the Hi-Rise Presidents Council and CWRC, to discuss any significant PHA policy changes, the PHA Annual Plan, and PHA Capital Improvements. Additionally, the PHA's Resident Initiatives Department and Resident Councils work together to form new partnerships with community and supportive service agencies.

Section 3 - PHA provides economic opportunities for low-income residents, to the greatest extent feasible, by hiring qualified Section 3 PHA residents, contracting with Section 3 businesses, and including Section 3 requirements in all contracts. The PHA's Resident Initiatives Department also identifies resources and services to provide Section 3-related education and training to public housing residents.

Family Self-sufficiency Program (FSS) – Is a PHA resident initiative which includes working with various departments and resident councils to identify new partnership opportunities and/or collaborations to encourage resident economic development and self-sufficiency.

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

Not applicable.

The PHA has maintained its High Performer status under HUD's Public Housing Assessment System (PHAS) for 28 consecutive years and its High Performer status under HUD's Section 8 Management Assessment Program (HMAP) for 17 consecutive years.

Discussion

The PHA has achieved High Performer status continuously for both its public housing and Section 8 Housing Choice Voucher Program.

The PHA has a continual need for stable federal funding to maintain its high standards. During the previous program year, PHA received approval from HUD for conversion of its properties under the RAD Program. RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock, which is critical to address the backlog of capital improvements. In RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. Residents continue to pay 30 percent of their income towards the rent and retain the same basic rights as living in PHA owned housing. RAD is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program. The PHA staff is currently developing finance plans for each RAD development.

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

Introduction

Homelessness persist - those most at risk are youth, African Americans, Native Americans, veterans, new immigrants, and older adults. The primary causes: lack of affordable housing and employment, chronic health/mental health issues, and the ripple effects caused by discrimination in housing and other systemic inequities. The City proactively addresses the problem through partnerships with the CoC and service agencies, and an established coordinated system serving homeless/at-risk of being homeless. In 2019, the City, CoC, and more than 18 service agencies will work collaboratively to respond to needs of homeless/those at risk of becoming homeless, and underserved homeless populations - youth, immigrant families, and veterans.

The City continues work with RUSH/Outside In Governance Team – RUSH - Re-directing Users of Shelter to Housing - a collaborative group focused on chronically homeless. It is comprised of public and private organizations which include the City, SPPD, Ramsey County, Saint Paul Foundation, F.R. Bigelow Foundation, Saint Paul Area Chamber of Commerce, Regions Hospital, Catholic Charities, Guild Incorporated, Radias Health, People Incorporated, Union Gospel Mission, and Listening House.

The City supports programs serving homeless with mental illness. Street outreach and case management is provided by RADIAS Health and People Inc. which support police efforts when responding to incidents involving homeless with mental illness. SPPD's Mental Health Unit (MHU), made up of specialized officers, conducts proactive and reactive services to connect citizens with needed mental health services. Focused on community outreach, 7 officers and 2 case managers help people in crisis get the care needed, significantly reducing mental health related arrests and repeat calls for service.

Metro Transit's Homeless Action Team (HAT), 6 Metro Transit Police officers and a case manager, provides street outreach, support and resources to help homeless get off the streets.

The downtown library continues its weekly street outreach services through the Community Resource Outreach Project (CROP). Referrals to community resources are provided and a social worker assists with access to mental health supports. Rondo Community Library also provides a social worker to problem solve, provide resources and support. The CoC partners with the library and its case manager by recruiting social service agencies to provide information on available services.

The downtown YMCA offers homelessness prevention, housing, and supportive services that include: youth resource line; school, street and community-based youth outreach; one-time rental assistance; connections to community resources; youth parenting classes; transitional living programs for young adults; youth food shelves; and Enough in partnership with Safe Harbor Minnesota to assist youth leave the sex trade.

Winter Safe Space continued, a partnership of Ramsey County, the City, and St. Paul Foundation to address immediate winter shelter needs of homeless sleeping in skyways, on Metro Transit trains or in stations. Operated by Catholic Charities it provided 64 beds (14 more than 2018) and extended its hours to allow for increased outreach and case management

services. It is likely that Winter Safe Space will continue for another winter as a more permanent solution is explored.

Catholic Charities Dorothy Day Center Phase II construction should complete in late 2019. It will provide 177 supportive housing units and an Opportunity Center with wrap around services - medical, mental health, job counseling, and referrals to supportive services.

The City continues to partner with Catholic Charities at city-owned St. Paul Residence for low-income, long-term homeless adults. Using the Housing First model it provides affordable, permanent supportive housing: 60 single room occupancy (SRO) units and 60 SROs for chronic alcoholics and/or those with a mental health issues.

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.

In Saint Paul, outreach services to homeless persons (especially unsheltered persons) are provided on a routine basis and serve to locate and refer homeless households to the appropriate facilities and programs. The City funds outreach services as follows:

Breaking Free - provides direct services to victims and survivors of prostitution and sex trafficking; up to 90 percent of whom are homeless or are without safe housing. Breaking free provides victim-centered services, referrals to appropriate community services, permanent housing placement, case management, educational support, and life skills, all of which provide the bridge to accessing and retaining permanent housing and a move out of the sex trade.

Community Resource Outreach Project (CROP) - offers weekly outreach to homeless residents who can receive referrals for community resources in the stable, quiet environment of the Saint Paul Central Library. The Central Library added a case manager to their staff to assist in outreach and referrals for shelters, housing, supportive services such as health care, mental health/substance abuse, employment, and youth services.

Coordinated Access to Housing and Shelter (CAHS) - conducts intake assessments to determine the most appropriate referral for homeless families, individuals, and youth seeking emergency shelter. CAHS is completed through referrals from various participating organizations and community service providers throughout Saint Paul and Ramsey County through a central phone number.

People, Inc. - Metropolitan Homeless Street Outreach Program (MHSOP) – through an ESG grant, MHSOP provides street outreach services to unsheltered homeless adults with mental illness. Its street outreach provides basic survival gear, assistance in stabilizing symptoms of mental illness, benefit assistance, housing placement, and facilitating access to Ramsey County Housing Support Program for stable housing.

Radias Health - ACCESS Program - ACCESS staff visit homeless shelters and drop-in centers to provide outreach and case management services to assist homeless adults with serious and persistent mental illness and substance abuse disorders. Radias Health, through its City ESG

grant, also works directly with SPPD and the Police-Homeless Outreach Program to help homeless connect with services and housing.

Streetworks – A collaboration of community agencies provide street outreach services to homeless youth, including street outreach performed by Face to Face Health and Counseling Services' SafeZone program.

Winter Safe Space - continued, as a collaborative partnership of Ramsey County Board, Saint Paul City Council, Catholic Charities, Saint Paul Foundation, and the Mayor's Office, worked together to address the immediate winter shelter needs of homeless residents sleeping in downtown skyways or on Metro Transit trains and buses or in stations. Winter Safe Space, operated by Catholic Charities, completed its second year by providing 64 beds (14 more, or 30 percent increase, in beds over the prior year) and extended its hours to allow for increased outreach and case management services. It is anticipated that Winter Safe Space will continue for another winter as a more permanent solution is explored.

Addressing the emergency shelter and transitional housing needs of homeless persons.

The City's ESG allocation partially funds emergency shelters, transitional housing services, street outreach to homeless residents, homelessness prevention, and rapid re-housing programs that support the needs of homeless or those at risk of becoming homeless. Saint Paul annually allocates its ESG funding after review by City staff in consultation with the Ramsey County CoC Coordinator with final approval by City Council.

Emergency Shelter. The City's ESG funds the following shelter operations: the Dorothy Day Center, emergency shelter for adults; Catholic Charities Family Service Center, emergency shelter for families; Lutheran Social Services Safe House and emergency shelter for youth ages 16 to 20; Salvation Army Booth Brown House which operates an emergency shelter for homeless youth ages 18 to 21; Interfaith Action serves homeless families by providing emergency shelter space and volunteer support through faith communities and use of their facilities; and The Family Place which provides a day drop-in center for homeless families as well assisting homeless families establish an action plan to move to stability.

Rapid Re-housing. The City allocates ESG funds for the support of rapid re-housing services for homeless adults currently staying at the Dorothy Day Center – Saint Paul Higher Ground emergency shelter; the Theresa Living Center which serves families with children, particularly single-parent/single women with children; and the YWCA St. Paul rapid re-housing and supportive services program for homeless single adults and families which reduces the length of stay at emergency shelters.

Transitional Housing. City ESG funds pay for a portion of operating costs for transitional housing services provided by the YWCA St. Paul's transitional housing program for single parents and their families, and Theresa Living Center's transitional housing programs which provides individualized case management and collaboration with existing agencies to address specific needs of homeless women with children.

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.

Overall, City ESG and County CoC programs work together to fund community services, including homelessness prevention programs. The City's CDBG funds are also allocated for the Block Nurse Program which utilizes volunteer and professional staff to help seniors remain safely in their homes with an enhanced quality of life. The assistance provided meets essential and critical senior citizen needs.

In both 2018 and 2019, the Saint Paul HRA allocated low-income housing tax credits for Ain Dah Yung Supportive Housing. In partnership with Project for Pride in Living, this project will provide 42 new PSH units for at-risk for homelessness American Indian youth. In addition to classrooms, a technology center, and seven units for people with disabilities will be included in the development. Completion is anticipated to be in late 2019.

Catholic Charities Family Service Center (FSC) provides up to 120 consecutive nights of shelter for families, activities for children, tutoring, and parenting education with life skills training. Additional services provided are: housing and employment search assistance, three meals per day, transportation assistance, onsite medical and dental health services, laundry facilities, and computer lab. Housing and employment search resources and other services are provided to help families transition from homelessness to stable housing. FSC is able to serve as many as 65 adults and children on any given day.

Breaking Free provides direct services to victims and survivors of prostitution and sex trafficking; up to 90 percent of whom are homeless or are without safe housing. Breaking free provides victim-centered services, referrals to appropriate community services, permanent housing placement, case management, educational support, and life skills, all of which provide the bridge to accessing and retaining permanent housing and a move out of the sex trade.

Minnesota Assistance Council for Veterans (MAC-V) Supportive Services for Veteran Families Program (funded by the U.S. Department of Veterans Affairs and the City's ESG program) provides street outreach services to homeless veterans in emergency shelters and places where homeless veterans congregate. These efforts are supplemented with Minnesota Department of Veterans Affairs Homeless Veteran Registry that seeks to ensure Veterans experiencing homelessness have access to appropriate housing and services.

Radias Health - ACCESS Program - ACCESS staff visit homeless shelters and drop-in centers to provide outreach and case management services to assist homeless adults with serious and persistent mental illness and substance abuse disorders. Radias Health, through its City ESG grant, also works directly with SPPD and the Police-Homeless Outreach Program to help homeless connect with services and housing. Out of a pilot project started two years ago, Radias Health recruited their first landlord to let three duplexes to homeless people they trusted enough to pay on time. Radias Health staff built a trusted relationship with the landlord which made the project succeed. Two years into the pilot, the Minnesota state legislature now funds the St. Paul Police Homeless Outreach Project at about \$200,000 a year. That is enough to house 30 to 35 homeless people in apartments across the city.

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.

Ramsey County provides programs and counseling to previously-institutionalized or homeless individuals in partnership with nonprofit service providers to aid the transition to permanent housing. This network provides security deposits, child care, job training, transportation, medical/dental care, mental health counseling, chemical dependency treatment, life skills training, and job search.

There are supportive housing facilities citywide for at-risk individuals and families. **Catholic Charities Dorothy Day Higher Ground Phase II** will open in late 2019 and provide 177 supportive housing units for homeless adults. With additional support from area hospitals, Higher Ground provides medical respite shelter beds for homeless released from hospitals. Phase II will include an Opportunity Center - an integrated, one-stop location connecting citizens to critical services.

Community Stabilization Project (CSP) - Builds tenant stability by informing, educating, advocating for and organizing tenants to act to preserve and increase the supply of healthy, safe affordable housing. CSP works with tenants, landlords, and community stakeholders to stabilize families in their homes, prevent homelessness and displacement, and secure a households' capacity to become self-sufficient.

Hmong American Partnership - a community-based organization, empowers clients to move out of poverty. Through youth and family crisis intervention, health and wellness programs, economic and workforce development, it provides support and paths for growth for the Hmong, Southeast Asian, and greater immigrant/refugee communities through culturally sensitive social services.

Minnesota Assistance Council for Veterans (MAC-V) Supportive Services for Veteran Families - Provides street outreach services to homeless veterans in emergency shelters. These efforts are supplemented with Minnesota Department of Veterans Affairs Homeless Veteran Registry that seeks to ensure Veterans experiencing homelessness have access to appropriate housing and services.

Neighborhood House - Offers services for basic needs and lifelong learning. Its Family Centers provide families in crisis (at-risk of becoming homeless) help in meeting basic needs. Services are tailored to specifically address the family's situation. Participants are provided with food, housing, early childhood education, adult education, and citizenship classes, with the goal of helping clients gain skills necessary to be economically stable and self-sufficient.

Southern Minnesota Regional Legal Services (SMRLS) - Administers Project HOPE - Homeless Outreach Prevention and Education Project. Project HOPE focuses on protecting the legal rights of homeless/at-risk of homeless by addressing legal issues that contribute to or place clients at risk of homelessness, and advocates for the rights of families with children

seeking access to emergency shelters in Ramsey County. Project HOPE collaborates with 2 other non-profits-Neighborhood House East Side Family Center and Community Action Program of Ramsey and Washington Counties. These organizations share a pool of direct service funding for rent, security deposits, and utility payments.

West Side Community Health Services (WSCHS) - Offers medical, dental, health care, and mental health services. The emphasis is education, prevention, and integrated services with a multi-lingual/multi-cultural approach. Through the HouseCalls program, WSCHS provides outreach and access to primary health care for those experiencing unstable or inadequate housing. HouseCalls serves as part of a network of community-based resources to prevent homelessness, aid in stabilizing and retaining housing, and increase school attendance. HouseCalls and WSCHS medical staff speak English, Spanish, and Hmong, making it easier to work with patients and make their clientele feel comfortable and open to interaction with staff which strengthens community well-being.

Discussion

The City will continue its collaboration with Ramsey County CoC and social service organizations. This collaboration is essential to addressing the needs of homeless and those at risk of being homeless. Additional efforts to serve homeless include utilizing Wilder Research as a means to identify areas of greatest need. Every 3 years, Wilder Research, part of the Amherst H. Wilder Foundation, conducts a one-night statewide survey of homeless people in Minnesota to better understand the prevalence, causes, circumstances, and effects of homelessness. The most recent point-in-time (PIT) count was conducted on October 25, 2018 - results will be available in late spring 2019. These triennial PIT counts provide Ramsey County CoC and the City with the most comprehensive data and analysis on the reasons City and County citizens are homeless, and barriers to obtaining and maintaining safe and stable housing. The data, analysis, and reporting helps improve understanding about the prevalence, causes, circumstances and effects of homelessness in Ramsey County and Saint Paul, which then guides actions (i.e., funding priorities) to eliminate homelessness through CoC and City ESG resources.

RUSH, established in 2017, was integral to opening Winter Safe Space, continues to partner with public and private organizations to redirect users of emergency shelters to permanent housing using focused individualized case management. Addressing the specific needs of the individuals or families.

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

Introduction:

Housing policy cannot be considered in a vacuum. It must be thought of in the context of economic development (building household income/net worth), transportation (connecting people to jobs) and land use (locating parks, jobs, education, and essential services near housing). To begin, City Council passed resolution 18-1204, calling for action to create and preserve housing that is affordable at all income levels; address racial, social and economic disparities in housing; create infrastructure needed to stabilize housing; fund an Affordable Housing Trust Fund; and continue to fund down payment assistance for first-time homebuyers. This resolution is a public acknowledgement that housing, especially affordable housing, is a priority for the city.

Affordable housing options include 4,273 public housing units and 4,714 HCVs and related Section 8 subsidies. In total, PHA provides over 9,000 affordable homes to more than 21,000 people. The most significant barriers to securing affordable housing are insufficient income and lack of affordable housing units. The greatest gap in affordable housing units is for households with income below 30% AMI. Not only are the number of units few, but many of these units are occupied by households with incomes that could afford a unit at a higher rent. This is due to the insufficient number of available rental units.

Housing data for the City demonstrates the greatest need, and highest housing priorities, as affordability, choice, and supply. Consistent with the City's Comprehensive Plan–Housing Chapter, and the Mayor's Budget for Housing, affordable housing priorities are: preservation and production of rental housing affordable for those at or below 30% AMI; create homeownership opportunities for households with moderate incomes, 60-80% AMI; housing preservation for elderly homeowners between 0-50% AMI; and provide housing for special needs populations.

The City had required city-financed rental projects have 10 percent of units affordable to those at 30% AMI and 10 percent of units affordable to those at 50% AMI. This requirement is no longer an explicit part of the City's new Comprehensive Plan but remains a consideration when developers request funding for housing developments. The City's Locational Choice Policy and LIHTC selection process also encourage a more equitable distribution of affordable housing citywide. During 2018-19, the City partially financed the preservation and new construction of 1,268 multifamily units including 746 affordable units (623 new construction, 73 units of preservation of existing affordable housing, and 50 units refinanced). The City also financed the rehabilitation of a vacant 4-unit rental property and rehabilitation of 40 owner-occupied housing units.

Affordable housing development requires multiple funding sources that include: City STAR, TIF, LIHTC, federal LIHTC, MHFA funding, federal funding from HUD, and HRA-owned property. To keep pace with increasing demand for affordable housing and to balance development to ensure locational choice, continued federal and state funding is needed. The lack of sufficient funding, chiefly federal, and sufficient allocation of LIHTCs has negative bearing on the City's ability to provide and investment in affordable housing. The City receives only about 36 percent of the CDBG funding it received in 1975. Similarly, the City receives about 84 percent of the HOME funding it received in 2000. The City's LIHTC allocation also continues to shrink. In response, the City's 2019-2020 budget includes the establishment of a local housing trust fund (HTF). Funded with an increase in the local tax levy the initial investment is \$10 million with an ongoing \$2 million annual investment. The new HTF will be combined with existing city and federal resources for a \$71 million investment in housing over the next 3 years. The \$2 million

annual investment will come from cost savings within city departments and money from public parking lot revenue.

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.

There are about 17,000 publicly-assisted affordable housing units, 34 percent of renters. Of these units, approximately 9,000 are subsidized through the PHA. Other units have resulted from citywide policies and efforts. Barriers to affordable housing are lack of funding and land. In response, the City finances preservation, renovation and construction of affordable housing citywide using city-owned land, local, state, and federal funds, and acquires discounted tax-forfeited property from Ramsey County.

Other efforts: City Council Resolution 18-1204 required housing funded through the HRA to accept Section 8 vouchers; added points to the LIHTC scorecard for senior housing; and increased use of Tenant Remedies Actions (clearly outlines landlord/tenant rights/responsibilities). It also mandated housing production goals for the next 10 years with at least 1/3rd affordable to households at 30-50% AMI, use an equitable development scorecard in PED resource team decisions to ensure community benefit; include Section 8 training in Landlord 101 for new landlords; increase Landlord 101 training for existing landlords; and implement 4(d) tax incentives to build and preserve affordable rental units. Sustainable building regulations established for buildings owned, operated, funded by the city by increasing the environmental and financial sustainability of development. It increases costs of new construction/major renovation but results in structures that are more sustainable and energy efficient, i.e. cost less to operate and maintain. Increased energy efficiency results in lower utility costs which directly benefit LMI tenants. A recent legal settlement enabled a church to continue its homeless day shelter and can serve to spur the City to study its zoning ordinances to establish a better process for determining land-use.

City's Accessory Dwelling Unit (ADU) ordinance amended chapters of the Legislative Code relating to ADUs - expanded where ADUs were allowed; removed minimum lot area requirements; and allowed ADUs in 1-family large residential districts. City allows rezoning to increase building heights for a greater number of units on a smaller foot print and thus more affordable units.

Redevelopment of the former Twin Cities Ford assembly plant site as a mixed-use/mixed income neighborhood. The site will include housing, jobs, services, activities and amenities for all ages and incomes. Housing options include multi-unit housing, large and carriage homes, townhomes, live-work units, senior housing, rental and owner. Planned is 5 percent of housing units affordable to those at 60% AMI or less; 5 percent affordable to those at 50% AMI or less; and 10 percent affordable to those at 30% AMI or less. Affordable and market-rate will be a mix of housing types and intermixed throughout the site.

Limited English proficiency (LEP) is a barrier to accessing city services and programs. One in 5 residents speaks a language other than English. As a recipient of federal financial assistance, the city is required to provide access to City services for LEP citizens. The City, through its LEP plan, make its services, programs and information available to everyone, regardless of language

barriers. All departments display a poster offering free interpreter services, each department has an LEP liaison and staff list of those proficient in language(s) other than English.

In-progress efforts: 4(d) Affordable Housing Incentive Program offers property tax breaks to rental property owners to retain affordable units for a specified time frame (10 years) and which can be applied to NOAH properties to target and assist properties most at risk to displace LMI tenants; Inclusionary Zoning to increase private sector affordable housing production; Naturally Occurring Affordable Housing (NOAH) property inventory, partners and local funding source; Opportunity Zones (OZ) to encourage long-term investment in low-income, urban communities with investment potential.

Discussion:

Summary: The City has working relationships with federal and state governments to develop affordable housing in Saint Paul. Furthermore, the City's Affordable Housing Policies support the development of affordable housing citywide. However, the City still lacks sufficient financial capacity to meet the affordable housing needs of all its citizens. Therefore, as public policy, any federal and state budgetary restrictions consequently become major barriers to developing affordable housing in Saint Paul.



AP-85 Other Actions – 91.220(k)

Introduction:

Actions planned to address obstacles to meeting underserved needs

In 2019, the City will address many of its underserved needs through the activities of the ongoing, multi-year HUD funded housing programs. Most important, the new construction or preservation of large family units, and units for very low- and extremely low-income households will be accomplished through the various homeowner, homebuyer, multi-unit, and new housing development programs carried out by the City and its partners using CDBG and HOME program funding, LIHTCs, TIF, STAR funding, and the City's newly established HTF. The City allocates its ESG funding to community agencies that serve homeless and at-risk of being homeless citizens, including homeless residents with mental health disorders. As a result of community discussions, ESG funds will place a higher priority on street outreach to address the needs of homeless citizens living in downtown skyways and Metro Transit trains and station; these efforts work directly with the SPPD MHU and Metro Transit HAT teams. Additionally, the City, County, and private foundations are financially supporting an additional cold-weather emergency shelter, Winter Safe Space which is anticipated to continue as a more permanent solution is explored. Dorothy Day Center Phase II, which will open in late 2019, will provide more supportive housing and include a new Opportunity Center with wrap around services that include medical and mental health care, job counseling, and referrals to other supportive. The Mayor's Advisory Committee-People with Disabilities advises and makes recommendations to the Mayor and City Council regarding problems, issues, and opportunities facing people with disabilities and specifically focused on issues related to employment, public education, and accessibility.

The largest obstacle to meeting underserved needs remains the lack of stable funding for these costly activities.

Actions planned to foster and maintain affordable housing

In 2019, the City will continue to use the majority of its CDBG funding, and all of its HOME program and ESG funding for affordable housing activities. Projects and programs which provide assistance for homebuyers, homeowner rehabilitation, rental rehabilitation, and new construction of affordable housing will be carried out by the City, its sub-recipients, and non-profit and for-profit partners. Descriptions of the specific projects and programs can be found in the Consolidated Plan Listing of Projects section of this document. In addition to HUD funded activities, the City will carry out housing projects in conjunction with the MHFA, Metropolitan Council, the Family Housing Fund, and the Saint Paul HRA. As of March 1, 2018, the City estimates that there are approximately 669 vacant residential buildings in the City, down from 1,800 in 2008. The City will use the 60 percent tax credit rent for determining affordable rents for rental housing that is assisted with CDBG funding. HOME projects will use the established HOME rents. In early 2018, the City expanded its rental rehabilitation loan program citywide for properties rated C and D and added eligibility for properties rated A and B in ACP50 areas. During the initial phase of the program, only properties rated C and D (multiple, significant health and safety code violations) were eligible.

The City has required that city-financed rental projects have 10 percent of the units affordable at 30% AMI and 10 percent of the units affordable at 50% AMI. Whereas, this requirement is no longer an explicit part of the City's Comprehensive Plan, it will remain a consideration when

developers request funding for housing developments. The City's Locational Choice Policy and the City's Low-Income Housing Tax Credit Selection Process also encourage a more equitable distribution of affordable housing citywide. The City's 2019-2020 budget includes the establishment of a local housing trust fund (HTF). This will be accomplished through an increase in the local tax levy with an initial investment of \$10 million and a commitment to an ongoing \$2 million annual investment. The new HTF will be combined with existing city and federal resources for a \$71 million investment in housing over the next three years. The annual \$2 million investment fund will come from cost savings within city departments and money from public parking lot revenue program.

The City's Comprehensive Plan – Housing Chapter, and the Mayor's Budget for Housing, have made a commitment to affordable housing priorities as follows

The City, through its newly created Housing Trust Fund, federal, state, and local resources, is committed to:

- Foster the preservation and production of deeply affordable rental housing for those at or below 30% AMI.
- Create homeownership opportunities for households with moderate incomes, 60-80% of AMI.
- Preservation of housing for elderly homeowners between 0-50% of AMI; many elderly homeowners are living on fixed incomes and aging in place is often the most affordable option.
- Provision of housing for special needs populations.

The Neighborhood STAR Program awards loans and grants for capital improvement projects in Saint Paul neighborhoods, and is funded with 50 percent of city sales tax proceeds. These capital improvements help to maintain neighborhood infrastructure and make neighborhoods more livable.

Actions planned to reduce lead-based paint hazards

The City will continue to comply with HUD regulations concerning lead-based paint (LBP), including notifying applicants of the lead requirements, performing lead screening, requiring abatement by certified workers, and completing clearance testing on HUD-funded housing projects. The City will also continue to work with Ramsey County through referrals to its Lead Window Replacement Program for homes and rental units with young children (most at risk or lead poisoning), identified lead paint issues, and whose gross household income is at or below 80% AMI. The program is available to both owner occupied and rental property owners and partners with Saint Paul – Ramsey County Public Health Lead Hazard Control, NeighborWorks Home Partners, and East Side Neighborhood Development Company.

Actions planned to reduce the number of poverty-level families

City funded youth workforce activities include outreach to participants, assessment, basic skills and job training, job placement, work experience, and follow up. Funded public services complement Ramsey County Community Services. City and its partners carry out programs that aid businesses and create jobs for LMI persons. CoC has on-going training for its members and

other service agencies to increase client access to disability benefits for eligible homeless or at risk of becoming homeless.

City's Department of Human Rights and Equal Economic Opportunity (HREEO) - Deals with issues of discrimination and provides a means to access economic opportunities through inclusive contracting practices and workforce development policies. City contracts can require use of Section 3 businesses and/or hiring Section 3 employees as part of job creation activities. City's Vendor Outreach Program (VOP) helps woman-owned, minority-owned, and small business enterprises (WBE, MBE, SBE) by setting annual and project-specific goals for purchasing from W/M/SBEs. An annual procurement fair recruits Section 3 and W/M/SBEs – a way to learn how to do business with the City and meet with business assistance representatives from LegalCORPS and SCORE.

Other City efforts:

Commercial Vitality Zone Program (CVZ) - Invests in neighborhood commercial districts where projects leverage other investments and opportunity to build off existing plans. Targeted areas have concentrated poverty and/or where 50 percent or more of residents are people of color (ACP or ACP50) and investment will strengthen and grow commercial tax base.

Full Stack – A public/private partnership co-led by the City and St. Paul Area Chamber of Commerce, provides services to help tech/innovation sector businesses start-up/scale up and attract, retain, and expand tech/innovation jobs.

Job Opportunity Fund - Incentivizes businesses in areas of concentrated poverty (ACP50) to hire residents. These neighborhoods are 50 percent or more people of color and 40 percent or more have household incomes less than 185 percent of poverty.

Minimum Wage - City Council passed an ordinance creating a City minimum wage of \$15/hour; initial phase-in January 1, 2020.

Office of Financial Empowerment (OFE) – Created to address root causes of poverty and inequity; it will connect LMI citizens to financial education/counseling, help establish savings and build credit, and provide tools for financial stability. OFE combined with a city-sponsored college savings program, new City minimum wage, and implementation of an on-going affordable housing trust fund, form a multi-faceted approach to reversing poverty.

Open for Business - A one-stop shop for start-up and existing businesses to get information and leverage resources to start, grow, and thrive. Services and resources are: pocket guide (in multiple languages) to starting a business in Saint Paul; connection with information and resources to start, move or expand a business; and assistance from a Business Project Facilitator as a guide through the permitting and licensing process of opening, expanding or relocating to the city.

Strategic Investment Fund - Attracts businesses to relocate to the city. Target businesses are ones with local operations that will expand the city's economy, have a record of profitability, and are willing to participate in the Metropass Program to promote public transit use.

Techstars Accelerator Program – A partnership with Cargill and Ecolab, *Farm to Fork*, will bring startup food safety and agricultural technology companies to downtown over the next 3 years.

Other efforts: computer labs, free digital literacy programs at recreation centers; annual career fairs with the State of Minnesota; coordination with CoC and Wilder Foundation to support a Family Wellbeing and Resource Fair to connect citizens to essential resources/services; CoC provides information/connection to pro bono legal services; and Expungement Clinics at City recreation centers.

Actions planned to develop institutional structure

Saint Paul's institutional structure gives the City the opportunity to partner with many organizations. In 2019, the City's Planning and Economic Development (PED) department will again work with other City departments, as well as other levels of government (Federal, State, and County), non-profit organizations, and private sector developers to plan and implement housing, economic development, and community development activities.

Saint Paul will continue its partnership with the Saint Paul Port Authority and Greater MSP for business recruitment and expansion that will benefit Saint Paul residents and neighborhoods. The City recently participated with the *City Accelerator Infrastructure Finance Cohort* – a special initiative of *Living Cities*, a national foundation with a focus on municipal best practices. The City Accelerator Initiative is designed to help cities build capacity to develop cross-departmental, partnership-based solutions to infrastructure funding challenges.

The City and its regional partners are also working together to develop responsive strategies to affirmatively further fair housing with the Twin Cities metro area. Further, there is sustained focus across Mayoral administrations and addressing racial inequities. Saint Paul's Fair Housing Work Group released a status update and policy and program options report in March 2018. The update outlined the City's role in Fair Housing, provided data on the current state of Fair Housing in Saint Paul and current status of 11 goals previously outlined; and recommended next steps for implementation.

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

Saint Paul will continue to coordinate services with Ramsey County (the primary public service provider in the City), and the Saint Paul Public Housing Agency (the administrator of public housing and housing choice vouchers in Saint Paul). The City is also currently working with metro-wide governmental jurisdictions to affirmatively further fair housing regionally in the Twin Cities metro area.

Also, as part of the Ramsey County CoC Governing Board, the City, County, community agencies, and faith-based organizations, such as Catholic Charities and the YWCA St. Paul, are very involved with planning and implementing homelessness initiatives. Saint Paul Foundation is sponsoring a multi-partner task force, Outside In, to work collaboratively to address the unsheltered homeless population in and around downtown St. Paul – RUSH - Re-directing Users of Shelter to Housing.

The City will continue to work with Community Development Corporations (CDCs), other non-profit organizations in the City, and the private sector (businesses, developers, social service agencies) to provide housing, economic development, and community development services. As an example, the City's Low-Income Housing Tax Credit Program encourages equity partnership between private housing providers and non-profit housing organizations. Additionally, this program encourages working partnerships among private housing providers, non-profit housing organizations, and community social services that serve low- and moderate-income residents and homeless residents.

As an example of public/private partnerships, the City, MHFA, private foundations, private donors, and Catholic Charities are working together to build the new Dorothy Day Center Phase II which will provide permanent supportive housing and a new Opportunity Center. At the same time, Catholic Charities' Higher Ground Saint Paul now has a medical respite program which requires coordination among institutional private health care providers, Catholic Charities, and public health care providers, such as Health Care for the Homeless.

City economic development programs provide gap financing, which requires businesses seeking assistance to secure other public and private financing from banks, the state, Metropolitan Council, and other private sector businesses, private foundations, personal capital, CDCs, and the Saint Paul Port Authority on commercial and industrial projects. This coordination ensures that funds leveraged are maximized and HUD-funding utilized where most needed.

Discussion:

New initiatives abound within the City of Saint Paul with new leadership in 2018 in the Mayor's office, PED, and its Housing Division. Like a diversified portfolio, a diversity of housing types and development strategies can increase local resiliency through changing economic times. The previous year has seen the establishment of a local housing trust fund; a new minimum wage of \$15 per hour; expansion of areas where ADUs would be permitted to citywide; formation of the Office of Financial Empowerment; commitment to working with Opportunity Zones; City holds a procurement fair to recruit Section 3 and W/M/SBE businesses and continues to require use of Section 3 vendors for all construction/rehabilitation housing projects or other public construction projects; and continues to expand its fair housing outreach through Landlord 101 and online tenant training.



Program Specific Requirements

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

Introduction:

The City estimates receiving \$6,293,301 CDBG funding, \$1,938,350 in HOME program funding, and \$566,521 in ESG funding in FY 2019-20. In addition, the City estimates using approximately \$556,899 in CDBG program income and has HOME program income of \$932,611 in-hand. Total estimated HUD funding is \$10,287,482. These estimates are based on the City receiving the same level of funding from HUD in FY 2019-20 that was received in FY 2018-19. Should the City receive funding greater or less than the estimated amount, funding for all CDBG, HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocations received from HUD.

A consecutive period of three years: 2017, 2018, and 2019, is being used to determine that the minimum overall benefit of 70 percent of CDBG funds is used to benefit persons of low- and moderate-income.

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 Information and Project Summary, Tables 8 and 9. 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.	\$556,899
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.	0
5.	The amount of income from float-funded activities	0
Total Program Income:		\$556,899

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 percent of CDBG funds is used to benefit persons of low- and moderate-income. Specify the years covered that include this Annual Action Plan (FY 2017, FY 2018, FY 2019).	77.73%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(I)(2)

- 1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

The City does not plan any additional forms of investment beyond eligible uses of HOME funds identified at 92.205.

- 2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

The City of Saint Paul HOME Program Resale/Recapture Policy is included in Attachment E.

- 3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

The City of Saint Paul HOME Program Resale/Recapture Policy is included in Attachment E.

- 4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The City does not anticipate refinancing existing debt secured by multifamily housing that is rehabilitated with HOME funds.

Emergency Solutions Grant (ESG)

Reference 91.220(I)(4)

- 1. Include written standards for providing ESG assistance (may include as attachment)**

The 2019-2020 Saint Paul ESG Action Plan is attached in Attachment H.

- 2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

The Ramsey County CoC has an established centralized coordinated assessment that meets HUD requirements for families, single adults, and youth experiencing homelessness or at imminent risk of homelessness. Shelter beds for homeless in Ramsey County are in great demand, especially for families. Ramsey County Coordinated Access to Housing and Shelter (CAHS) conducts standardized assessments for homeless families, individuals, and youth to determine the most appropriate housing referral/housing alternatives before a homeless family, individual or youth enters emergency shelter. The assessment identifies the most appropriate housing program support based upon specific needs and barriers. For all homeless, and particularly families, completing the assessment may be referred to an emergency shelter, if available. However due to an insufficient number of shelter beds, particularly for families, CAHS Diversion Specialists assist individuals and families identify alternatives to a shelter; the Shelter Diversion Services must maximize the use of emergency shelter beds for those individuals and

families with no other housing options. As of January 7, 2019, there were no family shelter beds open. Other options for referrals, include other housing programs such as rapid re-housing, transitional housing, or permanent supportive housing. Ramsey County CoC must use state homelessness prevention funds to pay for the CAHS operations for families and utilize local funding for CAHS as it relates to single adults and youth.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

The City allocates its ESG funds to community agencies that provide emergency shelter, transitional housing, rapid re-housing, homelessness prevention assistance, and street outreach services to homeless or at risk of becoming homeless adults, families, youth, and underserved populations.

The City and the Ramsey County CoC recognize that City ESG funding is supplemental to the County's homelessness prevention initiatives, which are funded with HUD CoC funds and state FHPAP funds.

Prior to the issuance of an annual RFP for sub-recipient homeless services, ESG staff consults with the Ramsey County CoC Coordinator and CoC Governing Board to develop a preliminary gap analysis of services, which includes a review of the needs of underserved populations. ESG staff also consults with the CoC Funders Committee to determine City funding priorities in relationship to Ramsey County CoC and FHPAP funded programs that assist homeless residents. This allows City ESG funds to fill gaps in funding and not duplicate funding already provided by the CoC.

An integral part of the annual funding process also includes ESG staff meeting with current and potentially new ESG sub-recipients to determine service level needs of the communities served by each. Approximately 18 community agencies apply for ESG funds annually. All proposals are reviewed by ESG staff coupled with consultation with the CoC before submitting recommendations for City Council approval.

Overall, ESG funding allocations take into consideration: 1) services to be provided to homeless adults, families, youth, and underserved populations such as new Americans, refugees, and veterans; 2) the supplemental funding needs of CoC programs (fills gaps); 3) risk rating and prior performance of ESG sub-recipients; 4) national HUD housing and homeless objectives; and 5) City housing and homeless objectives.

The RFP for funding will be issued in late summer or early fall of 2019.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

City ESG and the CoC support the participation of formerly homeless through their membership on the CoC Governing Board and the FHPAP Committee. Additionally, many ESG sub-recipients have participant-driven programming where input from program participants is encouraged and sought out. Efforts include individualized case management meetings, client

satisfaction surveys, and group meetings during which program participants can review services, plan events and activities, and help provide solutions to problems and concerns. Several ESG sub-recipients are encouraging participation of homeless and formerly homeless citizens on their respective Boards.

5. Describe performance standards for evaluating ESG.

The City's ESG staff person consults with the CPD Monitoring Handbook and consults with City Compliance Monitoring staff before conducting a compliance review. ESG program sub-recipients are subjected to a risk rating to ensure that those with the highest risk are identified for monitoring more frequent basis and provided technical assistance, as appropriate. When conducting an on-site monitoring review, City staff meets with sub-recipients, on-site, to review the following, as appropriate:

- A copy of the current counseling work plan
- An organizational chart and list of staff, counseling and/or outreach, as appropriate, indicating years of experience
- Staff training received in the prior 12 months
- Financial records, including independent audit and year-to-date financials
- List of community service referrals
- Copies of applications and forms, including disclosure forms, utilized by clients to receive services
- Access to client files including a list of clients counseled; services provided; description of participants needs (i.e. meeting HUD definition of homeless); screening process; review of case management services; and housing assistance provided; cultural competency, and participant-driven programming

A written response is provided to each sub-recipient monitored which summarizes the on-site visit and notes all concerns and findings, as appropriate. If there are areas of concern for which technical assistance is needed, City staff will ensure this is included and note how it will be provided. The written response also notes what the organization is doing well.

Desk reviews are typically completed as requests for reimbursement of contracted program costs are processed.

As a part of the RFP and annual funding process; City staff applies a risk assessment tool to each organization previously funded and/or has submitted a proposal for funding. The risk assessment tool looks at the organization's experience with ESG funding; ESG-eligible programs and services; financial and accounting systems and controls; financial reports, and staff turnover.

During November 2018, ESG and CoC conducted staff training for ESG/CoC grantees with emphasis on HUD program requirements and issues of coordinated assessment. At that time, ESG sub-recipients received sections of the CPD Monitoring Handbook that pertain to ESG, as appropriate to sub-recipient's ESG-funded services. In 2019, the City will work with Ramsey County CoC regarding future trainings, as appropriate.



CITY OF SAINT PAUL
LONG-RANGE CAPITAL IMPROVEMENT BUDGET COMMITTEE

OFFICE OF FINANCIAL SERVICES
700 City Hall, Saint Paul, Minnesota 55102
651-266-8800

Christopher Coleman
Mayor

June 30, 2017

TO: The Honorable Christopher Coleman and Members of the Saint Paul City Council

FROM: Noel Nix, Chair

REPORT OF THE SAINT PAUL LONG-RANGE CAPITAL IMPROVEMENT BUDGET COMMITTEE

The Saint Paul Long-Range Capital Improvement Budget (CIB) Committee hereby submits its recommendations for the 2018-2019 Capital Improvement Budgets. We recommend \$23,100,000 per year for both 2018 and 2019. This budget assumes approximately \$11 million of Capital Improvement Bonds, \$4 million of Community Development Block Grants (CDBG), and \$8.1 million of Municipal State Aid (MSA) per year.

With the support of the CIB Committee, City staff are currently undertaking a redesign of the CIB process with the following key principles: Equity and Inclusion, Strategic Investments, and Fiscal Responsibility. This ongoing redesign work, coupled with the fact that much of this cycle's funding had been previously awarded to a few large projects meant that this year's CIB process was greatly scaled back. The process did not include district council appointed task forces, and instead relied only on the CIB Committee to make recommendations. The Committee reviewed a much smaller subset of project proposals than what is typically submitted under this year's scaled back review process.

The CIB Committee's recommendations for MSA funding are based largely only the Public Works Five Year Street Plan; CIB bond recommendations include allocating an additional \$1.2M towards the Citywide Capital Maintenance program. For the first time, the Committee's CDBG recommendations were informed by "risk ratings" provided by PED staff as part of the City's continual efforts to maintain compliance with Department of Housing and Urban Development (HUD) guidelines. Committee members appreciated having

this information and used it, along with other factors such as accumulated balances and potential community impact, as one of many factors in forming our recommendations. The Committee recommends funding levels less than requested for Community Development Corporation (CDC) proposals that have high risk ratings or had accumulated large balances from prior years. We endorse funding several higher risk proposals, including the *Victoria Theater*. The theater project had strong community support, evidenced by the large turnout at the Committee's public hearing. The Committee encourages City staff to work closely with higher risk CDBG applicants to ensure that projects can meet HUD and City objectives.

The Committee would also like to note that the inclusion of the *Griggs Park* in the mayor's proposed budget and recommended by the City Council is an important example of the need for greater levels of transparency and fiscal responsibility in the CIB recommendation process. Every CIB cycle, there are a number of projects that are not included in our recommendations for funding not because they are poor projects or lack public support, but because choices must be made about how to allocate limited dollars. Nevertheless, the *Griggs* project was partially funded as part of the 8-80 Vitality Fund that had been established outside of the normal CIB cycle. As such, the Committee felt obligated to fund the remaining acquisition cost. Moving forward, we encourage the mayor and city council to partner more closely with the CIB committee when programming future "one-time" bonding dollars to better maintain the integrity and participatory spirit of the CIB process.

The Committee would like to thank this year's applicants for answering our many questions. We also would like to express our gratitude to City Staff for their active participation throughout the process.

As always, the Committee appreciates your support of our efforts. It is a pleasure to serve our City and its Residents.

SAINT PAUL LONG-RANGE CAPITAL IMPROVEMENT BUDGET COMMITTEE MEMBERS

Noel Nix, Chair	Joel Clemmer	Elizabeth Matakis	Darren Tobolt
Rebecca Airmet	Raymond Hess	Mary Morse Marti, Vice Chair	Kurt Zilley
Mohamed Barre	Amy Huerta	Tiffany Orth	
Larvel Bunker	Samakab Hussein	Paul Raymond	
Kellie Charles Connor	Chai Lee	Corina Serrano	

ATTACHMENT A

June 5, 2017 - CIB Committee Public Hearing

Public Comments Received

1. Neighborworks - Jason Peterson – 3 proposals for 3 distinct, existing programs, speaking tonight for homeowner rehab programs. Unique because it serves all 17 planning districts. Leverage these funds with additional funds, so provides the largest loans of all the programs. Committed FY17 funds already. CIB funds are the base leverage for everything we do.
2. Neighborworks – Beth Heiser – North End Revitalization program. CIB funding through 1997 (Sparc, etc.). Critical to the neighborhood, fix up homes. CM Brendmoen helped launch North End initiative. Current customer – needed interior/exterior repairs, partnering with loan funds on lead window issues.
3. Neighborworks – Marie Mal - Greenline Home Improvement program, dedicated funds for consistent improvement in these core neighborhoods. Flexible funds can be used for health and safety needs, repairs, etc. Avoid resident displacement. Traditional lending hasn't kept up with need in this area.
4. Anne Dejoy – ESND C – Business Investment Fund – Vibrant commercial corridors, need the ability to provide resources to businesses. ESND C has capacity to coordinate the redevelopment. Applaud you for the redesign of the project proposal form.
5. Anne Dejoy – ESND C – North End Façade Improvement – CDBG fits the needs of that commercial corridor. Doing smaller amounts this year.
6. Patty Lilledahl – PED – Citywide Home Improvement Loan program – work closely with outside orgs to serve people in high need areas. Provide translation services.
7. Patty Lilledahl – PED – Housing Real Estate Multi-Unit Development fund – leverage public funding with private development dollars.
8. ESND C and NEDA – Karen Reid – Commercial façade improvements. NEDA reached out to ESND C to partner on a commercial program – recreating ESND C's Payne Ave program on the West Side. Part of a commercial vitality zone program – leveraging that and other private dollars.
9. Victoria Theater – E.D. NE Minneapolis – will allow us to purchase and deal with storm water issues. Many artists in Frogtown who need to go someplace else to perform. Would like to provide space for local artists perform in. Two big updates: received foundation funding for a project coordinator, and designated a non-profit by IRS. Public-Private-Non-profit collaboration. Fills an unmet need.
10. Lots of supporters for Victoria Theater presented and stood.
11. Dayton's Bluff Neighborhood Housing Services – East Side Home Improvement RLF, HIP. Programs are getting better, not sure why we ranked lower than typical. We have the oldest housing stock in the City. Create same number of jobs as the other home improvement programs do. Have a program to train contractors on how to bid on government projects.
12. Patty Lilledahl – PED – Acquisition Fund – housing and commercial, primarily targeted to vacant and boarded properties. Can acquire them when they become available.
13. Travis Bistodeau – DSI – advocating for vacant building program. Have removed an average of 33 per year over last 5 years. Most challenged properties.
14. Griggs Park – Khaliq Rogers – ambassador for the project. Here on behalf of the Parks on Griggs. Lower incomes can be forced out as price of living keeps going up and green space is shrinking. Hosted an event on future of the park and over 200 members of the community come through. Community needs more green spaces. Important to keep community involved so people have a place to meet.

ATTACHMENT A

Public Comments Received – Annual City Budget Process for 2019

No comments regarding the Consolidated Plan, Annual Action Plan budget for FY 2019-20 were received.

March 20, 2019 – Annual Action Plan for FY 2019-20 Public Hearing

Public Comments Received

All comments received will be considered.

DRAFT

**CITY OF SAINT PAUL CITIZEN PARTICIPATION PROCESS
FOR THE 2018 AND 2019 ANNUAL ACTION PLANS**

The Annual Action Plan is a tool which guides the City of Saint Paul's use of U.S. Housing and Urban Development (HUD) funds each year. The City has adopted the following process in an effort to encourage citizen participation in the Annual Action Plan process.

The City encourages all citizens to participate in the development of the Annual Action Plan (AAP), selection of projects funded under the AAP, any substantial amendments to the Plan, and evaluation of performance measurements. The City specifically encourages participation by persons of low- to moderate-income residing where federal funding is proposed to be used. Contact with social service agencies, advocacy groups, and neighborhood organizations will be used to reach and solicit participation by these groups. In an effort to maximize outreach, there will be multiple points in the AAP process where participation is encouraged.

The most significant citizen participation related to the annual allocation of Community Development Block Grant (CDBG) funds occurs during the Capital Improvement Budget (CIB) process. The CIB committee is comprised of 18 Saint Paul residents representing each of the Minnesota senate districts located in Saint Paul. These residents are charged with hearing project proposal presentations, scoring projects, and offering comments. A public hearing is held during the CIB funding cycle to solicit comments regarding funding selection and priorities prior to the Committee making its formal recommendations. The CIB Committee's recommendations are presented to the Mayor and Council and are the basis for the selection of projects and programs funded with CDBG funds. A copy of the recommendation letter from the CIB Committee to the Mayor is included in the Appendix A with the 2018-2019 CIB schedule.

Note: CIB recommendations were based on the City of Saint Paul receiving the same level of funding from HUD in FY 2019-20 that was received in FY2018-19. The City anticipates receiving \$6,293,101 of Community Development Block Grant (CDBG) funding, \$1,938,350 of HOME Investment Partnerships (HOME) funding, and \$566,521 of Emergency Solutions Grant (ESG) funding from HUD in 2019. In addition, the City estimates using \$556,899 in CDBG program income and has \$932,611 in HOME program income in-hand. Total HUD resources estimated to be available is \$10,287,482. Should the City receive funding greater or less than the estimated amount, funding for all CDBG, HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocations received from HUD.

In 2017, the City created a Fair Housing Workgroup committed to Affirmatively Furthering Fair Housing (AFFH). This workgroup participates in the regional Fair Housing Implementation Council. A separate public process was conducted in 2017 to adopt the Addendum to the 2014-2019 Regional Analysis of Impediments to Fair Housing (AI Addendum). Written comments were accepted March 1 – April 3, 2017, and several public meetings were held throughout March. Availability and location of the Analysis of Impediments (AI), AI Addendum and AFFH strategic plan on the City's website is included in the Annual Action Plan. A copy of the City's Antidisplacement and Relocation Assistance Plan is provided with the published draft and final Annual Action Plan.

ATTACHMENT B

The City will publish the draft Annual Action Plan on the City's website and make copies available at every City branch library. A public notice announcing the availability of the 2019 Action Plan with 30-day comment period along with notice of public hearing will be published in the local paper of general distribution. A notification will go out through the City's Emergency Notification System to every District Council asking for review and comments during the comment period. The notice will include the availability, upon request, of language assistance for citizens with limited English proficiency and/or appropriate aids and services leading to effective communication for qualified persons with disabilities. Such appropriate aids and services include qualified sign language interpreters, documents in Braille, and other ways of making information and communications accessible to people who have speech, hearing, or vision impairments. Any comments received will be incorporated into the Plan. Upon completion of the AAP, it will be submitted to City Council for adoption before it is submitted to HUD.

The City of Saint Paul is responsible for carrying out the development and implementation of the AAP. Any person wishing to file a complaint regarding the Consolidated Plan, Annual Action Plan, amendments, and/or performance report may do so in writing to:

City of Saint Paul
Planning and Economic Development
Attn: Beth Ulrich
1100 City Hall Annex
25 West 4th Street
Saint Paul, MN 55102
beth.ulrich@ci.stpaul.mn.us

The City shall respond to the complaint within 15 days of receipt of the complaint. All complaints and responses will be maintained for at least six (6) years. Accommodations and/or alternative filing methods will be allowed for persons with disabilities.

All records regarding the adopted Consolidated Plan, Annual Action Plan, and Substantial Amendments, along with use of funds and performance measurements are retained for a minimum of six (6) years at the above address. All residents or interested parties will be given reasonable access to these records upon request.

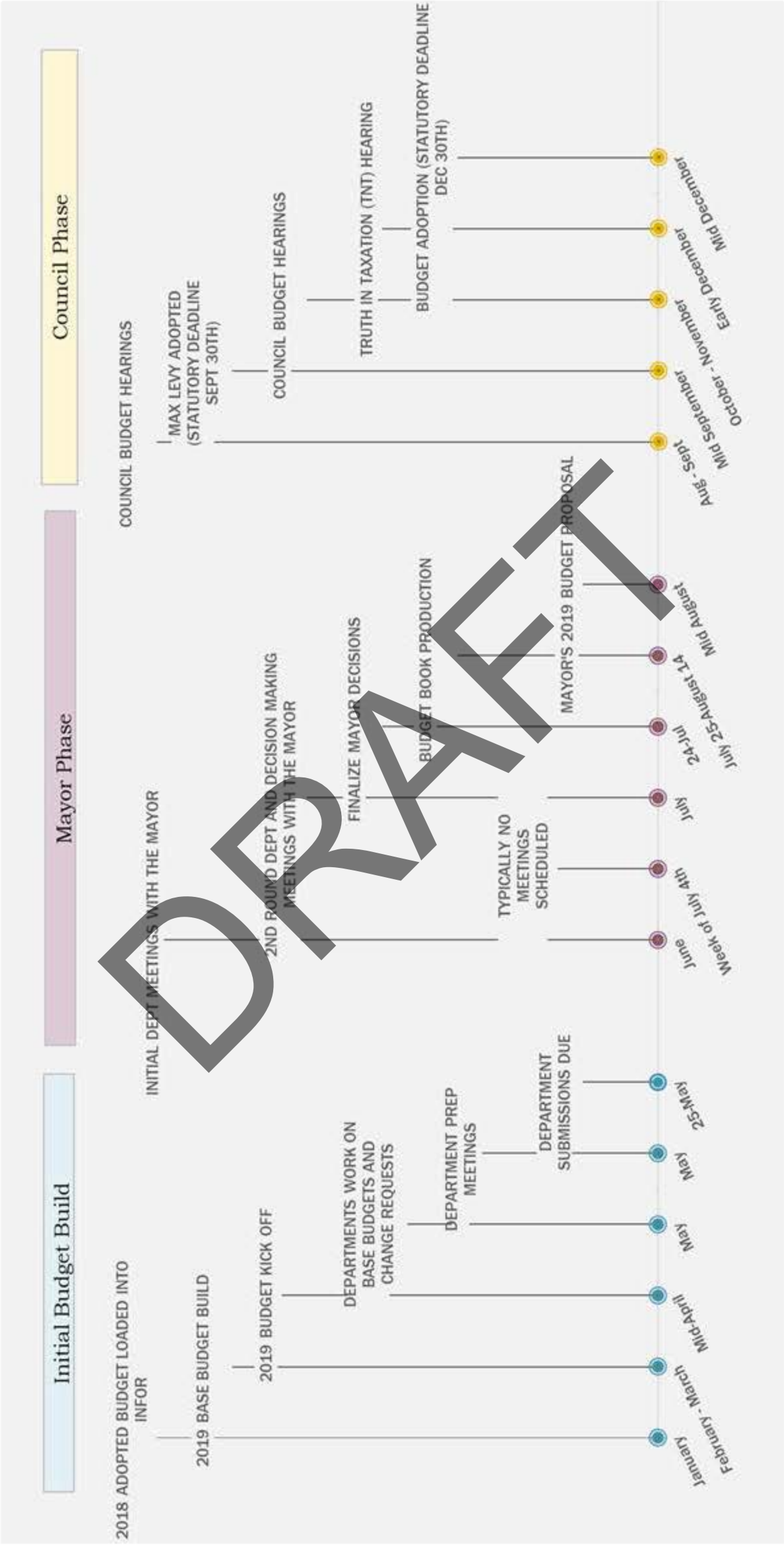
CDBG PROCESS CALENDAR FOR FISCAL YEARS 2018-2020

	Date	Responsible Group	Meeting Purpose
	4/3/17	CIB Committee	PED staff gives overview on CDBG to CIB Committee. Project proposers give background information on their organization.
	4/10/17	CIB Committee	First round of CDBG proposers present to CIB Committee
	4/17/17	CIB Committee	Second round of CDBG proposers present to CIB Committee
Citizen Participation and Comment Period	4/24/17	CIB Committee	Bus Tour of all CDBG Proposal locations
	5/1/17	CIB Committee	CIB Committee conducts first round of deliberations on CDBG funding recommendations
	5/8/17	CIB Committee	CIB Committee conducts second round of deliberations on CDBG funding recommendations
	6/5/17	CIB Committee	CIB Committee finalizes work on 2018-19 recommendations
	6/26/17	CIB Committee	City Council Public Hearing on 2018 budget, including of CIB plan budget
	12/6/17	City Council	City Council adopts 2018 City budget, including CDBG plan budget
	8/9/18	Mayor	Mayor proposes 2019 budget, including 2019 CDBG plan budget
Elected Officials Decision making Period	11/7/18	Budget Committee	City Council Budget Committee reviews 2019 CDBG plan budget
	12/5/18	City Council	City Council budget hearing on 2019 City budget, including CDBG plan budget
	12/12/18	City Council	City Council adopts 2019 City budget, including CDBG plan budget
Citizen Participation and Comment Period	3/20/19	PED Staff	Public Hearing on 2019-20 Annual Action Plan
	4/3/19	City Council	City Council adopts PY 2019-20 Annual Action Plan

Budget Process: Completed on an annual basis

CIB Budget Process: Completed for a two-year period

CITY OF SAINT PAUL - BUDGET PROCESS



Our Budget Process

*OUR CITY,
OUR BUDGET*

Our Annual Budget Cycle



ENGAGEMENT & DEVELOPMENT: The Mayor works with departments and the community to develop a budget for the following year.

April - July



PROPOSE: The Mayor proposes and presents the budget by mid-August.

August



REVIEW: The City Council reviews the Mayor's proposed budget. Public meetings are held for feedback from residents and businesses.

September - October



ADJUST: Using the Mayor's proposed budget as a starting point, the City Council may make adjustments.

November



ADOPT: The City Council adopts the coming year's budget and the Mayor signs it by mid-December.

December

"How we budget and spend our money is our most important opportunity to demonstrate what we value as a community."

Mayor Melvin Carter

Our City, Our Budget Engagement Process

In July, we held seven *Our City, Our Budget* events at coffee shops, bars and restaurants across our city to engage residents in conversations about the values and priorities our budget should reflect. More than 300 residents attended.

Here is What We Heard From Attendees:

Top 3 Investment Priorities:

- Affordable housing
- Expanding free programming at recreation centers
- Support services for small businesses

How To Fund New Investments:

- 74% supported a property tax increase
- 58% supported extending metered parking hours
- 57% supported metered parking in commercial corridors





Cycle Year 1: City Capital Improvement Plan (CIP) Development Available: [Total Capital Improvement Budget] minus \$500K

JUL

OCT

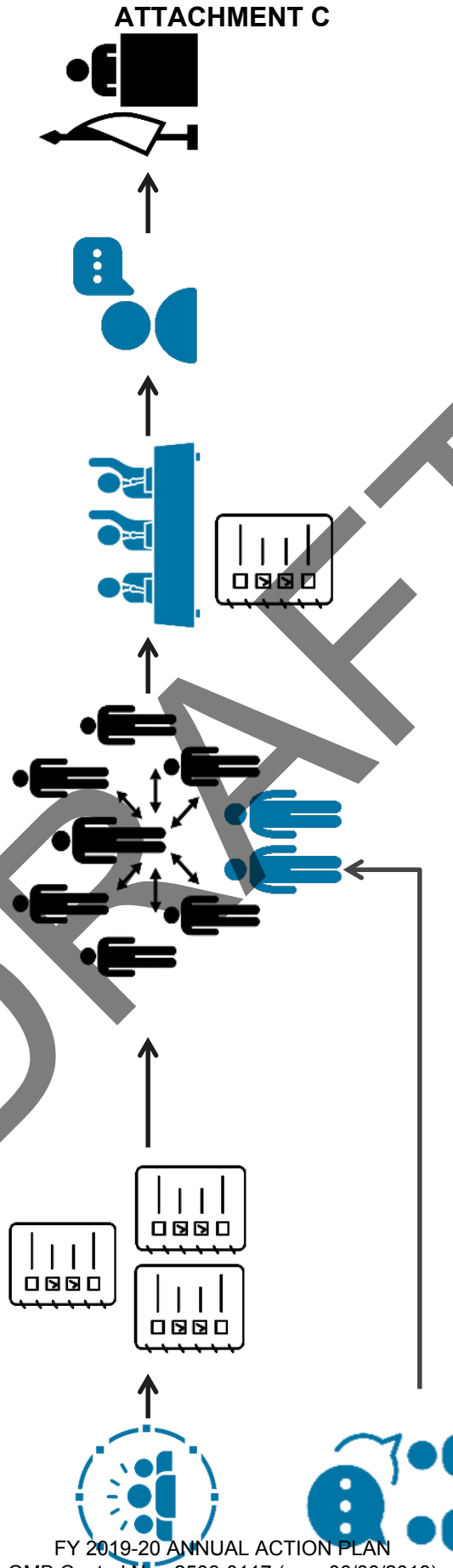
FEB

APR - MAY

JUN

AUG

Community Touchpoint



City Departments
draft 5-year
capital plans

Cross-functional working
group uses data and
engagement to create
citywide 5-year plan

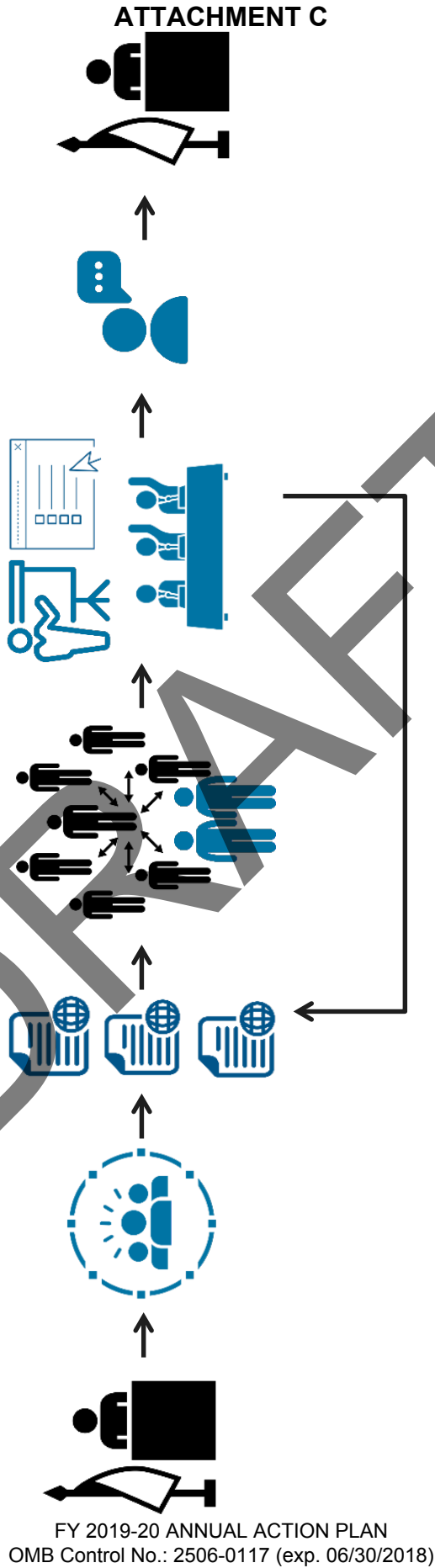
CIP Committee
recommends project
priorities for 2-year
funding cycle

Cycle Year 2: Community-Led Projects Available: \$500K

CITY OF SAINT PAUL

AUG OCT FEB APR - MAY JUN AUG

Community Touchpoint



Mayor outlines priorities. City recruits applications.

Working group screens for eligibility. All eligible proposals present to CIP Committee. Public can weigh in via online polling.

CIP Committee recommends project priorities for 2-year funding cycle

ATTACHMENT D

CITY OF SAINT PAUL ANNUAL ACTION PLAN – FY 2019-20 FAIR HOUSING

As a recipient of U.S. Department of Housing and Urban Development (HUD) funds including Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds, the City of Saint Paul (City) certifies that the City affirmatively furthered fair housing initiatives during the program year using an analysis that identifies impediments to fair housing choices within its jurisdiction.

To affirmatively further fair housing, the City of Saint Paul will:

- *Analyze and eliminate housing discrimination in the jurisdiction.*
- *Promote fair housing choice for all persons.*
- *Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin.*
- *Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities.*
- *Foster compliance with nondiscrimination provisions of the Fair Housing Act.*¹

The City's obligation to affirmatively further fair housing applies to all housing and housing related activities in the grantee's jurisdictional area whether publicly or privately funded.² Correspondingly, the City's public policies and regulations were adopted to foster equal opportunity for all to obtain employment, education, real property, public accommodations, public services, contract and franchise without regard to their race, creed, religion, sex, sexual or affectional orientation, color, national origin, ancestry, familial status, age, disability, marital status or status with regard to public assistance, and strictly in accord with their individual merits as human beings.³

During the program year, the City will continue to use its housing policy and housing practices to determine whether its actions affirmatively further fair housing.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING (AI)

As a founding member of the Fair Housing Implementation Council (FHIC), the City participated with the process of drafting the *2014 Analysis of Impediments to Fair Housing Choice* (2014 AI), and the City also participated with drafting the *Addendum to the 2014 AI* which better addressed issues of racial equity within the regional Twin Cities area. Subsequently, HUD accepted the Addendum to the 2014 AI during July 2017 (FY17-18).

¹ *Fair Housing Guide* (Washington: U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, HUD-1582B-FHEO, March 1996), 1-3

² *Ibid.* Additionally, the Saint Paul Human Rights Ordinance prohibits discrimination by private parties, such as owners, lessee, managing agents, real estate brokers, real estate salespersons, appraisers, developers, banks, banking organizations, mortgage companies, insurance companies, or other persons having the right to sell, rent, lease, any real property City of Saint Paul Legislative Code, Chapter 183.06.

³ City of Saint Paul Legislative Code, Chapter 183.01.

ATTACHMENT D

2014 Analysis of Impediments to Fair Housing Choice:

<https://www.ramseycounty.us/sites/default/files/Departments/2014%20FHIC%20AI%20-%20FINAL.pdf>

In 2015, the Fair Housing Implementation Council's 2014 AI was the subject of a fair housing complaint filed with HUD. Local community organizations alleged that FHIC's 2014 AI and its findings to fair housing impediments was deficient.

Subsequently, the cities of Minneapolis and Saint Paul entered into a Voluntary Compliance Agreement with HUD and the complainants. Under the agreement, the cities were obligated to produce an addendum to the FHIC's 2014 AI through a process advised by community stakeholders, known as the Fair Housing Advisory Committee. Pursuant to the terms of the Voluntary Compliance Agreements, with partial funding from the City, the FHIC contracted with Mosaic Community Planning to produce the addendum, not to replace the 2014 AI, but to consider additional fair housing issues not covered in that document, update some of its data, and provide greater analysis of fair housing issues.

Addendum to the 2014 Regional Analysis of Impediments:

<https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Draft%20III%20Addendum.pdf>

Appendix to Addendum to the 2014 Regional Analysis of Impediments

[https://www.ramseycounty.us/sites/default/files/Departments/Addendum Appendix 051617%20%282%29.pdf](https://www.ramseycounty.us/sites/default/files/Departments/Addendum%20Appendix%20051617%20%282%29.pdf)

During July 2017, HUD accepted the revised Analysis of Impediments to Fair Housing Choice and determined the City had resolved the issues of noncompliance. HUD continued to require the City to continue taking specific actions to overcome the impediments identified in the 2014 AI (see Attachment D, *HUD Letter of Determination of Compliance Under Voluntary Compliance Agreement - Saint Paul*).

During FY 2019-20, the City will continue to participate with the FHIC to develop the Analysis of Impediments to Fair Housing Choice (2020-2025). FHIC is currently preparing the necessary procedures to draft the AI (2020-2025). As a part of this process and in preparation for the new AI, FHIC will identify participants for the Fair Housing Advisory Committee to ensure representation of protected classes and geographic diversity for the Twin Cities region.

CITY HOUSING PROGRAMS AND PROCEDURES THAT AFFIRMATIVELY FURTHER FAIR HOUSING CHOICE

In the *Addendum to the 2014 Analysis of Impediments*, the following goals were identified:

1. Improve Opportunities for Mobility within the Region.
2. Reduce Resident Displacement.
3. Increase Access to Homeownership.
4. Expand Funding for Affordable Housing.
5. Improve Fair and Affordable Housing Planning.
6. Expand Locations of Affordable Housing.
7. Institute Effective and Meaningful Community Engagement.

ATTACHMENT D

8. Invest in Place-Based Community Improvements.
9. Support Multicultural Housing Needs.
10. Support Residents' Fair Housing Rights.

The City's Annual Action Plan demonstrates the City's housing programs, housing policies, and procedures are proactively working towards responding to the goals, listed above, to further fair housing.

In anticipation of the *Addendum to the 2014 Analysis of Impediments*, City Housing staff developed the *Saint Paul HRA/PED's Fair Housing Project – Evaluation Tool* - an internal evaluation tool to be used prior to considering funding of housing projects. City Housing staff also developed a fair housing chart which identifies possible future Saint Paul Actions as recommended goals.

The City's the Department of Safety and Inspections (DSI) developed protocols and trainings using an equity model as follows:

Provide Improved Customer Education

- Require all new Fire Certificate of Occupancy property owners attend the 8-hour Landlord 101 training program.
- Provide cheat sheet to property owners on how to receive highest score possible, which may result in fewer inspections and fees, prior to conducting the inspection.
- Updated the Fire Safety website to provide cheat sheet information to all owners prior to an inspection.
- Developed an interactive residential Fire Certificate of Occupancy [property map](#) on DSI website to allow tenants and landlords to see the letter grade properties received during the most recent inspection.
- All Fire Certificate of Occupancy inspection reports will be available online through the DSI website.
- Developed many fire safety Public Service Announcements in Multiple Languages.
- 2017 Annual Report, including Racial Equity Initiatives: see <https://stpaul.maps.arcgis.com/apps/MapJournal/index.html?appid=6236fd7a617b4cb59f4750a60ec8a694>

Inspections must be addressed using an equity model rather than an equality one

- Implemented a DSI staff training module with a focus on improving the understanding around equity including city sponsored Beyond Diversity and Foundations of Racial Equity training, and participation in the RACE exhibit at the Science Museum of Minnesota.
- In 2015, DSI expanded the letter grade property scoring matrix to further incentivize property owners to maintain their properties to the highest standards possible, to the benefit of owners and occupants.
- Continue to evaluate all documents from a plain language perspective, e.g., how an appointment letter is worded.
- Partner with the Department of Planning and Economic Develop to create funding sources to help owners maintain their properties.

ATTACHMENT D

- Developed and provided Landlord 101 training program at no cost to new rental property owners.

During June 2017, City Council-approved Council Resolution 17-994 which created a Fair Housing Working Group *“to make policy and budget recommendations to the Mayor and Housing and Redevelopment Authority with the goal of eliminating housing disparities, lowering barriers to affordable housing and ensuring access to economic opportunity in the City of Saint Paul.”* During December 2017, the Council Resolution 17-2064 reaffirmed its commitment to developing equitable policies through inclusive and thoughtful decision making regarding the allocation of resources toward city projects, programs, and provisions of city services.

At a minimum, the Fair Housing Workgroup will:

1. Engage renters, landlords, housing partners and other stakeholders for input and advice via public meetings and regular consultations;
2. Conduct a housing inventory of Naturally Occurring Affordable Housing buildings at risk of displacing tenants and proactively protect these assets;
3. Collaborate with the DSI to ensure that the Fire Certificate of Occupancy program is supporting and increasing the number of safe, high-quality housing units, equitably across the City;
4. Expand the Human Rights and Equal Employment Opportunity (HREEO) fair housing training program for landlords, property managers, realtors, homebuyers, tenants, and protected classes;
5. Create a comprehensive Saint Paul Fair Housing web portal to inform the public of the city is and its stakeholder's Fair Housing work;
6. Continue to research and work with housing partners on strategies to further Fair Housing goals such as the 4(d)-tax policy, improved tenant protections, Tenant Remedies Actions, Advance Notice of Sale policy, gentrification studies, just cause eviction, non-discrimination policies, and others;
7. Monitor the effectiveness of the Rental Rehabilitation Loan Program and suggest adjustments to the program, as needed;
8. Research and support alternative affordable homeownership options such as limited equity cooperatives, Land Trusts, cluster housing, manufactured housing, and tiny home communities;
9. Support the continuation of the Commercial Vitality Zone (CVZ) fund which invests in neighborhood commercial districts to promote vitality, growth, and equity;
10. Continue to work with the Saint Paul Public Housing Agency to further the effective use of Section 8 vouchers and project-based housing; and
11. Evaluate the need for a formal position or prescribed role at the City which specifically works proactively to eliminate Fair Housing barriers, collaborates in the existing work in reducing the number of the unsheltered homeless in Ramsey County, coordinating the work of housing advocates and stakeholders, and generating Fair Housing policies.

In April 2018, City Council accepted the final report of the Fair Housing Work Group (see: Attachment D). In October 2018, the City also commented on the proposed Affirmative Furthering Fair Housing Rule. See attached file (see Attachment D - Docket No. FR-6123-A-01

ATTACHMENT D

RIN 2529-AA97 Affirmatively Furthering Fair Housing: Streamlining and Enhancements). During FY19-20, City staff will continue to use the Fair Housing Project Evaluation Tool before allocating funds for housing developments. For budget year 2019, City Council approved a new Fair Housing Coordinator position for which the City's HREEO department is in the process of hiring.

AFFORDABLE HOUSING AND CITY COUNCIL'S LOCATIONAL CHOICE POLICY

(See Goals #2, #4, #6, #8, #9)

Although affordable housing issues are not fair housing concerns per se, the lack of affordable housing in the Twin Cities effectively reduces housing choices for many protected class members. Many communities lack affordable housing opportunities⁴ and economic conditions discourage the development or preservation of affordable housing for these community members.⁵ In response, the Saint Paul City Council's Affordable Housing Policy requires that city-financed rental projects have 10% of the units affordable at 30% AMI and 10% of the units affordable at 50% AMI as a condition of receiving city financing. It also implements City Council's directive to create affordable housing citywide in neighborhood locations that promote easy access to jobs⁶.

Currently, the City has approximately 12,228 publicly-assisted affordable housing units (including supportive housing units) and approximately 4,714 Housing Choice and Section 8 vouchers for city households.⁷ With a reference to the U.S. Census,⁸ approximately 30% of all households living in Saint Paul receive some type of affordable housing benefit.

During the program year, the City will:

- Provide financing or favorable loan terms to preserve, renovate, or construct rental units affordable to households at or below 60% of area median income – using a combination of financing which includes low-income housing tax credits, federal funds, such as CDBG, NSP, HOME, TIF, and City's STAR funds.⁹

⁴ 57% of Saint Paul renters pay more than 30% for housing. (2010-2014 Con. Plan). To rent a modest two-bedroom unit, Ramsey County workers must earn \$15.01 to \$18.9 per hour, 40 hours per week, all year long. However, the typical renter in Ramsey County earns the equivalent of \$14.26. This report is published annually by the National Low-Income Housing Coalition, with Minnesota data released jointly by Minnesota Housing Partnership. *Out of Reach Report 2014*, Minnesota Housing Partnership. March 2014.

⁵ There is a continual need to assess an owner's decision to pre-pay or opt-out of subsidized housing. *Regional Analysis of Impediments to Fair Housing, prepared for the Cities of Saint Paul, Bloomington, Minneapolis, and Plymouth; the Counties of Anoka, Dakota, Hennepin, Ramsey, and Washington and Minnesota Housing Finance Agency for the Counties of Scott and Carver*. May 2001, p. 69.

⁶ Many of the City's affordable housing developments, such as 2700 University, Hamline Station, Carlton Lofts, Saint Alban's, and Cambric Apartments, are located along the high-frequency transit corridors.

⁷ Reference to Consolidated Plan and Submission 2015, City of Saint Paul; 2014 Annual Report, Saint Paul Public Housing Agency.

⁸ U.S. Census American Community Survey 2007-2011.
<http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

⁹ During program year, City assisted multi-rental housing affordable renting at or below 60% AMI including: Hamline Station (new construction-108 units); Cambric Apartments (new construction- 60 senior housing units); Western University (new construction- 60 units); Jamestown, (preservation-73 units), 72 Cesar Chavez (40 new construction), Lonnie Adkins (preservation-77 units), Dorothy Day Residence (new construction – supportive

ATTACHMENT D

- Work with several affordable housing developments under construction, such as Dorothy Day Center Phase II (new permanent supportive housing and Opportunity Center)
- Work with for Ain Dah Yung Supportive Housing Development (new culturally-designed supportive housing) for homeless youth/young adults.¹⁰

The City Council's Locational Choice Policy and the Saint Paul HRA's Low-Income Housing Tax Credit Selection Priority Process continues to encourage economic integration citywide as it moves "the City toward a more equitable distribution of affordable housing throughout the City." As an example, under the leadership of the Saint Paul HRA Board of Commissioners, Hamline Station was constructed in an IRS non-impacted census tract¹¹.

The City has limited financial capacity to produce affordable rental housing especially since the City only received Low-Income Housing Tax Credits (9% and 4% Credits) to sufficiently finance 1-2 affordable housing development projects each year. Consequently, the City must partner with HUD, Minnesota Housing Finance Agency (MHFA), and various foundations to develop other comprehensive financing plans to develop affordable housing developments. That said, the City will receive fewer credits in 2020 due to an updated Credit Allocation formula. It is important that MHFA allocate credits in a manner that equitably develops more affordable housing metro-wide¹² which may promote fair housing choice within the greater Twin Cities metro area.

ACCESSIBILITY ISSUES – ACCESSIBLE-DESIGNED HOUSING & CITY SERVICES

(See Impediments #8, #9) (See Goal #10)

Saint Paul's affordable housing policies must comply with the American with Disabilities Act (ADA) when developing multi-family housing projects with 5 or more units; resulting in the creation of more accessibly designed rental housing units.

Persons with physical challenges also need city services that can encourage self-reliance. In response, the City continues to upgrade city services that can assist residents with disabilities, such as traffic lights designed to respond to the visually-impaired and Ramsey County's use of a Residential Emergency Response Information Form which collects information to lessen the response time for emergencies for citizens with disabilities.

The City's Complete Street policies considered the needs of all street users of all ages and abilities in the process of street design. The City's Transportation Committee (comprised of four Saint Paul Planning Commissioners and eight community members, including an accessibility

housing) . HRA Board also approved loan extensions, loan assignments, and debt transfers to finance preservation of existing affordable housing (Hanover Townhouse, Van Dyke Townhouses, Carondelet Village, and Model Cities).

¹⁰ During 2017-2018, in addition to financial support, Saint Paul HRA staff worked with the development of 2700 University (construction of new 198 market rate apartments including 50 affordable units); Prior Crossing (new construction of 44 affordable housing units for at-risk of being homeless youth); and Selby Victoria Milton (30 affordable new construction units).

¹¹ In 2013, Fort Road Flats (44 units-family supportive housing) opened for occupancy in Highland Park neighborhood – a more affluent city neighborhood. During 2015, Hamline Station Housing (108 affordable units) was constructed within an IRS non-impacted census tract.

¹² Letter to Minnesota Housing, regarding the proposed distribution of low income housing tax credits metro-wide, dated May 21, 2015.

representative) advises the Saint Paul Planning Commission to better integrate transportation planning and projects with land use decisions such as zoning, neighborhood and comprehensive planning, and infrastructure investments. The Transportation Committee reviews planning or design documents for consistency with Complete Streets approach and Universal Design guidelines.

The Mayor's Advisory Committee for People with Disabilities (MACPD) advised the Mayor and City Council on challenges facing people with disabilities. The Mayor's new *8-80 Vitality* initiative aims to increase activity and vitality on City streets and public spaces by making them more accessible to people of all ages and abilities, including developing the new Victoria Park - Saint Paul's first universally accessible playground for visitors of all abilities.

AFFORDABLE SUPPORTIVE RENTAL HOUSING

(See Goals #2, #4, #6, #8)

To further fair housing choice, the City recognizes the diverse needs of its citizens by financing supportive housing citywide¹³ that serve citizens with challenges. During the program year, City staff will continue to work with Dorothy Day Center Phase II (new construction of permanent supportive housing and Opportunity Center) and Ain Dah Yung Supportive Housing Development (new construction of new culturally-designed supportive housing) for homeless youth/young adults in addition to existing affordable supportive housing developments located citywide.¹⁴ These include City-owned Saint Paul Residence; 60 units for at-risk of being homeless residents, and 60 units for long-term homeless units for late stage alcoholics.

¹³ Since 2002, the City has financed affordable housing. The City's Housing 5000 program created 500 units of affordable housing at 30% and 500 units of affordable housing at 50%, including such projects as American House (SRO units-downtown), Straus Apartments (very affordable MARIF-funded units-downtown) Homes for Learning (large family housing-East Side), and Crane Ordway (workforce housing with supportive housing-downtown), River Pointe Lofts (mixed-income & affordable housing-West 7th), Rice-Winnipeg Apartments (affordable housing-North End), PPL-Delancey (supportive housing for chronic at-risk of being homeless residents – Summit University), University Dale (affordable housing with supportive housing – Summit-University), and Prior Crossing, (affordable supportive housing for youth/young adults).

¹⁴ During 2002-2015, the Saint Paul HRA also financed 236 supportive housing units, such as 7th Landing (supportive youth housing); American House (SRO housing with support services serving high functioning residents with developmental disabilities); Arlington Gardens (supportive housing for seniors & persons with limited mobility); YWCA Transitional Housing (rehabilitation of existing supportive housing); Visitation (supportive family housing); Crestview (supportive housing for chemically-dependent families); Model Cities (supportive family housing); St Christopher (SRO supportive housing including some housing for individuals with HIV/AIDS); Jackson Street Village (supportive family housing with chemical dependency or mental health issues), Martin King Court (supportive housing for family households with AIDS), Crane Ordway (70 units of workforce housing with 14 units for long-term homeless residents.) Midway Residence (60 long-term homeless units for chronic inebriates and 60 units for at-risk homeless residents), Jeremiah Project (supportive housing for women and children), Dorothy Day Overnight Shelter for Homeless Women (40 beds), Rice-Winnipeg Apartments, Minnesota Building (workforce housing with supportive housing units) and Renaissance Box (workforce housing with supportive housing units), Fort Road Flats (44 units of supportive family housing); and Carondelet Village (149 apartments, 46 assisted living units, 19 memory care units, and 45-bed nursing facility), Ramsey Hill Apartments (54 units of supportive housing); Rolling Hills Apartments (preservation of 107 affordable housing units including housing with support services targeted to refugee populations) and Saint Phillip's Garden (preservation of 55 units of workforce housing with 41 project-based Section 8 units and 4 supportive housing units) – all available for occupancy.

ATTACHMENT D

The City continues to participate with the MHFA's Intergovernmental Stabilization and Stewardship Committees to facilitate the financing of supportive housing or assist with affordable housing developments at-risk of financial difficulties.

ZONING CODE.

(See Impediments #10) (See Goal #6)

As a baseline, the City's Zoning Code supports the development of supportive housing because the Zoning Code does not require any special conditional use permits for supportive housing developments.¹⁵ The City's Zoning Code also allows single room occupancy facilities to be built in more areas which consequently facilitated the development of the City-owned Saint Paul Residence that serves late stage alcoholic homeless and at-risk of being homeless citizens. Finally, the Zoning Code encourages high density affordable rental housing along the transit corridors which allows for easy access major employment opportunities.

CITY'S HOUSING STRATEGIES TO END HOMELESSNESS.

(See Impediments #6, #7, #8, #9, #10) (See Goal #7)

Homelessness is not a fair housing issue per se. However, many adults entering emergency shelters and transitional housing in Ramsey County are protected-class citizens.¹⁶ Furthermore, the status of homelessness effectively has a disparate discriminatory impact because many long-term homeless citizens face housing barriers due to their challenges with mental health issues, brain injury, developmental disabilities, and cognitive learning disabilities. Consequently, there is a need to develop and maintain affordable supportive housing in Saint Paul.

For many homeless citizens, the lack of economic opportunities also is a major barrier to stable housing. Approximately 60% of Ramsey County renters lack sufficient incomes (i.e. \$17 hourly wage) to pay the fair-market rent for a two-bedroom apartment (see footnote number 4). Another concern are the many single-parent households who lack sufficient education or job training skills are always at-risk of becoming homeless.

In response, the City finances affordable housing, supportive housing, and homelessness prevention programs that serve homeless and those at-risk of being homeless citizens. Initiatives and programs which the City either funds, in whole or part, or participates in includes:

Heading Home Ramsey Governing Board. During the program year, City staff will participate with the Homeless Advisory Board to implement the City/County's *Heading Home Ramsey – Plan to End Homelessness*.¹⁷ This year, the Ramsey County Continuum of Care (CoC) Governing Board will continue to develop HUD-required coordinated assessments and HMIS

¹⁵ The Saint Paul Zoning Code clarifies supportive housing as apartment buildings.

¹⁶ 47% of adults entering emergency shelters and 62% of adults using transitional housing in Ramsey County are African-American. *Counting on Shelter, Emergency Shelter and Transitional Housing Use in Ramsey County, 2004-2005*, September 2005. Wilder Research Center. This remains an ongoing concern in Saint Paul and Ramsey County as African-American and Native Americans disproportionately need emergency shelter. Homelessness in Minnesota 2012 Study, Wilder Research. April 2013.

¹⁷ *Heading Home Ramsey* had a five-year plan of creating goal of creating 920 permanent supportive housing units in Ramsey County for long-term homeless residents. As of Dec. 2011, the 738 chronically-homeless households were assisted in Saint Paul by securing financing for new construction of supportive housing; securing financing for additional rental assistance vouchers; and securing operating subsidy funding for supportive housing units.

ATTACHMENT D

protocols so that the City/County can effectively respond to its homeless citizens while meeting HUD national objectives.

Responding to needs of homeless single adults. During the program year, City staff will partner with the CoC Care Coordinator and community service providers to respond to homelessness issues facing Saint Paul citizens. Efforts include developing community-based responses to the increasing demand for emergency shelters for homeless individuals, families, and youth. For example, the City, County, Catholic Charities, and Union Gospel Mission may work together again to maintain cold-weather overflow emergency shelters to meet the increasing demands of single homeless adults.¹⁸ At the same time, the City's Saint Paul Residence works with Catholic Charities which uses the Housing First model to assist 60 late stage alcoholic single adults and 60 at-risk of being homeless residents.

In recognition of the need for emergency shelter beds, the City is allocating Emergency Solutions Grant (ESG) funding for shelter operations and rapid re-housing programs for homeless adults, families, and unaccompanied youth. Also, community agencies will continue to provide drop-in weekly outreach to homeless residents using the downtown Central Library during the daytime and staying at Dorothy Day Center at night. These responsive rapid re-housing initiatives were direct results of City's involvement at the bi-monthly Downtown Police/Homeless Forums.

Most importantly, after developing the new Dorothy Day Center Higher Ground/Saint Paul (emergency shelter, pay for stay, and permanent supportive housing) the City, Catholic Charities, and MHFA will complete the development of the Dorothy Day Phase II (permanent supportive housing and the Opportunity Center – expected occupancy during 2019).¹⁹ During the program year, the Saint Paul HRA may approve a capital improvement grant to Ain Dah Yung Center – a culturally responsive emergency shelter for homeless youth.

Responding to the needs of homeless families. The City will participate with various committees to address family homelessness such as the Ramsey County, State of Minnesota Family Prevention Assistance Program, and the CoC Governing Board. Additionally, City financed affordable housing developments will continue to provide more affordable housing opportunities for families at-risk of being homeless; these families often find that the lack of affordable housing is the major barrier to retaining housing or a family member has a disability – often mental illness – which directly affects the family's ability to sustain income sufficient to remain stably housed.

In addition to financing affordable housing, the City is allocating its ESG funding to various organizations, such as Catholic Charities – Family Service Center, the YWCA transitional housing, and the YWCA rapid re-housing program for families. In recent years, the City provided additional capital funding to the YWCA Saint Paul and Casa Guadalupe for building

¹⁸ Since fall 2010, the Mayor's Office has coordinated discussions with City and County officials, including County CoC Coordinator and City's ESG Coordinator, to create a winter overflow shelter for single adults. Since the City, County, and Catholic Charities have funded an overflow shelter site as well as Union Gospel Mission had additional shelter beds. The overflow shelter demand has been a continual concern, such that Catholic Charities, Minnesota Housing, City, and private donors have worked together to develop the new Dorothy Day Center Higher Ground.

¹⁹ Dorothy Day Center - Higher Ground/Saint Paul is a successful housing model that provides multi-housing services, such as emergency shelter beds, pay-for- stay beds and permanent supportive housing for homeless adult residents (many with mental health issues or are challenged with disabilities). The Dorothy Day/Higher Ground project has been awarded a major financial commitment from Minnesota Housing. Construction to occur in 2016.

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improvements. Currently, the Saint Paul HRA awarded a small capital improvement grant to Lutheran Social Services Life Haven – supportive housing for teenaged parents – the project is under construction. The City's ESG program funds, in part, homelessness prevention initiatives, such as East Side Family Center, Southern Minnesota Regional Legal Services – Project Hope, and House Calls (utility assistance funds).

Responding to the needs of homeless youth. The City and County recognize that affordable housing and the number of emergency shelter beds for homeless youth remains insufficient. In response, the Otto Bremer Foundation provided grant funding to increase shelter capacity for homeless youth²⁰. During the program year, the City will continue to consider funding of Salvation Army (emergency shelter), Lutheran Social Services (emergency shelter), and Face-to-Face Safe Zone – a youth drop-in center (referrals to emergency shelter and rapid re-housing programs) – all programs for unaccompanied homeless youth, some of whom have mental health challenges. Moreover, the City is working with Ain Dah Yung Center to develop permanent supportive housing for homeless youth/young adults.

Emergency Solutions Grant Program (ESG). The City will continue to administer an ESG program. During the program year, ESG funding will assist 17 community agencies to support emergency shelter operations and costs of providing essential services, case management, legal services, and transportation to homeless families and individuals in emergency shelters and transitional housing. ESG will also fund street outreach and rapid re-housing programs.

ESG-funded community agencies provide “lifelines” to homeless citizens or those at-risk of being homeless residents. For single adults, Dorothy Day Center opens its doors each night to provide emergency shelter while providing supportive services, such as mental health counseling, during the day. Across town, Catholic Charities' Family Service Center provides emergency shelter for families for up to 120 days – allowing time for families to seek more permanent housing. These housing services also complement community-based services for homeless residents, such as Listening House (drop-in for homeless adults); and The Family Place (a day drop-in center for homeless families).

For transitional housing, the YWCA St. Paul provides transitional housing with supportive services for single-parent families; and Theresa Living Center transitional housing assists single women and single women with infant children.

Homelessness prevention is provided through West Side Community Health Services' *HouseCalls* and East Side Family Center provides emergency financial assistance, including emergency utility assistance especially as a response to the State's Cold-Weather Rule (protects citizens from unlawful shut offs from October 15 to April 15). Southern Minnesota Regional Legal Services provides legal assistance to tenants-at-risk of losing their housing. As a HUD-approved housing counseling agency, the City's Mortgage Foreclosure Prevention Program (MFPP) assists households-in-mortgage default through individualized mortgage foreclosure prevention counseling with case management plans, budget counseling, and referrals to community resources, such as emergency assistance from Ramsey County Human

²⁰ Ramsey County and numerous homeless youth service providers, such as Lutheran Social Services, Streetworks Collaborative, Ain Dah Yung, and Salvation Army, worked diligently to state the need for additional emergency shelter beds for homeless youth and homeless young adults. Otto Bremer Foundation responded with a \$4 million grant award for six projects in the Twin Cities area, including one grant for 11 beds at the Salvation Army Booth Brown House (which is also receive a \$15,000 operating ESG operating subsidy).

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Services. Most importantly, MFPP staff negotiates with lenders for modifications, forbearance agreements, or repayment plans.

ESG will assist homeless youth with services, such as the culturally-responsive emergency shelter offered by Ain Dah Yung for Native youth/young adults, day drop-in center/supportive services offered by *SafeZone*, and transitional housing services offered by Lutheran Social Services' *SafeHouse*. *SafeZone* also provides rapid re-housing services for homeless youth.

Altogether, ESG-funded community agencies recognize the fact that homeless citizens often have multiple barriers to securing and retaining permanent housing. Although some homeless citizens lack sufficient funds for stable housing, many also have disabilities or health issues that limit their ability to earn a level of income required to secure and retain stable housing. In addition to providing housing services, ESG-funded agencies provide supportive services that enable homeless citizens to move toward self-sufficiency.

CITY'S HOME LOAN FUND

(See Impediments #1, #2, #3, #4) (See Goal #3)

The City's Home Loan Fund will provide home improvement loans to CDBG-income eligible homeowners, including Deferred Payment Due-on-Sale Home Improvement loans, Energy Efficiency Deferred Payment Loans, and Saint Paul/Ramsey County Lead Paint Window Replacement Program. All of which allow low-income households maintain their homes.

To further promote fair housing choice, the City's Home Loan Fund staff provides multilingual home ownership services in Hmong²¹ and the City will provide language translation services, as needed.

In addition to the City's Home Loan Fund program, the City provides financing to various community development corporations, such as Rondo Land Trust, Neighborhood Development Alliance (NeDA), Greater Frogtown CDC, and Dayton Bluff Neighborhood Housing Services (DBNHS) - all provide neighborhood-based housing programs that are responsive to Saint Paul residents. As an example, NeDA's multi-lingual and multi-cultural housing services assisted Spanish-speaking residents living in the West Side neighborhood.

MORTGAGE FORECLOSURE PREVENTION PROGRAM

(See Goal #3)

As a HUD-approved housing counseling agency, the City's Mortgage Foreclosure Prevention Program (MFPP) assists households in mortgage default (i.e., bring mortgage current, securing loan modifications, refinancing mortgages, granting a deed in lieu of foreclosure, executing a short sale, or provision of basic default counseling).

During the program year, MFPP will provide individualized mortgage foreclosure prevention counseling with case management plans, budget counseling, and referrals to community resources, such as emergency assistance from Ramsey County Human Services. Most importantly, MFPP staff negotiates with lenders for modifications, forbearance agreements, or repayment plans.

²¹ City has housing staff that also speak Vietnamese and Russian as well as the City contracts for language translation services, as needed.

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Working with these industry partners, the City can expedite loan modifications for homeowners – effectively shortening the time frame of the modification process from approximately six (6) months to 30-45 days.

Although predatory lending practices are not discriminatory per se, predatory lending practices may have disparate discriminatory impact on communities of color, such as Saint Paul neighborhoods of Frogtown, East Side, and Summit-University. Homebuyers of color can be proactive in avoiding predatory lending by participating in Minnesota Home Ownership Center (MNHOC) home buying classes.²²

INSPIRING COMMUNITIES PROGRAM

(See Goal #3)

The City of Saint Paul's *Inspiring Communities* program was created to consolidate properties, both for new construction and rehabilitation, acquired with NSP, CDBG, and HRA funds under one strategy. The *Inspiring Communities* program largely focuses investment on geographically defined cluster areas in neighborhoods most impacted by foreclosure and vacancy. As a neighborhood redevelopment program, *Inspiring Communities* also creates construction job opportunities for local residents, Section 3 certified businesses, minority-owned businesses, women-owned businesses, and small businesses, and advances equity in contracting and workforce hiring.

Cumulative Impact of Inspiring Communities

Since 2008, the City allocated at least \$43,131,819 of federal, state, and local funds to revitalize vacant and foreclosed properties in designated Saint Paul neighborhoods. Inspiring Communities also developed energy-efficient, sustainable, and affordable homes in areas of the city with the greatest need for stable housing. The quality of housing also increased the overall affordability, as these homes will not require major capital investments for at least 10-15 years which have been combined with energy efficient improvements to keep utility bills (i.e. overhead) affordable. Additionally, these investments encouraged neighboring homeowners to reinvest in their neighborhoods.

To-date, over 240 housing units have been developed for occupancy (74% owner-occupied units and 26% rental units). Of these 49% of homeowners were households of color and 64% of renters were households of color.

As compared to the City as a whole, *Inspiring Communities* homes serve larger households with higher rates of African American homeownership, and substantially higher rates of rental units with female headed households.

CITY'S EFFORT TO AFFIRMATIVELY FURTHER FAIR HOUSING BY ENSURE AVAILABLE HOUSING SERVICES TO LIMITED ENGLISH PROFICIENT RESIDENTS

(See Impediment #4) (See Goals #3, #7)

The City recognizes that Limited English Proficient (LEP) residents are often unable to access housing service information in their primary languages. One in 5 City residents speaks a language other than English at home.

²² 44% of homebuyers receiving homeownership counseling from Minnesota Home Ownership Center were homeowners of color. Minnesota Home Ownership Center 2014-2015 Homebuyer Service Report, February 2015.

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Pursuant to Title VI of the Civil Rights Act of 1964 and Executive Order 13166, as a recipient of federal funds, the City continues to take reasonable steps to ensure that LEP individuals have meaningful access to programs, services, and information provided by the City. The City's HREEO department coordinates and maintains the City's LEP program. PED has an LEP policy with multilingual staff to provide information about the following housing programs:

Minnesota Home Ownership Center (MNHOC) Home Buying Classes

(See Goals #3, #7, #9)

Minnesota ranked second nationally in homeownership rates (73%) but also ranked second in the largest homeownership gaps between emerging market populations and white/non-Hispanic populations (36%).²³

That said, the City supports MNHOC which offers individualized home buyer counseling and home buying education classes (*Home Stretch* workshops), including multicultural and multilingual home buying classes. Classes are offered in Saint Paul and throughout the larger metro area in English, Hmong, Somali, Karen, and Spanish. MNHOC works with the African Development Center to outreach to Somali and African new Americans.²⁴ MNHOC's *Framework* – an online educational program – is also offered in Spanish. Because of these efforts, approximately 44% of households served by MNHOC's *Home Stretch* are families of color.²⁵

Even with its budgetary constraints, the City reaffirms its funding of MNHOC – recognizing that MNHOC's home buying classes serve low- and moderate-income homebuyers and recognizes MNHOC's leadership role in responding to foreclosures.

City's Home Loan Fund/Mortgage Foreclosure Prevention Program (See Goals #3, #7)

To ensure access to housing programs, the City's Home Loan Fund's staff continue to provide home ownership services and default counseling in English, Hmong, and other languages through translation services, as needed.

Relocation Counseling

(See Goal #7)

The City will provide culturally-sensitive relocation assistance as needed. However, during the past program year, there was no need to provide any relocation services.

²³ US Census (2000) and American Community Survey (2001-2010). Emerging Market Demographic Trends in Minnesota, Minnesota Housing Finance Agency (2012).

²⁴ Seventy-two percent of all Minnesotans own their own home, which ranks us near the top in the nation. However, Minnesota has one of the largest disparities in homeownership rates between white households and households of color. The Center and members of the Homeownership Advisors network work together to support and increase homeownership opportunities for emerging and underserved markets. Some *Home Stretch* workshops were targeted towards emerging markets as *Home Stretch* workshops are available in Hmong, Somali, Karen, and Spanish. Minnesota Home Ownership Center, www.hocmn.org. 2015.

²⁵ 2511 households of color in the Twin Cities area participated with HOC's Home Stretch (home buying educational classes). 2015 Homebuyer Services Report. Minnesota Home Ownership Center. 2015.

EMERGING HOUSING MARKET INITIATIVES

(See Goals #3, #7, #9)

During program year, the City will continue to participate with MNHOC's *Home Ownership Alliance* (HOA) initiative to develop strategies and actions that achieve outcomes that can lead to systemic changes that close Minnesota's homeownership gap. Since the fall of 2014, HOA members have met to develop a business plan which includes reviewing prior homeownership initiatives in serving emerging markets and analyzing the results of research into understanding the homeownership gap. While Minnesota consistently has one of the highest homeownership rates in the nation, it also has one of the largest gaps between homeowners of color and white homeowners.²⁶

Emerging markets refers to those persons or groups who are underrepresented as homeowners compared to non-Hispanic whites. In general, emerging markets in Minnesota include: African American and recent African immigrants, American Indians, Asian and Pacific Islanders, and Latinos. In the housing industry, these "emerging markets" represent a growing segment of the housing market, especially as first-time homebuyers.

To meet this housing need, the City supports MNHOC in its development and compilation of best practices, and current research. In parallel with these efforts, MNHOC continues to work with the Homeownership Advisors Network to:

- Expand the number of culturally targeted Home Stretch classes;
- Identify and perpetuate best practices in delivering culturally competent programming; and
- Develop and implement a targeted outreach program that articulates and advances efforts to identify what successful homeownership looks like and expands support for MNHOC and the larger network with an emphasis on diverse communities.

SAINT PAUL DEPARTMENT OF HUMAN RIGHTS AND EQUAL ECONOMIC OPPORTUNITY (HREEO)

(See Goals #7, #9)

Pursuant to the Saint Paul Human Rights Ordinance, Saint Paul HREEO responds to human rights complaints. During 2015, Saint Paul Human Rights Division was granted full certification as a HUD Fair Housing Assistance Partner which effectively increased the Saint Paul Human Rights Division's capacity to bring authority of the Fair Housing Act to eligible complaints. Discrimination cases falling under the Fair Housing Act and the Saint Paul Human Rights Ordinance were investigated by the Human Rights Division and cross-filed with HUD's Office of Fair Housing and Equal Opportunity (FHEO).

The Human Rights Division increases its visibility in the community by participating in outreach activities and events. Saint Paul has 4 Human Rights Specialists who are responsible for the investigations and outreach for HREEO. This team is fluent in Amharic, Oromo, Hmong,

²⁶ Minnesota Home Ownership Center report on the state of homeownership and homeownership gap provides a framework for informing the HOA alliance. With a Wells Fargo grant, HOC sponsored Dr. Kim Skobb, University of Georgia Housing and Demographic Research Center, whose report was entitled, 'Understanding Homeownership Disparities Among Racial and Ethnic Groups.' See <http://www.hocmn.org/reports-resources/stateofhomeownership> and <http://www.hocmn.org/2013/11/new-report-on-homeownership-disparities>.

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Spanish, and Tagalog. In the past, the Saint Paul Human Right's staff partnered with the Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Labor to (DOL) coordinate and organize outreach to the Hmong Community through their vulnerable workers project. Moreover, Saint Paul Human Rights staff also worked with the Saint Paul Police Department and the Autistic Society of Minnesota to facilitate a collaborative effort to improve interactions with police and residents with autism.

The City has hired a Fair Housing Coordinator. The position will report to the Director of the Office of Financial Empowerment (a new City initiative) which will drive community wealth building in Saint Paul.

LEGAL SERVICES: SOUTHERN MINNESOTA LEGAL REGIONAL SERVICES (SMRLS) (See Goals #2, #9)

Often, legal representation is needed to enforce fair housing rights. Since 1997 the City has financially supported the Housing Equality Law Project²⁷ administered by Southern Minnesota Regional Legal Services (SMRLS), which provides fair housing enforcement services. With this grant, the City partially funds 1 attorney to assist Saint Paul citizens who are treated unfairly when seeking or maintaining housing. Legal services include negotiating settlements, assisting with filing complaints with enforcement agencies, and providing representation in court. Those who benefit from these services include low-income persons of color, immigrants and refugees, disabled persons, and female heads of households and their families who are treated unfairly, and in violation of anti-discrimination laws, by landlords when looking for housing, live in housing, or try to keep their housing.

The City provides ESG funds to partially fund SMRLS's Project Hope. This program provides emergency financial assistance to at-risk homeless residents, and legal representation (i.e. removing expungements, etc.), as necessary, to stabilize a household's housing.

CITY'S EFFORTS TO DEVELOP A REGIONAL APPROACH THAT AFFIRMATIVELY FURTHERS FAIR HOUSING – *Fair Housing Implementation Council (FHIC)*.

The City recognized that a regional approach is necessary to effectively eliminate impediments to fair housing and promote fair housing opportunities. In response, Saint Paul will continue to partner with the counties of Anoka, Dakota, Hennepin, and Washington; the Metro HRA (Metropolitan Council); the Community Development Agencies of Scott and Carver Counties; and the cities of Bloomington, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Coon Rapids, and Woodbury, as participating members of the FHIC.

FHIC recognized that the 2014 Analysis of Impediments (AI) did not sufficiently address racial disparities in the Twin Cities metro area. In response, FHIC, including the cities of Minneapolis and Saint Paul, worked with HUD Regional Fair Housing Office to develop the protocol as needed to draft an Addendum to the 2014 AI which HUD accepted in July 2017 (FY17-18).

²⁷ Southern Minnesota Regional Legal Services (SMRLS) provides fair housing enforce services through its Housing Equality Law Project (HELP). As an example, a 2013 Case file: A St. Paul woman was treated differently because of her race (African-American). Apartment owner imposed additional terms and conditions to her tenancy including inspections, additional charges and rules. With assistance from HELP attorney, a fair housing complaint was filed with the St. Paul Department of Human Rights. The case was settled; the owner paid \$500 in damages to tenant and the owner had to complete fair housing training.

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As a committee member, the City participates with FHIC to take the appropriate actions to begin drafting the 2020 AI.

Affordable Housing Connections (AHC) provides fair housing training for owners, property managers, and asset managers of multi-family projects that receive funding assistance through the following programs: HOME, CDBG, Section 42 Housing Tax Credits, TCAP and Section 1602 Credit Exchange. AHC offers this fair housing training annually as part of its Section 42 compliance training so that front line staff have practical guidance on how to lawfully follow fair housing marketing and occupancy rules, including recent changes to Fair Housing requirements, and understand the potential penalties for violating fair housing laws.

SUMMARY

The City is committed to providing equal opportunity to all people in all areas of city services and programs. This document identified actions that affirmatively further fair housing. That said, Saint Paul affirmatively furthers fair housing in four distinct ways – funding, participation, direct service, and policy.

While the City strives to remove impediments to Fair Housing, there remains a constant need for fair housing work as an integral part of Saint Paul government, its rules, and regulations. In addition to the Mayor's Racial Equity initiative, PED has developed a project assessment tool that project managers and leadership can use to make decisions on which projects best work to promote equity and further fair housing throughout the City.

<div><div>Goal #1: Improve Opportunities for Mobility within the Region</div><div>Renter households attempting to use a housing choice voucher or to access public housing may face barriers to moving within the region, particularly from urban to suburban locations, which can in turn limit access to opportunities desired by these households.</div><div>The recommendations included in this section address policies related to voucher use, voucher holder mobility, and PHAs/HRA policies. They build on recent legislation (the passing of a Section 8 source of income protection in Minneapolis) and research (Family Housing Fund's "Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis").</div><div>COLOR CODE:<div><div>YELLOW – POTENTIAL ACTIONS FOR PED</div><div>BLUE - POTENTIAL ACTIONS FOR CITY COUNCIL / CITY ATTORNEY / DSI</div><div>GRAY - POTENTIAL ACTIONS FOR OTHER METRO-WIDE JURISDICTIONS</div></div></div></div>							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
1B new	Develop a communication strategy to inform rental property managers and housing choice voucher holders of the recently-passed source of income protection ordinance.	Fair Housing Enforcement and Education is Needed	2017	Minneapolis, MPHA		Saint Paul could adopt income protection ordinance similar to Minneapolis which relates to limits on advertisements. Then, develop a community strategy.	
1C 2	Collect and present local data to elected officials illustrating the need for source of income protection. Advocate for source of income protection legislation across the region	Access to Housing is Reduced for Some Groups	2018	Entitlements and Sub-recipients		To develop an effective approach, City Attorney's Office must first research legal requirements to implement Income Protections. because it is still questionable whether owner must take Section 8. Unlike Federal law, the City of Chicago's Fair Housing Ordinance does prohibit discrimination based upon income protection.	Does Council want to request HREEO to action like Mpls or Chicago? Or advocate for state legislation
1D 8	Develop and implement an ongoing campaign to promote the acceptance of HCVs, especially in suburban communities. Require HCV acceptance for housing using public funds and monitor for compliance.	Distribution of Affordable Housing	Ongoing, beginning 2018	Entitlements, Met Council	In various plans, the City advocated for affordable housing in Twin Cities regions. LIHTC housing must accept Housing Choice Vouchers	As a condition of City financing, such as TIF, CDBG, HOME, the City could choose to require acceptance of Housing Choice Vouchers (assuming that market rents would be similar to Housing choice rents). City/HRA is developing a Rental Rehab program in designated areas that will provide financing to renovate Class C and Class D rental properties while maintaining affordability.	

Goal #1: Improve Opportunities for Mobility within the Region (continued)							
Renter households attempting to use a housing choice voucher or to access public housing may face barriers to moving within the region, particularly from urban to suburban locations, which can in turn limit access to opportunities desired by these households.							
The recommendations included in this section address policies related to voucher use, voucher holder mobility, and PHAs/HRA policies. They build on recent legislation (the passing of a Section 8 source of income protection in Minneapolis) and research (Family Housing Fund's "Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis").							
No.	Recommendation	Fair Housing Issued Addressed	Time-Frame	Responsible Parties	Current St Paul Actions	Future St. Paul Actions	City Council/HRA Direction
1E9	Monitor findings related to the Family Housing Fund's research on pooling vouchers for use in high-opportunity areas as well as its voucher mobility research for MPHA and study applicability for other PHAs. Specifically: a) Evaluate recommendations in "Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis" to determine MPHA's implementation approach for those that are most promising. b) Determine recommendations in "Enhancements and Best Practices Designed to Expand Resident Choice and Mobility in Minneapolis" that are relevant to other PHAs and HRAs and develop an implementation approach. c) Develop a demonstration program to pool HCVs across multiple PHA/HRAs and examine results relative to expanding mobility and choice for low-income families.	Multifaceted Values on Neighborhoods and Housing	Parts (a) & (b) 2017 Part (c) -- 2018	PHAs HRAs	Note: St. Paul PHA has a high utilization use of Housing Choice Vouchers. St. Paul PHA may want to consider additional incentives for landlords to accept Housing Choice Vouchers.	This is a Public Housing Agency issue/action. When appropriate, City/Saint Paul HRA could support Saint Paul PHA's efforts to work with other HRAs to increase housing choice mobility within the Twin Cities region.	
1F10	Monitor the success of Met Council's mobility program for strategies that can be adapted or duplicated elsewhere.	Multifaceted Values on Neighborhoods and Housing	2018-2021	PHAs HRAs		City should notify Saint Paul Public Housing Agency regarding this objective.	
1G34	Review and update tenant screening policies related to criminal background based on revised HUD guidance issued in 2016.	Regulations and Policies Impact Housing Development	2017	PHAs HRAs		City should notify Saint Paul Public Housing Agency regarding this objective. City could request that Affordable Housing Connection provide training to front-line HOME or LIHTC staff regarding HUD guidance on tenant screening policies related to criminal background.	
1H35	Review residency preferences for impact on mobility across the region. Amend as needed to better advance regional fair housing choice.	Regulations and Policies Impact Housing Development	2018	PHAs HRAs		City should notify Saint Paul Public Housing Agency regarding this objective.	

<div><div>Goal #2: Reduce Resident Displacement</div><div>Low- and moderate-income residents displaced from their housing in a tight housing market with very low vacancy rates can face extreme challenges in locating affordable housing while the vacated units tend to become less affordable. These twin consequences – greater demand for affordable housing and a market that provides less of it – compound the effects of displacement and underscore the importance of countering it.</div><div>Some of the strategies proposed here are designed to reduce pressure on individual residents to leave their residences; others are neighborhood-based strategies focused on preemptively securing affordable units in areas where displacement pressure is anticipated.</div></div>							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
2A3	Research state law regarding just cause eviction ordinances. As possible, work toward and advocate state, regional, and/or local adoption of just cause eviction ordinances.	Displacement Causes a Loss of Affordable Housing	2019	Entitlements		Minnesota Statutes regulate tenant/landlord rights. City could advocate for state legislation regarding just cause evictions.	Does the City Council want HREEO or CAO to take further action?
2B5	Monitor state legislation regarding right of first refusal statutes and develop program to implement locally as appropriate. Consider implementation for manufactured/mobile home communities and multi-unit rental properties.	Displacement Causes a Loss of Affordable Housing	Ongoing	Entitlements Met Council (Partners: MHP, HOME Line)	There are no mobile homes or Manufactured home parks in St. Paul	City could advocate for state legislation that would allow tenants have a right of first refusal when building is being sold.	Does the City Council want to take further action for state legislation for right of first refusal?
2C29	Research and create property tax abatement programs and market them to homeowners in areas of increasing displacement.	Displacement Causes a Loss of Affordable Housing	2019	Minneapolis and Saint Paul (Partners: HOME Line, MHP)	City has a deferment on special assessments for public improvements if homeowner is disabled or over 65 years old. The City is in the preliminary stages of developing a program to address this issue.	Council could request Council Research to evaluate CURA Research on gentrification. Council could request Saint Paul Legislative staff to advocate for reinstatement of the State of MN “This Old House” program which allows tax exclusion on home improvements for houses over 45 years old.	Does the City Council want to take further action for state legislation for This Old Home Program or other tax abatement programs?
2D31	Promote policies that provide for rehabilitation and preservation of existing affordable housing in areas where displacement is known to be occurring.	Distribution of Affordable Housing	2018	Entitlements	CityLiving’s Home Loan Fund provides financing to rehab homes. City’s Inspiring Communities renovates vacant foreclosed homes into energy-efficiency housing. City supports CDC citywide that provide funding for rehabilitation and new construction. PED works with multi-unit buildings to maintain affordability (NOAH). PED developed a Fair Housing Racial Equity assessment tool for tracking PED activities citywide.	City’s Planning Division or Council Research could research whether there is displacement of existing affordable housing. City/HRA is developing a Rental Rehab program in designated areas that will provide financing to renovate Class C and Class D rental properties while maintaining affordability.	

Goal #3: Increase Access to Homeownership						
Households of color have significantly lower homeownership rates than white households. In addition to inhibiting housing choice, diminished access to mortgage lending and homeownership opportunities also reduces these households' ability to build wealth. Research indicates a variety of factors that contribute to this gap, including lower mortgage loan application rates, higher mortgage loan application denial rates, less resources available for down payments, steering towards subprime or otherwise inferior loan products, and higher foreclosure rates. This goal contains several strategies designed to address these factors, along with the development of a regional partnership to consider additional ways to expand homeownership opportunities.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
3A4	Use distribution of government financial relationships (within banking regulations) to incentivize fair and affordable housing by financial institutions, using research such as U of M Responsible Banking study. Meet with lenders to inform them of jurisdictions' goals for furthering fair housing in homeownership. Invite lenders to coordinate business and charitable programs accordingly. Require that financial institutions report on home mortgage lending and other fair lending activities.	Access to Housing is Reduced for Some Groups	2018	Entitlements	City has its the Socially Responsible Investment Fund for financial institutions with a track record of investing in transit corridors, Section 3 companies, housing, initiatives, etc. Investment Policy Statement of the City (2003) allows City to deposit fund at local banks to support neighborhood development and low-income housing. Ord. 14-30: "Responsible Banking" requires financial institutions to disclose certain information when responding to City's general banking request RFP.	City Council Research could study the effectiveness of the Responsible Banking Ordinance, and propose programmatic changes, as necessary.
3B36	Develop partnerships with credit counseling agencies to reach communities of color and build a pipeline of potential homebuyers.	Access to Housing is Reduced for Some Groups	2018	Entitlements	City's Mortgage Foreclosure Prevention Program refers homeowners in default to credit counseling agencies, such as Lutheran Social Services, NeDA, and Community NHS. City supports MN Home Ownership Center (MNHOC)for home buying counseling as well as financial literacy counseling through the MNHOC network of counseling agencies.	
3Cnew	Increase FHIC and public-sector participation in the Homeownership Alliance. Consider topics such as expanded first time homebuyer programs, expansion of homeownership options through land trusts and cooperatives, increased efforts to help low-income households build savings, identify shortcomings in Minnesota's Contract for Deed law, and advocate for legislative improvements in the law.	Access to Housing is Reduced for Some Groups	2018	FHIC, Entitlements, Subrecipients, PHAs/HRAs	City supports Land Trusts, such as Rondo Land Trusts. City has supported innovative programs, such as Dayton's Bluff NHS 's <i>Bridge to Success Contract for Deed Program</i> which utilized contracts for deed to create affordable housing opportunities for homebuyers who may not be ready to qualify for a traditional mortgage.	Does the HRA or City Council want to allocate more funds to programs such as Land Trusts or Contract for Deed?

Goal #3: Increase Access to Homeownership (continued)						
Households of color have significantly lower homeownership rates than white households. In addition to inhibiting housing choice, diminished access to mortgage lending and homeownership opportunities also reduces these households' ability to build wealth. Research indicates a variety of factors that contribute to this gap, including lower mortgage loan application rates, higher mortgage loan application denial rates, less resources available for down payments, steering towards subprime or otherwise inferior loan products, and higher foreclosure rates. This goal contains several strategies designed to address these factors, along with the development of a regional partnership to consider additional ways to expand homeownership opportunities.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
3D new	Work with public and non-profit agencies to expand information and services related to fair lending and foreclosure prevention, such as: <ul style="list-style-type: none">Affirmative marketing for quality lending products, including financing options for Muslim homebuyers (and others who may be averse to interest-bearing mortgages for cultural or faith-based reasons), and information on identifying subprime mortgage productsIncreased fair lending enforcementIncreased foreclosure prevention and defense advocacy services. Ensure that all outreach efforts are accessible to non-English speaking residents, including oral presentations of information.	Access to Housing is Reduced for Some Groups	2017	Entitlements (Partners: Housing Justice Center, MMLA, SMRLS)	City has 30+ years of providing Mortgage Foreclosure Counseling to Saint Paul households in default. City's Living Program supports home improvement loans. For 30+ years, City has financially supported MNHOC for homeownership counseling services. CityLiving – strong partnership with MNHOC programs City supports efforts of CDC(s) such as Habitat for Humanity, NeDA, etc. City has multi-lingual staff. City's Inspiring Community Program including Down Payment assistance.	Due to market conditions, the CityLiving Program does not provide low-interest home mortgages, as done in earlier years. City will support MHFA efforts City will continue to support MNHOC's Home Ownership Alliance – which is researching implementation strategies to increase homeownership among persons of color.
					City Council / HRA Direction	
					?	

Goal #3: Increase Access to Homeownership (continued)						
Households of color have significantly lower homeownership rates than white households. In addition to inhibiting housing choice, diminished access to mortgage lending and homeownership opportunities also reduces s households' ability to build wealth. Research indicates a variety of factors contribute to this gap: lower mortgage loan application rates, higher mortgage loan application rates, less resources available for down payment, steering toward subprime or inferior loan products, and higher foreclosure rates. This goal contains several strategies designed to address these factors, along with the development of a regional partnership to consider additional ways to expand homeownership opportunities.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
3E new	Conduct code enforcement to make sure that lender-owned, post-foreclosure properties have effective repair, maintenance, and security services, especially in areas of concentrated poverty where a majority of residents are people of color.	Access to Housing is Reduced for Some Groups	Ongoing, beginning in 2017	Entitlement Cities	<p>City's Inspiring Communities Program renovates vacant foreclosed homes into energy-efficient affordable owner-occupied homes.</p> <p>DSI and Office of Technology & Communication are developing the See-Click-Fix complaint response program. Implementation of software will allow for full cycle, automated, complaint reporting and response to all complainants who use the system. Complainants will automatically be notified of all inspection results and actions taken by staff, abatement contractors.</p> <p>Other DSI Actions:</p> <ul style="list-style-type: none">Require all new Fire C of O property owners attend the 8-hour Landlord 101 training programProvide "cheat sheet" to property owners on how to receive highest score possible, may result in fewer inspections and fees, prior to conducting inspectionUpdated Fire Safety website to provide "cheat sheet" information to l owners prior to inspectionDeveloped an interactive residential Fire C of O property map on DSI website - allow tenants, landlords to see letter grade properties received during last inspectionAll Fire C of O inspection reports available online through the DSI website (anticipated 1st quarter of 2017).Developed many fire safety Public Service Announcements in Multiple Languages.Developed Landlord 101 training program at no cost to new rental property ownersUpdated Fire Safety website Resources page to provide property owners, tenants more information regarding services available within Saint Paul area.	DSI

Goal #4: Expand Funding for Affordable Housing						
Presently, the Lo- Income Housing Tax Credit program provides funding for the majority of new affordable housing constructed or rehabilitated in the region. However, production levels fall short of need, and, in many cases, do not provide deep enough subsidy levels to support very low-income households. The following recommendations address the need to cultivate new funding sources for affordable housing production and preservation, both at the regional and local levels, including, but not limited to, resources to address the needs of households with incomes below 30% AMI.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
4A 6	Develop an overarching strategy to increase funding for affordable housing that includes: a) Identifying more resources for affordable housing. These may include regional approaches to expanding funds for affordable housing and local approaches by individual jurisdictions (tax increment financing, tax abatement, special tax levy authority, general tax levy authority, general funds, and/or other local sources). b) Working with a marketing firm and local stakeholders, including organizations operating in communities of color, to develop a campaign to raise awareness among the public about housing affordability and its connection to education, jobs, and other infrastructure. c) Campaign should build political will, counter NIMBYism, and include an appeal to philanthropies for funding.	Distribution of Affordable Housing	Ongoing, beginning 2017	Entitlements (Partner: MHP)	City/St Paul HRA uses numerous financing tools to preserve existing affordable housing or construct new housing units. (affordable housing financing may include LIHTC, CDBG, HOME, STAR funding, TIF) Saint Paul HRA partners with CDCs, including NeDA and Habitat for Humanity to construct new single-family housing affordable to low-income households or CDBG-eligible income eligible households. Saint Paul HRA also partners with Aurora St. Anthony – MCASA program. Saint Paul HRA Board's LIHTC Site Selection priorities can effectively implement the City's annual housing priorities. Saint Paul has sponsored the annual Mpls/Saint Paul Home Tour. City financially supports MN Home Ownership Center's efforts to promote home-buying classes and homeownership programs. PED "pop-up" events seek citizen opinions about City programs. City held numerous public meetings about the Ford Site. With Family Housing Fund, the Frogtown Rondo Home Fund works to improve Frogtown and Rondo residents' knowledge of and access to housing solutions, while supporting community campaigns to improve housing conditions and housing opportunities.	

Goal #4: Expand Funding for Affordable Housing (continued)						
Presently, the Lo- Income Housing Tax Credit program provides funding for the majority of new affordable housing constructed or rehabilitated in the region. However, production levels fall short of need, and, in many cases, do not provide deep enough subsidy levels to support very low-income households. The following recommendations address the need to cultivate new funding sources for affordable housing production and preservation, both at the regional and local levels, including, but not limited to, resources to address the needs of households with incomes below 30% AMI.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
4B 7	Use locally-controlled resources to preserve naturally occurring affordable housing. Work with GMHF to support NOAH Fund, publish success stories, market to susceptible property owners, increase capitalization and funding sources.	Distribution of Affordable Housing	Ongoing	Entitlements (Partner: Greater Minnesota Housing Fund)	City/HRA is developing a Rental Rehab program in designated areas that will provide financing to renovate Class C and Class D rental properties while maintaining affordability. Minneapolis has established a funding priority for NOAH in their Affordable Housing Trust Fund. Minneapolis is also considering a sale notification requirement where all rental housing owners must provide 90-day notice prior to sale. This notification requirement would also prohibit owners from raising rents on tenants for ninety days after the sale or make them eligible for relocation assistance.	Does Council/HRA take actions similar to Minneapolis?

Goal #5: Improve Fair and Affordable Housing Planning							
A serious and sustained effort to expand fair and affordable housing will require ongoing planning, research, and capacity-building. This set of recommendations focuses on developing capacity at the local level through technical assistance and plan review, along with training on fair housing implications of local policy and investment decisions. Also included are recommendations to advance analyses around fair housing issues such as zoning and gentrification. Finally, enhancing the FHIC by establishing a fair housing advisory committee will allow for ongoing feedback and guidance during implementation of fair housing activities and future fair housing planning efforts.							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
5A 11	Met Council should build its capacity to serve as a resource for information and best practices on fair housing planning and policy for local government staff. Local governments should support and assist Met Council's efforts to provide technical assistance.	Segregation & Disparate Access to Opportunity	2018	Met Council	<p>Saint Paul has diverse programs that affirmatively further fair housing, including Inspiring Communities, multi-lingual housing counseling staff, City's LEP program, City's Section 3 program, City's Vendor Outreach Program – all programs that provide housing or employment opportunities.</p> <p>Many of Saint Paul's LIHTC affordable housing developments offer affordable housing with supportive services or permanent supportive affordable housing for chronic homeless residents with a disability.</p> <p>City's support of programs, such as Prior Crossing, is effectively expanding housing for homeless youth who are often persons of color.</p> <p>Saint Paul Public Housing Agency provides affordable housing opportunities for seniors, physically-challenged or mentally-challenge persons, or persons with brain injury.</p>		
5B 12	Continue to review and provide feedback on comprehensive plans to ensure they adequately describe a plan to meet affordable housing need.	Distribution of Affordable Housing	2017	Met Council	Saint Paul has a consistent history of working to meet its affordable housing goals established by Metropolitan Council.		
5C 13	When using CDBG and other funding for community and economic development activities consider prioritizing areas that have shown a commitment to expanding affordable housing.	Segregation & Disparate Access to Opportunity	2019	Counties	Saint Paul's LIHTC Site Selection Priorities award points to properties that support economic integration.		
5D 21	Work with local research partner to analyze zoning codes in areas not covered by this study (i.e., cities within the region that are not entitlements or subrecipients) for fair housing issues.	Regulations and Policies Impact Housing Development	2020	Met Council (Partner: CURA, IMO, or other organization with zoning research capacity)	N/A applies to non-entitlement jurisdictions.		

Goal #5: Improve Fair and Affordable Housing Planning (continued)						
A serious and sustained effort to expand fair and affordable housing will require ongoing planning, research, and capacity-building. This set of recommendations focuses on developing capacity at the local level through technical assistance and plan review, along with training on fair housing implications of local policy and investment decisions. Also included are recommendations to advance analyses around fair housing issues such as zoning and gentrification. Finally, enhancing the FHIC by establishing a fair housing advisory committee will allow for ongoing feedback and guidance during implementation of fair housing activities and future fair housing planning efforts.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
5E 22	Monitor continued research into gentrification and loss of affordable housing to identify areas where it may be occurring.	Displacement Causes a Loss of Affordable Housing	Ongoing, beginning 2017	Entitlements (Partners: CURA, IMO, MHP)	<i>Inspiring Communities</i> provides energy-efficient, sustainable, and affordable homes in areas of Saint Paul with the greatest need for stable housing. The quality of housing also increases the overall affordability, as these homes should not require major capital investments for 10-15 years. Additionally, Inspiring Communities Program encourages neighboring homeowners to reinvest in their neighborhoods.	City Council could request Council Research to: - Study neighborhood trends to determine whether gentrification or loss of affordable may be occurring. - Monitor real estate trends along Central Corridor.
5F 23	Review where investments in creation, preservation and/or rehabilitation of affordable housing using LIHTCs are occurring in the region. Keep HousingLink LIHTC database current and study trends over time in the development of tax credit projects.	Distribution of Affordable Housing	Ongoing, beginning 2017	MHFA, Sub allocators (Partner: HousingLink)	<p>During 2006-2015, the City financed 21 affordable housing developments¹ (23 affordable housing developments sites) with LIHTCs (both 9% and 4%).</p> <ul style="list-style-type: none">12 affordable housing developments (57%) of these project sites were located in R/ECAP areas (racially/ethnically-concentrated areas of poverty areas), and9 affordable housing developments (43%) projects were located outside R/ECAPs.These 21 sites had a total of 2058 affordable housing units of which 1206 units (59%) were located in R/ECAPs and 852 units (41%) were located outside R/ECAPs². <p>City works to build new affordable housing where there is no concentration:</p> <ul style="list-style-type: none">Preservation of affordable housing: 95% of the LIHTC preservation units were built inside R/ECAPs andNew Construction: 74% of new units were built outside R/ECAPs.	City will continue to update HousingLink data.

¹ During 2006-2015, St. Paul financed 21 developments with LIHTCs (4% or 9%). Minnesota Building and Commerce Building received both 9% and 4% Credits. TWV had three projects sites that are located in two distinct neighborhoods.

² St. Alban’s Park and River Pointe Lofts, although within R/ECAPs are located on boundary lines of R/ECAPs.

Goal #5: Improve Fair and Affordable Housing Planning (continued)							
A serious and sustained effort to expand fair and affordable housing will require ongoing planning, research, and capacity-building. This set of recommendations focuses on developing capacity at the local level through technical assistance and plan review, along with training on fair housing implications of local policy and investment decisions. Also included are recommendations to advance analyses around fair housing issues such as zoning and gentrification. Finally, enhancing the FHIC by establishing a fair housing advisory committee will allow for ongoing feedback and guidance during implementation of fair housing activities and future fair housing planning efforts.							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
5G 39	Develop and deliver a fair housing education and training program for elected officials and municipal staff focused on concepts such as disparate impact and the impact of public infrastructure investments on fair housing choice.	Fair Housing Enforcement and Education is Needed	2019	FHIC Municipalities and Counties (Partners: Housing Justice Center, MMLA, SMRLS)	The Mayor's Office, Saint Paul City Departments, and city staff have participated in Mayor's Racial Equity Initiatives. PED staff persons have had staff discussions about disparate impact. At the request of the City, Affordable Housing Connections provides fair housing education to front-line staff of LIHTC affordable housing. DSL held community input meeting for racial equity in DSL's inspection program for rental properties.	Hire a Fair Housing Coordinator	
5H new	Establish a standing fair housing advisory committee to provide input and guidance to the FHIC regarding fair housing planning and implementation. Strive to increase diversity on the FHIC to be more representative of the regional population.	Multifaceted Values on Neighborhoods and Housing	2017	FHIC		As a FHIC member, Saint Paul could support a standing fair housing advisory committee.	

Goal #6: Expand Locations of Affordable Housing							
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge than can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
6A 14	Adopt zoning code amendments to either (1) have the definition of “family” more closely correlate to neutral maximum occupancy restrictions found in safety and building codes; (2) increase the number of unrelated persons who may reside together to better allow for nontraditional family types; or (3) create an administrative process that allows for a case-by-case approach to determining whether a group that does not meet the code’s definition of family or housekeeping unit is nonetheless a functionally equivalent family.	Regulations and Policies Impact Housing Development	2018	Crystal, Minneapolis	Not/applicable to Saint Paul.		
6B 15	Amend zoning maps as appropriate to rezone large-lot single-family zones to higher density/ lower minimum lot area standards and allow for infill development or conversion of large single-family dwellings to two-family and triplex units to allow more density on the same footprint or minimum lot size; where environmental protections effectively prohibit denser development patterns, alternatively consider focused redevelopment strategies in areas served by existing water and sewer. Consider reducing administrative barriers to PUD and cluster development approvals which support affordable housing.	Regulations and Policies Impact Housing Development	2018	Apple Valley, Blaine, Burnsville, Eagan, Eden Prairie, Minnetonka	Not/applicable to Saint Paul.		
6C 16	Amend zoning codes to reflect more flexible and modern lot design standards such as increasing maximum height allowances, increasing minimum density or floor area ratios, increasing maximum floor area ratios (FAR), decreasing minimum parcel sizes, and decreasing minimum livable floor areas of individual dwelling units.	Regulations and Policies Impact Housing Development	2018	Lakeville	Not/applicable to Saint Paul.		

Goal #6: Expand Locations of Affordable Housing (continued)							
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge than can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
6D 17	Consider development incentives such as density bonuses and expedited permitting processes or fee waivers for voluntary inclusion of affordable units or mandatory set asides in cases where local government funding or approvals are provided, should be adopted across all jurisdictions to encourage or require mixed-income, affordable units.	Regulations and Policies Impact Housing Development	2018	All local governments with zoning authority	Note: The Department of Safety and Inspections has worked diligently over the last year to reduce Plan Review turnaround times within the Construction Services division. Reducing these review timelines allows for new housing to be constructed and occupied much faster than in previous years. With the hire of additional staff in this section, plan review turnaround times for the largest housing projects (>\$10M or larger) have decreased by an impressive 76% from 2015 to 2016 alone.		
6E 18	Review and update zoning codes for consistency with the state Planning Act regarding manufactured and modular homes. Review conditional permit use criteria and inclusionary zoning provisions to ensure they support and encourage this type of alternative affordable housing.	Regulations and Policies Impact Housing Development	2018	Lakeville	Not/applicable to Saint Paul.		
6F 19a	Consider allowing reductions in off-street parking requirements where there is a showing that shared parking, bike parking, or public transportation access reduces the actual need or demand for off-street vehicle parking; consider adopting maximum off-street parking restrictions.	Regulations and Policies Impact Housing Development	2018	Brooklyn Park	Not/applicable to Saint Paul.		
6G 19b	Consider relaxing or offering measures to mitigate cost of some requirements related to building materials, height, trees, windows, parking, basement space, and outdoor play areas, especially when applied to affordable housing developments.	Regulations and Policies Impact Housing Development	2018	Minneapolis	Not/applicable to Saint Paul.		

Goal #6: Expand Locations of Affordable Housing (continued)						
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge than can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
6H 20	Consider adoption of an inclusionary zoning ordinance requiring set-asides of affordable housing units especially for developments requiring city funding, site location assistance, or planning approvals.	Regulations and Policies Impact Housing Development	2018	Apple Valley, Blaine, Brooklyn Center, Brooklyn Park, Burnsville, Coon Rapids, Crystal, Eagan, Eden Prairie, Hopkins, Minnetonka, Plymouth, Richfield, Saint Paul	<p>Saint Paul's LIHTC Site Selection Priorities award points to properties that support economic integration. During 2006-2015, City financed 21 affordable housing developments³ (23 affordable housing developments sites) with both 9% and 4% LIHTCs).</p> <ul style="list-style-type: none">• 12 affordable housing developments (57%) were located in R/ECAP areas); and• 9 affordable housing developments (43%) projects were located outside R/ECAPs.• 21 sites - 2058 affordable housing units of which 1206 units (59%) were located in R/ECAPs and 852 units (41%) were located outside R/ECAPs⁴. <p>City preserves affordable housing where it currently exists and works to build new affordable housing where there is no concentration.</p> <ul style="list-style-type: none">• Preservation of affordable housing: 95% of the LIHTC preservation units were built inside R/ECAPs and New Construction: 74% of new units built outside R/ECAPs. <p>PED Planning Staff is working with Grounded Network Solutions on study of inclusionary zoning. It will evaluate whether inclusionary zoning would work on Green line and consider inclusionary zoning options for Ford Site.</p>	

³ During 2006-2015, St. Paul financed 21 developments with LIHTCs (4% or 9%). Minnesota Building and Commerce Building received both 9% and 4% Credits. TWV had three projects sites that are located in two distinct neighborhoods.

⁴ St. Alban’s Park and River Pointe Lofts, although within R/ECAPs are located on boundary lines of R/ECAPs.

Goal #6: Expand Locations of Affordable Housing (continued)						
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge than can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
61 24	Analyze the MN Challenge recommendations related to reducing the cost of affordable housing for feasibility at the local level; implement as appropriate. The 11 recommendations from the MN Challenge report are: a) Support appropriate density b) Contribute local financial resources c) Identify and acquire sites d) Reduce parking requirements e) Waive or reduce fees f) Streamline administrative processes g) Revise material, site, and design requirements h) Consider manufactured and modular housing i) Be open to all affordable housing developments j) Adopt inclusionary housing and/or mixed income policies k) Address community opposition	Distribution of Affordable Housing	2018	Entitlements and Subrecipients	<p>f) DSI has worked diligently over the last year to reduce Plan Review turnaround times within the Construction Services division, which allows for new housing to be constructed and occupied much faster than in previous years. Specifically, the plan review turnaround times for the largest housing projects (>\$10M or larger) have decreased by an impressive 76% from 2015 to 2016 alone</p> <p>i) The City Council's Locational Choice Policy and the Saint Paul HRA's LIHTC Selection Priority Process encourage economic integration citywide. (i.e. Hamline Station was constructed in an IRS non-impacted census tract & Fort Road Flats was built in Highland Park.</p> <p>The Saint Paul Zoning code eliminates or reduces the need to provide parking in certain instances.</p> <p>1. Sec. 63.201: Off-street parking exempts the B4 and B5 districts (downtown and surrounding areas) from parking requirements.</p> <p>2. Sec. 63.207 (b) allows for parking to be reduced by 100 percent for properties zoned traditional neighborhood (T1 – T4) when located within 1/4 mile of University Avenue. This section also refers to parking reductions allowed as through shared parking (Sec. 63.206(d)), bicycle parking (Sec. 63.201(b)), and shared vehicle parking (63.211).</p> <p>As part of major transit upgrades (Green Line, Gold Line, and A Line), the City adopted increased densities near station areas & on transit corridors</p>	

Goal #6: Expand Locations of Affordable Housing (continued)						
When affordable housing is limited to some communities and lacking in others, the effect is decreased housing choice for residents of the region. Municipal zoning codes and other regulatory tools can be modified or employed to reduce restrictions on the development of affordable housing in areas where it may presently be prohibitive. Such actions can open up new housing opportunities in communities of choice. This goal contains several strategies related to zoning changes, but also includes actions recommended by MN Challenge than can be taken in individual jurisdictions to lower the cost of affordable housing development, and other opportunities to expand affordable housing opportunities in communities where it is needed.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
6J 30	Monitor relevant legislative proposals (including a recent proposal by HAVEN (Housing Advocates for Vitality and Equality Now)), the QAP of MHFA and local sub allocators, and state legislative changes related to 4% tax credits and Private Activity Bonds. Advocate for and implement policies that direct affordable projects toward strategic ends (i.e. preservation focus, location of new units in areas of opportunity, income restrictions to serve extremely low-income households).	Distribution of Affordable Housing	2018	MHFA, Sub allocators	The Saint Paul City Council's Affordable Housing Policy requires on an aggregate basis city-financed rental projects have 10% of units affordable at 30% AMI and 10% units affordable at 50% AMI as condition of receiving city financing. City's Affordable Housing Policy implements Council's directive to create affordable housing citywide in neighborhood locations that promote easy access to jobs ⁵ . <ul style="list-style-type: none">• Preservation of affordable housing: 95% of the LIHTC preservation units were built inside R/ECAPs and New Construction: 74% of new units built outside R/ECAPs	
6K 33	Ranked list of municipalities in QAP should be re-examined for impact on perpetuating concentrations of affordable housing; consider whether other measures of affordable housing need may be more effective.	Regulations and Policies Impact Housing Development	2017	Washington County	Not/applicable to Saint Paul	

⁵ Many of the City's affordable housing developments, such as 2700 University, Hamline Station, Carlton Lofts, Saint Alban's, and Cambric Apartments, are located along the high-frequency transit corridors.

Goal #7: Institute Effective and Meaningful Community Engagement						
Public planning and investment decisions are too often made without the engagement and active participation of the affected communities, particularly when those are communities of color. Jurisdictions across the region should allocate resources to fund proper engagement with their communities and ensure that effective, culturally-appropriate mechanisms are in place to meaningfully engage communities around housing and related issues. Planning processes should be reconstructed to require and accommodate engagement that is impactful and not merely a “check the box” exercise.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
7A 25	Explore options for amplifying community voices in local planning decisions. Plan to include non-English speakers, and those of oral traditions.	Concentrated Poverty Requires Place-Based Investment	2018	Minneapolis and Saint Paul	As a FHIC member, Saint Paul financially supported community engagement efforts to develop the Final Draft of the Addendum to the AI.	City should consider issuing RFP for community engagement efforts to ensure robust public comments for the 2020-2025 Consolidated Plan (during Fall 2019 and Winter 2020).
7B 28	Maintain data on the racial and ethnic composition of local elected and appointed boards and commissions; encourage representation reflective of the communities served.	Concentrated Poverty Requires Place-Based Investment	2019	Met Council (Partner: Nexus Community Partners’ Boards and Commissions Leadership Institute)		Council should request Mayor’s Administration to report on the racial and ethnic composition of local appointed board and commissions serving St. Paul. Council and Mayor’s Administration should develop an outreach plan to encourage more citizen participation reflective of the communities served.
7C 41	Review LEP plans and update as needed to better serve the needs of all cultures and communication needs.	Fair Housing Enforcement and Education is Needed	2018	Entitlements	City has an LEP plan.	City Council should request City Council Research to evaluate whether City’s LEP serves the need of all cultures and communication needs.
7D 42	Commit staff resources to efforts to enhance engagement with communities of color regarding available housing programs and needs. Entitlement jurisdictions should be intentional regarding their community outreach to open and maintain lines of communication within communities of color. Consideration should be given to the designation of a specific staff member to facilitate these intentional engagement efforts.	Fair Housing Enforcement and Education is Needed	2020	Entitlements and Subrecipients		City Council should request City Council Research to evaluate whether City’s community engagement efforts is responsive to communities served.
7E new	Develop tenant training programs, one targeted to high school students, and one targeted to specific immigrant communities, and work with local school districts and existing community organizations on a program and schedule for delivery of the training.	Fair Housing Enforcement and Education is Needed	2018	FHIC (Partners: HOME Line, SMRLS, MMLA)	The Department of Safety and Inspections (DSI) recently began hosting its own, mandatory, training program for new rental property owners within the City of Saint Paul. While some of the content of these training sessions is focused on fair housing practices, the information is provided by DSI staff and delivered in English only. There may be future opportunities to partner with other tenant advocate agencies to deliver this information and to do so in multiple languages.	During 2018 Budget hearings, Council could consider whether HOME Line or SMRLS should be funded to provide tenant training.

Goal #7: Institute Effective and Meaningful Community Engagement (continued)						
Public planning and investment decisions are too often made without the engagement and active participation of the affected communities, particularly when those are communities of color. Jurisdictions across the region should allocate resources to fund proper engagement with their communities and ensure that effective, culturally-appropriate mechanisms are in place to meaningfully engage communities around housing and related issues. Planning processes should be reconstructed to require and accommodate engagement that is impactful and not merely a “check the box” exercise.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
7F new	Improve coordination with school districts. Consider the impacts of affordable housing development and public-sector investments on the segregation or integration of affected schools.	Concentrated Poverty Requires Place-Based Investment	Ongoing	Entitlements	Note: Quality housing and quality schools are essential to address racial inequities. The quality of schools has a major impact on empowering students. This issue would require some major research before City and Saint Paul Schools could take remedial action.	Council Research or PED Planning should research impact of affordable housing and the public-sector investments on the segregation or integration of affected schools. City may consider funding outside study with School District
						City Council / HRA Direction

Goal #8: Invest in Place-Based Community Improvements						
Focusing investment in defined communities most affected by poverty is needed in order to enhance the physical environment, increase the opportunities available to the community's residents, and also to build the human capital of the people residing there. Place-based investment is more impactful than a strategy of smaller investments made in several different communities simultaneously and is key to creating real change in a place and its people. The strategies described here include several different platforms from which a place-based investment model can be employed.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
8A 26	Consolidated Plans should contain place-based strategies, focusing available funding on improving the human capital and physical resources in specific, defined high-poverty areas.	Concentrated Poverty Requires Place-Based Investment	2018	Entitlements	City's Consolidated Plan recognizes the needs of its citizenry. However, the City's response is limited by its financial resources. As example, City's Consolidated Plan recognizes the needs of Saint Paul's homeless residents by supporting housing initiatives, such as Heading Home Ramsey, building of Higher Ground, developing permanent supportive housing in LIHTC developments. During 2006-2015, City financed 21 LIHTC affordable housing developments. 12 affordable housing developments (57%) were located in R/ECAP areas (racially/ethnically-concentrated areas of poverty areas	City must constantly balance the public policy needs of preserving existing affordable housing in ACP50 neighborhoods and the need to construct new affordable housing in higher opportunity areas.
8B 27	Review capital improvement planning models to ensure process is informed by data on concentrated poverty and areas of low opportunity.	Concentrated Poverty Requires Place-Based Investment	2019	Entitlements	Council established the CIB process with input from citizens.	City Council should request Council Research to evaluate whether the CIB process should place higher priorities on areas of low opportunity.

Goal #9: Support Multicultural Housing Needs						
The ethnic and cultural diversity in the Twin Cities region requires that jurisdictions work closely with existing ethnic and cultural organizations to reach and interact with these populations in appropriate ways. Not only do methods of application for housing units need to be adapted, but channels for disseminating information about housing programs and about one's rights under the Fair Housing Act need to be opened through organizations that are trusted by the community. Cultural housing needs, such as large units to house multigenerational families, should be considered.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
9A 32	Routinely review PHA subsidy standards, LIHTC QAPs, and other housing program policies and occupancy standards to ensure accommodation of units for large, multigenerational families.	Multifaceted Values on Neighborhoods and Housing	Ongoing, annually. Beginning 2018	Sub allocators PHAs HRAs Entitlements	Note: There is a need for large-sized housing within the City of Saint Paul, especially when residents have difficulty using their Housing Choice Vouchers. St. Paul HRA awarded LIHTC Site Selection Priority points to affordable housing that offers large-sized (3br+) units.	
9B 43	Ensure applications for housing program assistance are available online as well as in hard copy and that both options are advertised; work with cultural organizations to implement effectively.	Access to Housing is Reduced for Some Groups	Ongoing, beginning 2017	Entitlements, Subrecipients, PHAs, HRAs	City should evaluate its application process citywide. DSI continues to evaluate all documents from a plain language perspective, i.e. appointment letter; updates its Updated Fire Safety website " Resources " page to provide property owners and tenants more information regarding services available within the Saint Paul area; and in an effort to increase transparency, developed an interactive residential Fire Certificate of Occupancy property map on DSI website to allow tenants and landlords to see the letter grade score a property received during their last inspection.	During the 2018 Budget process, the City Council may want to consider a City Council Budget objective to establish an interdepartmental team to evaluate the City's application processes citywide.
9C 44	Explore partnerships to disseminate fair housing information and resources to undocumented residents through existing organizations that have earned the trust of the communities they serve.	Fair Housing Enforcement and Education is Needed	2018	FHIC		City must research the scope of fair housing services that can be provided to undocumented residents. City must research the limits of federal funding on serving undocumented residents. City may consider alternative funding sources.
						City Attorney's Office

Goal #10: Support Residents’ Fair Housing Rights							
Work to prevent housing discrimination remains an important consideration for the jurisdictions in the Twin Cities region. The strategies here involve support for existing organizations that are providing fair housing education and enforcement, a recommendation for a region-wide program of fair housing testing to determine areas of particular concern for compliance with the Fair Housing Act, and a review of local affirmative marketing plans for sufficiency in protecting protected classes from discrimination in the rental of subsidized housing units. Additionally, residents engaged in this analysis described code enforcement actions that had significant unintended consequences such as displacement and homelessness. These issues are addressed by the strategies in this section as well.							
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions	City Council / HRA Direction
10A 37	Continue dialogue between code enforcement, child welfare agencies, and housing rehabilitation programs to discuss linkages that would provide assistance to tenants living in substandard conditions.	Displacement Causes a Loss of Affordable Housing	2018	Entitlements	DSI had meetings with the community, as part of our Racial Equity Impact Assessment for the Fire Certificate of Occupancy program, resulted in significant changes to how DSI operates this particular program. City ESG program provides supplemental funding for the West Side Community Health Services – HouseCalls- which works with DSI and residents living in substandard conditions.		
10B 38	Ensure local code enforcement departments are trained to minimize substandard housing conditions without creating vulnerability to tenants. Ensure staffs are trained to maintain communication and status updates with complainants as well as property owners.	Fair Housing Enforcement and Education is Needed	2018	Entitlement Cities	DSI is partnering with the Office of Technology and Communication to fully implement the See-Click-Fix complaint response program within the City of Saint Paul in 2017. Implementation of this software will allow for full cycle, automated, complaint reporting and response to all complainants who choose to use this system. Complainants will automatically be made aware of all inspection results/actions taken by staff or abatement contractors.		
10C 40	Monitor and provide financial support for the efforts of existing community-based organizations in offering fair housing education in culturally-appropriate ways to non-English speaking communities; education materials should include general information about landlord and tenant responsibilities as well. A “what to do if you’re facing eviction” insert could be helpful.	Fair Housing Enforcement and Education is Needed	2018	FHIC (Partners: MMLA, SMRLS, Home Line)	With FHIC funding, HousingLink made fair housing video in English, Spanish, Hmong, and Somali.	City should work with FHIC to consider culturally-appropriate ways to provide fair housing information.	
10D 45	Conduct region-wide fair housing testing specifically in the areas of steering and discrimination on the basis of familial status.	Fair Housing Enforcement and Education is Needed	2019	FHIC (Partners: SMRLS, MMLA)	In past years, FHIC (with City financial support) has awarded grant funds to SMRLS for fair housing testing.	FHIC will consider fair housing testing initiatives contingent upon available funds.	

Goal #10: Support Residents' Fair Housing Rights (continued)						
Work to prevent housing discrimination remains an important consideration for the jurisdictions in the Twin Cities region. The strategies here involve support for existing organizations that are providing fair housing education and enforcement, a recommendation for a region-wide program of fair housing testing to determine areas of particular concern for compliance with the Fair Housing Act, and a review of local affirmative marketing plans for sufficiency in protecting protected classes from discrimination in the rental of subsidized housing units. Additionally, residents engaged in this analysis described code enforcement actions that had significant unintended consequences such as displacement and homelessness. These issues are addressed by the strategies in this section as well.						
No.	Recommendation	Fair Housing Issue Addressed	Time-Frame	Responsible Parties	Current St. Paul Actions	Future St. Paul Actions
10E new	Review affirmative marketing plans and enact as appropriate policies or provisions that ensure non-discrimination in the lease of publicly-subsidized rental housing.	Fair Housing Enforcement and Education is Needed	2019	Entitlements	In past years, FHIC awarded grant funds to Affordable Housing Connections (AHC) to provide fair housing training to frontline LIHTC affordable housing staff. AHC now provides a fair housing component as part of its annual Compliance training. City must review affirmative marketing plans for HOME-funded programs.	



ATTACHMENT D City of Saint Paul

Signature Copy

Resolution: RES 17-2064

City Hall and Court
House
15 West Kellogg
Boulevard
Phone: 651-266-8560

File Number: RES 17-2064

Directing staff of the Fair Housing Workgroup to develop a Fair Housing Strategic Plan.

WHEREAS, the City Council adopted Resolution 17-994 creating a Fair Housing Workgroup to make policy and budget recommends to the Mayor, Housing and Redevelopment Authority and City Council with the goal of eliminating housing disparities, lowering barriers to affordable housing, and ensuring access to economic opportunity in the City of Saint Paul; and

WHEREAS, the City of Saint Paul is committed to furthering fair housing, housing choice, and access to economic opportunity and has a longstanding practice of coordinating investments to achieve these goals; and

WHEREAS, decent, safe and stable housing are the bedrock upon which individuals, families, and a community can thrive; and

WHEREAS, neighborhoods are shaped by access to transit, commercial corridors, parks and recreation, libraries, quality roads, and emergency services;

WHEREAS, in order to remove barriers to education, health, safety, employment and housing opportunities based on race, the City of St. Paul is committed to developing equitable policies through inclusive and thoughtful decision making regarding the allocation of resources toward city projects, programs and the provision of city services; and

WHEREAS, the City of Saint Paul, together with regional city, county, and community partners, has undertaken an extensive analysis of housing discrimination and fair housing issues, and provided recommended strategies to address those concerns in the completed Addendum to the 2014 Analysis of Impediments to Fair Housing (AAI); and

WHEREAS, the AAI provides guidelines and recommendations to achieving a balanced approach to fair housing and access to opportunity which is currently being evaluated for implementation within the City of Saint Paul; and

WHEREAS, the City of Saint Paul's Comprehensive Plan's Housing Chapter strongly supports the preservation of existing and development of new affordable housing within the City of Saint Paul; and

WHEREAS, under Resolution 10-935, for the years 2011-2020, the City of Saint Paul has agreed to work toward the goal of providing 2,625 affordable housing units for households earning less than or equal to 60 percent of the area median income, as a condition of its participation in Metropolitan Council's Livable Communities Program; now, therefore be it

RESOLVED, that the Fair Housing Workgroup will develop a strategic plan including policy and budget recommendations with the goal to eliminate housing disparities, lower barriers to affordable housing, and ensure access to economic opportunity in the City of Saint Paul; and be it

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File Number: RES 17-2064

RESOLVED, that the Fair Housing Workgroup will, at a minimum:

1. Engage renters, landlords, housing partners and other stakeholders for input and advice via public meetings and regular consultations;
2. Conduct a housing inventory of Naturally Occurring Affordable Housing buildings at risk of displacing tenants and proactively protect these assets;
3. Collaborate with the Department of Safety and Inspections to ensure that the Fire Certificate of Occupancy program is supporting and growing safe and high quality housing, equitably across the City.
4. Expand the Human Rights and Equal Employment Opportunity (HREEO) fair housing training program for landlords, property managers, realtors, homebuyers, tenants, and protected classes;
5. Create a comprehensive Saint Paul Fair Housing web portal to inform the public of the city and its stakeholder's Fair Housing work;
6. Continue to research and work with housing partners on strategies to further Fair Housing goals such as the 4(d) tax policy, improved tenant protections, Tenant Remedies Actions, Advance Notice of Sale policy, gentrification studies, just cause eviction, non-discrimination policies, and others;
7. Monitor effectiveness of Rental Rehabilitation Loan Program and suggest adjustments to the program, as needed;
8. Research and support alternative affordable homeownership options such as limited equity cooperatives, Land Trusts, cluster housing, manufactured housing, tiny home communities;
9. Support the continuation of the Commercial Vitality Zone fund which invests in neighborhood commercial districts to promote vitality, growth and equity.
10. Continue to work with the Saint Paul Public Housing Agency to further the effective use of Section 8 vouchers and project-based housing; and
11. Evaluate the need for a formal position or prescribed role in the City of Saint Paul specializing in the proactive work of eliminating Fair Housing barriers, collaborating in the existing work around reducing the number of the unsheltered homeless in Ramsey County, coordinating the work of housing advocates and stakeholders, and generating Fair Housing policies; and be it further


RESOLVED, that the staff of the Fair Housing Workgroup will report back to the City Council on March 28, 2018 with progress on the above listed goals and to present the Fair Housing Strategic Plan; and be it finally

RESOLVED, that the staff of the Fair Housing Workgroup will prepare a budget proposal to support the Fair Housing Strategic Plan.

At a meeting of the City Council on 12/20/2017, this Resolution was Pass

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File Number: RES 17-2064

Vote Attested by 
Council Secretary Trudy Moloney

Date 12/20/2017

Approved by the Mayor 
Melvin Carter III

Date 12/22/2017

DRAFT



**CITY OF SAINT PAUL**

Melvin Carter, Mayor

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October 15, 2018

Regulations Division
Office of General Counsel
Department of Housing and Urban Development
451 7th Street, SW, Room 10276
Washington, DC 20410-0001

RE: Docket No. FR-6123-A-01 RIN 2529-AA97
Affirmatively Furthering Fair Housing: Streamlining and Enhancements

Dear Sir/Madam:

The City of Saint Paul Departments of Human Rights & Equal Economic Opportunity and Planning and Economic Development are pleased to submit the following comments with respect to the proposed *Affirmatively Furthering Fair Housing: Streamlining and Enhancements* in order to affirmatively further fair housing pursuant to the Fair Housing Act. Saint Paul commends HUD's effort to develop a more structured fair housing process for program participants to follow.

As a grant recipient of CDBG, HOME, and ESG, Saint Paul affirmatively furthers fair housing by providing housing opportunities and housing programs to the protected classes under the Fair Housing Act. Still, Saint Paul recognizes the need to analyze housing patterns. Thus, Saint Paul welcomes the opportunity to use the proposed Affirmatively Furthering Fair Housing and its Fair Housing Assessment Tool as a way to better analyze and recognize the diversity of its residents.

That said, Saint Paul must caution HUD that the AFFH Streamlining and Enhancements may still have limited capacity to effectively alter segregated housing patterns and areas of concentrations of poverty. Simply stated, even with more streamlined analysis, Saint Paul has limited resources to significantly change long-established neighborhood patterns because of the following conditions:

- Saint Paul lacks sufficient financial resources to finance affordable housing citywide as its public funding (CDBG, HOME, TIF, LIHTC) can finance only 1-3 affordable housing projects annually (i.e., approximately 100-200 affordable units); and
- Saint Paul must continually preserve its existing affordable housing units, totaling approximately 13,000 units citywide; and
- As a fully-developed city, Saint Paul has limited land assembly available for new affordable housing construction; and
- Major publicly-supported infrastructures and public investments often influence the day-to-day real estate market decision-making, even for projects located in the areas of high-concentration of poverty. As an example, the federally-funded Central Corridor Light Rail Transit Line encourages the development of transit-oriented affordable housing which offers greater access

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to employment opportunities for low and moderate income residents. At the same time, such public infrastructure can cause displacement ; and

- Statistical imbalances caused by ethnic settlements may just be a result of an exercise of choice by households or communities. Saint Paul has a history of welcoming new Americans. Since 1980, many Hmong, Russian, and Somali, and Karen immigrants have become Saint Paul citizens – often developing their communities along transit corridors with access to jobs and social services. Consequently, HUD must recognize that some clustering of racial/ethnic groups, which resulted in “statistical imbalances,” may just be the result of exercise of choice by a household and not because of limitations of choice imposed by others.

Furthermore, it should be noted that Saint Paul has adopted policies and procedures to encourage fair housing choice by encouraging affordable housing citywide. Prior to considering the proposed AFFH procedures, Saint Paul adopted its Locational Choice Policy that “moves the City towards a more equitable distribution of affordable housing throughout the City.” Still, Saint Paul (its elected officials and staff) often debated financing new affordable housing construction versus financing affordable housing preservation. Moreover, Saint Paul must continually evaluate affordable housing opportunities and its corresponding benefits to the low and moderate income Saint Paul residents as the City encourages affordable housing opportunities in neighborhoods in which Saint Paul residents can thrive.

Prior to answering the HUD questions, the City of Saint Paul provides general comments with respect to the proposed *Affirmatively Furthering Fair Housing: Streamlining and Enhancements* pursuant to the Fair Housing Act:

- **Streamlining and Enhancements of HUD regulatory requirements are not the major contributing factors for the lack of fair housing choice. The lack of sufficient federal funding and low income housing tax credits – as public policies – are major barriers to promoting fair housing choice in the Twin Cities area.**

As an example, The City of Saint Paul must constantly do more with less federal funding. In 1975, the City of Saint Paul received approximately \$18,000,000 of CDBG funding. Forty-three years later, the City’s CDBG funding received \$6,293,101 for FY17. Similarly, the City received HOME funds of \$2,316,000 in 2000; now, the City received HOME funds of \$1,472,699 for HUD FY17.

- **The seven-county Twin Cities lacks a sufficient number of affordable housing and efficient transit options for persons of color and underrepresented residents to meaningfully access fair housing opportunities.**

HUD QUESTIONS:

- 1.a. What type of community participation & consultation should program participants undertake in fulfilling their AFFH obligations?**

Answer: The City of Saint Paul must make a good faith effort to recognize the diversity of its residents. These efforts may require additional funds for community engagement initiatives that are skilled at engaging persons of color and underrepresented residents. As an example, as part of its Regional Addendum to the 2014 Regional Analysis of Impediments Fair Housing Choice, the City, other CDBG entitlements, and HUD (technical assistance) funded additional

community engagement forums among communities of color and underrepresented residents in the seven-county metropolitan area. The community engagement approach was modeled after the then-pending affirmatively furthering fair housing rule. Because of the recommendations of the community-based fair housing community advisory committee, the analysis was much more nuanced and responsive to the breadth of fair housing challenges that our region faces. Specifically, the serious fair housing issue of displacement of communities of color and indigenous people was added to the analysis and recommendations. This issue had not been identified in previous AIs, but is one of the biggest issues that metropolitan cities and counties are grappling with today.

We have found that community groups are very sophisticated in their ability to understand government processes, identify how these create fair housing barriers, and engage those most marginalized to shape fair housing analyses and recommendations. Without HUD setting the road map for quality community engagements, jurisdictions may not know how to most effectively reach community members. Without robust community input, jurisdictions also are not necessarily best positioned to recognize how their own long-standing processes, zoning, and investments are perpetuating disparities. The consequence of this is that time, money, and energy invested to ostensibly further fair housing are wasted as the “Two Americas” described in the Kerner Commission report persist.

- 1.b. **Do the issues under consideration in affirmatively furthering fair housing merit separate, or additional, public participation and consultation procedures than those already required of program participants in preparing annual plans for housing & community development (i.e., Consolidated Plan, Annual Action Plan, or PHA Plan)?**

Conversely, should public input on AFFH be included as part of the Consolidated Plan/PHA Plan public involvement process?

Answer: Fair Housing tends to get lost in broader housing planning conversations and very little space is provided to report on fair housing in the Consolidated Plan and Annual Action Plan. Consequently, Affirmatively Further Fair Housing conversations require separate public participation and consultation. Public participation on fair housing provides both an opportunity to educate the public about the Fair Housing Act and to allow participants to meaningfully comment on the barriers and recommendations to fair housing.

As an efficient means for guiding meaningful resident comments, the issues under consideration in affirmatively furthering fair housing should be considered as part of the community participation process already required for the preparation of City’s Consolidated Plan and Annual Action Plan.

In our experience as a participant in a regional AI process, a robust Fair Housing-focused community engagement of those most likely to experience discrimination resulted in comprehensive and nuanced identification the fair housing issues that face our region. Also resulting from community input, the Addendum contained innovative and nuanced recommendations that get to systemic root causes of discrimination in our region. Not only has this been helpful to the participating jurisdictions in this regional fair housing council, but the state, a number of cities, funders, and nonprofits have read the Addendum and are reviewing how to implement these recommendations. This depth and breadth of fair housing analysis and recommendations would not have occurred had fair housing been folded into existing planning processes (Consolidated Plan or Annual Action Plan).

Regarding PHA plans, please directly consult with the Saint Paul Public Housing Agency at www.stpha.org.

2. **How should the rule weigh the costs and benefits of data collection and analysis? Should the proposed rule allow program participants to develop or use the data of their choice? Alternatively, should HUD require the use of a uniform data set by all program participants in complying with their AFFH obligation? Should it vary by the nature of the program participant? Instead of a data-centric approach, should jurisdictions be permitted to rely upon their own experiences? If the latter, how should HUD assess this more qualitative approach?**

Answer: In order to ensure consistency and predictability, HUD should provide a uniform data set for use by program participants.

Analysis: Fair Housing Act has been the law of the land with the ultimate goal of ensuring housing opportunities that are best for individuals and their families. However, historical metro-wide residential patterns continually indicate the racial composition of communities that may be inconsistent with the goals of the Fair Housing Act. Simply speaking, studies after studies have identified that fair housing opportunities are limited.

Now, some may claim that HUD-driven AFFH data encourages “social engineering.” In response, it must be recognized that metro-wide communities have willingly accepted federal funds for housing development, community development, transit, education, and highway construction as investments in their local communities. Moreover, individual homeowners use mortgage interest payments – reducing taxable income – as prudent financial investments. Consequently, these long-standing federal supports may also have effectively “socially-engineered” discriminatory residential patterns that exist today.

Since communities willingly accept federal funds (i.e. housing, transit, education, highway, etc.), communities have a legal obligation to affirmatively further fair housing by taking proactive steps to identify the causal factors of existing housing patterns.

At the same time, HUD should provide clear guidance and technical assistance so that communities can effectively implement procedures that affirmatively further fair housing. HUD should provide the relevant data sets so that communities can use to comply with its AFFH obligations. In addition to consistency, the use of HUD data sets will be more cost-efficient with cost savings for jurisdictions which have been required to pay consultants to perform this data collection.

HUD data sets should provide social, economic, demographic and education data with mapping capacity for patterns of housing and segregation. They also should identify racial, ethnic, and indigenous housing disparities. While such HUD data sets may affirm local knowledge of racially and ethnically concentrated areas of poverty or wealth, overcrowding and substandard housing, these HUD data sets can demonstrate the facts that racially and financially segregated families are ill-served by under-resourced schools and poor access to jobs or transportation. Simply speaking, housing disparities signal the effects of fair housing barriers, and their identification can more effectively allow jurisdictions to tailor policies and expenditures with the goal of eliminating these disparities.

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Second, the local communities must then apply a rigorous analysis of the HUD data sets to local and regional conditions. Here, local communities must recognize the local barriers to fair housing choice while recognizing changing demographics, income distributions, and changing residential and job patterns. In many metropolitan areas, there is residential movement of white populations back to the cities with possible urban gentrification and displacement of communities of color and Indigenous Communities who then move to the suburbs to obtain housing they can afford.

Third, fair housing requires more than just public policies. As communities become more diverse, communities must be open to effectively serve their residents. Thus, local communities must conduct community engagement and community participation to review of the HUD data sets with its application of local conditions. Community input provides important qualitative data to provide context to quantitative data and also identifies emerging fair housing issues that cannot yet be captured quantitatively.

Time is of the essence in identifying emerging fair housing issues to address them before they cause widespread harm and/or become more entrenched and thus more difficult to resolve (e.g. racial and ethnic displacement).

Finally, with the community review of the HUD data sets, HUD should encourage metropolitan communities to develop a more equitable balance of public investments – promoting economic mobility with access to schools of choice, jobs, healthcare, transit, and affordable housing. Within the Twin Cities areas, suburban communities need more affordable housing developments, and older communities must preserve their existing affordable housing. Together, communities could regionally create an effective, politically acceptable process to achieve fair housing goals so that all Twin Cities residents have more fair housing choices.

3a. How should PHAs report their AFFH plans and progress?

Answer: Regarding PHA plans, please directly consult with the Saint Paul Public Housing Agency at www.stpha.org.

3b. Should jurisdictions be required to provide a detailed report of the analysis performed or only summarize the goals?

Answer: Evidence of good faith is essential to determine whether the fair housing goals are truly reflective of the wishes of the community. HUD can only verify good faith efforts by reviewing a description of the process provided by the program participant to show how it arrived at identification of its goals. In particular, it is important for jurisdictions to describe their community engagement process to demonstrate that the goals and recommendations are responsive to community input. Goals made absent community participation are made in a vacuum and are unlikely to be responsive to or effective in addressing the fair housing challenges in a particular jurisdiction.

3c. How often should program participants be required to report on their AFFH efforts? Should the proposed rule retain or revise the current timeframes for required AFFH submissions?

Answer: The proposed rule should retain the current timeframes. Every five years is a short enough time period to allow for a meaningful and actionable plan and also long enough to respond to changes and plan for meaningful efforts to advance fair housing. Furthermore, the

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recurring five (5) year periods establish good timeframes to get a continuity of vision and direction. Annual reports are also important for accountability. These documents should be incorporated into other reports.

- 3d. **Should program participants continue reporting annually on their AFFH actions and results in their program plans and annual performance reports or, given the long-term nature of many AFFH goals, should the reporting period be longer?**

Answer: Program participants should report annually to ensure accountability and measurable progress towards the recommendations is made each year.

- 3e. **Should planning and/or results be integrated into existing report structures, such as Consolidated Plans and Consolidated Annual Performance and Evaluation Reports (CAPERS), or utilize an alternative structure?**

Answer: Planning and results should be reported in separate documents such as the Analysis of Impediments to Fair Housing. The depth and breadth of analysis necessary for meaningful and effective fair housing analysis and goal setting cannot be contained as a sub-section to Consolidated Plans and CAPERS. However, it is appropriate to integrate portions of the analysis and results into the Consolidated Plans and CAPERS.

- 3d. **Should the proposed rule specify the types of obstacles to fair housing that program participants must address as part of their AFFH efforts, or should program participants be able to determine the number and types of obstacles to address?**

Answer: HUD should specify baseline obstacles that must be addressed as part of AFFH efforts. Then the program participants should also engage in the necessary analysis to determine which additional fair housing obstacles are present to the local jurisdiction.

An important function of the Fair Housing Act is establishing the national fair housing standards that every jurisdiction is required to uphold in order to protect and advance its residents' fair housing rights. Without such national standards, it will be difficult to ensure baseline civil rights protections. Moreover, HUD is the appropriately empowered agency to create and enforce those baseline civil rights protections. The historical role of local and national systems in creating disparities and barriers to fair housing is well-established. Therefore, consistent nation-wide measures are appropriate.

- 4b. **Should HUD incentivize program participants to collaborate regionally to identify and address obstacles to affirmatively furthering fair housing, without holding localities accountable for areas outside their control?**

Answer: Yes. HUD should incentivize programs participants to collaborate regionally in order to identify and address obstacles to affirmatively furthering fair housing

Regional collaborations can identify fair housing barriers that may be best addressed regionally. Furthermore, amongst jurisdictions that are predominantly of one race, regional collaboration will also assist in determining why certain populations reside in one area and not another and whether these living patterns are due to discrimination. In a predominantly homogenous jurisdiction, it is important to analyze why other protected classes *are not* living in the communities.

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4.c **Should HUD incentivize grantees and PHA to collaborate in the jurisdiction and the region to remove fair housing obstacles?**

Answer: Yes, HUD should incentivize grantees and PHA to collaborate locally and regionally to remove obstacles to fair housing. HUD should strongly encourage that public housing authorities and local jurisdictions consider joint housing strategies to affirmatively further fair housing. As an example, HUD should convene regional meetings to develop new procedures and financial incentives as necessary to ensure that Section 8 porting procedures are effectively workable. HUD should also provide financial assistance and authorization that allow PHAs to implement increase the Section 8 payment standards that encourage fair housing choice in areas of opportunities.

4d. **What are examples of obstacles that AFFH regulations should see to address?**

- Ensure that HUD documents, such as fair housing regulations, are multi-lingual.
- Seek HUD authorization so that PHA has flexibility to increase Section 8 payment standards to encourage fair housing choice in areas of opportunities.
- Consider federal legislation that requires fair housing efforts as a condition of jurisdictions and states receiving federal highway funds.
- Increase federal funding to develop affordable housing in higher income areas.
- Work to increase acceptance of Section 8 Vouchers.
- Analyze whether Tenant Screening Criteria are barriers to fair housing choice.
- Work with real estate industry to mitigate any real estate steering practices, as needed.
- Provide resources for better access to homeownership resources.
- Analyze regional zoning practices to determine whether zoning practices are de facto limiting fair housing choices.
- Reduce barriers to homeownership, encourage homeownership education, increase resources for homeownership that support fair housing choice.
- Whether development practices and/or municipal investments are at risk of resulting in displacement of protected class communities. If so, implementation of mitigation measures to minimize or eliminate displacement risks should result.

4e. **How might a jurisdiction accurately determine itself to be free of material obstacles?**

Answer: If accepting federal funds, jurisdictions have a legal obligation to constantly evaluate its efforts to affirmatively further fair housing - an on-going commitment to fair housing choice. As long as housing disparities amongst protected classes persist, a jurisdiction continues to have material obstacles to fair housing.

5. **How much deference should jurisdictions be provided in establishing objectives to address obstacles to identified fair housing goals, and associated metrics and milestones for measuring progress?**

Answer: Jurisdictions must determine whether its fair housing initiatives are effectively furthering fair housing choice. That said, HUD must identify the baseline issues for national consistency. HUD should also require prioritization of efforts to address the greatest housing disparities within that jurisdiction. In jurisdictions that are mostly homogenous, more efforts should be made to remove barriers in order to attract more protected class residents.

In addition to this baseline, given the unique character of each jurisdiction, tailored solutions must advance fair housing in the particular jurisdiction. Therefore, HUD should establish the process to determine whether jurisdictions made good faith efforts to arrive at its objectives, obstacles, metrics, and milestones. This process is described in detail in our response to Question 6.

It is unacceptable for jurisdictions to make internal determinations on what these benchmarks should be, particularly if there is little to no representation of protected classes among those government decision-makers.

- 6.a **How should HUD evaluate the AFFH efforts of program participants? What types of elements should distinguish acceptable efforts from those that should be deemed unacceptable?**

Answer: Good faith criteria would include:

1. Identifying demographic make-up of the jurisdiction and working with community groups with existing connections to the protected class communities within the jurisdiction. If there is very limited representation of communities of color, indigenous people, and people with disabilities, the jurisdiction must contact other municipalities in the region with more protected class members to ask why they are not residing in the jurisdiction (similar to the requirements in the *Westchester* case).
2. Demonstrate evidence of working with diverse community groups to reach those most likely to requirements on engagement must include:
 - a. Number of meetings detailed by time and location;
 - b. Number of meetings with interpreters and languages interpreted;
 - c. Community organizations that partnered with the jurisdiction to host these meetings;
 - d. Total number of people reached broken down by protected class status, language groups, and income levels.
3. Demonstrate evidence through tracking participant demographics and income levels to recognize that a variety of protected classes were reached through engagement efforts. Evidence of providing interpreters and collaboration with diverse community organizations to hold meetings would also be acceptable.
4. Evidence of connecting community input to the analysis and recommendations.

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5. Using a process guided by a review of resources, influence, community input, and community impact to identify priority fair housing issues listed in recommendations.
6. The creation of a short and long-term plan identifying priority fair housing issues with measurable steps to implement those recommendations.
7. Clear progress against these established metrics. If progress has not been made, jurisdictions must explain why they have been unsuccessful and what alternate strategies they will try.

Unacceptable efforts:

- Failure to report engagement efforts, engagement efforts that show very little evidence of engagement of protected class communities, or engagement efforts that are widely known to be ineffectual such as posting a notice in the newspaper of a meeting, without more, or very few meetings held at the same time of day.
- Failure to articulate a process based on the good-faith efforts above to identify fair housing priorities, failure to have a plan, and failure to make progress without articulating a legitimate reason for the lack thereof.

Jurisdictions with unacceptable efforts should be required to participate in a fair housing training that outlines historical and institutional discrimination, identifies the historical sources of discrimination unique to the jurisdiction, guiding them through an identification of the present systemic and institutional practices that perpetuate discrimination, and resourcing a Technical Assistance provider and a local fair housing organization to direct the jurisdictions' work by building a community process to oversee the creation of an effective plan and implementation process.

- 6b. **What should be required of, or imposed upon, jurisdictions with unacceptable efforts (other than potential statutory loss of Community Development Block Grant, HOME, or similar funding source)?**

Answer: At this time, HUD should impose sanctions in compliance with existing statutes.

- 6c. **How should HUD address PHAs whose efforts to AFFH are unacceptable?**

Answer: Regarding PHA efforts, please directly consult with the Saint Paul Public Housing Agency at www.stpha.org. That said, the federal government has continuously underfunded PHA operations. Therefore, as a federal commitment to affirmatively further fair housing choices, HUD should assist PHA with more funds for operations as well as program funding.

7. **Should the rule specify certain levels of effort on specific actions that will be deemed to be in compliance with the obligation to affirmatively further the purposes and policies of the Fair Housing Act (i.e. "safe harbors"), and if so, what should they be?**

Answer: Safe harbors are inappropriate in a fair housing context because housing discrimination is not static in how it manifests in different communities. Therefore, it is appropriate for HUD to create criteria that it will use to review whether jurisdictions have engaged in good faith efforts to affirmatively further the Fair Housing Act.

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8. **Are there any other revisions to the current AFFH regulations that could help further the policies of the Fair Housing Act, add clarity, reduce uncertainty, decrease regulatory burden, or otherwise assist program participants in meeting their AFFH obligations?**

Answer: HUD should fund more technical assistance to assist program participants in meeting their AFFH obligations. HUD should also provide more funds dedicated for more robust community engagement by program participants.

Thank you again for the opportunity to comment on this important rule. Please contact me at 651-266-8966 or Jeffry.Martin@ci.stpaul.mn.us for any additional information from Minnesota Housing.

Sincerely,



Jeffry Martin
Acting Director

Jm/aes

DRAFT



Fair Housing Work Group

Status update and policy and program options in response to Resolution 17-2064.

15 Kellogg Blvd West
Saint Paul, MN 55103

p. 651-266-8989

<https://www.stpaul.gov/>

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Executive Summary

This report is in response to the City Council Resolution 17-2064 directing staff of the Fair Housing Workgroup to develop a Fair Housing Strategic Plan to present to the City Council on March 28, 2018.

Fair housing is the right to choose housing free from unlawful discrimination. When housing choice is limited, a resident's access to place-based assets like schools, employment, parks, and other infrastructure may also be limited. Government entities receiving U.S. Department of Housing and Urban Development (HUD) funds are required to understand the current fair housing landscape and implement strategies to overcome obstacles preventing the realization of full fair housing in our community.

In 2015, the cities of Minneapolis and Saint Paul were named in a fair housing complaint (now resolved) alleging the analysis and findings of their HUD-required Analysis of Impediments were deficient. In 2016, the cities entered into a Voluntary Compliance Agreement with HUD which required the preparation of an Analysis of Impediments Addendum to provide a more robust analysis focusing on segregation and integration, areas of concentrated poverty and areas of opportunity. In 2017, Saint Paul City Council and Mayor Christopher Coleman directed the creation of a Fair Housing Workgroup to make policy and budget recommendations to the Mayor and Housing and Redevelopment Authority with the goal of eliminating housing disparities, lowering barriers to affordable housing, and ensuring access to economic opportunity in the City of Saint Paul.

This report includes:

- background on the City of Saint Paul's role in Fair Housing;
- data about the current state of Fair Housing in Saint Paul;
- the current status of the 11 goals outlined in Resolution 17-206;
- policy and program options for furthering Fair Housing; and
- recommended next steps for implementation.

The Fair Housing Work Group recognizes that advancing a broad vision for fair housing requires a comprehensive, long-term approach that aligns and integrates our resources as a City across a full continuum from homelessness to homeownership. And, the Work Group recognizes that some Saint Paul residents are in crisis today, requiring shorter-term policy and program activities. The goal of the policy, program, and infrastructure options outlined in this section are therefore twofold:

- **to provide a roadmap to advance the 11 specific fair housing goals named in the resolution; and,**
- **to set the stage for a comprehensive fair housing strategic planning process informed by robust community engagement.**

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Through the work outlined in this report, the Fair Housing Workgroup arrived at the following program and policy options to advance the 11 fair housing goals identified in the Council resolution. The options are organized into three community impact areas: 1) Preservation and Production of Affordable Housing; 2) Displacement Prevention; and 3) Enforcement and Education.

To ensure that fair housing efforts are sustained, coordinated, and equitable the Work Group identified a group of options for infrastructure to support fair housing implementation, including the development of cross-functional work groups to identify and implement priorities in each of the three community impact areas, broadening the Work Group to include more community stakeholders, and the development of a comprehensive strategic plan.

The City of Saint Paul will achieve 21st-century housing equity when our policies and practices work for everyone. This will be achieved when we empower those who have historically been marginalized; when we are responsive to structural and systemic disparities; and when we adapt to the increasingly complex and diverse array of resident needs.

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Overview

Fair Housing Timeline

2010

Resolution to continue participating in Metropolitan Councils Local Housing Incentives Account Program and set goal of 2,625 units of affordable housing for period of 2011-2020.

2015

Cities of Minneapolis and Saint Paul were named in a fair housing complaint (now resolved) alleging the AI analysis and findings were deficient.

2016

Minneapolis and Saint Paul entered into a Voluntary Compliance Agreement with HUD which required the preparation of an AI Addendum to provide a more robust analysis focusing on segregation and integration, areas of concentrated poverty and areas of opportunity.

2017

Mayor and City Council directed the creation of a Fair Housing Workgroup to make policy and budget recommendations to the Mayor and HRA with the goal of eliminating housing disparities, lowering barriers to affordable housing, and ensuring access to economic opportunity in the City of Saint Paul.

2018

Status update and policy and program options in response to Resolution 17-2064.

2020

Next Assessment of Fair Housing due to HUD.

This report is in response to the City Council Resolution 17-2064 directing staff of the Fair Housing Workgroup to develop a Fair Housing Strategic Plan to present to the City Council on March 28, 2018.

What is Fair Housing?

The purpose of the Fair Housing Act is to ensure that individuals have self-determination in their housing choices free from discrimination and require that governments take proactive steps to remedy past discrimination. Fair housing is the right to choose housing free from unlawful discrimination. When housing choice is limited, a resident's access to place-based assets like schools, employment, parks, and other infrastructure may also be limited.

The Fair Housing Act (FHA) was passed April 11, 1968, one week after the assassination of Dr. Martin Luther King, Jr. whose movement included the fight for equal treatment in housing. The FHA prohibits discrimination based on race, national origin, color, religion, sex, familial status, disability. Not only is intentional discrimination prohibited, but so is disparate impact discrimination which results when neutral policies disproportionately negatively impact people of color and other protected classes.

The City's Role in Fair Housing

As a recipient of HUD funds, Saint Paul is required to analyze the current fair housing landscape and implement strategies to advance fair housing and overcome barriers to fair housing in our community.

In addition to the HUD requirement, Fair Housing efforts are a critical part of the City's commitment to equity. The experience of being "at home" depends on the quality of housing itself, a sense of community and belonging, and access to amenities. Therefore, virtually all city services touch on housing. Some city departments and functions of City Council and the Housing and Redevelopment Authority (HRA) more directly impact housing. The Department of Planning and Economic Development makes investments in housing, economic development for thriving commercial districts, and engages in long range planning. The Department of Human Rights and Equal Economic Opportunity investigates discrimination complaints, provides fair housing training, and ensures contracts are providing economic opportunities to women, people of color, and low-income people. The Department of Safety and

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Inspections ensures that rental properties are maintained to the standard of relevant codes and seeks to further safe and high-quality housing where applicable. Within City Council, the Legislative Hearing Officer makes determinations on codes, tax and summary abatement assessments, and certain land use matters.

Saint Paul's Participation in the Metropolitan Council's Local Housing Incentives Account Program

Like most cities in the seven-county metro area, Saint Paul is a participant in the Met Council's Local Housing Incentives Account program. Participation enables the City to apply for development and environmental clean-up grants from the Met Council and DEED, which have awarded funds to numerous Saint Paul projects over the years. To participate, cities are required to set goals for development of affordable and life-cycle housing units over a 10-year period. For the current period (2011-2020), Saint Paul set a goal of developing 2,625 units of affordable housing (defined as units affordable at 60% AMI). This was formalized in Resolution #10-935 in August of 2010.

Fair Housing Analysis of Impediments & Addendum

The City of Saint Paul participates in a fair housing analysis in order to understand its impact on fair housing and address housing discrimination. Because HUD requires both a regional and local analysis, Saint Paul has been a member of the Fair Housing Implementation Council since 2002. The Fair Housing Implementation Council (FHIC) is comprised of seven counties, eight cities, and the Metropolitan Council. The FHIC's two principle activities are preparing an Analysis of Impediments to Fair Housing Choice (AI) every five years and funding fair housing projects responsive to the identified recommendations.

In 2015, the Cities of Minneapolis and Saint Paul were named in a fair housing complaint (now resolved) alleging discrimination in the placement of affordable housing investments and alleging that the AI's analysis and findings were deficient. In May 2016, Minneapolis and Saint Paul entered into a Voluntary Compliance Agreement with HUD which required the preparation of an AI Addendum to provide a more robust analysis focusing on segregation and integration, areas of concentrated poverty and areas of opportunity. This agreement also required a HUD-appointed advisory committee of diverse stakeholders and more robust community engagement. The FHIC agreed to follow the terms set out in the VCAs with Minneapolis and Saint Paul or HUD would have compelled them to do so.

The FHIC funded a comprehensive community engagement process that included 17 community organizations with diverse ethnic and cultural constituencies. Over 800 residents were engaged in meetings, surveys, listening circles, and interviews. The participants represented 61 ZIP codes across the metro, more than 70% were people of color, more than half had household income under \$25,000, and 68% were renters. These participants overwhelmingly represent groups among those most likely to face housing discrimination. A key theme from this engagement was the need to reframe how governments talk about and make decisions regarding people of color. Traditional definitions of "opportunity" tended to place more value on predominately white areas and did not take into account the opportunity provided by community networks, cultural knowledge, and diversity. Similarly "concentration" was used to describe neighborhoods that are majority low income and people of color without analyzing the factors that contribute to the concentration of

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predominantly wealthy, white people. Data combined with community perspectives and existing works of local research led to the identification of eight key fair housing issues. Key findings included:

1. How residents value neighborhoods and housing is multifaceted
2. Residential patterns reflect segregation and differing access to opportunity factors by race and ethnicity
3. Areas of concentrated poverty require coordinated place-based investment to increase opportunity for residents
4. Displacement due to gentrification and neighborhood change causes a loss of affordable housing and limits fair housing choice
5. There is a need for expanded distribution of affordable housing across the region
6. Regulation, policies, and funding availability impacts levels of publicly-subsidized and private-market affordable housing development across the region
7. Access to homeownership, rental housing, and housing programs is reduced for some racial and ethnic groups
8. Fair housing enforcement and education is a continuing need

AI Addendum Guidelines for a Balanced Approach to Fair Housing

The FHIC's members must work to facilitate the mobility of residents who wish to locate in their community of choice while simultaneously investing in human capital development and physical improvements in places of concentrated poverty to increase opportunities for residents there. The appropriate balance between these two approaches should be based on these guidelines set out in the AI Addendum:

Investment in construction of new affordable housing should prioritize expanding affordability regionally and within jurisdictions, including in areas with access to opportunity, as defined through a community engagement process which may include, but are not limited to, quality schools, transportation, economic opportunity, and other public resources.

Construction of new affordable units in areas of concentrated poverty, and particularly in areas of concentrated poverty where 50% or more of the residents are people of color, should be considered only as part of a comprehensive community investment strategy to address targeted community housing needs. Preservation of existing affordable housing in these areas should be prioritized over new construction.

Community development investment, to include investments in both people and physical places, should be focused on areas of concentrated poverty, and particularly areas of concentrated poverty where 50% or more of the residents are people of color.

In areas where gentrification is believed to be occurring, preserving the affordability of existing housing and securing property for development of new affordable units should be a priority.

Enforcement of fair housing laws and efforts to prevent housing discrimination are key to opening up a variety of housing options throughout the region in areas of all types of opportunity.

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AI Addendum Regional Goals

To implement the above guidelines, the Addendum offers ten goals, each supported by a list of fair housing recommendations corresponding to fair housing issues raised in the Addendum and paired with an implementation timeframe and responsible parties. The members of the FHIC, who will primarily be the responsible entities for carrying forward the recommendations, are diverse in their character, politics, resources, demographics, and challenges. Accordingly, the recommendations allow individual FHIC jurisdictions the latitude to consider and implement the recommended strategies in the ways that are most feasible within their respective jurisdictions. The ten overarching goals are:

1. Improve Opportunities for Mobility within the Region
2. Reduce Resident Displacement
3. Increase Access to Homeownership
4. Expand Funding for Affordable Housing
5. Improve Fair and Affordable Housing Planning
6. Expand Locations of Affordable Housing
7. Institute Effective and Meaningful Community Engagement
8. Invest in Place-Based Community Improvements
9. Support Multicultural Housing Needs
10. Support Residents' Fair Housing Rights

Formation of the Fair Housing Work Group

In response to the extensive analysis and recommendations of the AI Addendum, on June 28, 2017, the Mayor and City Council directed the creation of a Fair Housing Workgroup to be co-chaired by the Deputy Mayor and Chair of the Housing and Redevelopment Authority (HRA). This group is responsible for providing policy and budget options to the Mayor and HRA with the goal of eliminating housing disparities, lowering barriers to affordable housing, and ensuring access to economic opportunity in the City of Saint Paul. The Fair Housing Work Group includes the Deputy Mayor, HRA Chair, and representatives from PED, DSI, HREBO, the City Council, the City Attorney's Office, and a representative from Ramsey County's Policy and Planning Division.

In December 2017, the City Council passed a resolution that the Fair Housing Workgroup will report back to City Council on March 28, 2018 with progress on eleven deliverables, present a Fair Housing Strategic plan, and prepare a budget proposal to support the strategic plan.

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Current State of Housing in Saint Paul

- There are **112,803 households** in Saint Paul¹, a number that is forecast to grow to **131,400 households by 2030**², necessitating the creation of **over 18,000 new housing units**.
- There are **119,625 units of housing** total in Saint Paul, **72% of which are 50 years or older**.³ Of those, **112,571 housing units are occupied**;⁴ **49.5% are owner-occupied**, and **50.5% are renter occupied**.⁵
- 17,182 rental units, or **30.4% of rental units, are in single family homes or duplexes**.⁶
- **3,568 rental units** in Saint Paul are affordable through the use of **Housing Choice (Section 8) Vouchers** issued by the Saint Paul Public Housing Agency, affordable units which are not reflected in the tables below.⁷
- **50.0% of renter households (occupying 27,899 units) are cost-burdened or severely cost-burdened**.
 - 23.1% of renter households are cost-burdened, spending from 30% through 50% of their household income on rent, and an additional 26.9% of renter households are severely cost-burdened, spending over half of their income on rent.⁸ There are significant racial disparities in how this plays out, as shown below.

Racial Equity Fair Housing Analysis: Saint Paul Housing-Related Disparities by Race/Ethnicity

Race/Ethnicity	Per Capita Income ⁹	Homeownership ¹⁰	Housing Cost Burdened ¹¹
White (not Hispanic or Latino)	\$39,344	60.5%	31.3%
People of Color	\$13,856	27.8%	49.6%

Saint Paul Affordable Housing by Income Bracket and Type of Housing

Income Bracket ¹²	Saint Paul PHA Income Restricted ¹³	Other Ownership Income Restricted ¹⁴	Naturally Occurring Affordable Housing ¹⁵	Total
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¹ Census Bureau, American Community Survey, 2016, Table DP02

² Metropolitan Council Population Forecast, Thrive MSP 2040, January 1st, 2018 forecasts.

³ Census Bureau, American Community Survey, 2016, Table DP04

⁴ Census Bureau, American Community Survey, 2016, Table DP04

⁵ Census Bureau, American Community Survey, 2016, Table DP04

⁶ Census Bureau, American Community Survey, 2016, Table B25032

⁷ Saint Paul Public Housing Agency PowerPoint Presentation to Fair Housing Working Group, Fall 2017; we know other agencies issue Section 8 Vouchers that are used in Saint Paul, but are not accounted for in this analysis.

⁸ Department of Housing & Urban Development, Comprehensive Housing Affordability Survey (CHAS), 2010-2014, Saint Paul Data

⁹ United States Census Bureau American Community Survey, Tables B19301A to B19301I, and Table DP05, 5-year estimates, 2012-2016 (midpoint 2014). Computations by Saint Paul Department of Planning & Economic Development Research Team.

¹⁰ United States Census Bureau American Community Survey, Table B25003A-B25003I, 5 year estimates, 2012-2016 (midpoint 2014). Computations by Saint Paul Department of Planning & Economic Development Research Team.

¹¹ United States Department of Housing and Urban Development, Comprehensive Housing Affordability Survey (2010-2014, midpoint 2012)

¹² The household income ranges that correspond to the listed percentages of Area Median Income (AMI) are ≤30% AMI: ≤\$25,750; >30% to ≤50% AMI: \$25,751 to \$42,900; >50% to ≤80% AMI: \$42,901 to \$65,700; ≤80% AMI: ≤\$65,700; ≤60% AMI: \$51,480.

¹³ Saint Paul Public Housing Agency Website, <http://stppha.org/about-sppha>, accessed 3/23/2018; number published on website confirmed as best available in email correspondence with Al Hester, SPPHA Policy Director, 2/22/2018.

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≤30% AMI	4,274	2,286	5,000	11,560
>30% & ≤50% AMI	0	1,386	25,354	26,740
>50% & ≤80% AMI	0	6,669	10,411	17,080
≤80% AMI	4,274	10,341	40,765	55,380

Supply and Demand for Saint Paul Rental Housing

Income Bracket ¹⁶	Renter Households (2016)	Rental Units (2016)	Supply Gap (-) or Surplus (+)	Allocation Gap: Number of Affordable Units Occupied by Higher Income HH Gap (-)	Total Gap (-) or Surplus (+)
≤30% AMI	22,335	11,560	-10,775	-2,825	-13,594
>30% & ≤50% AMI	11,940 ¹⁷	26,740 ¹⁷	+14,800	-9,505	+5,295
>50% & ≤80% AMI	9,200 ¹⁷	17,030 ¹⁷	+7,830	-6,360	+1,026
>80% AMI	13,355	3,285	-10,070	N/A	N/A
TOTAL	56,830	58,615	+1,785	N/A	N/A

Status Updates on the 11 Resolution Goals

#1: Engage renters, landlords, housing partners and other stakeholders for input and advice via public meetings and regular consultations

Process Owner

Alyssa Wetzel-Moore

Description

Eliminating entrenched racial and ethnic disparities requires transforming the systems that created these disparities to achieve new results. A critical piece in this transformation is incorporating stakeholders throughout the decision-making process. Those that are most impacted by housing disparities are uniquely positioned to identify the barriers they face and provide innovative solutions to addressing these barriers. Participation of historically marginalized communities is important to guard against 1) decisions that harm people of color and other protected classes; 2) well-intentioned decisions that also create harm or lead to unintended consequences; 3) well-intentioned decisions that do not solve the problem they are intending to

¹⁴ This represents the total number of income-restricted affordable units shown in HousingLink Streams' data, as accessed

¹⁵ This represents the total number of units affordable to those under each of the respective income ranges according to the 2010-2014 CHAS, minus the number of units via HousingLink Streams 3/2018 data that have affordability restrictions in place, including PHA units. These data combine two different datasets, benchmarked several years apart in time, so provide only a general estimate.

¹⁶ The household income ranges that correspond to the listed percentages of Area Median Income (AMI) are ≤30% AMI: ≤\$25,750; >30% to ≤50% AMI: \$25,751 to \$42,900; >50% to ≤80% AMI: \$42,901 to \$65,700; ≤80% AMI: ≤\$65,700; ≤60% AMI: \$51,480.

¹⁷ While the supply of housing exceeds the number of renters in each income bracket, in units which are not income-restricted, the renters who most need the housing are frequently outcompeted for these units by wealthier renters. Because of things like credit checks, strict income and credit requirements, disqualification due to past bankruptcies or convictions, and the persistence of discrimination by race, ethnicity, and immigrant status, very frequently these higher-income people have an easier time getting into those units than those who truly need this more affordable housing. For more discussion of these dynamics, see pp. Appendix B of this report.

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address. As policy-makers evaluate strategies, stakeholder engagement provides critical information on potential benefits and consequences of these initiatives. In order to be effective, engagement must be throughout the decision-making process rather than a point-in-time.

Status

The Fair Housing Work Group discussed past experience with engagement and also reviewed the engagement strategies used to create the Addendum to the Analysis of Impediments. As described in the background section on the AI Addendum above, these strategies were determined to be highly successful because they resulted in a more thorough and nuanced analysis of fair housing and innovative strategies to overcome barriers. The key strategies were 1) Fair Housing Advisory Committee representing diverse perspectives, 2) the Advisory Committee participating in an Undoing Racism Workshop to have common understanding, and 3) funding organizations skilled in community engagement to reach those most impacted, but with the least access to the decision-making process.

The Fair Housing Work Group also conducted a review of the stakeholder landscape in which we identified the level of impact and influence of stakeholders including housing organizations, community advocates, funders, other housing partners, and Saint Paul residents impacted by policy and budget decisions. Based on this review, we identified that those most impacted by decisions had the least access to influence the decision-making process. The ability to influence the decision-making requires mutual education, ongoing trusted relationships, and feedback at critical decision points. Therefore, we recommend an overall approach involving three tiers of engagement 1) an engaged stakeholder group that advises on fair housing strategies on an ongoing basis; 2) mobilization of those most impacted, but least represented in decisions that affect them; and 3) broader community meetings to respond to fair housing proposals.

The Human Rights Division will designate one-time resources to expand and build the capacity for community engagement and enhance collaboration. A draft Request for Proposals (RFP) has been developed and conversations are underway for additional resources from a housing partner.

Finally, rather than contact stakeholders piecemeal, the Fair Housing Workgroup will wait to conduct community engagement in order to align efforts with the direction received in response to this report.

#2: Conduct a housing inventory of Naturally Occurring Affordable Housing buildings at risk of displacing tenants and proactively protect these assets

Process Owner

Patty Lilledahl, PED

Description

The shortage of affordably priced rental housing units and the trend of rent increases creates the need for both public and private efforts to preserve the current housing stock of Naturally Occurring Affordable

Housing (NOAH). NOAH properties are private market rental units that do not have income or rent restrictions controlled by the public sector. Lower-income renters must compete with an increasing renter

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population with higher incomes for non-luxury apartments of decent quality and in neighborhoods of their choosing. Renters with credit issues or questionable rental histories are particularly at a disadvantage to compete for a declining supply of decent units. Given income disparities by race, shrinking availability creates a fair housing issue as people of color disproportionately are limited to only a few areas in the City.

The City does not have current data on privately-owned unsubsidized properties that are most at risk of large rent increases or a change in ownership that could result in displacement.

Status

PED is currently data gathering sources that would be used to develop the NOAH inventory.

Staff has developed an inventory of Project Based Section 8 property in Saint Paul to include, in part, the Contract expiration date and Administrator (MHFA or PHA).

#3: Fire Certificate of Occupancy Program and Housing Equity

Process Owner

Travis Bistodeau, DSI

Description

One of the responsibilities of the Department of Safety and Inspections (DSI) is to ensure that commercial and residential properties are maintained in such a fashion that they are safe for all building occupants. The Fire Safety Division of DSI is charged with ensuring that non-owner occupied residential rental properties are maintained to the standards set forth in the MN Fire Code and Chapter 34 of the Saint Paul Legislative Code. As a result, Fire Safety staff routinely inspect non-owner occupied rental properties on a progressive schedule, where the properties with the most and most severe deficiencies are inspected more frequently. Grades range from an A to a D. Although DSI's role is primarily focused on building maintenance, due to the very nature of our work, we are often involved in fair housing issues. For this reason, exploring DSI's work as it relates to fair housing is a focus of this strategic report.

Status

In partnership with the Fair Housing Work Group, and other efforts, DSI has focused on three fair housing related issues: consistency of inspections, customer education, and minimizing occupant displacement.

Results of these efforts are as follows:

1. **Consistency of Inspections**-Customers, including tenants and landlords, have complained that the quality of inspections are not consistent from year to year, or regarding the severity of a particular violation. DSI has implemented the following activities to address these concerns:
 - a. Increased mandatory staff training time by approximately 10%. New training includes an enhanced focus on Customer Satisfaction.
 - b. Supervisor 'ride-alongs' are now part of annual performance assessments for inspectors

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- c. Created quarterly in-house training sessions with Construction Services trade experts to increase inspector knowledge
 - d. Contracted with an online training provider to create and monitor training content for all staff
2. **Customer Education**-Customers have little understanding of how the Certificate of Occupancy program works and the value of the data it can provide to tenants. Property owners were unaware that this program is incentive based and that the fewer deficiencies a property has, the fewer inspections (and fees) are required. The data resulting from these inspections can be especially helpful to potential tenants as they 'shop' for a new place to live in Saint Paul. DSI has implemented the following activities to address these concerns:
 - a. Require all new landlords attend a Landlord 101 training session as part of obtaining a Certificate of Occupancy-This mandatory training explains how the our incentive based program works to minimize costs to the property owner while helping to ensure the property is maintained to the highest standard possible.
 - b. All inspection reports are available online-This allows potential tenants to review inspection reports prior to signing a lease, helping tenants make an informed decision about their housing. This is also helpful to current tenants who want to learn more about the deficiencies observed in their current building.
 - c. Provide a 'cheat sheet' to property owners prior to their inspection explaining the program and instructions on how to receive high scores-This document explains the incentive based program to property owners prior to an inspection, encouraging repairs be made before the inspection takes place.
 - d. Partner with Family Housing Fund and Carlson School of Management to build a database tool to increase tenant knowledge regarding rental properties and landlords. This tool will allow tenants to more fully screen their potential future landlord/property before signing a lease. This work is under development and will be complete by May 15th.
 - e. Developed online Fire Certificate of Occupancy map to allow tenants to easily identify the grade of a rental property-This effort allows tenants to determine the inspection grade of a property before signing a lease.
3. **Minimize Occupant Displacement**-There are situations where a building owner fails to bring a building into compliance within a reasonable amount of time or exposes occupants to an unsafe condition. Unfortunately, DSI is occasionally forced to vacate buildings such as these. As a result, tenants are forced out of their homes, due to no fault of their own. DSI has implemented the following activities to address these concerns:
 - a. Enhanced existing Emergency Notification System to better notify stakeholders who can assist tenants or landlords and prevent a certificate revocation/condemnation-Stakeholders receive a weekly, automated email and are now able to determine what properties are likely to be vacated by DSI and help prevent tenant displacements or assist in a housing transition. Interested stakeholders can sign up through the citywide ENS system. There is currently a marketing effort focused on the Frogtown and Rondo neighborhoods.
 - b. Collaborated with Emergency Management to seek FEMA funding to develop a scalable Emergency Housing Plan for Saint Paul. This plan will identify current and future resources

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needed to house residents primarily impacted by a terroristic disaster but could also be scalable to the condemnation of an individual building. This plan may be a resource to guide future emergency housing assistance resources for the city. A grant application to support this initiative will be submitted in May with a response expected from FEMA in August, for a potential 1/1/19 start date.

- c. Assisted the Department of Planning and Economic Development to develop small rental rehabilitation fund-This program provides interest free dollars to property owners to help improve the quality of rental housing stock. Priority is given to the most challenged properties or those located in areas of concentrated poverty within the city.

#4: Expand HREEO's Fair Housing Training Program

Process Owner

Alyssa Wetzel-Moore, HREEO

Description

The Human Rights Division currently provides training to a number of stakeholder groups including those that could be potential complainants or respondents in a human rights investigation. These trainings are tailored to the audience and provide an overview of civil rights laws and the complaint investigation process. In the housing context, topics range from a basic overview of the Fair Housing Act and how to recognize discrimination to a more advanced review of disparate impact and affirmatively furthering fair housing. For audiences such as property owners and managers, the trainings are designed to prevent discrimination through education on avoiding discrimination, providing accommodations, and preventing harassment and retaliation. For audiences such as renters, housing non-profits, and advocates, these trainings are designed to inform audiences of their civil rights, how to identify potential discrimination, and how to file a discrimination complaint.

In 2018, Human Rights will build upon existing training materials to develop interactive curricula targeting property owners and managers in the City of Saint Paul. The first phase will consist of a training targeted at past respondents. Future phases will involve collaboration with DSI to identify property owners and managers to whom the training will be marketed. This program will prioritize landlords that do not have the resources for professional property management firms and therefore, are less likely to understand their legal obligations under the Saint Paul Human Rights Ordinance. Similarly, these trainings will prioritize owners with Limited English Proficiency. These partnerships may also serve the larger goal for stakeholder input on the policy changes the Fair Housing Work Group is exploring.

Status

In 2017, fair housing trainings were developed and provided to over 300 property managers and landlords. The training content developed last year has formed the basis for additional trainings designed specifically for Saint Paul property owners and managers. The initial target audience for a training scheduled in April 2018 will be Respondents to discrimination complaints investigated by the Human Rights Division.

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To support the Fair Housing Strategic Plan, the Fair Housing Workgroup discussed include fair housing training for elected officials and city staff focusing on disparate impact.

#5: Saint Paul Fair Housing Web Portal

Process Owner

Amy Geisler, PED

Description

Until recently, fair housing-related content has been located in multiple locations on the City's website (PED, HREEO, and DSI). Consolidating this information in one location will streamline future updates, help communicate the City's efforts around Fair Housing, and provide fair housing resources to the public.

Status

PED, DSI, and HREEO staff collaborated on website updates, which went live on February 23, 2018. The website will be updated with the roll out of the strategic plan. <https://www.stpaul.gov/fair-housing>

#6: Further Fair Housing Goals

The policy and research ideas detailed under this item have been identified as recommendations to overcome barriers to fair housing in the 2017 Analysis of Impediments Addendum. The three separate sub-topics in this section – tax policy, tenant protections, and gentrification research are discussed separately below.

6a: 4(d) Tax Policy

Process Owner

Patty Lilledahl, PED

Description

Affordable rental housing projects that receive "traditional subsidies" from the City or State (such as HOME, CDBG, Low Income Housing Tax Credits, Tax Increment Financing and Tax-Exempt Housing Revenue Bonds) are currently eligible to apply under State statute to receive a lower property tax rate classification referred to as 4(d); thereby lowering real estate taxes owed. The City does not currently have a 4(d) Tax Policy as eligibility is authorized through state tax legislation (whenever the City or State award "traditional subsidies" to a project). NOAH properties are not currently eligible for reduced real estate taxes, unless the owner receives City financial assistance, and, where the owner agrees to rent and income restrictions.

Status

The FHIC contracted with the Housing Justice Center to update its past research the expanded use of the 4(d) program, which is underway. The NOAH inventory described under deliverable #2 needs to be completed before the full impact of an expanded 4(d) program to the City's tax base could be evaluated. A City 4(d) Property Tax Policy, which could include existing NOAH properties, should be informed by OFS, HRA Chair.

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To illustrate this strategy, in the fall of 2017 staff worked with Aeon (a very experienced non-profit affordable housing provider and manager) to assist in acquiring a NOAH property at 180 Larpenteur Avenue, which was a part of a 10 building purchase from a seller's portfolio located in 3 metro cities. The HRA Board approved \$40,000 in pooled TIF funds to assist in immediate capital improvements in exchange for executing a loan agreement to restrict the rents of all 82 units to households earning 60% AMI or less for a period of 15 years. This loan and restrictive rent agreement will allow Aeon to qualify for the property for a 4(d) property tax classification which will lower the real estate taxes by \$37,575 (\$11,650 city portion) to assist in maintaining affordable rents.

Staff advises that a 4(d) Tax Policy for the City should be considered as a strategy to assist in maintaining affordable rents in NOAH properties.

6b: Tenant Protections

Process Owner

Alyssa Wetzel-Moore, HREEO

Description

Recognizing that stable housing is necessary for success in all aspects of life, tenant protections are designed to provide stability, particularly in a tight rental market. The balance of power in the landlord-tenant relationship tips in favor of the landlord and results in housing instability for some tenants. Because of income disparities, fair housing is implicated by sudden increases in rent or changes in tenant acceptance criteria because these may disproportionately impact people of color, people with disabilities, women, and families with young children.

The following tenant protections were identified in the AI Addendum and Council Resolutions:

1. Advance Notice of Sale: Provides tenants and the City of Saint Paul advance notice (typically 90 days) to have the opportunity to meet the terms of sale by providing time for partnerships with non-profit developers, city land trust initiatives;
2. Tenant Remedies Actions: for non-compliant landlords, a fund (which does not currently exist) is created to cover immediate life and safety issues to maintain C of O so that tenants can continue living in their unit. Tenants rent payments are escrowed until the issue is resolved. This may involve appointing a receiver to operate the property and oversee the corrections. The City can empower the CAO to enforce these actions and recuparate costs through property tax assessment.
3. Just-cause eviction: Designed to prevent at-will lease terminations of tenants who are complying with their lease. New or current property owners looking to attract a different demographic will terminate leases of lease-compliant tenants in order to enact more restrictive criteria. This has fair housing implications because typically much higher income ratio requirements are imposed, Housing Choice Vouchers are no longer accepted, or more stringent credit or criminal background policies.

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Status

The co-chairs of the Fair Housing Work Group created a sub-committee to work on potential strategies to improve tenant rights around eviction, building sale, and rent increases. Responsibilities included reviewing work of other jurisdictions around tenant protections. Ultimately, we determined that strategies around this work needed to be incorporated into the broader discussion of the Fair Housing Workgroup.

The Fair Housing Work Group met with the Family Housing Fund to review the work of the Second Judicial District housing court work group and its recommendations (see Appendix B.2). The goal of these recommendations is to mediate conflicts prior to the filing of an unlawful detainer, prevent unlawful detainer from going on a tenant's record if the tenant is found not at fault, and to expunge unlawful detainers in a timely manner after the tenant has met the terms of the settlement agreement. There may be opportunities for the City to collaborate in these efforts.

The Fair Housing Work Group has also discussed the disparate impact of credit and criminal background screening on protected classes. HUD guidance on criminal background screening recommends taking into account recidivism research (likelihood of recidivism is the same as someone with no record after 5 to 7 years for most crimes) and disregarding arrest records that did not result in a conviction. Ten cities have passed ordinances related to criminal background screening. With respect to credit records, there is evidence to show disparate impact in the calculation of credit scores due to disparities in home ownership and limited access to banks in lower-income communities of color. Credit scores are harmed by late payments, but the majority are not increased with timely rent payments or payments to pay-day lenders. Experian is the first credit reporting agency to consider reported rent payments into the credit score process.

Finally, the City of Saint Paul, through its participation on the Fair Housing Implementation Council awarded a grant to the Housing Justice Center to conduct policy and legal research on tenant protections. The final product is due no later than August 31, 2018.

6c: Gentrification and Displacement Research

Process Owner

Amy Geisler, PED

Description

Displacement due to gentrification and neighborhood change causes a loss of affordable housing and limits fair housing choice.

Status

The Center for Urban and Regional Affairs have completed quantitative and qualitative research of Minneapolis and Saint Paul neighborhoods which included Frogtown/Thomas-Dale, Hamline-Midway, and the West Side. Findings concluded that gentrification has occurred or may be occurring in these neighborhoods, and that fear of displacement is present. Areas citywide identified as "at risk" will be evaluated for use of anti-displacement strategies which may include land trusts and the possible purchase of NOAH properties by non-profit partners.

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Support from the Family Housing Fund has enabled staff to work with the Carlson School's Data Analytics Lab to create a fair housing related database (to be completed in May 2018). This database is designed to create transparency in the rental market by intersecting data on City inspections, complaints, crime, Census, and other data for two distinct purposes:

- 1) a dashboard for renters and housing advocates to research a specific property and property owner for rental or advocacy purposes; and
- 2) a policy dashboard to identify trends related to quality of life, investments, and displacement trends.

The City of Saint Paul, in a joint application with the City of Minneapolis, has been accepted by Policy Link to participate in the Anti-Displacement Network cohort to explore policies, best practices, and data on displacement prevention. This work will be launched on the Policy Link Conference in Chicago from April 11th to 13th and complete in April 2019.

#7: Monitor Effectiveness of Rental Rehabilitation Loan Program and Suggest adjustments as Needed

Process Owner

Patty Lilledahl, PED

Description

The Rental Rehabilitation Loan Program was created to assist responsible landlords with health and safety-related property improvements and to preserve existing affordable units. The Program offers 0%, ten year loans up to \$30,000 for eligible improvements to single family, duplex, triplex or fourplex buildings. The AI Addendum recommended this strategy to ensure that improvements in housing quality do not lead to rent increases that make the property unaffordable.

Status

PED staff worked closely with DSI staff to develop and promote the program to eligible landlords.

The Program is up and operating. Staff has closed/approved funding for 4 applications totaling \$96,362 leaving a remaining balance of \$653,638. The applications included: replacing a roof, tree trimming, plumbing work, and replacing a furnace. On February 1st, the Program was expanded to the entire City for properties classified by DSI as C and D (worst rating) and to A and B classified properties in ACP50 areas.

#8: Research and Support Alternative Affordable Homeownership Options

Process Owner

Patty Lilledahl, PED

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Description

Supporting alternative homeownership options is a strategy to reach potential homeowners of lower incomes which may help address homeownership disparities in Saint Paul. Strategies such as manufactured building techniques, cluster housing and/or tiny/small homes may prove to be less costly to produce and resulting in reduced home prices for the homeowner. Limited Equity Cooperatives and Land Trusts, which limit the appreciation a homeowner can collect upon a sale of the home, create an affordable housing option to a new buyer.

Status

PED has funded the Rondo Land Trust on a very limited basis and recommends identifying additional resources for this work. PED staff are also participating in the Homeownership Opportunity Alliance committee comprised of lenders, real estate agents, housing partners and stakeholders who are researching strategies that can be used to create opportunities and reduce barriers to homeownership. The committee will release a report in May on their recommendations, which may include changes to existing mortgage products, best practices and system changes to advance homeownership equity.

#9: Commercial Vitality Zone

Process Owner

Martin Schieckel, PED

Description

The CVZ Program invests in neighborhood commercial districts to promote city-wide vitality, growth and equity. The program has been funded on an annual basis through the City's budget process; staff also recommend areas to be designated as a CVZ on an annual basis. The source of funds is a half-cent local sales tax used to further residential, cultural, commercial, and economic development. This long-range commercial investment strategy will attract and retain businesses and customers to our commercial zones, create quality job opportunities, grow and expand business success, expand the tax base, strengthen our neighborhoods and communities, and advance sustainable development.

Status

Three years into the CVZ Program, and many lessons have been learned about this new effort. PED staff see the value in strong community partnerships through this program, working closely with neighborhood groups and business associations to ensure investments are strategic and catalytic. Staff and community partners also value the impact that a targeted capital investment or improvement project can have on a neighborhood commercial district or node.

That said, the work takes time to ensure the local business owners and residents are engaged in the decision-making process. Furthermore, at times, the timing for financing of other large and complementary investments, or working with private property and business owners to develop a project that has the owners' buy-in and some contribution from them, is a challenge. It is a lengthy but worthwhile endeavor to strategically invest in capital improvements in our challenged neighborhood districts.

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The overview of CVZ investments in the first three years of operation are as follows:

1. 9 neighborhood commercial districts with new investment
2. \$2,250,000 committed over 3 years
3. \$1,562,500 (69%) spent or planned use is moving forward
4. \$687,500 (31%) has a list of ideas that need to be prioritized, mostly District del Sol and Central Selby funds (total of \$625,000 or 28% of the total funds)

#10: Housing Choice Voucher Program

Process Owner

Alyssa Wetzel-Moore, HREEO

Description

The Housing Choice Voucher (Section 8) program was created to provide a rent subsidy to income-eligible households and to allow housing choice in the private market. The majority of participants in the Housing Choice Voucher are members of protected classes – people of color, people with disabilities, and families with young children. The purpose of the HCV program is to both expand housing choice and promote racial and ethnic integration. Landlords are not required to accept the vouchers which can limit tenant options thereby limiting choice. The program was designed by Congress to work with market forces. For example, if a HCV holder cannot find a landlord to accept their voucher due to the landlord's screening criteria, the voucher expires and goes to another eligible family.

The Saint Paul Human Rights Ordinance prohibits discrimination on the basis of public assistance status. In other words, someone should not be treated differently because they receive public assistance. Although a Housing Choice Voucher is a form of public assistance, participation in the program requires that the landlord comply with Section 8 program requirements. A 2008 Minnesota court of appeals decision determined that a property owner or management has not discriminated on the basis of public assistance if they choose not to rent to an individual with a voucher because they find participation in the program to be burdensome. Because Saint Paul's Human Rights Ordinance language is modeled after the state statute, this court decision prevents the City from accepting discrimination complaints based on a landlord's refusal to participate in the Housing Choice Voucher program.

Status

The Saint Paul Public Housing Agency (SPPHA) provided a presentation to the Fair Housing Work Group and to the HRA on its program's metrics. Their waiting list was closed to new applications from 2007 to 2015. In 2015, the waiting list opened for one week and SPPHA received 12,000 applications. SPPHA issues 300 to 400 vouchers per year from the waiting list. SPPHA has a 100% voucher utilization rate; this is measured by the number of months any voucher is being used. However, 15% of the people awarded a voucher lost that opportunity because they were unable to place their voucher during the 60-day placement window; this voucher was given to the next person on the waiting list.

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HUD calculates Fair Market Rent based on the average market rent for the metro area based on bedroom size. SPPHA sets the family size and payment standards which can range from 90% to 110% of the Fair Market Rent. If a unit exceeds the payment amount, voucher holders cannot spend more than 40% of their income to rent the unit. Both because of acceptance and affordability, about two-thirds of vouchers are placed in areas with a lower-median income and a majority of people of color (see Appendix B.4 for HOMELine study). There are neighborhoods in Saint Paul where the average rent exceeds the maximum rent payment. SPPHA, in its presentation to the HRA, discussed the possibility of increasing the maximum rent payment in neighborhoods or census tracts where rent is higher. These areas tends to be predominantly white, higher income areas. Crafting such a plan would require consideration of available rental units and criteria to determine the appropriate boundaries where SPPHA would increase the voucher payment amount. It is also important to consider that increasing the voucher payment will reduce total number of vouchers SPPHA is able to fund unless others funds are available to cover the gap.

The Fair Housing Workgroup also met with tenant stakeholder organizations to hear perspectives on the customer experience in placing their voucher. They expressed concerns about the downward spiral that results when families lose their housing when landlords choose to no longer accept vouchers. They raised concerns about the stress and instability created in trying to place their voucher in the 60-day window and the quality of housing available. A study by HOMELine identified that only 17% of the total units for rent were available to voucher holders during the two-month study period. With approximately a 2 to 3% vacancy rate for all units, this means that a small portion of vacant units are available to housing choice voucher holders.

In order to expand housing choice and minimize disruption in the housing search, there is a need to maintain participation of current landlords and increase landlord participation in the Housing Choice Voucher program. The SPPHA both has long-standing and new measures in place to retain landlords, and remains open to any additional program improvements. In addition to fostering the ongoing relationship with the SPPHA, the Fair Housing Workgroup is also monitoring the court challenge to the Minneapolis Section 8 anti-discrimination ordinance, as this decision may have policy implications in Saint Paul.

#11 Evaluate the need for a formal Fair Housing position

Process Owner

Alyssa Wetzel-Moore, HREEO

Description

Advancing fair housing and addressing housing disparities necessarily involves transforming the systems and practices to create new and better results. An important part of this systems change is a change in operations which would include a fair housing position to coordinate and oversee the City's Fair Housing work. The Fair Housing Work Group has been successful in identifying opportunities for collaboration and initiatives to address housing disparities and minimize harm to protected classes. However, existing members cannot expand their workload to the extent necessary to accommodate the volume and complexity of work necessary to make measurable strides to address disparities and advance fair housing. Successfully implementing these strategies in a timeline responsive to these urgent housing needs requires expertise in fair housing law and policy, project management of fair housing initiatives, management of the strategic planning process,

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coordination with the Mayor's Office, City departments, and City Council to advance a shared fair housing vision, effective coordination of the Fair Housing Workgroup and Fair Housing Advisory Commission, as well as extensive coordination and partnerships with a complex web of actors -- cities and counties in the region and nation-wide, residents, advocates, neighborhood organizations, community organizers, non-profit agencies, developers, funders, housing partners, and other entities whose work intersects with fair housing such as workforce development, education, health, and transportation.

Status

The Fair Housing Work Group has discussed the need for this position, possible responsibilities, and met with funders who have expressed interest in funding the position before the 2019 budget cycle.

Policy and Program Options

The City of Saint Paul will achieve 21st-century housing equity when our policies and practices work for everyone. This will be achieved when we empower those who have historically been marginalized; when we are responsive to structural and systemic disparities; and when we adapt to the increasingly complex and diverse array of resident needs.

The Fair Housing Work Group recognizes that advancing a broad vision for fair housing requires a comprehensive, long-term approach that aligns and integrates our resources as a City across a full continuum from homelessness to homeownership. And, the Work Group recognizes that some Saint Paul residents are in crisis today, requiring shorter-term policy and program activities. The goal of the policy, program, and infrastructure options outlined in this section are therefore twofold:

- **to provide a roadmap to advance the 11 specific fair housing goals named in the resolution; and,**
- **to set the stage for a comprehensive fair housing strategic planning process informed by robust community engagement.**

Through the work outlined in this report, the Fair Housing Workgroup arrived at the following program and policy options to advance the 11 fair housing goals identified in the Council resolution. The options are organized into three community impact areas: 1) Preservation and Production of Affordable Housing; 2) Displacement Prevention; and 3) Enforcement and Education.

To ensure that fair housing efforts are sustained, coordinated, and equitable the Work Group identified a group of options for infrastructure to support fair housing implementation, including the development of cross-functional work groups to identify and implement priorities in each of the three community impact areas, broadening the Work Group to include more community stakeholders, and the development of a comprehensive strategic plan.

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A. Preservation and Production of Affordable Housing

Because the City is losing more affordable units than it has the ability to produce, preservation of existing affordable housing is an urgent fair housing need. The per capita income of a white person is three times that of a person of color. Therefore, affordable housing policies and strategies must include an understanding of the impact on people of color and other low-income individuals. These policy and program options aim not only to preserve affordable housing, but also to ensure it is of high-quality and available throughout the City of Saint Paul.

1. NOAH Preservation
 - a. Direct staff to explore options to gather data for a NOAH property inventory.
 - b. Staff to identify partnerships such as the NOAH Impact Fund and preservation buyers together with Landlords and Sellers to help develop early warning and notices of potential property sales.
 - c. Support a local funding source to leverage other funding partners for the preservation of existing affordable rental units.
2. 4(d) Policy for Preservation of Affordable Housing
 - a. Estimate the loss in real estate tax collections to the City if a 4(d) Policy is expanded to NOAH properties.
 - b. Develop a 4(d) Property Tax policy targeted to assist NOAH properties most at risk to displace tenants.
3. Rental Rehabilitation Loan Program
 - a. Continue to monitor effectiveness of the Rental Rehabilitation Loan Program and identify changes as needed.
 - b. Continue to market program to expand participation.
4. Expand Acceptance of Housing Choice Vouchers
 - a. Create incentives for expanded landlord participation, particularly in higher-income neighborhoods, such as one-time signing bonus for new landlords, and provide connections with partnerships for weatherization and utility savings, lead abatement, and others.
 - b. Review HRA Program guidelines to require projects receiving city financial assistance to participate in the Section 8 Voucher Program.
 - c. Work with partners to gather information on the customer experience of the use of Housing Choice Vouchers to identify challenges and solutions.
 - d. Build and expand on partnerships with developers and other housing partners to accept Housing Choice Vouchers.
 - e. Partner with SPPHA to include training on the Housing Choice Voucher program in DSI's Landlord 101 trainings.
5. Alternative Homeownership Models
 - a. Research options to reduce costs in the production of housing and alternative ownership models.
 - b. Propose a 2019 budget request for funding homeownership opportunities.

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- c. Closely monitor the Homeownership Opportunity Alliance May report and update strategic plan to consider policy or program changes to incorporate recommendations.

B. Displacement Prevention

Displacement sparks a chain reaction of disruption that can destabilize families and the broader community. Rising rents not only reduce available affordable units, but also can cause significant demographic and cultural shifts in historic neighborhoods of color due to income disparities by race. From 2010 to 2014, the median rent rose by 31% in Frogtown and 84% in sections of the Hamline-Midway neighborhood. Since 2012, clusters of property sales have increased along I-94 corridor in Summit-University, Union Park, and Macalester-Groveland, Hamline-Midway, and Thomas-Dale/Frogtown. Not only are property sales likely to result in rent increases, but they can also result in changes in tenant screening criteria that displace existing tenants.

1. Tenant Protections
 - a. Develop policies informed by best practices to reduce the disparate impact of criminal background and credit checks.
 - b. Explore City-initiated Tenant Remedies Actions
 - c. Implement stakeholder engagement plan to review tenant protection analysis and inform policy.
2. Gentrification and Displacement
 - a. Prioritize preservation in areas that have been identified as at risk for gentrification and displacement.
 - b. Identify best practices for displacement prevention as a cohort member of Policy Link's All-In Anti-Displacement Network (April 2018 to April 2019)
 - c. Consider anti-displacement policy changes proposed in this report including tenant protections (B.1.), preservation of NOAH properties (A.1), and Rental Rehabilitation Loan Program (A.3).
3. DSI Certificate of Occupancy Program
 - a. Promote free legal aid resources and other services within the community
 - b. Collaborate with stakeholders to develop an emergency housing plan for displaced occupants of vacated properties.
 - c. Require DSI supervisors review all revocations and condemnations prior to taking tenant displacement action
 - d. Provide a revolving emergency fund to cover the up-front costs of repairs and administrator costs (in the case of a Tenant Remedies Action) to ensure code compliance and prevent a revoked C of O. These funds would be made available if the city has cause to believe (to be defined) that the building owner will not make the required repairs or resolve the unsafe condition in the specified time frame. Costs incurred to the emergency fund will be billed to the property owner through a property tax assessment.
 - e. Develop criteria with the City Attorney's Office, the Office of Financial Services, and DSI to allow for city-initiated Tenant Remedies Actions (TRA). A city-initiated TRA

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process would allow the city to immediately and directly assist tenants who wish to file a TRA with the court system and expedite code required repairs to a rental property. The current process requires tenants to contact a legal service independently (similar to Southern Minnesota Regional Legal Services) to initiate a TRA.

4. Commercial Vitality Zone Program
 - a. Continue to evaluate the CVZ Program, with a short-term goal of seeing signs of private investment, and long-term goals of growth in tax base, and living wage and career-ladder jobs.
 - b. Evaluate the Program's potential to retain existing residents and businesses, with an aim to prevent displacement.
 - c. Seek funding for two more zones in 2019. Staff is in the process of preparing a recommendation on new zones for 2018.

C. Enforcement and Education

Both DSI and HREEO are responsible for enforcing City Ordinances related to housing and both Departments regularly provide trainings to the public. Education of property owners and managers is an important strategy to prevent violations in the first place. Therefore in 2018, HREEO and DSI will emphasize training property owners and managers as a strategy to protect tenants' fair housing rights and access to quality housing.

1. Expand DSI's Landlord 101 to include a specific fair housing module.
2. Coordinate between DSI and HREEO in landlord fair housing education.
3. Further incorporate a plain language focus into Fire Safety documents to create equitable access.
4. HREEO will schedule a series of landlord trainings in 2018 and explore incentives for participation.

D. Infrastructure to Support Implementation

Building a fair housing infrastructure into the City's operations is essential to ensuring that fair housing efforts are sustained, coordinated, and equitable. Critical components are a fair housing position to coordinate and advance the work, a fair housing advisory commission and implementation task forces, and ongoing community engagement to empower those who have historically been marginalized.

1. Formation of three task forces comprised of community stakeholders, City staff, and policy makers to identify and implement priority policy and program options in each of the three community impact areas (1)Preservation and Production of Affordable Housing; 2) Displacement Prevention; and 3) Enforcement and Education).
2. Fair Housing Implementation Manager
 - a. Create and fund a Fair Housing Implementation Manager position to begin in 2018.
 - b. Commit ongoing funds for this position in the 2019 budget and thereafter.
3. Develop a multi-year, comprehensive Fair Housing Strategic Plan to align and integrate City resources toward the mission of eliminating housing disparities, lowering barriers to safe, decent, and affordable housing, and ensuring access to economic opportunity in the City of Saint Paul.

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4. Expand the Interdepartmental Fair Housing Workgroup to include more community stakeholders in order to provide oversight for strategic planning process.
5. Community Engagement
 - a. Create a Saint Paul Fair Housing Advisory Commission that would be part of the City's Fair Housing Strategic Planning process and advise on its implementation;
 - b. Provide funds to sustain HREEO's community engagement grants (RFP to be issued late March 2018).
 - c. Adopt and use Equitable Development Scorecard city-wide (see Appendix B.5) as a means to ensure quality community engagement that provides tangible outcomes. Presently PED utilizes a Program/Project Evaluation tool to guide funding decisions at the Resource Team.
 - d. Leverage existing resources provided to District Councils to include a fair housing engagement requirement in their scope of work.
6. Fair Housing overview for policy makers which will include information on the Fair Housing Act and how to consider disparate impact and affirmatively furthering fair housing in the decision-making process.
7. HREEO will issue a fair housing education and community engagement RFP and seek additional funds for expansion.
8. Continue to update the Fair Housing website as needed to keep the public informed of fair housing activities in the City.

Strategic Planning Process

As outlined in the background section, this report is part of a larger process to understand the state of Fair Housing in the City of Saint Paul and to expand our approach to housing policy and programming to better address community needs and assets. The process began with the development of the FHIC and the AI Addendum Process. Then, the Fair Housing Work Group was formed and directed to respond to the 11 goals outlined in the resolution. The resulting policy and program options are outlined in this report. As next steps, the Work Group recommends establishing additional infrastructure to support the further development and implementation of the policy and program options outlined in this report and to support longer-term strategic planning.



Table of Policy and Program Options

Fair Housing Theme	Recommendation
A. Preservation and Production of Affordable Housing	1. NOAH Preservation <ol style="list-style-type: none"> Direct staff to explore options to gather data for a NOAH property inventory. Staff to identify partnerships such as the NOAH Impact Fund and preservation buyers together with Landlords and Sellers to help develop early warning and notices of potential property sales. Support a local funding source to leverage other funding partners for the preservation of existing affordable rental units.
	2. 4(d) Policy for Preservation of Affordable Housing <ol style="list-style-type: none"> Estimate the loss in real estate tax collections to the City if a 4(d) Policy is expanded to NOAH properties. Develop a 4(d) Property Tax policy targeted to assist NOAH properties most at risk to displace tenants.
	3. Rental Rehabilitation Loan Program <ol style="list-style-type: none"> Continue to monitor effectiveness of the Rental Rehabilitation Loan Program and identify changes as needed. Continue to market program to expand participation.
	4. Expand Acceptance of Housing Choice Vouchers <ol style="list-style-type: none"> Create incentives for expanded landlord participation, particularly in higher-income neighborhoods, such as one-time signing bonus for new landlords, and provide connections with partnerships for weatherization and utility savings, lead abatement, and others. Review HRA Program guidelines to require projects receiving city financial assistance to participate in the Section 8 Voucher Program. Work with partners to gather information on the customer experience of the use of Housing Choice Vouchers to identify challenges and solutions. Build and expand on partnerships with developers and other housing partners to accept Housing Choice Vouchers. Partner with SPPHA to include training on the Housing Choice Voucher program in DSI's Landlord 101 trainings.
	5. Alternative Homeownership Models <ol style="list-style-type: none"> Research options to reduce costs in the production of housing and alternative ownership models.

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Fair Housing Theme	Recommendation
	<ul style="list-style-type: none"> b. Propose a 2019 budget request for funding homeownership opportunities. c. Closely monitor the Homeownership Opportunity Alliance May report and update strategic plan to consider policy or program changes to incorporate recommendations.
B. Displacement Prevention	<ul style="list-style-type: none"> 1. Tenant Protections <ul style="list-style-type: none"> a. Develop policies informed by best practices to reduce the disparate impact of criminal background and credit checks. b. Explore City-initiated Tenant Remedies Actions c. Implement stakeholder engagement plan to review tenant protection analysis and inform policy.
	<ul style="list-style-type: none"> 2. Gentrification and Displacement <ul style="list-style-type: none"> a. Prioritize preservation in areas that have been identified as at risk for gentrification and displacement. b. Identify best practices for displacement prevention as a cohort member of Policy Link's All-In Anti-Displacement Network (April 2018 to April 2019) c. Consider anti-displacement policy changes proposed in this report including tenant protections (B.1.), preservation of NOAH properties (A.1), and Rental Rehabilitation Loan Program (A.3).
	<ul style="list-style-type: none"> 3. DSI Certificate of Occupancy Program <ul style="list-style-type: none"> a. Promote free legal aid resources and other services within the community b. Collaborate with stakeholders to develop an emergency housing plan for displaced occupants of vacated properties. c. Require DSI supervisors review all revocations and condemnations prior to taking tenant displacement action d. Provide a revolving emergency fund to cover the up-front costs of repairs and administrator costs (in the case of a Tenant Remedies Action) to ensure code compliance and prevent a revoked C of O. These funds would be made available if the city has cause to believe (to be defined) that the building owner will not make the required repairs or resolve the unsafe condition in the specified time frame. Costs incurred to the emergency fund will be billed to the property owner through a property tax assessment. e. Develop criteria with the City Attorney's Office, the Office of Financial Services, and DSI to allow for city-initiated Tenant Remedies Actions (TRA). A city-initiated TRA process would allow the city to immediately and directly assist tenants who wish to file a TRA with the court system and expedite code required repairs to a rental property. The current process requires tenants to contact a legal service independently (similar to Southern Minnesota Regional Legal Services) to initiate a TRA.

Fair Housing Theme	Recommendation
	<ol style="list-style-type: none"> 4. Commercial Vitality Zone Program <ol style="list-style-type: none"> a. Continue to evaluate the CVZ Program, with a short-term goal of seeing signs of private investment, and long-term goals of growth in tax base, and living wage and career-ladder jobs. b. Evaluate the Program's potential to retain existing residents and businesses, with an aim to prevent displacement. c. Seek funding for two more zones in 2019. Staff is in the process of preparing a recommendation on new zones for 2018.
C. Enforcement and Education	<ol style="list-style-type: none"> 1. Expand DSI's Landlord 101 to include a specific fair housing module. 2. HREEO will schedule a series of landlord trainings in 2018 and explore incentives for participation. 3. Further incorporate a plain language focus into Fire Safety documents to create equitable access. 4. Coordinate between DSI and HREEO in landlord fair housing education.
D. Infrastructure to Support Implementation	<ol style="list-style-type: none"> 1. Formation of three task forces comprised of community stakeholders, City staff, and policy makers to identify and implement priority policy and program options in each of the three community impact areas (1) Preservation and Production of Affordable Housing; 2) Displacement Prevention; and 3) Enforcement and Education). 2. Fair Housing Implementation Manager <ol style="list-style-type: none"> a. Create and fund a Fair Housing Implementation Manager position to begin in 2018. b. Commit ongoing funds for this position in the 2019 budget and thereafter. 3. Develop a multi-year, comprehensive Fair Housing Strategic Plan to align and integrate City resources toward the mission of eliminating housing disparities, lowering barriers to safe, decent, and affordable housing, and ensuring access to economic opportunity in the City of Saint Paul. 4. Expand the Interdepartmental Fair Housing Workgroup to include more community stakeholders in order to provide oversight for strategic planning process. 5. Community Engagement <ol style="list-style-type: none"> a. Create a Saint Paul Fair Housing Advisory Commission that would be part of the City's Fair Housing Strategic Planning process and advise on its implementation; b. Provide funds to sustain HREEO's community engagement grants (RFP to be issued late March 2018). c. Adopt and use Equitable Development Scorecard city-wide (see Appendix B.5) as a means to ensure quality community engagement that provides tangible outcomes. Presently PED utilizes a Program/Project Evaluation tool to guide funding decisions at the Resource Team.

FAIR HOUSING WORK GROUP - MARCH 2018

Fair Housing Theme	Recommendation
	<p>d. Leverage existing resources provided to District Councils to include a fair housing engagement requirement in their scope of work.</p> <p>6. Fair Housing overview for policy makers which will include information on the Fair Housing Act and how to consider disparate impact and affirmatively furthering fair housing in the decision-making process.</p> <p>7. HREHO will issue a fair housing education and community engagement RFP and seek additional funds for expansion.</p> <p>8. Continue to update the Fair Housing website as needed to keep the public informed of fair housing activities in the City.</p>

Appendices

Appendix A: Definitions of Terms

Fair Housing: Fair housing is the right to choose housing free from unlawful discrimination. When housing choice is limited, people's access to place-based assets like schools, employment, parks, and other infrastructure may also be limited.

Affordable housing: People subject to fair housing protections (because of their protected class status: race, disability, etc) are also disproportionately represented among low-income households that need access to affordable housing. In general, HUD defines affordable housing as housing for which the occupant(s) is/are paying no more than 30% of his/her income for gross housing costs, including utilities.

Disparate Impact: Disparate impact is a type of housing discrimination in which a policy that is neutral has a disproportionate negative impact on protected classes (race, national origin/ethnicity, familial status, color, sex, disability, religion).

ACP50 Areas – Map: Available here:

<https://www.stpaul.gov/sites/default/files/Media%20Root/Planning%20&%20Economic%20Development/ACP50.pdf>

Gentrification: Gentrification can be difficult to define precisely, but generally refers to lower-income neighborhoods that are becoming higher-income resulting in rising rents and property values which often including some element of displacement. Current, local research on gentrification is underway at the Center for Urban and Regional Affairs (CURA) - more information is available here: <http://gentrification.umn.edu/>

Tenant Remedies Actions: If a property owner has not brought the building into compliance in the timeframe allowed by DSI, Minnesota Law (504B.395) allows for a city, a tenant, a neighborhood housing-related organization, to file a Tenant Remedies Actions in court. A court may decide to prevent the landlord from receiving rents and appoint an administrator to collect the rents in order to pay the administrator costs as well as required taxes, insurance, utilities, and maintenance costs. If a funding pool has covered the costs of the administrator, Landlords are responsible to reimburse for the costs of the administrator.

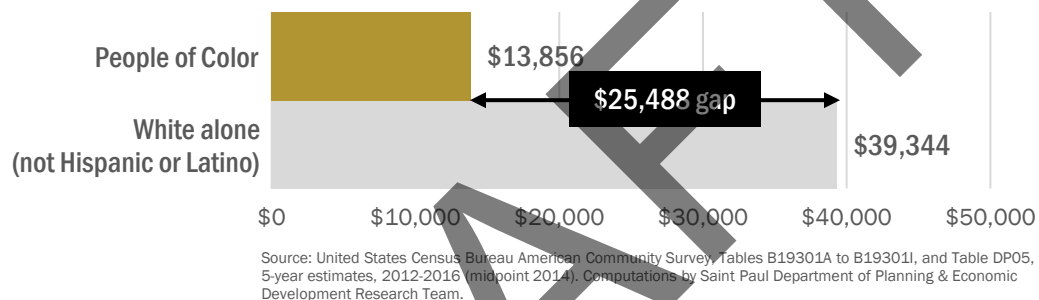
Appendix B: Supporting Data Analysis

Saint Paul's fair housing efforts take place against the backdrop of a city with profound and persistent socioeconomic disparities. To better understand the City's challenge to ensure a fair and affordable housing marketplace, we begin with three key indicators of these socioeconomic disparities.

Saint Paul is a city of changing demographics. We have evolved from a city that was 64.0% white at the turn of the century to a city that is about 50% people of color today.^{18,19}

In Saint Paul, as figure 1 below shows, the income of the average white person is nearly three times as much as the average person of color. To close the gap, the average person of color in Saint Paul would have to see their income rise by \$25,488 annually. As we will see, this gap in income perpetuates other major disparities in the housing sector.

Figure 1. Disparity in Per Capita Income



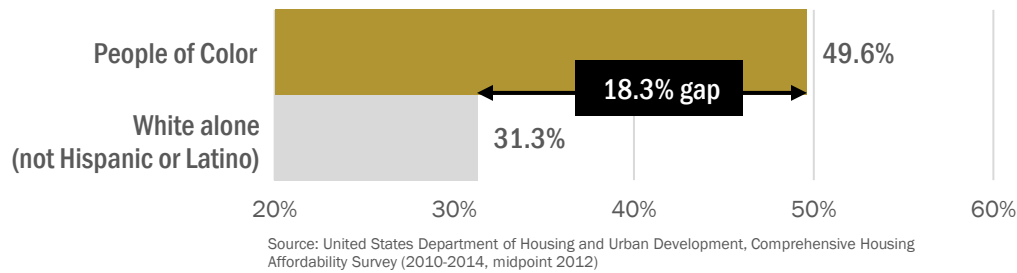
As figure 2 below shows, the average white household is considerably less likely to be housing cost-burdened than households of color. For reference, a household is considered cost-burdened when they spend over 30% of their income on housing costs. People who spend more than 30% of their income on housing find they have little other money for food, transportation, childcare, or education, making it very hard to improve one's financial prospects.

¹⁸ Census Bureau, 2000 Decennial Census, [Table DP1](#)

¹⁹ Census Bureau, American Community Survey 1-year estimates, 2005-2016, [Table DP05](#). A linear regression and projection forward of race/ethnicity data suggests Saint Paul became majority people of color in the summer of 2017.

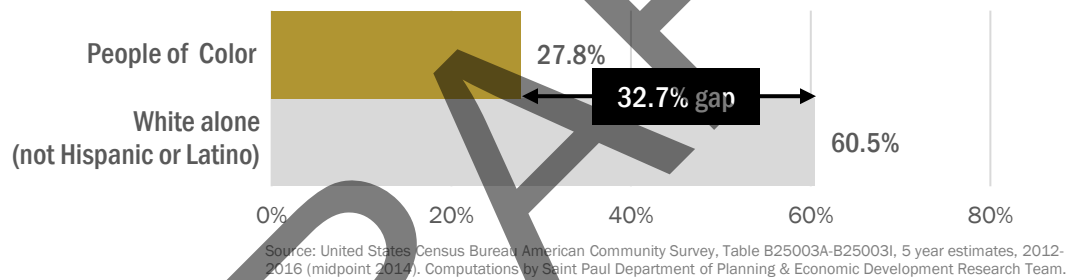
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Figure 2. Disparity in Percent of Households that are Housing Cost-Burdened



As figure 3 below shows, the rate of homeownership among households of color would need to more than double to match the rate of homeownership among the white population. Because homeownership tends to be foundational to economic security, the result is that households of color are likely to experience far less economic security than their white counterparts. And so begins a nasty chicken-and-egg conundrum that perpetuates through generations. Without economic security, homeownership is not viable, but homeownership is typically key to economic security.

Figure 3. Disparity in Homeownership



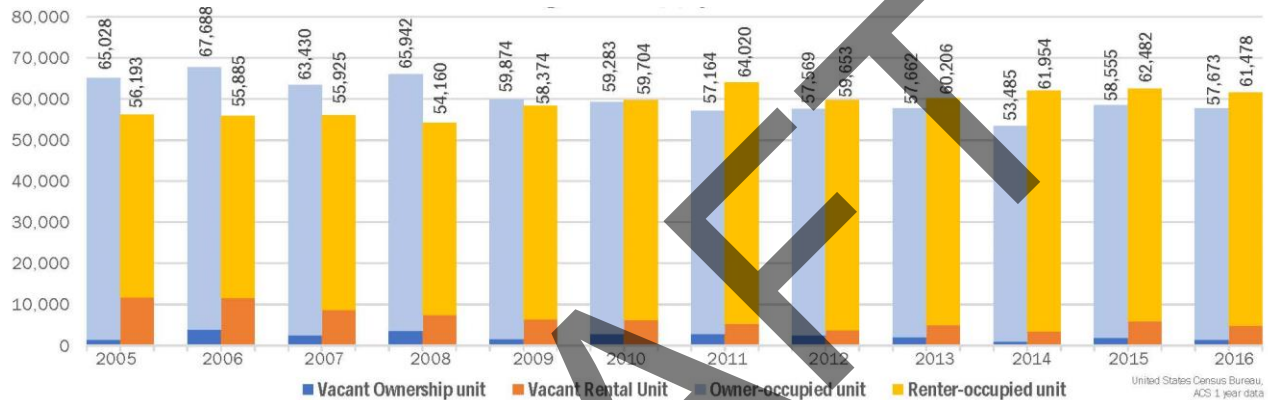
Much of the analysis contained in this report is focused on renters. As the chart above shows, it is important to remember who most of those renters are: people of color, of very modest means. Ensuring fair housing must be a fundamental part of any City plan to achieve true racial equity in Saint Paul.

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Housing profile

Saint Paul has 119,625 units of housing, of which 112,571 are occupied.²⁰ As figure 4 below shows, over the last few years, we've passed a historic milestone in our housing mix: a slight majority of our housing is now rental. Our housing went from being 45.2% rental at the turn of the century to 50.5% rental in 2016.^{21,22} And while our housing supply has remained quite constant, our population has not. Between 2005 and 2016, the total number of units in the city has dropped 2%, at the same time as our total population has increased 15%.²³ Among other factors, this likely reflects a population that is increasingly struggling with housing costs.

Figure 4. Housing Supply in Saint Paul



As Figure 5 below shows, the percentage of households that are cost burdened is generally increasing over time, from 32% of households in 1990, to 37% of households in 2012-2016.

²⁰ Census Bureau, American Community Survey, 2016, [Table DP04](#)

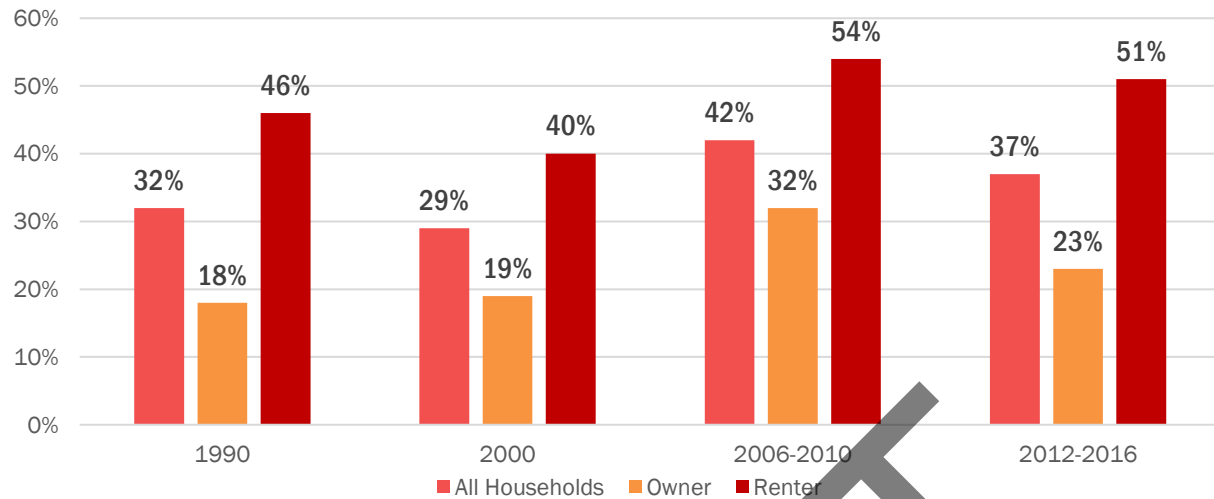
²¹ Census Bureau, 2000 Decennial Census, [Table SF1](#)

²² Census Bureau, American Community Survey, 2016, [Table DP04](#)

²³ Census Bureau, American Community Survey, 2005-2016, [Table B01003](#)

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Figure 5. Percent of Households Experiencing Cost Burden in Saint Paul



Source: Census Bureau, Decennial Census (in single years), and American Community Survey (where a range of years shown).

Understanding the dynamics of our rental market is of particular importance for our efforts around fair and affordable housing in the City. As figure 6 below shows, of the approximately 57,000 rental units in Saint Paul, an estimated 14,782 rental units have formal restrictions limiting them to households earning 80% of the area median income or less.²⁴ About 4,500 of these affordable units are owned by the Saint Paul Public Housing Agency.²⁵ The remainder, about 10,000 units, are owned and financed by other entities.

Figure 6. Saint Paul Affordable Housing by Income Bracket and Type of Housing

Income Bracket ²⁶	Saint Paul PHA Income Restricted ²⁷	Other Ownership Income Restricted ²⁸	Naturally Occurring Affordable Housing ²⁹	Total
≤30% AMI	4,274	2,286	5,000	11,560
>30% & ≤50% AMI	0	1,386	25,354	26,740
>50% & ≤80% AMI	0	6,669	10,411	17,080
≤80% AMI	4,274	10,341	40,765	55,380

²⁴ HousingLink Streams Data, downloaded 3/13/2018

²⁵ HousingLink Streams Data, downloaded 3/13/2018

²⁶ The household income ranges that correspond to the listed percentages of Area Median Income (AMI) are ≤30% AMI: ≤\$25,750; >30% to ≤50% AMI: \$25,751 to \$42,900; >50% to ≤80% AMI: \$42,901 to \$65,700; ≤80% AMI: ≤\$65,700; ≤60% AMI: \$51,480.

²⁷ Saint Paul Public Housing Agency Website, <http://stpha.org/about-sppha>, accessed 3/23/2018; number published on website confirmed as best available in email correspondence with Al Hester, SPPHA Policy Director, 2/22/2018.

²⁸ This represents the total number of income-restricted affordable units shown in HousingLink Streams' data, as accessed

²⁹ This represents the total number of units affordable to those under each of the respective income ranges according to the 2010-2014 CHAS, minus the number of units via HousingLink Streams 3/2018 data that have affordability restrictions in place, including PHA units. These data combine two different datasets, benchmarked several years apart in time, so provide only a general estimate.

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As figure 7 below demonstrates, under 30% AMI, there is a pronounced shortage of housing units affordable to people in that price range. The number of housing units priced to serve people at or below 30% of area median income would need to nearly double to meet the demand. By contrast, in terms of hard numbers, there is not a shortage of housing units affordable to people in the other two higher income brackets.

At the same time, we also know there are very real and serious challenges for people in all these income ranges. As figure 7 below shows, many people who could afford higher-cost housing choose to rent at more affordable levels. And why not – it helps them save money. The bulk of the affordable housing stock qualifies as naturally occurring affordable housing; government doesn't control who chooses to live there. In naturally-occurring affordable housing, these higher-income households are displacing many of the people whose incomes best match that housing price-point. And because of things like credit checks, strict income and credit requirements, disqualification due to past bankruptcies or convictions, and the persistence of discrimination by race, ethnicity, and immigrant status, very frequently these higher-income people have an easier time getting into those units than those who truly need this more affordable housing.

This underscores a core tenet that runs through this report: our need as a community to ensure affordable housing in inextricably woven together with our need to ensure fair housing. The two go hand-in-hand.

Figure 7. Supply and Demand for Saint Paul Rental Housing

<i>Income Bracket¹²</i>	<i>Renter Households (2016)</i>	<i>Rental Units (2016)</i>	<i>Supply Gap (-) or Surplus (+)</i>	<i>Allocation Gap: Number of Affordable Units Occupied by Higher Income HH Gap (-)</i>	<i>Total Gap (-) or Surplus (+)</i>
≤30% AMI	22,335	11,560	-10,775	-2,825	-13,594
>30% & ≤50% AMI	11,940 ³⁰	26,740 ¹⁷	+14,800	-9,505	+5,295
>50% & ≤80% AMI	9,200 ¹⁷	17,030 ¹⁷	+7,830	-6,360	+1,026
>80% AMI	13,355	3,285	-10,070	N/A	N/A
TOTAL	56,830	58,615	+1,785	N/A	N/A

Finally, figure 8 below shows our existing pool of rental units, rental households with housing production goals Saint Paul has with the Metropolitan Council. The Livable Communities Goals were adopted by the Saint Paul City Council in 2010 as a condition of participation in the Livable Communities Act grant funding program. The unit allocations shown at the far right of the table are affordable units the Met Council

³⁰ While the supply of housing exceeds the number of renters in each income bracket, in units which are not income-restricted, the renters who most need the housing are frequently outcompeted for these units by wealthier renters. Because of things like credit checks, strict income and credit requirements, disqualification due to past bankruptcies or convictions, and the persistence of discrimination by race, ethnicity, and immigrant status, very frequently these higher-income people have an easier time getting into those units than those who truly need this more affordable housing. For more discussion of these dynamics, see pp. Appendix B of this report.

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requires Saint Paul to plan for between 2021 and 2030 as part of our 2040 Comprehensive Plan Update. These numbers should continue to help guide the range of investments the City makes in affordable housing.

Figure 8. Saint Paul Affordable Rental Housing Production and Goals

<i>Income Bracket¹²</i>	<i>Renter Households (2016)</i>	<i>Rental Units (2016)</i>	<i>Livable Communities Goals (2011 to 2020)</i>	<i>Units Built (2011 to 2017)³¹</i>	<i>Met Council Unit Allocation (2021 to 2030)³²</i>
≤30% AMI	22,335	11,560			832
>30% & ≤50% AMI	11,940 ³³	26,740 ³³			128
>50% & ≤80% AMI	9,200 ³³	17,030 ³³			1,013
≤60% AMI			2,625	1,721	

³¹ City of Saint Paul Affordable Housing Database

³² Saint Paul-specific planning goal required by Met Council for inclusion in 2040 Comprehensive Plan Housing Chapter

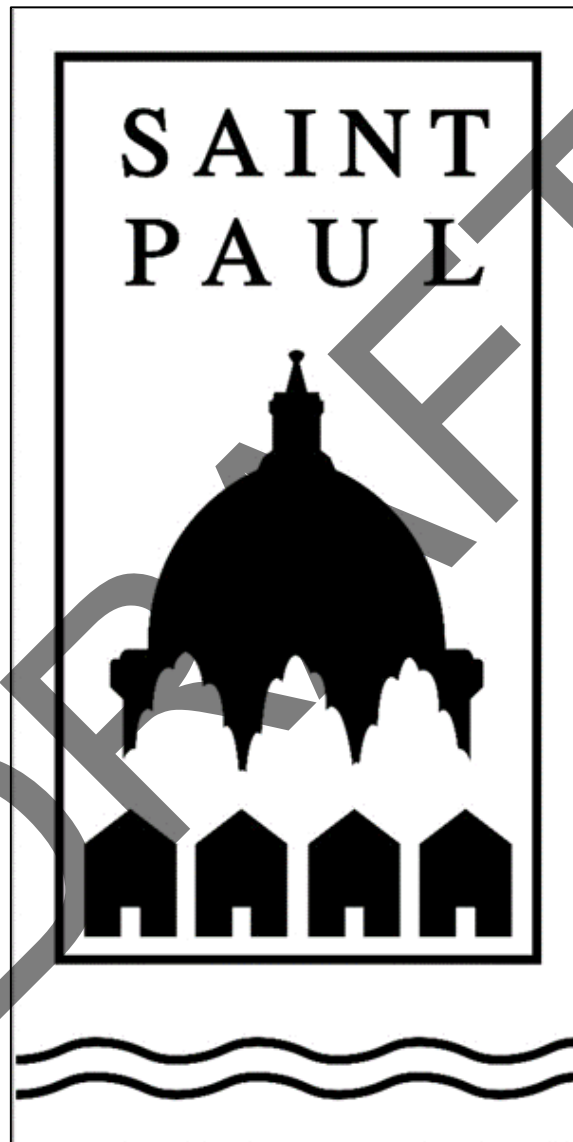
³³ While the supply of housing exceeds the number of renters in each income bracket, in units which are not income-restricted, the renters who most need the housing are frequently outcompeted for these units by wealthier renters. Because of things like credit checks, strict income and credit requirements, disqualification due to past bankruptcies or convictions, and the persistence of discrimination by race, ethnicity, and immigrant status, very frequently these higher-income people have an easier time getting into those units than those who truly need this more affordable housing. For more discussion of these dynamics, see pp. Appendix B of this report.

Appendix C: Recommended Resources

1. AI Addendum:
<https://www.ramseycounty.us/sites/default/files/Projects%20and%20Initiatives/Draft%20III%20Addendum.pdf>
2. Second Judicial District Housing - Court Final Report
3. CURA's Gentrification Study <http://gentrification.umn.edu/>
4. HOMELine Section 8 Study
5. Equitable Development Principles and Scorecard: <http://thealliancetc.org/wp-content/uploads/2016/06/EquitableDevelopmentScorecard.pdf>
6. "Kept out: How banks block people of color from homeownership." MPR News, February 15, 2018.
<https://apnews.com/ae4b40a720b74ad8a9b0bfe65f7a9c29>
7. "Report Updates landmark 1968 racism study, finds more poverty and segregation." MPR News February 27, 2018. <https://www.mprnews.org/story/2018/02/28/npr-report-updates-landmark-1968-racism-study>
8. Responsible Banking in the Twin Cities, Dr. Sam Myers.
https://drive.google.com/drive/folders/0B2L0_Tafp1oBTVFJMEtZc2M3QzQ
9. ACP50 Map:
<https://www.stpaul.gov/sites/default/files/Media%20Root/Planning%20&%20Economic%20Development/ACP50.pdf>
10. *Sold Out* Report published by the Minnesota Housing Partnership:
<https://www.mhponline.org/publications/sold-out>

CITY OF SAINT PAUL

HOME Investment Partnerships Program Resale / Recapture Policy



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BACKGROUND AND PURPOSE

The City of Saint Paul receives funding from the U.S. Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships (HOME) program for the development of decent, safe, affordable housing. To ensure that HOME program investments yield affordable housing over the long term, HOME regulations impose occupancy requirements over the length of an affordability period. The affordability period is based on the amount and type of HOME program funding provided per housing unit. Through a resale or recapture provision affordability is maintained or funds recaptured for development of additional affordable housing units. The applicable resale or recapture provision is triggered if a housing unit developed and/or purchased with HOME program funds is sold, transferred, or not utilized as the buyers' principal residence.

The following provisions are to assist in establishing that the City is carrying out homeownership funded activities under the HOME program in a manner consistent with HUD requirements and local goals and objectives contained in the Consolidated and Annual Action Plans. The City must also follow all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. The City and its subgrantees and contractors shall not deny any family, household or individual the equal opportunity to apply for or receive assistance under any HOME program funded activity or project on the basis of race, color, gender, religion, creed, national origin, age, familial or marital status, handicap or disability, sexual or affectional orientation or reliance on public assistance. The City's offices are accessible to persons with disabilities.

CITY HOMEOWNERSHIP PROGRAM

The City's funded homeownership program has the following goals:

- to increase the overall homeownership rate;
- create greater opportunity for homeownership among lower income and minority households; and
- to revitalize and stabilize neighborhoods and communities.

The City provides HOME program funds for Community Housing Development Organizations (CHDOs), non-profit, and for-profit developers for development/redevelopment of HRA-owned real property or other property within the City of Saint Paul that is appropriate for residential development/redevelopment. HOME program funding may be used for acquisition/rehabilitation/resale and/or new construction of single-family housing units which may be traditional single-unit, condominiums, townhomes, and modular housing. Development of these properties may include direct assistance to an eligible buyer. HOME program assistance under the City's single-family development/redevelopment program shall not exceed HOME program subsidy limits.

DEFINITIONS

Affordability Period - The period of time in which occupancy restrictions of varying lengths apply to those buyers purchasing homes assisted with HOME program funds. The amount and type of



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HOME program assistance and the unit type affect the affordability period, as described in Table 1, below.

TABLE 1

HOME PROGRAM MINIMUM AFFORDABILITY PERIODS	
HOME Investment (resale) or Direct Subsidy (recapture) Per Ownership Unit	Minimum Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
Greater than \$40,000	15 years

Direct Homebuyer Subsidy - A direct subsidy is any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down payment, principal reduction, closing cost assistance, etc.).

Development Subsidy - A development subsidy is the difference between the cost to develop a housing unit and the fair market price (appraised value). For example, the City might provide a \$150,000 construction loan to a developer. The appraised value, fair market value, after construction is \$145,000. The \$5,000 difference between the \$145,000 sale price and \$150,000 construction cost is not repaid to the City and represents a development subsidy provided to the developer. While the subsidy does not go directly to the homebuyer, it helps make development of an affordable home possible.

Eligible Household - The City's homeownership program defines an eligible household as one that must have a gross annual household income (income before any deductions) that does not exceed 80 percent of the AMI for the Minneapolis/St. Paul/Bloomington, MN-WI metropolitan statistical area as determined by HUD, adjusted for household size, and subject to change annually. Households do not have to be first-time homebuyers, however, prior to approval of direct homebuyer assistance or property sale to a household, income eligibility must be determined using the definition of income found at 24 CFR Part 5.609. All income determinations will be reviewed by the City before final approval to close with the buyer will be given.

Eligible Properties - Existing or newly constructed modest single-family residential units located within the limits of the City of Saint Paul which do not exceed current HOME program purchase price limits established annually by HUD for new and existing housing. The City may, at its sole discretion, establish limits below those established by HUD. Properties must be single-family housing which includes detached single-family, townhome, condominium, modular, or a cooperative or mutual housing unit. Ownership in fee simple title, a 99-year leasehold interest or ground lease (for Community Land Trust properties), ownership in a state recognized cooperative or mutual housing unit or an equivalent form of ownership approved by HUD. Properties must pass a City required inspection, and for new construction have a certificate of occupancy, to ensure housing units are free of all health and safety hazards and meet City code in accordance with the City's New Construction and Rehabilitation Standards and Certificate of Code Compliance, as applicable. Buyers must utilize the property as a principal residence and are required to homestead the property, in the calendar year in which it was purchased, with



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Ramsey County. Properties specifically ineligible include: any located in a 100-year flood plain, manufactured housing, recreational or seasonal property, and property which will be used primarily as a business.

Gross Annual Household Income - refers to the annual projected gross household income, as determined according to 24 CFR Part 5.609, as of the date of the certification application, from all sources and before taxes and withholding, of all household members that will live in the housing unit. Gross annual household income includes, but is not limited to salary, commissions, bonuses, self-employment, earnings from part-time employment, interest, dividends, tips, gains on sale of securities, annuities, pension, royalties, veterans' administration compensation, net rental income from all sources, alimony, child support, public assistance, sick pay, social security benefits, social security disability benefits, income from business activity, investments, unemployment, estate or trust income, and miscellaneous income. All income determinations will be reviewed by the City before final approval to close with the buyer will be given.

Homebuyer Education - Households do not have to be first-time homebuyers, however, all buyers assisted with HOME program funds must receive pre-purchase housing counseling/education. This applies to all HOME-assisted buyers whether receiving direct homebuyer assistance (i.e., down payment assistance) and buyers purchasing units developed with HOME funds. In all instances, housing counseling/education must be provided by HUD-certified housing counselors working for an agency approved to participate in HUD's Housing Counseling program. Upon completion of a qualified homebuyer counseling/education course a certificate of participation/completion must be submitted with the application for assistance or to qualify to purchase a HOME-assisted unit. Homebuyer education/counseling must be completed prior to purchase but no more than 12 months prior.

Homebuyer Investment - The minimum homebuyer investment is 1 percent of the purchase price. These funds must come from the buyer and may not otherwise be gifted or loaned. This is a City program requirement, it is not intended to alter or replace any requirements that exist as a result of the buyer's first mortgage loan program. For the purposes of calculating fair return, the homebuyer's investment consists of the portion of initial down payment combined with the value of any capital improvements made with the homebuyer's funds.

Net Proceeds - The sales price minus loan repayment (other than HOME program funds) and closing costs.

Non-compliance - Failure to comply with primary residency, and/or property use of a HOME-assisted unit occurs when:

- a. The original HOME-assisted buyer no longer occupies the unit as his/her principal residence (i.e., unit is rented, vacant or used as a business), or
- b. The home was sold or transferred during the affordability period and the applicable resale or recapture provisions were not enforced.

Successful Homeownership - The City's homeownership program depends on first mortgage lenders to apply prudent household and property underwriting standards to support the objective of successful homeownership. Based on the first mortgage lenders underwriting guidelines, the



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lender will decide the best mortgage product for the individual household; the City will only accept FHA, VA or Conventional mortgage products. The first mortgage loan must have a fixed interest rate and amortize for 30 years. Households are expected to contribute toward the purchase. The minimum homebuyer investment is 1 percent of the purchase price. These funds must come from the buyer and may not otherwise be gifted or loaned; it is not intended to alter or replace any requirements that exist as a result of the buyer's mortgage loan program.

To support successful homeownership, the City will target buyers with gross annual household incomes from 60 to 80 percent of AMI. A homebuyer's front-end ratio, monthly housing payments of principal, interest, taxes, insurance (PITI), and homeowner association (HOA) dues should not be more than 33 percent of the household's gross annual income nor less than 25 percent. PITI amounts over or under these guidelines will be reviewed and approved by the City to ensure that the amount of assistance/subsidy is supporting successful homeownership and is based on all facts and possible mitigating factors and used to determine the level of homebuyer assistance. Back-end ratio, or debt-to-income ratio, may not exceed 45 percent. The City will review and will only approve a ratio greater than this if successful homeownership can be attained. Maximum purchase price will not exceed \$431,000 for existing housing and \$507,000 for new construction housing. Households must meet the requirements of the lending institution and qualify for a first mortgage. Households must fulfill HOME program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of the loan closing. City staff will review all documents provided for underwriting by the first mortgage lender to ensure affordability (i.e., successful homeownership), ensure compliance with HOME regulations and City underwriting guidelines, and to determine the appropriate level of assistance that ensures affordability for the homebuyer and successful homeownership. Additional documentation may be required for the City to make its determination.

TABLE 2

CITY OF SAINT PAUL SUMMARY OF APPLICABLE RESALE / RECAPTURE PROVISIONS BY SUBSIDY TYPE			
Direct Homebuyer Subsidy	Direct Homebuyer Subsidy + Development Subsidy	Development Subsidy [#]	Community Land Trust Property (CLT) [#]
Recapture provision shall apply	Recapture provision shall apply	Resale provision shall apply	Resale provision shall apply
[#] HOME program regulations require that resale provisions must be utilized.			

RESALE REQUIREMENT

As described in Table 2, the City will utilize the resale provision when a HOME-assisted housing unit receives only a development subsidy (no direct assistance to the homebuyer) or is a Community Land Trust (CLT) property. How the Resale provision applies to each scenario is detailed below.

Development Subsidy - Resale



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When a HOME-assisted housing unit is developed and sold with no direct assistance to an income-eligible buyer, i.e., a development subsidy is utilized to make the unit affordable to a low-income household, the resale provision will be in force. The length of the affordability period is based on the total amount of HOME program funding invested in the housing unit, see Table 1.

Under the resale provision, if the initial buyer decides to sell the home during the affordability period the subsequent buyer must be income-qualified under the HOME program and must occupy the home as a principal residence. The original HOME-assisted buyer must receive a fair return on investment, which is based on the initial investment plus documented capital improvements, as identified below. The resale price must be affordable to a reasonable range of low-income homebuyers and the same requirements for successful homeownership are applied to subsequent buyers as were applied to the initial homebuyer. The City's underwriting guidelines defines a reasonable range of homebuyers and successful homeownership as: a household with a gross annual household income at 60 to 80 percent of area median income (AMI); paying no more than 33 percent of gross annual household income for PITI, HOA dues, and ground lease fees but not less than 25 percent (front-end ratio); and a back-end ratio, or total debt-to-income ratio, that does not exceed 45 percent. Maximum purchase price will not exceed \$431,000 for existing housing and \$507,000 for new construction housing. The City will review and only approve ratios greater than this if successful homeownership can be attained. Additionally, households with incomes less than 60 percent AMI will only be considered after review by the City and it is determined that successful homeownership can be attained. For resale, households must meet the requirements of the first mortgage lending institution and the City will accept only conventional, FHA, and VA loans, fixed interest rate, and amortizing over 30 years. Households must fulfill the HOME program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of the loan closing. City staff will review all documents provided for underwriting by the first mortgage lender to ensure affordability, i.e., successful homeownership. Additional documentation may be required for the City to make its determination.

If providing HOME program funds as a development subsidy, the targeted income range for initial and subsequent buyers, as applicable, may be lower as defined in a written agreement between the City and the developer. If the market price that provides a fair return to the initial homebuyer is too high to be affordable for the subsequent buyer within the targeted income range to purchase the property, the City, at its sole discretion, may provide HOME program assistance as a direct subsidy to the subsequent buyer. When additional HOME funds are provided to a subsequent homebuyer in the form of direct homebuyer assistance, the affordability period will be recalculated to include the additional HOME program funds. As a result, the affordability period may increase because it is based on the total amount of HOME program funding invested in the unit has increased, see Table 1.

Enforcement of Resale Provision – Development Subsidy

When a developer executes the written funding agreement with the City, a promissory note is concurrently executed for the full amount of HOME program funding. As each unit is sold to an eligible buyer, the homebuyer will execute a separate HOME program mortgage and promissory note. The HOME program mortgage is recorded with Ramsey County and imposes and clearly states the HOME program restrictions for occupancy, affordability, and resale requirements



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placed on the property. The HOME program mortgage runs for at least the applicable minimum affordability period, based on the total amount of the development subsidy, and as noted in Table 1.

Each mortgage and associated affordability requirements can terminate in the event of foreclosure, transfer of title in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD. The HOME mortgage will reference applicable provisions and definitions to ensure the HOME program requirements are met including the following:

- Subsequent sales are to another HOME program income-eligible buyer with a gross annual household income within a range to promote successful homeownership, 60 to 80 percent AMI.
- The property will be the principal residence of the initial eligible buyers, and all subsequent buyers during the affordability period.
- The property will be sold at a price that provides the owner a fair return, while ensuring that the home will remain affordable to a reasonable range of low-income buyers, as described above.

Fair Return on Investment – Development Subsidy

The City defines and determines fair return on investment by using the percentage change in the Consumer Price Index (CPI) as its standard index over the period of ownership. This percentage change will be multiplied by the combined amount of down payment made by the initial homebuyer at the time of purchase and the initial homebuyer's documented cost of capital improvements during the ownership period. This will constitute the fair return on investment to the original homebuyer providing there are sufficient net proceeds available from the resale.

Capital improvements will include improvements made to the property that adds basis to the home as defined within IRS Publication 523. The initial homeowner must keep written documentation regarding the costs of capital improvements, including receipts or copies of contracts and payments made to contractors, to receive credit for the value of the capital improvements at resale. The initial homebuyer must also keep written documentation confirming the necessary permitting and inspection processes were followed, when applicable.

As an example:

The City provides a developer HOME funds for the construction of a single-family unit. Initial homebuyer provides \$5,000 in down payment. During the buyer's tenure a \$9,000 kitchen renovation is completed. Before the end of the affordability period, the buyer sells the home.

At resale, to an eligible buyer, the City determines the change in CPI is 3.5 percent. The buyer would receive \$14,490 out of net proceeds as a fair return on investment. The calculation is:

TABLE 3

Initial Homebuyer Down payment	\$ 5,000
Kitchen Renovation = Capital Investment	\$ 9,000
Total Initial and Capital Investment	<u>\$14,400</u>
City determination of CPI change during ownership	x 3.5%



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Fair Return on Initial and Capital Investment	\$ 490
Total Return on Investment to Initial Homebuyer	<u>\$14,490</u>

A fair return on investment to the initial homebuyer may be less than the full value calculated above or no return if there are insufficient or no net proceeds from the resale. This can occur when market conditions are such that the median sales price has stagnated or decreased during the ownership period or when the initial homebuyer has paid more for capital improvements than can be supported by the market at the time of resale. Under certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on investment because the home sold for less or the same price as the original purchase price.

In the event there are no net proceeds or insufficient proceeds to provide the initial homebuyer with a fair return on investment, the initial homebuyer shall receive a fair return on investment to the limit of the net proceeds. However, if there are excess net proceeds - the initial buyer has received a full fair return on investment - the remainder of net proceeds will be recaptured by the City.

Community Land Trust Housing Units

When a HOME-assisted housing unit is developed and sold as a community land trust (CLT) property, the resale provision is in force. A CLT achieves permanent affordable home ownership for low-income households by separating the ownership of the house and the land; the developer retains ownership of the land and enters into a long-term lease with the homebuyer. Resale is required with CLT properties if/when the initial homebuyer sells the property. The initial homebuyer will receive a fair return at the time of sale. The affordability period will be determined by whether direct homebuyer assistance was provided at initial sale and at subsequent sales. If no direct homebuyer assistance is provided to the initial buyer, the affordability period will be based on the total HOME program funding invested in the development of the housing unit. If additional HOME program funding is provided as direct homebuyer assistance or it is the only HOME program funding invested in the project, the affordability period is based on the amount of the direct homebuyer assistance, see Table 1.

Under the resale provision, if the initial buyer decides to sell the home during the affordability period the subsequent homeowner must be income-qualified under the HOME program and must occupy the home as a principal residence. The original HOME-assisted homebuyer must receive a fair return on investment and the resale price must be affordable to a reasonable range of low-income homebuyers. The same requirements for successful homeownership are applied to subsequent buyers as were applied to the initial homebuyer. The City's underwriting guidelines defines a reasonable range of homebuyers and successful homeownership as: a household with a gross annual household income at 60 to 80 percent of area median income (AMI); paying no more than 33 percent of gross annual household income for PITI, HOA dues, and ground lease fees but not less than 25 percent (front-end ratio); and a back-end ratio, or total debt-to-income ratio, that does not exceed 45 percent. The City will review and only approve ratios greater than this if successful homeownership can be attained. Additionally, households with incomes less than 60 percent AMI will only be considered after review by the City and it is determined that successful homeownership can be attained. For resale, households must meet the requirements of the first mortgage lending institution and the City will



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accept only conventional, FHA, and VA loans, fixed interest rate, and amortizing over 30 years. Households must fulfill the HOME program obligations in a timely manner and must remain eligible to participate based on the program requirements and those of the lender through the time of the loan closing. City staff will review all documents provided for underwriting by the first mortgage lender to ensure affordability, i.e., successful homeownership. Additional documentation may be required for the City to make its determination.

When providing HOME program funds for the development of a CLT property, the targeted income range for initial and subsequent buyers, as applicable, may be lower as defined in a written agreement between the City and the developer. If the market price that provides a fair return to the initial homebuyer is too high to be affordable for the subsequent buyer within the targeted income range to purchase the property, the City, at its sole discretion, may provide additional HOME program assistance as a direct subsidy to the subsequent buyer (without exceeding HOME program subsidy limits). The HOME program requires minimum affordability periods based on the total amount of assistance provided to a housing unit, if no direct homebuyer assistance is provided. If homebuyer assistance is provided with HOME program funds, the affordability period is based on this total amount, see Table 1.

Enforcement of Resale Provision – Community Land Trust Property

When a developer executes the written funding agreement with the City, a promissory note is concurrently executed for the full amount of HOME program funding. As each unit is sold to an eligible buyer, the homebuyer will execute a separate HOME program mortgage and promissory note. The HOME program mortgage is recorded with Ramsey County and imposes and clearly states the HOME program restrictions for occupancy, affordability, and resale requirements placed on the property. The HOME program mortgage runs for at least the applicable minimum affordability period, based on the total amount of the development subsidy or total amount of the direct homebuyer assistance, and as noted in Table 1.

Each mortgage and associated affordability requirements can terminate in the event of foreclosure, transfer of title in lieu of foreclosure, or assignment of an FHA insured mortgage to HUD. The HOME mortgage will reference applicable provisions and definitions to ensure the HOME program requirements are met including the following:

- Subsequent sales are to another HOME program income-eligible buyer with a gross annual household income within a range to promote successful homeownership, 60 to 80 percent AMI.
- The property will be the principal residence of the initial eligible buyers, and all subsequent buyers during the affordability period.
- The property will be sold at a price that provides the owner a fair return, while ensuring that the home will remain affordable to a reasonable range of low-income buyers, as described above.

Fair Return on Investment – Community Land Trust Property

The City defines and determines fair return on investment for CLT properties as a process that must include an appraisal at initial purchase and an appraisal at sale, both completed by an independent, third-party appraiser. The difference in market value, as determined by



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independent, third-party appraisals represents the increase in market appreciation of the housing unit. To retain affordability for low-income households at 60 to 80 percent AMI, the City may multiply the market appreciation by a reasonable standard appreciation factor to determine the fair return to the initial homeowner (e.g., 25-35%). The subsequent sales price of the unit will be based on the original purchase price plus the share of appreciation determined via the appraisals and the market appreciation factor.

The value of all documented capital improvements made by the initial homebuyer is accounted for in the appraisal, therefore, it is not necessary for the City to undertake a separate accounting and valuation of the initial homebuyer's capital improvements.

TABLE 4

CLT Property – Fair Return on Investment Example:

\$150,000	> current sale appraisal
\$100,000	- initial purchase price
<u>\$ 50,000</u>	= market appreciation
<u>\$ 50,000</u>	> market appreciation
X 25%	> PJ's determined reasonable standard appreciation
<u>\$ 12,500</u>	= fair return to homeowner
\$100,000	> Initial purchase price
<u>+ \$ 12,500</u>	+ fair return to homeowner
\$112,500	= Total Fair Return on Investment > subsequent sales price to new buyer

In this calculation, the City does not buy down the appraised price because no additional HOME program funding is provided, and the initial homebuyer does not receive more than the calculated fair return. The total fair return on investment is the sales price is the purchase price for the subsequent homebuyer. The standard appreciation factor will be based on the current market and set to provide a reasonable fair return to the homebuyer while ensuring that the subsequent sales price is close to market rate and yet remains affordable to a reasonable range of low-income homebuyers, as described above. Subsequent homebuyers may require additional HOME program assistance to purchase the unit. City underwriting guidelines will dictate how much assistance, if any, is needed, and the total amount of HOME program funding will not exceed the maximum per unit subsidy limits. When additional HOME funds are provided to a subsequent homebuyer in the form of direct homebuyer assistance, the affordability period will be recalculated to include the additional HOME program funds. As a result, the affordability period may increase because it is based on the total amount of HOME program funding invested in the unit has increased, see Table 1.

RECAPTURE REQUIREMENTS

For HOME-assisted units not subject to the resale provision per HOME program regulations, the recapture provision will be used, i.e., where only direct homebuyer assistance is provided and/or where direct homebuyer assistance is provided in addition to a development subsidy and the total amount of HOME program assistance does not exceed the HOME program per unit



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subsidy limit. Recapture provisions ensure that the City recoups all or a portion of the direct homebuyer assistance if the housing unit does not continue to be the principal residence of the household for the duration of the affordability period. The affordability period is based upon the total amount of direct homebuyer assistance provided through HOME program funding (including program income) as described in Table 1. The City, when applying the recapture provision, will permit a subsequent homebuyer to assume the HOME program assistance, subject to all HOME program requirements for the remainder of the period of affordability, if the subsequent homebuyer is low-income (at or below 80 percent AMI), and no additional HOME program assistance is provided.

The level of direct home buyer assistance will be based on an evaluation of the buyer's individual need and consider the household's income, debts, etc., according to the City's underwriting guidelines and will not exceed HOME program subsidy per unit subsidy limits. HOME program assistance will be utilized for down payment, closing cost assistance, or to enhance mortgage affordability. Direct homebuyer assistance will not exceed \$5,000. All funds will be in the form of a five (5) year forgivable loan. The loan will be forgiven for each full year of the affordability period that the initial buyer uses the home as a principal residence, or 20 percent per year will be forgiven. The recaptured amount will be based on the length of time the initial buyer has maintained the home as a principal residence and will not exceed net proceeds, see Table 5.

TABLE 5

Recapture Example:

Direct Homebuyer Assistance Provided on November 11, 2015	\$5,000
Affordability period = HOME program assistance less than \$15,000	5 years
Sale of Home on September 27, 2018 = 2 full years forgiven @ 20%/year	40%
Amount Subject to Recapture [5,000 x 40%]	\$2,000

Enforcement of Recapture Provision – Direct Homebuyer Assistance

All direct homebuyer assistance will require the homebuyer to execute a separate HOME program mortgage and promissory note. The HOME program mortgage is recorded with Ramsey County and imposes and clearly states the HOME program restrictions for occupancy, affordability, and resale requirements placed on the property. The HOME program mortgage runs for at least the applicable minimum affordability period based on the total amount of direct homebuyer assistance, and as noted in Table 1.

The HOME assistance mortgage will reference applicable provisions and definitions to ensure the HOME program requirements are met including the following:

- The property will be the principal residence of the initial eligible buyers, and all subsequent buyers, during the affordability period or a pro-rata portion of the HOME program assistance must be repaid to the City.
- For each full year that the initial eligible buyer utilizes the house as a principal residence, 20 percent of the HOME program assistance will be forgiven.



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- HOME program assistance recaptured by the City will not exceed the net proceeds at sale or transfer of the house.

The recaptured HOME program funds will be used to carry out HOME-eligible activities in accordance with HOME program requirements. The affordability restrictions may terminate upon occurrence of any of the following: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

Ongoing Monitoring

Whether the HOME-assisted property is subject to resale or recapture, the applicable restrictions shall be clearly stated in the HOME mortgage, which shall be filed with Ramsey County. Said document will also clearly state that the affordability restrictions may terminate upon foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

Additional monitoring is completed annually through verification of Ramsey County property records and/or postcard or letters mailed with “Do Not Forward” instructions which can demonstrate whether the homeowner is receiving mail at the house.



**CITY OF SAINT PAUL
CONSTRUCTION AND REHABILITATION
PROPERTY STANDARDS**

I. PROPERTY PROVISIONS

A. PROGRAM INTENT AND HOUSING VALUES

Our Program's goal is to eliminate neighborhood blight through renovation and demolition, while providing low and moderate-income families with safe, secure and affordable housing.

The values that flow from this goal include:

- Performance and durability
- Historically sensitive exteriors
- Economic life-cycle costs
- Affordable operating costs
- Competitive project appropriate costs
- Lead-safe housing

B. APPLICABLE LAWS AND REGULATIONS

Our Program intends to construct and maintain homes in accordance with the following statutory and regulatory requirements:

- City of Saint Paul Building Code
- Applicable State of Minnesota Building Codes and Regulations
- Federal Housing Quality Standards (I will check to see if we replace with UPCS)
- HUD Lead-Based Paint Regulation (24 CFR Part 35)
- Accessibility requirements as applicable, in accordance with Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and the Fair Housing Act.

C. FREQUENCY OF INSPECTION

The following inspections are required for all projects utilizing HOME funds.

- Initial inspection
- Progress inspections with draw requests
- Final inspection

D. HEALTH AND SAFETY

The rehabilitation standard must specify the life-threatening deficiencies that must be addressed immediately if a housing unit is occupied.

E. DISASTER MITIGATION STANDARDS

Standards shall be applied in accordance with State and local requirements or as established by HUD, where they are needed to mitigate the risk of potential disasters, such as earthquakes, hurricanes, flooding, and wildfires.

F. CONTRACT DOCUMENTS

Once the scope of work is finalized and approved by City, the Borrower shall provide for approval complete specifications and drawing sets which set forth in detail the requirements of the project. The City will prepare the Home Repayment Loan Agreement for the project.

G. DEVELOPER / CONTRACTOR DETERMINATION

Projects shall be subject to the City's Two Bid policy. All contractors and subcontractors providing project services shall not be listed on the Federal Service Desk's System for Award Management debarment listing.

II. REHABILITATION STANDARDS

New rehabilitation projects shall meet State and Local codes, ordinances, and zoning requirements. In the absence of an applicable State or Local code for new construction, HOME-assisted projects must meet the International Code Council's (ICC's) International Residential Code (IRC) or International Building Code (IBC), whichever is applicable to the type of housing being developed.

The following additional standards are incorporated or specified:

- Disaster mitigation standards, in accordance with State and local requirements or as established by HUD, where they are needed to mitigate the risk of potential disasters (such as earthquakes, hurricanes, flooding, and wildfires).
- PJs shall improve project oversight including:
 - Review and approve written cost estimates, construction contracts, and construction documents.
 - Conduct construction progress and final inspections to ensure that work is done in accordance with the applicable codes, the construction contract and other constructions documents.

The following standards shall be adhered to if receiving City assistance for new construction:

A. MAJOR SYSTEMS

The PJ must require an estimate of the remaining useful life of major systems. Major systems include structural support, roofing, cladding, weatherproofing (e.g., windows, doors, siding, gutters), plumbing, electrical and heating, ventilation, and air conditioning.

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This must be done with a capital needs assessment for projects with 26 or more units. If the remaining useful life is less than the affordability period, the PJ must require replacement reserve deposits to ensure that the project's major systems and physical need can be adequately maintained and addressed throughout the affordability period.

B. UPCS (Uniform Physical Condition Standards)

In accordance with 24 CFR 5.703, UPCS are applied to rehabilitation in the absence of State and local codes in the pre-2013 rules.

C. SITE IMPROVEMENTS

SOIL TREATMENT FOR LEAD HAZARDS

Repair Standard: Interim standards - 1 year - will require monitoring to ensure continued effective control methods. Replacement- 20 years.

Play Area: Bare soil play areas shall be tested for lead content. Any bare soil over 400 PPM in lead shall be covered with a reinforced landscape cloth and impermanent surface covering; e.g., gravel, bark, sod, or artificial turf containing not more than 200 PPM. Loose impermanent covering, such as bark or gravel, shall be applied in a thickness of not less than six (6) inches.

Other Bare Soil: Bare soil outside of play areas shall be tested for lead content. Any bare soil over 2000 PPM in lead, and totaling more than nine (9) square feet per property, shall be covered with a reinforced landscape cloth or other impermanent surface covering containing not more than 200 PPM in lead, an interim control measure which prevents children's access to the area soil. Soil lead levels above 5000 PPM usually requires abatement.

TREES

Repair Standard: Minimum Life: N/A

Trees that are too close to the structure, or threaten the structure, shall be trimmed or removed.

Replacement Standard: N/A

OUT BUILDINGS

Repair Standard: Minimum Life: 1 year

Unsafe and blighted structures, including out buildings, sheds, garages and barns, will be removed if it is not financially feasible to complete the repairs required to make them structurally sound and leak free with lead hazards stabilized.

Replacement Standard: N/A

No replacement of out buildings is allowed.

PAVING AND WALKS

Repair Standard: Minimum Life: 5 years

Badly deteriorated essential paving, such as front sidewalks, will be repaired to match. Non-essential deteriorated paving, such as sidewalks that are unnecessary, will be removed and appropriately landscaped.

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Replacement Standard: Essential walks and drives shall be replaced with concrete.

D. EXTERIOR SURFACES

EXTERIOR LEAD HAZARDS

Repair Standard: All exterior paint shall be stabilized using lead-safe practices.

Replacement Standard: Lead components shall be replaced, or the paint removed, to create a lead-free exterior.

EXTERIOR STEPS AND DECKS

Repair Standard: Minimum Life: 5 years

Steps, stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces.

Replacement Standard: 20 years

New steps and stairways shall be constructed of preservative-treated lumber in conformance with the CAB Code. Porch decks shall be replaced with tongue and groove pine.

EXTERIOR RAILINGS

Repair Standard: Minimum Life: 5 years

Handrails will be present on one side of all interior and exterior steps or stairways, with more than two risers, and around porches or platforms over 30" above ground level. Railing repairs will be historically sensitive.

Replacement Standard: Minimum Life: 10 Years

Railings shall be wrought iron or preservative-treated lumber.

EXTERIOR CLADDING

Repair Standard: Minimum Life: 10 Years

Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of two continuous coats of paint, and no exterior painted surface will have any deteriorated paint.

Replacement Standard: Minimum Life: 20 Years

Historically sensitive vinyl siding over house wrap.

EXTERIOR PORCHES

Repair Standard: Minimum Life: 10 years

Unsafe or unsightly porches will be repaired to conform closely to historically accurate porches in the neighborhood.

Porch repairs will be structurally sound, with smooth and even decking surfaces.

Replacement Standard: Minimum Life: 15 Years

Deteriorated porches shall be rebuilt with preservative treated structural lumber and tongue and groove pine decks.

EXTERIOR HARDWARE

Replacement Standard: N/A

Minimum Life: 10 Years

Every dwelling unit will have a mailbox, or mail slot, and minimum three (3) inch high address numbers at the front door.

E. FOUNDATIONS AND STRUCTURE

FOUNDATIONS / FLOOR SYSTEMS / STAIRS

Repair Standard: Minimum Life: 20+ Years

Foundations / Floor Systems / Stairs will be sound, reasonably level, and free from movement.

Replacement Standard: 50 Years

Construct to comply with building code and construction documents.

STRUCTURAL WALLS

Repair Standard: Minimum Life: 50 Years

Structural framing and masonry shall be free from visible deterioration, rot or serious termite damage, and be adequately sized for current loads. Prior to rehab, all sagging floor joists or rafters will be visually inspected, and significant structural damage and its cause will be corrected.

Replacement Standard: 50 Years

Construct to comply with building code and construction documents.

FIREWALLS

Repair Standard: Minimum Life 25 Years

Party walls shall be maintained without cracks and plaster deterioration, and covered with 5/8" type X gypsum, glued and screwed to studs.

Replacement Standard: Minimum Life: 25 Years

When frame walls and floors adjoining together dwellings are gutted, new wall finish installation will conform to local requirements for fire ratings.

F. WINDOWS AND DOORS

EXTERIOR DOORS

Repair Standard: Minimum Life: 10 Years

Doors shall be solid, weather-stripped, operate smoothly, including a peep site, a dead bolt and entrance lock set.

Replacement Standard: Minimum Life: 10 Years

All replacement doors, at the front of the property, will be historically sensitive. Steel six-panel doors may be installed at entrances not visible from the front street. Dead bolt locks will be installed on all doors.

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WINDOWS

Repair Standard: Minimum Life: 10 Years.

All single glaze windows shall be covered by a storm sash, in which the meeting rail matches up with the prime window. Operable windows shall have a locking device and mechanism to remain partially open.

Deteriorated windows with lead paint should be replaced whenever the budget allows.

Replacement Standard: Minimum Life: 20 Years

Double-glazed, double or single hung, PVC, Lowe, one over one, with historically sensitive snap-in grids and a minimum R-value 2.

Bedrooms, kitchens and baths shall have one operable window with a screen.

INTERIOR DOOR / PLACEMENT

Repair Standard: Minimum Life: 10 Years

All bedrooms, baths and closets shall have well operating doors.

Replacement Standard: Minimum Life: 10 Years

Hollow core, pressed wood product with brass plated bedroom lockset.

G. ROOFING

PITCHED ROOFS

Repair Standard: Minimum Life: 10 Years

Missing and leaking shingles and flashing shall be repaired on otherwise functional roofs.

Replacement Standard: Minimum Life: 25 Years

Fiberglass asphalt, three-tab, Class A shingles weighing at least 200 lbs. and up to 240 lbs., with a pro-rated 25- year warranty with continuous ridge vents.

FLAT AND LOW SLOPE ROOFING

Repair Standard: Minimum Life: 10 Years

Built-up roofing, flashing and accessories shall be repaired with a five-year leak free warranty.

Replacement Standard: Minimum Life: 20 Years

Fully adhered EPDM over one-inch insulation board, or over plywood.

H. INSULATION AND VENTILATION

INSULATION / VAPOR BARRIER

Replacement Standard: Minimum Life: 15 Years

Attic areas and crawl space will be insulated with vapor barrier. The goal for attic insulation is R-45, and for crawl space R-19. Frame walls will be insulated with vapor barrier if the wall finish is removed. Plastic vapor barriers will be placed over bare soil in crawl spaces.

ATTIC VENTILATION

Replacement Standard: Minimum Life: 20 Years

Attics will be ventilated with a minimum of one (1) square foot of free vent for each 300 square feet of roof area to comply with building code.

KITCHEN VENTILATION

Replacement Standard: Minimum Life: 5 Years

Range hoods, or exhaust fans, shall be exterior ducted. 150 CFM, 10 sone or less.

BATH VENTILATION

Replacement Standard: Minimum Life: 5 Years

Exterior ducted 60 CFM, 6 sone or less, with separate switch in all full baths.

I. INTERIOR STANDARDS

LEAD-CONTAINING COMPONENTS

Repair Standard: Lead-containing walls, trim, doors and cabinets must have any deteriorated paint stabilized using lead-safe measures. As an alternative, a liquid encapsulant can be applied on such components when the surface is deemed suitable for such coatings.

Replacement Standards: At the owner's request, when funding is sufficient, lead-containing walls, trim, doors and cabinets identified during a lead-paint inspection can be replaced or enclosed to comply with public health requirements.

FLOORING

Repair Standard: Minimum Life: 5 Years

Bathroom and kitchen floors shall be rendered smooth and cleanable using polyurethane, or by being covered with water-resistant vinyl flooring. Damaged wood floors will be repaired.

Carpet shall be clean and sanitary without excessive deterioration.

Basement floors shall be continuous concrete.

Replacement Standard: Minimum Life: 7 Years

Baths shall receive sheet vinyl over plywood underlayment. Kitchens shall be sheet vinyl over plywood underlayment. New basement slabs shall be at least three (3) inches thick.

Carpet shall be designed to be easily cleaned with durability to serve 7 years.

CLOSETS

Repair Standard: Minimum Life: 15 Years

All bedrooms shall have closets with a door, clothes rod and shelf.

Replacement Standard: Minimum Life: 15 Years

All bedrooms shall have four (4) foot long by two (2) wide closets with bi-fold door and wire shelves.

ATTACHMENT F

INTERIOR WALLS AND CEILINGS

Repair Standard: Minimum Life: 10 Years

All holes and cracks shall be repaired to create a continuous surface and any deteriorated paint should be stabilized using lead-safe measures.

Replacement Standard: Minimum Life: 10 Years

Walls shall be plumb, ceilings level with a smooth finish on at least 1/2' gypsum.

Additional Reference: American Gypsum Association

CABINETS AND COUNTERTOPS

Replacement Standard: Minimum Life: 10 Years

Doors, drawers and hardware shall be maintained in sanitary condition.

Countertop surfaces shall be maintained in a sanitary Condition.

Cabinet surfaces shall be free of loose paint or varnish.

APPLIANCES

Replacement Standard: Minimum Life: 7 Years

Appliances shall meet energy efficiency standards.

HAZARDOUS MATERIALS

Repair Standard: Minimum Life: N/A

Asbestos and lead paint hazards, when identified, shall be addressed in conformance with applicable local, state and federal laws.

Rehabilitated properties shall be cleaned to pass a lead dust clearance test to the levels prescribed by HUD regulations.

J. ELECTRIC

SERVICE

Repair Standard: Minimum Life: 15 Years

Service capacity must be designed to provide for building size and number of units.

Replacement Standard: Minimum Life: 15 Years

Service capacity must be designed to provide for building size and number of units.

EXTERIOR ELECTRIC

Repair Standard: Minimum Life: 7 Years

All entrances will be well lighted and either switched at the interior side of the door, or the light will be controlled by a photoelectric cell. Motion activated security lighting will be installed at the rear and sides of properties where it will increase safety. All dwelling units will have at least one exterior, GFCI protected, electrical receptacle.

Replacement Standard: N/A

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INTERIOR ELECTRICAL DISTRIBUTION

Replacement Standard: Minimum Life: 15 Years

Comply with National Electric Code.

Exposed knob and tube shall be replaced. Every room will have a minimum of two (2) duplex receptacles, placed on separate walls and one (1) light fixture or receptacle switched at each room entrance. Where the source wiring circuit is accessible (i.e. first floor above basements, in gutted rooms, etc.), receptacles will be grounded. All switch receptacles and junction boxes shall have appropriate cover plates. Wiring shall be free from hazard and all circuits shall be properly protected at the pane. Floor receptacles shall be removed and a metal cover plate installed.

GROUND FAULT CIRCUITS

Replacement Standard: Minimum Life: 15 Years

Basement and kitchen receptacles within six (6) feet of a sink, all bath receptacles and at least one (1) exterior receptacle shall be protected by a GFCI.

KITCHEN ELECTRIC DISTRIBUTION

Replacement Standard: 15 Years

Permanently installed stoves, refrigerators, freezers, dishwashers and disposals, washers and dryers shall have separate circuits sized to NED. Two (2) separate 20-amp counter circuits are required within each kitchen area.

STAIRWELL LIGHTING

Replacement Standard: Minimum Life: 15 Years

All common halls and stairways between living space must be well lighted with a fixture controlled by three-way switches at both ends of the hall or stairway.

FIRE ALARM AND SPRINKLER SYSTEMS

Replacement Standard: Minimum life: 15 Years

Fire Alarm and Sprinkler Systems shall be installed and maintained to comply with relevant provisions in the 2007 Minnesota State Fire Code.

Fire Alarm and Sprinkler Systems shall be inspected by City of Saint Paul Fire Code inspectors at Code required time intervals.

K. PLUMBING SYSTEM

WATER SUPPLY

Replacement Standard: Minimum Life: 30 Years

All fixtures must be: supplied with 3 gallon/minute water flow. All inoperable or leaky main shut off valves shall be replaced. Lead pipe and exposed galvanized pipe shall be replaced with copper pipe.

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DRAIN AND WASTE VENT LINES

Replacement Standard: Minimum Life: 30 Years

Waste and vent lines must function without losing the trap seal.

PVC replacement lines shall be installed to Code

PLUMBING MINIMUM EQUIPMENT

Every dwelling unit shall have a minimum of one single bowl sink with hot and cold running water in the kitchen, and at least one bathroom containing a sink, and a shower/tub unit, both with hot and cold running water and a toilet.

PLUMBING FIXTURES

Replacement Standard: Minimum Life: 10 Years

All fixtures and faucets shall have all components working.

Include single lever, metal faucets and shower diverters with 5-year drip-free warranty.

Include ceramic toilets, double bowl stainless steel sinks, fiberglass tub surrounds and steel enameled 5' tubs.

WATER HEATERS

Replacement Standard: Minimum Life: 10 Years

Design and install water heater system to provide for building size and number of units to comply with Code and meet energy efficiency standards.

L. HVAC

HEATING PLANT AND COMMON AREA MAKE UP AIR SYSTEMS

Replacement Standard: Minimum Life: 20 Years

Design and install a HVAC system to include a distribution system for forced air/hot water systems to provide for building size and number of units to comply with Code and meet energy efficiency standards. Include insulation on distribution systems to comply with energy efficiency standards.

CHIMNEY REPAIR

Repair Standard: Minimum Life: 15 Years

Unsound chimneys shall be repaired or removed. When chimneys are to be used for combustion ventilation, they shall be relined.

Replacement Standard: Minimum Life: 20 Years

Fireplace flues may not be reconstructed in this program. Replacement furnace flues shall be metal double or triple walled to comply with code and recommendations of manufacturer.

AIR CONDITIONING

Repair Standard: Minimum Life: 3 Years

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Air conditioning shall be part of the building HVAC system to comply with Code and energy efficiency standards.

Window air conditioners shall meet energy efficiency standards.

M. ELEVATOR SYSTEMS

ELEVATORS

Repair/Replacement Standard: Minimum Life: 30 Years

Elevator systems shall be designed, installed and maintained to comply with Minnesota State Building Code Section 1307: Elevators

Elevator systems shall be designed to accommodate the number of units in a building.

Elevator systems shall be inspected by City of St. Paul DSI elevator inspectors at Code required time intervals.

III. NEW CONSTRUCTION STANDARDS

New construction projects shall meet State and Local codes, ordinances, and zoning requirements. In the absence of an applicable State or Local code for new construction, HOME-assisted projects must meet the International Code Council's (ICC's) International Residential Code (IRC) or International Building Code (IBC), whichever is applicable to the type of housing being developed.

The following additional standards are incorporated or specified:

- Accessibility requirements as applicable, in accordance with Section 504 of the Rehabilitation Act, the Americans with Disabilities Act, and the Fair Housing Act.
- Disaster mitigation standards, in accordance with State and local requirements or as established by HUD, where they are needed to mitigate the risk of potential disasters (such as earthquakes, hurricanes, flooding, and wildfires).
- PJs shall improve project oversight for new construction. PJs must:
 - Review and approve written cost estimates, construction contracts, and construction documents.
 - Conduct construction progress and final inspections to ensure that work is done in accordance with the applicable codes, the construction contract and other constructions documents.

The following new construction standards involving site design, building design, mechanical and electrical systems, and building components shall be adhered to if receiving City assistance for new construction:

H. SITE DESIGN

Site improvements shall comply with all State and Local codes, ordinances, and zoning requirements associated with grading/drainage, parking, garages, sidewalks, play equipment/area, signage, and landscaping.

I. BUILDING DESIGN

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The building design shall be reasonably appropriate for the intended site, resident population, and anticipated market and shall be in compliance with all State and Local codes, ordinances, and zoning requirements.

J. MECHANICAL AND ELECTRICAL SYSTEMS

Housing shall have plumbing, mechanical, sprinkler, elevator, and electrical systems that comply with all State and Local codes, ordinances, and zoning requirements.

K. BUILDING COMPONENTS

City encourages the advancement of green/sustainable building strategies designed in accordance with the 2015 Enterprise Green Communities Criteria.

L. SCHEMATIC DESIGN CONCEPT

The Borrower is required to develop a reasonable schematic design concept and cost estimate which conforms to all applicable City regulations

IV. ACQUISITION

When HOME funds are used to purchase existing rental housing, such housing must be in good condition or it must be rehabilitated to ensure that the housing is in standard condition at the time of project completion.

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**CITY OF SAINT PAUL, MINNESOTA
RESIDENTIAL ANTI-DISPLACEMENT
AND RELOCATION ASSISTANCE PLAN**

1. Steps Taken to Minimize Displacement:

The City will take the following steps to minimize the displacement of families and individuals from their homes and neighborhoods as a result of any activities assisted with Community Development Block Grant (CDBG) and HOME Investments Partnership Program (HOME) funding:

- (A) Consider at the feasibility of rehabilitation before pursuing the demolition of unsafe, dilapidated properties.
- (B) Consider alternate locations for new development that requires the demolition of properties and relocation of families and individuals.

2. Relocation Assistance:

Each displaced person is entitled to choose to receive either assistance at the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) levels (49 CFR part 24), or the following relocation assistance:

- (A) Advisory services at the levels described in 49 CFR part 24, subpart C. Tenants shall be advised of their rights in such a manner that will provide a choice between relocating within their neighborhood and other neighborhoods.
- (B) Payment for moving expenses at the levels described in 49 CFR part 24, subpart D.
- (C) The reasonable and necessary cost of any security deposit required to rent the replacement dwelling unit, and for credit checks required to rent or purchase the replacement dwelling unit.
- (D) Interim living costs. The City shall reimburse a person for the actual reasonable out of pocket costs incurred with temporary relocation if the person must relocate temporarily, including moving expenses and increased housing costs.
- (E) Replacement housing assistance. Persons are eligible to receive one of the following two forms of replacement housing:
 - (1) Rental assistance equal to 60 times the amount necessary to reduce the monthly rent and estimated average monthly cost of utilities for a replacement dwelling to the Total Tenant Payment. All or a portion of this assistance may be offered through a certificate or housing voucher for rental assistance. If a certificate or voucher is provided to a person, the City must provide referrals to comparable replacement units where the owner is willing to participate in the Section 8 Program. To the extent that cash assistance is provided, it will be provided in installments.
 - (2) If the person purchases an interest in a housing cooperative or mutual housing association and occupies a decent, safe, and sanitary dwelling in the cooperative or association, the person may elect to receive a lump sum payment. The payment shall be equal to the capitalized value of 60 monthly installments of the amount that is obtained by subtracting the Total Tenant Payment from the monthly rent and estimated monthly cost of utilities at a comparable replacement

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dwelling unit. To compute the capitalized value, the installments shall be discounted at the rate of interest paid on passbook savings deposits by a Federally-insured Bank or Savings and Loan institution conducting business in the City.

3. One-for One Replacement Units:

- (i) All occupied and vacant occupiable low/moderate-income units that are demolished or converted in connection with a CDBG- or HOME-funded activity must be replaced with low/moderate-income units.
- (ii) The replacement units may be provided by any government agency or private developer, and must meet the following requirements:
 - (A) The units must be located within the City of Saint Paul, and to the extent feasible, the units shall be located within the same neighborhood as the units being replaced.
 - (B) The units must be sufficient in number and size to house no fewer than the number of occupants who could have been housed in the units being demolished or converted. The number of occupants who could have been housed in units shall be determined by the City occupancy codes. The City may not replace the units with smaller units unless it is consistent with the needs analysis in the Consolidated Plan.
 - (C) The units must be provided in standard condition.
 - (D) The units must be made available for occupancy at any time beginning one (1) year before the City submits its replacement plan to HUD and ending three (3) years after the commencement of demolition or conversion.
 - (E) The units must be designed to remain low/moderate-income units for at least 10 years from the date of initial occupancy.
 - (F) Replacement units may include public housing or existing housing receiving Section 8 project-based assistance.
- (iii) Before the City enters into a contract for the demolition or conversion of low/moderate-income dwelling units, the following information must be made public and submitted to the local HUD Field Office:
 - (A) A description of the proposed activity to be assisted with CDBG funding.
 - (B) The location on a map and number of low/moderate-income dwelling units by size (number of bedrooms) that will be demolished or converted as a result of the assisted activity.
 - (C) A time schedule for the commencement and completion of the demolition or conversion.
 - (D) The location on a map and the number of dwelling units by size that will be provided as replacement dwelling units. If this information is not available at the time of the submission, the general location and approximate number of dwelling units by size shall be identified. The specific location and exact number of dwelling units shall be submitted and made public as soon as the information is available.
 - (E) The source of funding and a time schedule for the provision of the replacement low/moderate dwelling units.
 - (F) The basis for concluding that each replacement unit will remain a low/moderate-income dwelling unit for at least ten (10) years from the date of initial occupancy.

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- (G) Information demonstrating that any replacement of units with smaller units is consistent with the City's Consolidated Plan.
- (iv) The one-for-one replacement requirement does not apply to the extent the local HUD Field Office determines that there is an adequate supply of vacant low/moderate-income dwelling units in standard condition available on a nondiscriminatory basis within the City, or an area larger than the jurisdiction of the City. The City must submit a request for this determination to the local HUD Field Office, and also make the request public and inform the public that they have thirty (30) days to provide HUD additional information supporting or opposing the request.

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**CITY OF SAINT PAUL, MINNESOTA
EMERGENCY SOLUTIONS GRANT
HUD PY 2019-20 ACTION PLAN**

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Information regarding the 2019-2020 Action Plan

Please call Joe Collins, Saint Paul Planning and Economic Development at 651-266-6020
or joe.collins@ci.stpaul.mn.us

CITY OF SAINT PAUL

HUD PY 2019-20 EMERGENCY SOLUTIONS GRANT PROGRAM – ACTION PLAN

OVERVIEW: For HUD PY 2019-20, the City of Saint Paul intends to allocate its Emergency Solutions Grant (ESG) funds to agencies that provide homeless prevention services, emergency shelter facilities, transitional housing, rapid rehousing services, counseling services, street outreach services, and data collection. The ESG funds will be awarded after the proposals are reviewed by the City with consultation with Ramsey County Continuum of Care (CoC) Coordinator, Ramsey County CoC Governing Board, City Council, and Mayor’s Administration. In general, approximately 18 community agencies that serve Saint Paul citizens who are homeless or at-risk of being homeless apply annually for ESG funds for which City Council considers for final approval. For HUD PY 2019-20, the City’s Emergency Solutions Grant Program will recognize HUD national objectives as well as it will place additional emphasis on street outreach to address homeless citizens using the City skyways as overnight shelter.

During HUD PY 2019-20, the City will continue to partner with Ramsey County to implement the County’s Continuum of Care program which provides homelessness prevention and rapid rehousing services to homeless single adults, homeless families, and homeless youth. The City staff may participate with the Ramsey County Continuum of Care (CoC) Coordinator and community agencies to implement a coordinated entry and coordinated assessment for single adults and homeless youth, as appropriate. Furthermore, the City will participate with the Ramsey County CoC Governing Board and Ramsey County FHAP Committee to implement *Heading Home Ramsey* – a comprehensive plan to end homelessness in Ramsey County.¹

At the same time, the City will continue to own the Saint Paul Residence which provides 120 units of support housing, including 60 units for chronically-inebriated residents. Additionally, City Project Management staff will continue its work with Catholic Charities to develop the new Dorothy Day Center Higher Ground Phase 2 facility, which will have an “Opportunity Service Center” and permanent supportive housing that responds to the increasing service demands of homeless citizens using the Dorothy Day Center.

¹ *Heading Home Ramsey* called for the creation of 670 units of permanent supportive housing in Saint Paul by 2010. By December 2011, the City and its funding partners achieved its goal by financing 738 supportive housing, including new construction or rehabilitation (375 units), securing additional 349 rental assistance/vouchers and operating subsidy for 14 supportive housing units. Nonetheless, the viability of the *City/County Plan to End Long-Term Homelessness* remains dependent upon receiving rental assistance funds from HUD. Without such federal funds, the City has limited ability to support this federal initiative to serve chronically homeless citizens.

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Throughout the HUD program year, the City will support innovative programs that serve homeless citizens with mental illness. First, the Saint Paul Police Department now has a mental health unit in addition to its partnership with RADIAS Health to develop police services responsive to homeless citizens with mental illness. Second, the Saint Paul Central Library sponsors a weekly community meeting space in which homeless citizens can meet with community agencies.

As the ESG administrator, the City supports the participation of homeless citizens on various issues and projects, such as the Ramsey CoC and the Family Homelessness Prevention Assistance Program (FHPAP) Committee. It is encouraging to see some formerly-homeless citizens become more empowered by their ongoing participation with these committees.

Finally, it should be noted that the City allocates some CDBG funds to the Block Nurse Program and Neighborhood Non-Profit programs which provide assistance for homeless persons and persons with special needs. Moreover, the City is fortunate to have the Health Care for the Homeless (HCH) clinics that generally serve approximately 3500 unduplicated homeless citizens annually at eight shelter and drop-in centers in Saint Paul. This program receives federal grant funds allocated from the Stewart McKinney-Bruce Vento Act to End Homelessness. The Health Care for the Homeless remains an essential service for our homeless residents. Furthermore, Catholic Charities' Dorothy Day Center Higher Ground now has medical respite shelter beds to assist emergency shelter citizens who are "medically-compromised."

HUD PY 2019-20 ESG § 576.100 General provisions and expenditure limits.

For HUD PY 2019-20, the City of Saint Paul's ESG funds five program components including street outreach, emergency shelter operations, homelessness prevention, rapid re-housing assistance, HMIS data collection and administrative activities. These five (5) ESG program components and the eligible activities that may be funded under each are set forth in 24 CFR §576.101 through §576.107. Eligible administrative activities are set forth in 24 CFR §576.108.

Under § 576.100(b) the total amount of the recipient's fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of:

- (1) 60 percent of the recipient's fiscal year grant totaling \$566,521;
- (2) The amount of Fiscal Year 2010 ESG grant was \$350,982.
- (3) The City will allocate up to 60% of its fiscal year grant to street outreach and emergency shelter activities.

Under § 576.100(c), the total amount of ESG funds for administrative activities will not exceed 7.5 percent of the recipient's fiscal year grant.

HUD PY 2019-20 ESG STREET OUTREACH COMPONENT

Pursuant to C.F.R. §24 576.102, the City's ESG may fund street outreach services if provided to homeless youth or homeless single adults who live outside and have mental health challenges. The maximum allocation for street outreach is approximately \$40,500 for HUD PY18.

Sub recipients that request ESG funds for street outreach must comply with C.F.R. §24 576.101, as follows:

- (a) *Eligible costs.* Subject to the expenditure limit in §576.100(b), ESG funds may be used for costs of providing essential services necessary to reach out to unsheltered homeless people; connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility. For the purposes of this section, the term “unsheltered homeless people” means individuals and families who qualify as homeless under paragraph (1)(i) of the “homeless” definition under §576.2. The eligible costs and requirements for essential services consist of:
- (1) *Engagement.* The costs of activities to locate, identify, and build relationships with unsheltered homeless people and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs. These activities may include initial needs assessment, eligibility assessment; providing crisis counseling; addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; and actively connecting homeless citizens to appropriate services, including mainstream social services and housing programs, such as emergency shelter, community-based services, permanent supportive housing, and rapid re-housing programs. Eligible costs may include the cell phone costs for street outreach workers during the performance of these activities.
 - (2) *Case management.* The cost of assessing housing and service needs, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant. Eligible services and activities are as follows: using the centralized or coordinated assessment system; conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility; counseling; coordinating services; obtaining Federal, State, and local benefits; monitoring and evaluating program participant progress; providing information and referrals to other providers; and developing an individualized housing and service plan, including planning for permanent housing stability.
 - (3) *Transportation.* The transportation costs of travel by outreach workers or other service providers are eligible, provided travel occurs during the provision of eligible services. The costs of transporting unsheltered people to emergency shelters or other service facilities are also eligible.
 - (4) *Services for special populations.* ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS so long

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as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(3) of this section.

- (b) *Minimum period of use.* Sub-recipients must provide services to homeless individuals and families for the period during which ESG funds are provided.
- (c) *Maintenance of effort.* The City's ESG funds will not be used to replace funds the local government provided for street outreach and emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the unit of general purpose local government is in a severe financial deficit.

HUD PY 2019-20 - ESG EMERGENCY SHELTER COMPONENT

Recognizing local needs, the City's ESG places a high priority on paying emergency shelter operational costs for homeless adults, homeless families, and homeless youth. The City ESG also funds transitional housing operational costs for homeless women and homeless families. Therefore, the City does not allocate ESG funds for rehabilitations, conversions or building renovations. Sub-recipients requesting ESG funds for emergency shelter and essential services must comply with C.F.R. §24 576.102, as follows:

- (a) *General.* Subject to the expenditure limit in §576.100(b), ESG funds may pay for essential services to homeless families and individuals residing in emergency shelters as well as operating costs emergency shelters, including transitional housing.
- (b) *Essential services* may include case management, including using the centralized or coordinated assessment system that has been developed by Ramsey County and community agencies to recognize HUD national objectives. Subject to funding availability, this coordinated assessment process includes screening, initial evaluation, diversion, and referrals. As necessary, coordinated assessment includes more intensive evaluations in order to provide referrals to emergency shelter or other community services. Eligible activities could include:
 - (1) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility;
 - (2) Counseling;
 - (3) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - (4) Monitoring and evaluating program participant progress;
 - (5) Providing information and referrals to other providers;
 - (6) Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking; and

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- (7) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

- (c) *Shelter operations.* For HUD PY 2019-20, Saint Paul ESG funds may pay eligible operating costs of emergency shelters or transitional housing, such as building maintenance costs, facility rent, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the emergency shelter operations. Since the ESG-Emergency Shelter Program Component is essential to the Heading Home Ramsey Plan, the City, in consultation with Ramsey County Continuum of Care Governing Board, places a high priority of allocating ESG funds for emergency shelter operations.

As part of the ESG – Emergency Shelter Component, Saint Paul ESG may also pay for the transportation costs of a program participant's travel for medical care, employment, child care, or other eligible essential services. Transportation costs may include cost of a program participant's travel on public transportation; service worker's transportation costs to visit program participants; or operating costs, such as cost of gas, insurance, taxes, and maintenance for the vehicle as necessary to transport program participants and/or staff serving program participants. Additionally, transportation costs may include costs to transfer shelter beds and equipment to faith-based institutions that participate with Interfaith Action's Project Home which provides overnight shelter beds for homeless families.

Prohibition against involuntary family separation. The age of a child under age 18 must not be used as a basis for denying any family's admission to an emergency shelter that uses Emergency Solutions Grant (ESG) funding or services and provides shelter to families with children under age 18.

- (d) *Non-funded costs for Saint Paul ESG.* In response to local needs, the City's ESG funds will not pay for costs incurred for day care, education services, employment assistance, job training, outpatient health services, life skills training, mental health services, mental health services, or substance abuse treatment services.
- (e) *Minimum period of use.* Where ESG funds are used solely for essential services or shelter operations, sub-recipients must provide services or shelter to homeless individuals and families for the period during which ESG funds are provided. Sub-recipients do not need to limit these services or shelter to a particular site or structure, so long as the site or structure serves the same type of persons originally served with the assistance or serves homeless persons in the same area where the sub-recipients originally provided the services or shelter.

HUD PY 2019-20 ESG HOMELESSNESS PREVENTION ASSISTANCE

Pursuant to C.F.R. §24 576.103, the City's ESG funds may pay for homelessness prevention, such as housing relocation and stabilization services, short-term rental assistance, and medium-term rental assistance, utility default payment, and legal services as necessary to prevent individuals or families from moving into emergency shelters or other place as described in paragraph 1 of the "homeless" definition of C.F.R. §24 576.2.

Homelessness prevention assistance may be provided to individuals or families who meet the criteria under the “risk of being homelessness” as defined in C.F.R §24 576.2 or who meets the criteria under paragraph (2), (3) or (4) of the “homeless” definition in C.F.R §24 576.2 and have incomes at or below 30% of AMI as determined by HUD.

In general, Saint Paul ESG funds – Homelessness Prevention Component will be used for rental default payments, utility default payments, first month’s rent payment, rental deposits, storage costs, or legal costs provided by Legal Aid as necessary to prevent evictions or building condemnations which could result in homelessness.

The costs of homelessness prevention activities are only eligible to the extent that homelessness prevention assistance is necessary to help the program participant regain stability in the program participant’s current permanent housing or move into permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing and stabilization services requirements in C.F.R §24 576.105, the short-term and medium rental assistance in C.F.R §24 576.106, and the written standards and procedures established under C.F.R §24 576.400.

RISK FACTORS FOR DETERMINING ELIGIBILITY- PREVENTION ASSISTANCE

Sub-recipients will use the guidelines to identify risk factors and determine whether homelessness prevention assistance is the appropriate ESG response to assist at-risk individuals or families from entering emergency shelters and requiring higher use of emergency crisis community resources.

Case managers will target ESG homelessness prevention services to program participants at or below 30% of area median income and who are most likely to become homeless without ESG homelessness prevention assistance. Additionally, case managers will target to households who are in the most of need of temporary assistance and most likely to achieve stable housing. Case managers will use a screening tool to consider risk factors of individuals or families with Level 1 (minimum barriers) and Level 2 (moderate barriers) to maintaining housing. In determining eligibility for homelessness prevention assistance, case managers may also consider other risk factors, such as:

1. Eviction within 2 weeks from a private dwelling (including housing provided by family or friends);
2. Residency in housing that is condemned and is no longer meant for human habitation;
3. Sudden and significant loss of income;
4. Sudden significant increase in utility costs,
5. Mental health and substance abuse issues;
6. Physical disabilities and other chronic health issues, including HIV/AIDS;
7. Severe housing cost burden (greater than 50 percent of income for housing costs);
8. Homeless in last 12 months;
9. Young head of household (under 25 with children or pregnant);

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10. Current or past involvement with child welfare, including foster care;
11. Pending foreclosure of rental housing;
12. High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size);
13. Past institutional care (prison, treatment facility, hospital);
14. Recent traumatic life event, such as death of a spouse or primary care provider;
15. Recent health crisis that prevented the household from meeting its financial responsibilities;
16. Credit problems that preclude maintaining stable housing; or
17. Significant amount of medical debt.

ELIGIBLE POPULATION (C.F.R. §24.576.2) – HOMELESSNESS PREVENTION

At risk of homelessness means.

(a) An individual or family who:

- (1) Has an annual income below 30 percent of median family income for the area median income (AMI) area as determined by HUD;
- (2) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “homeless” definition in this section; and
- (3) Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more times during the sixty (60) days immediately preceding the application for homelessness prevention;
 - (B) Is living in the home of another because of economic hardship;
 - (C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - (D) Lives in a hotel or motel and the cost of the hotel and motel stay is not paid or living situation will be terminated within 21 days after the date of application for assistance;
 - (E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons per room, as defined by U.S. Census Bureau;

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- (F) Is existing a publicly funded institution, or system of care (such as a healthcare facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - (G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.
- (2) A child or youth who does not qualify as "homeless" under this definition, but qualifies under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637(11) of the Head Start Act (42, U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), Section 330(h)(5)(A) of the Public Health Services Act (42 U.S.C. 254(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7, U.S.C 2012(m)), section 17(b)(15) of the Child Nutrition Act of 1966 (42. U.S.C. 1786(b)(15))
 - (3) A child or youth who does not qualify as "homeless" under this definition but qualifies under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a (2)), and the parent(s) or guardian(s) of the child or youth if living with him or her. OR
 - (4) An individual or family who will imminently lose their primary nighttime residence, provided that:
 - (i) The primary nighttime residence will be lost within 14 days of the date of the application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g. family, friends, faith-based or other social networks needed to obtain other permanent housing;
 - (5) Any individual or family who:
 - (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions related to violence against the individual or family member, including a child is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 - (ii) Has no other residence; and

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- (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

ELIGIBLE ACTIVITIES

- (a) The City's ESG funds may pay for homelessness prevention assistance, such as short-term rental assistance (one month's rent), rental application fees, rental arrears costs (one month's rent, and related fees), unlawful detainer court fees, rental payment late fees, security deposits, utility deposits, utility payment assistance, reasonable moving costs, storage costs, case management costs, and related costs of sub-recipients to provide such services (if not paid under other subsections).
- (b) Sub-recipients must not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

HUD PY 2019-20 - ESG RAPID RE-HOUSING ASSISTANCE COMPONENT

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible from an emergency shelter into permanent housing and achieve stability in that housing. This rapid re-housing assistance may be provided to program participants who meet the criteria under paragraph (1) of the "homeless" definition in §576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition.

The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short- and medium-term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

ELIGIBLE PROGRAM PARTICIPANTS – RAPID RE-HOUSING

For HUD PY 2019-20, ESG rapid re-housing assistance may assist extremely low-income adults, families, and youth/young adults who meet the criteria of "homeless" as defined in CFR 24, §576.2, as follows:

- (a) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (1) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport or camping ground;
 - (2) An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

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- (3) An individual who is exiting an institution where he or she resided for ninety (90) days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- (b) An individual or family who will imminently lose their primary nighttime residence, provided that
 - (1) The primary nighttime residence will be lost within 14 days of the date of the application for homeless assistance; and
 - (2) No subsequent residences have been identified; and
 - (3) The individual or family lacks the resources or support networks (i.e. family, friends, faith-based or social networks, needed to obtain other permanent housing
- (c) Unaccompanied youth under 25 years of age, or families with children and youth who do not otherwise qualify as homeless but who:
 - (1) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42, U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), Section 330 (h) of the Public Health Services Act (42 U.S.C. 254(h)), section 3 of the Food and Nutrition Act of 2008 (7, U.S.C 2012), section 17(b) of the Child Nutrition Act of 1966 (42. U.S.C. 1786(b)) or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - (2) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - (3) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - (4) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- (d) Any individual or family who:
 - (1) Is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;

- (2) Has no other residence; and
- (3) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

WRITTEN STANDARDS AND PROCEDURES FOR RAPID RE-HOUSING PROGRAM

See applicable provisions under §576.400.

ELIGIBLE ACTIVITIES FOR ESG RAPID RE-HOUSING PROGRAM

Pursuant to 24 CFR §576.104 - §576.106, ESG Rapid Re-Housing Initiative has four categories of eligible activities: financial assistance, housing relocation and stabilization services, data collection and evaluation, and administrative costs. These eligible activities are intentionally focused on housing - either financial assistance for housing costs or housing stabilization and relocation services that assist homeless citizens secure housing. ESG's goal is to rapidly assist program participants gain housing stability, either by their means or by public assistance, as appropriate. ESG does not provide long-term support for program participants, nor will ESG address all financial and supportive services needs of households that affect housing stability. Rather, ESG focuses on assisting homeless citizens move from emergency shelters, securing housing, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability.

ESG case managers may meet with program participants at least monthly for the duration of the assistance. Case managers will develop individual plans to assist program participants to overcome barriers to secure permanent housing and provide assistance to stabilize occupancy after ESG assistance ends. Case manager will monitor and reevaluate program participants, as necessary.

ESG funds may be used to provide housing relocation and stabilization services, short term rental assistance and/or medium rental assistance as necessary to assist homeless individuals or homeless families move as quickly as possible out of emergency shelters into permanent housing.

Rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization service requirements in 24 CFR § 576.105, the short-term rental assistance and medium rental assistance in 24 CFR § 576.106; and the written standards and procedures in 24 CFR § 576.400.

Ineligible and Prohibited Activities

- (a) Financial assistance may not pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable.
- (b) ESG funds may not pay any of the following items: construction or rehabilitation; credit card bills or other consumer debt; car repair or transportation costs (not related to going to community referrals); travel costs; food; medical or dental care and medicines; clothing and grooming; home furnishings; pet care; entertainment activities; work or education related

materials; and cash assistance to program participants. ESG may not be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons. Finally, while training for case managers and program administrators is an eligible administrative cost as long as it is directly related to ESG Rapid Re-Housing program operations, ESG may not be used to pay for certifications, licenses, and general training classes.

- (c) Programs may not charge fees to program participants.
- (d) Any ESG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants.

§ 576.105 HOUSING RELOCATION AND STABILIZATION SERVICES

Pursuant to C.F.R. §24 576.103 and C.F.R. §24 576.103, ESG funds may be used for Housing Relocation and Stabilization Services. Sub-recipient will provide housing relocation and stabilization activities under 24.CFR §576.105. ESG funds may pay services that assist program participants with housing stability and placement, such as:

- (a) Financial Assistance costs: Subject to the general conditions under 24 C.F.R. §576.104, ESG funds may pay housing owners, utility companies, and other third parties for the following costs.
 - (1) *Rental Application fees*: ESG funds may pay for the rental housing application fee that is charged by the owner to applicants.
 - (2) *Security Deposits*: ESG funds may pay for a security deposit that is equal to no more than two (2) months' rent or an amount that sub-recipient has determined reasonable given the existing tight rental market.
 - (3) *Last month's rent*: If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG-2 funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one months' rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
 - (4) *Utility deposits*. ESG funds may pay for a standard utility deposit required by the utility company for all customers for the utilities listed in paragraph (5) of this section.
 - (5) *Utility payments*. ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water,

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and sewage. No program participant shall receive more than 24 months of utility assistance within any 3-year period.

- (6) *Moving costs.* ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance under paragraph (b) of this section and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
 - (7) *Hotel or motel rental costs:* ESG funds may pay short-term hotel or motel costs when necessary to assist homeless families prior to securing stable housing.
- (b) *Services costs.* Subject to the general restrictions under §576.103 and §576.104, ESG funds may be used to pay the costs of providing the following services:
- (1) *Housing search and placement.* Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
 - (i) Assessment of housing barriers, needs, and preferences;
 - (ii) Development of an action plan for locating housing;
 - (iii) Housing search;
 - (iv) Outreach to and negotiation with owners;
 - (v) Assistance with submitting rental applications and understanding leases;
 - (vi) Assessment of housing for compliance with Emergency Solutions Grant (ESG) requirements for habitability, lead-based paint, and rent reasonableness;
 - (vii) Assistance with obtaining utilities and making moving arrangements; and
 - (viii) Tenant counseling.
 - (2) *Housing stability case management.* ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Component services and activities consist of:
 - (i) Using the centralized or coordinated assessment system as required under §576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;

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- (ii) Conducting the initial evaluation required under §576.401(a), including verifying and documenting eligibility, for individuals and families applying for homelessness prevention or rapid re-housing assistance;
 - (iii) Counseling;
 - (iv) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - (v) Monitoring and evaluating program participant progress;
 - (vi) Providing information and referrals to other providers;
 - (vii) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - (viii) Conducting re-evaluations required under §576.401(b).
- (3) *Mediation.* ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
- (4) *Legal services.* ESG funds may pay for legal services, as set forth in §576.102(a)(1)(vi), except that the eligible subject matters also include landlord/tenant matters. Legal services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing or will likely result in the program participant losing the permanent housing in which the program participant currently resides.
- (5) *Credit repair.* ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment or modification of a debt.
- (i) *Maximum amounts and periods of assistance.* The recipient may set a maximum dollar amount that a program participant may receive for each type of financial assistance under paragraph (a) of this section. The recipient may also set a maximum period for which a program participant may receive any of the types of assistance or services under this section. However, except for housing stability case management, the total period for which any program participant may receive the services under paragraph (b) of this section must not exceed 24 months during any 3-year period. The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.
 - (ii) *Use with other subsidies.* Financial assistance under paragraph (a) of this section cannot be provided to a program participant who is receiving the same type of assistance through other public sources or to a program participant who has been

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provided with replacement housing payments under the URA, during the period of time covered by the URA payments.

§576.106 SHORT- AND MEDIUM-TERM RENTAL ASSISTANCE

Pursuant to C.F.R. §24 576.103 and C.F.R. §24 576.104, ESG funds may be used for short-term rental assistance and medium-term rental assistance. Sub-recipient will provide short-term rental assistance and medium-term rental assistance as follows:

Subject to the general conditions under §576.103 and §576.104, the recipient or sub-recipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

(a) *General provisions.* Subject to the general conditions under §576.103 and §576.104, the sub-recipient may provide a program participant with up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

- (1) Short-term rental assistance is assistance for up to 3 months of rent.
- (2) Medium-term rental assistance is assistance for more than 3 months but not more than 12 months of rent.
- (3) Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
- (4) Rental assistance may be tenant-based or project-based, as set forth in paragraphs (h) and (i) of this section.

(b) *Discretion to set caps and conditions.* Subject to the requirements of this section, the recipient may set a maximum amount or percentage of rental assistance that a program participant may receive, a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. The recipient may also require program participants to share in the costs of rent. For the purpose of this section, the City is requiring the following conditions:

Homelessness Prevention Program and Rapid Rehousing Program

- (1) ESG Homelessness Prevention and Rapid Re-Housing assistance should be “needs-based,” meaning that case manager should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure or maintain housing.
- (2) Rental assistance payments cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.

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- (3) Compliance with minimum habitability standards.

Homelessness Prevention Program:

- (1) For the purpose of this section, “short-term” assistance is defined as one month’s rent and security deposit.
- (2) For the purpose of this section, ESG funds will not pay medium-term rental assistance as a homelessness prevention strategy.

Rapid Re-Housing Programs:

To receive either short-term or medium-term rental assistance, the following conditions must occur:

- (1) For the purpose of this section, medium-term rental assistance is defined as up to 12 months.
 - (2) For FY 2017, monthly rent assistance will be up to \$400 for 1 bedroom; up to \$600 for a 2 bedroom; and up to \$800 for a three bedroom or larger, or an amount deemed sufficient to secure stable housing within the existing tight rental market.
 - (2) Program participants must be evaluated for eligibility for medium-term rental assistance after every three 3 months.
 - (3) Rapid Re-Housing assistance should be “needs-based,” meaning that case manager should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure housing.
 - (5) Case Manager and program participant must develop an agreed-upon case management plan.
- (c) *Use with other subsidies.* Except for a one-time payment of rental arrears on the tenant's portion of the rental payment, rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance, through other public sources. Rental assistance may not be provided to a program participant who has been provided with replacement housing payments under the URA during the period of time covered by the URA payments.
- (d) *Rent restrictions.* (1) Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD, as provided under 24 CFR part 888, and complies with HUD's standard of rent reasonableness, as established under 24 CFR 982.507.

For purposes of calculating rent under this section, the rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees) and, if the tenant pays separately for utilities, the monthly allowance for

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utilities (excluding telephone) established by the public housing authority for the area in which the housing is located.

- (e) *Rental assistance agreement.* The recipient or sub-recipient may make rental assistance payments only to an owner with whom the recipient or sub-recipient has entered into a rental assistance agreement. The rental assistance agreement must set forth the terms under which rental assistance will be provided, including the requirements that apply under this section. The rental assistance agreement must provide that, during the term of the agreement, the owner must give the recipient or sub-recipient a copy of any notice to the program participant to vacate the housing unit, or any complaint used under state or local law to commence an eviction action against the program participant.
- (f) *Late payments.* The recipient or sub-recipient must make timely payments to each owner in accordance with the rental assistance agreement. The rental assistance agreement must contain the same payment due date, grace period, and late payment penalty requirements as the program participant's lease. The recipient or sub-recipient is solely responsible for paying late payment penalties that it incurs with non-ESG funds.
- (g) *Lease.* Each program participant receiving rental assistance must have a legally binding, written lease for the rental unit, unless the assistance is solely for rental arrears. The lease must be between the owner and the program participant. Where the assistance is solely for rental arrears, an oral agreement may be accepted in place of a written lease, if the agreement gives the program participant an enforceable leasehold interest under state law and the agreement and rent owed are sufficiently documented by the owner's financial records, rent ledgers, or canceled checks. For program participants living in housing with project-based rental assistance under paragraph (i) of this section, the lease must have an initial term of one year.
- (h) *Tenant-based rental assistance.* (1) A program participant who receives tenant-based rental assistance may select a housing unit in which to live and may move to another unit or building and continue to receive rental assistance, as long as the program participant continues to meet the program requirements.
 - (1) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.
 - (2) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:
 - The program participant moves out of the housing unit for which the program participant has a lease; (ii) The lease terminates and is not renewed; or (iii) The program participant becomes ineligible to receive ESG rental assistance.
- (i) *Project-based rental assistance.* If the recipient or sub-recipient identifies a permanent housing unit that meets ESG requirements and becomes available before a program participant is identified to lease the unit, the recipient or sub-recipient may enter into a rental

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assistance agreement with the owner to reserve the unit and subsidize its rent in accordance with the following requirements:

- (1) The rental assistance agreement may cover one or more permanent housing units in the same building. Each unit covered by the rental assistance agreement (“assisted unit”) may only be occupied by program participants, except as provided under paragraph (i)(4) of this section.
 - (2) The sub-recipient may pay up to 100 percent of the first month's rent, provided that a program participant signs a lease and moves into the unit before the end of the month for which the first month's rent is paid. The rent paid before a program participant moves into the unit must not exceed the rent to be charged under the program participant's lease and must be included when determining that program participant's total rental assistance.
 - (3) The sub-recipient may make monthly rental assistance payments only for each whole or partial month an assisted unit is leased to a program participant. When a program participant moves out of an assisted unit, the sub-recipient may pay the next month's rent, *i.e.*, the first month's rent for a new program participant, as provided in paragraph (i)(2) of this section.
 - (4) The program participant's lease must not condition the term of occupancy to the provision of rental assistance payments. If the program participant is determined ineligible or reaches the maximum number of months over which rental assistance can be provided, the sub-recipient must suspend or terminate the rental assistance payments for the unit. If the payments are suspended, the individual or family may remain in the assisted unit as permitted under the lease, and the sub-recipient may resume payments if the individual or family again becomes eligible and needs further rental assistance. If the payments are terminated, the rental assistance may be transferred to another available unit in the same building, provided that the other unit meets all ESG requirements.
 - (5) The rental assistance agreement must have an initial term of one year. When a new program participant moves into an assisted unit, the term of the rental assistance agreement may be extended to cover the initial term of the program participant's lease. If the program participant's lease is renewed, the rental assistance agreement may be renewed or extended, as needed, up to the maximum number of months for which the program participant remains eligible. However, under no circumstances may the sub-recipient commit ESG funds to be expended beyond the expenditure deadline in §576.203 or commit funds for a future ESG grant before the grant is awarded.
- (j) *Changes in household composition.* The limits on the assistance under this section apply to the total assistance an individual receives, either as an individual or as part of a family.

Ineligible and Prohibited Activities

- (a) Financial assistance may not pay for any mortgage costs or costs needed by homeowners to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable.
- (b) ESG funds may not pay any of the following items: construction or rehabilitation; credit card bills or other consumer debt; car repair or transportation costs (not related to going to community referrals); travel costs; food; medical or dental care and medicines; clothing and grooming; home furnishings; pet care; entertainment activities; work or education related materials; and cash assistance to program participants. ESG may not be used to develop discharge planning programs in mainstream institutions such as hospitals, jails, or prisons. Finally, while training for case managers and program administrators is an eligible administrative cost as long as it is directly related to ESG Rapid Re-Housing program operations, ESG may not be used to pay for certifications, licenses, and general training classes.
- (c) Programs may not charge fees to program participants.
- (d) Any ESG funds used to support program participants must be issued directly to the appropriate third party, such as the landlord or utility company, and in no case are funds eligible to be issued directly to program participants.

HMIS COMPONENT (C.F.R. 24 §576.107)

HMIS Data Collection: Pursuant to 24 CFR §576.107, sub-recipients will administer HMIS as required to implement ESG. For 2017, the City will work with Ramsey County CoC and ESG sub-recipients to comply with future HUD guidance relating to HMIS operations. The sub-recipient may use ESG funds to pay the costs of contributing data to HMIS. HMIS costs will be limited to three (3) percent of the grant.

Eligible HMIS Costs: ESG funds may pay for costs of contributing data to the HMIS as designated by Ramsey County Continuum of Care, including the costs of purchasing or leasing computer hardware; purchasing software or software licenses; purchasing or leasing equipment, including telephones, fax machines; obtaining technical support; leasing office space; paying charges for utilities and high-speed data transmission necessary to operate or contribute data to HMIS; paying costs of staff to attend HUD-sponsored and HUD-approved training on HMIS; paying staff travel costs to conduct intake; and paying HMIS participation fees.

ADMINISTRATIVE ACTIVITIES (C.F.R. 24 §576.108)

- (a) *Eligible costs.* The City of Saint Paul may use up to 7.5 percent of its ESG grant for the payment of administrative costs related to the planning and execution of ESG activities. This does not include staff and overhead costs directly related to carrying out activities eligible under §576.101 through §576.107, because those costs are eligible as part of those activities. Eligible administrative costs include:

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- (1) *General management, oversight and coordination.* Costs of overall program management, coordination, monitoring, and evaluation include, but are not limited to, necessary expenditures for the following:
 - (A) Salaries, wages, and related costs of the recipient's staff, the staff of sub-recipients, or other staff engaged in program administration. In charging costs to this category, the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods for each fiscal year grant. Program administration assignments include the following:
 - (i) Preparing program budgets and schedules, and amendments to those budgets and schedules;
 - (ii) Developing systems for assuring compliance with program requirements;
 - (iii) Developing interagency agreements and agreements with sub recipients and contractors to carry out program activities;
 - (iv) Monitoring program activities for progress and compliance with program requirements;
 - (v) Preparing reports and other documents directly related to the program for submission to HUD;
 - (vi) Coordinating the resolution of audit and monitoring findings;
 - (vii) Evaluating program results against stated objectives; and
 - (viii) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i)(A) through (G) of this section.
 - (B) Travel costs incurred for monitoring of sub-recipients;
 - (C) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and
 - (D) Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.
- (2) *Training on ESG requirements.* Costs of providing training on ESG requirements and attending HUD-sponsored ESG trainings.

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- (3) *Consolidated plan.* Costs of preparing and amending the ESG and homelessness-related sections of the consolidated plan in accordance with ESG requirements and 24 CFR part 91.
 - (4) *Environmental review.* Costs of carrying out the environmental review responsibilities under §576.407.
- (b) *Sharing requirement. (2) Territories, metropolitan cities, and urban counties.* If the recipient is a territory, metropolitan city, or urban county, the recipient may share its funds for administrative costs with its sub recipients.

§ 576.109 INDIRECT COSTS.

- (a) *In general.* ESG grant funds may be used to pay indirect costs in accordance with OMB Circular A–87 (2 CFR part 225), or A–122 (2 CFR part 230), as applicable.
- (b) *Allocation.* Indirect costs may be allocated to each eligible activity under §576.101 through §576.108, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circular A–87 (2 CFR part 225), or A–122 (2 CFR part 230), as applicable.
- (c) *Expenditure limits.* The indirect costs charged to an activity subject to an expenditure limit under §576.100 must be added to the direct costs charged for that activity when determining the total costs subject to the expenditure limit.

Subpart E - Program Requirements

§ 576.400 Area-wide systems coordination requirements

- (a) *Consultation with Continuums of Care.* The City of Saint Paul consults with Ramsey County Continuum of Care that serves the City of Saint Paul in determining how to allocate ESG funds each program year; develop performance standards for and evaluate the outcomes of projects and activities assisted by ESG funds; and develop funding, policies, and procedures for the administration and operation of the HMIS.
- (b) *Coordination with other targeted homeless services.* The City of Saint Paul and its sub-recipients coordinate and integrate, to the maximum extent practicable, ESG-funded activities with other programs targeted to homeless people in the area covered by the Continuum of Care or area over which the services are coordinated to provide a strategic, community-wide system to prevent and end homelessness for that area. In addition to funding affordable housing opportunities in Saint Paul, the City recognizes these below-mentioned federal programs and may allocate funds to some of the programs:
 - (1) Shelter Plus Care Program (24 CFR part 582); such as the Shelter Plus Care Program at Saint Paul Residence, owned by the City and operated by Catholic Charities;

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- (2) Supportive Housing Program (24 CFR part 583);
 - (3) Section 8 Moderate Rehabilitation Program for Single Room Occupancy Program for Homeless Individuals (24 CFR part 882);
 - (4) HUD - Veterans Affairs Supportive Housing (HUD-VASH) (division K, title II, Consolidated Appropriations Act, 2008, Pub. L. 110–161 (2007), 73 FR 25026 (May 6, 2008). The City consults with Saint Paul Public Housing Agency regarding the use of VASH vouchers for homeless veterans in Saint Paul;
 - (5) Education for Homeless Children and Youth Grants for State and Local Activities (title VII–B of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 *et seq.*). In this regard, the City has a working relationship with the Homeless Liaison for the Saint Paul School District;
 - (6) Healthcare for the Homeless (42 CFR part 51c) – The City allocates ESG funds to the Healthcare for the Homeless Program in the City of Saint Paul;
 - (8) Programs for Runaway and Homeless Youth (Runaway and Homeless Youth Act (42 U.S.C. 5701 *et seq.*); The City allocates ESG fund to Ain Dah Yung, Lutheran Social Services, and SafeZone – to assist runaway and homeless youth; and
 - (9) Supportive Services for Veteran Families Program (38 CFR part 62) – Minnesota Assistance Council for Veterans is a grant recipient for this program which can serve Saint Paul veterans.
- (c) *System and program coordination with mainstream resources.* The City of Saint Paul and its sub-recipients coordinate and integrate, to the maximum extent practicable, ESG-funded activities with mainstream housing, health, social services, employment, education, and youth programs for which families and individuals at risk of homelessness and homeless individuals and families may be eligible. Examples of these programs include:
- (1) Public housing programs assisted under section 9 of the U.S. Housing Act of 1937 (42 U.S.C. 1437g) (24 CFR parts 905, 968, and 990);
 - (2) Housing programs receiving tenant-based or project-based assistance under section 8 of U.S. Housing Act of 1937 (42 U.S.C. 1437f) (respectively 24 CFR parts 982 and 983);
 - (3) Supportive Housing for Persons with Disabilities (Section 811);
 - (4) HOME Investment Partnerships Program (24 CFR part 92);
 - (5) Temporary Assistance for Needy Families (45 CFR parts 260–265);
- (d) *Centralized or coordinated assessment.* The Continuum of Care has developed a centralized assessment system or a coordinated assessment system homeless families, homeless

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individuals, and homeless youth seeking emergency shelter. Therefore, each ESG-funded program, as appropriate, must use that assessment system. The City and sub-recipients must continue to work with the Continuum of Care to ensure the screening, assessment and referral of program participants are consistent with the written standards required by HUD. During 2017, the City will work with Ramsey County Continuum of Care, as appropriate, to implement the centralized assessment system to single adults and homeless youth, pending availability of funding.

STANDARDS FOR DETERMINING PERCENTAGE OR AMOUNT OF RENT AND UTILITIES COSTS FOR EACH PROGRAM PARTICIPANT MUST PAY WHILE RECEIVING HOMELSSNESS PREVENTION OR RAPID RE-HOUSING ASSISTANCE §576.400(vii)

All program participants will pay 30% of their income toward rent. If household income increases after three months, then ESG payment will decrease.

If a household income decreases, ESG may pay the rental differential for a period of time agreed upon by case manager and program participant. That said, case manager and program participant must develop a realistic action plan to address the loss of income. Sub-recipient must also consult with the City if additional ESG assistance is needed to achieve the agreed-upon action plan.

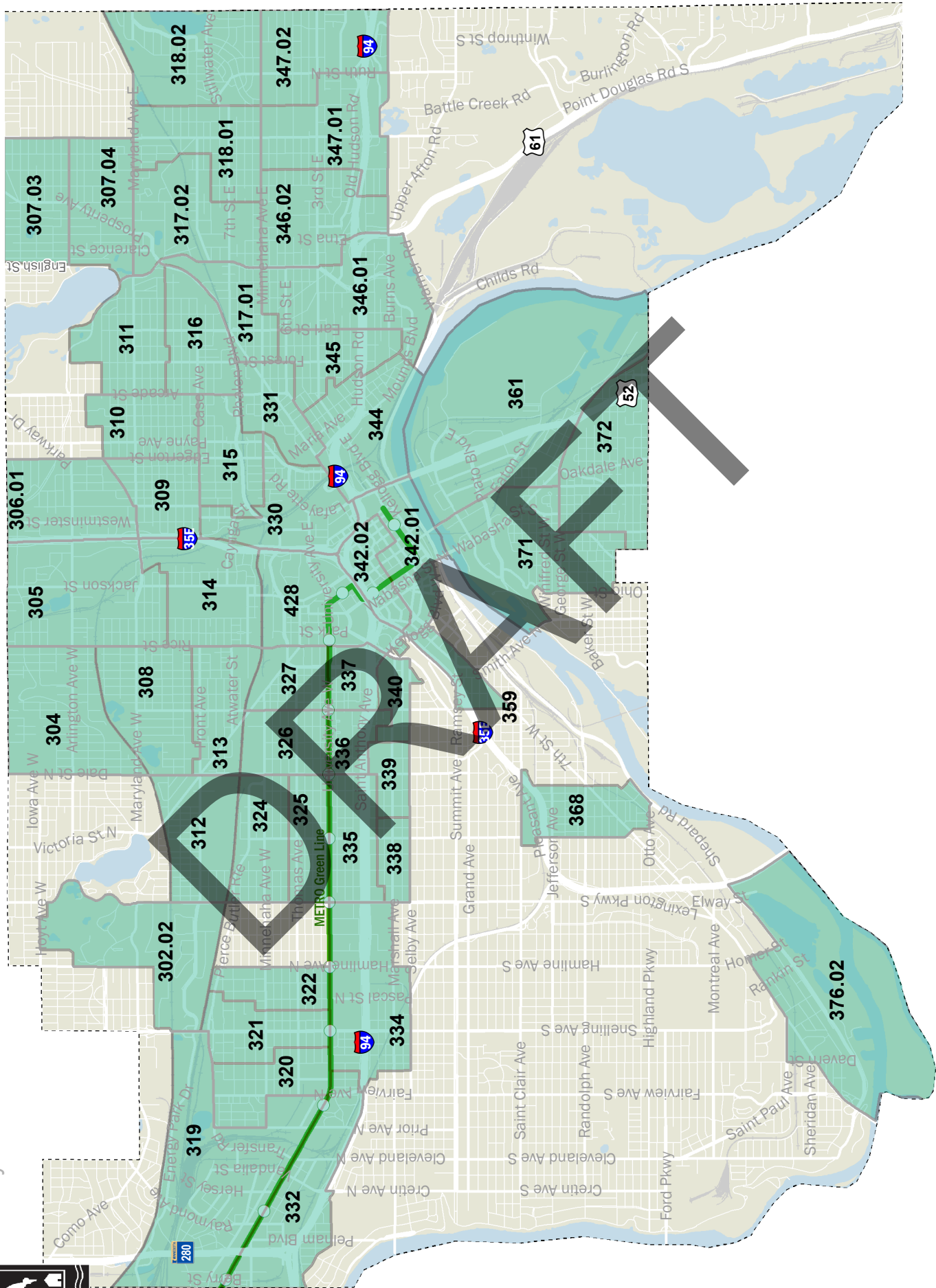
CDBG-Qualified Census Tracts 2019

January 2019



CITY OF SAINT PAUL

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CITY OF SAINT PAUL, MINNESOTA

CDBG Eligible Census Tracts

Geo ID	Census Tract	State ID	County ID	Low-Income Population in Tract	Total Population in Tract	% Low-Income
271230000000	302.02	27	123	1,350	2,255	59.87%
271230000000	304	27	123	1,110	1,250	88.80%
271230000000	305	27	123	1,715	1,770	96.89%
271230000000	306.01	27	123	2,755	3,090	89.16%
271230000000	307.03	27	123	370	570	64.91%
271230000000	308	27	123	795	1,030	77.18%
271230000000	310	27	123	700	1,020	68.63%
271230000000	311	27	123	735	1,435	51.22%
271230000000	312	27	123	770	1,305	59.00%
271230000000	313	27	123	860	1,050	81.90%
271230000000	314	27	123	500	685	72.99%
271230000000	315	27	123	935	1,060	88.21%
271230000000	316	27	123	1,300	1,440	90.28%
271230000000	317.02	27	123	1,305	1,700	76.76%
271230000000	318.01	27	123	885	1,175	75.32%
271230000000	319	27	123	660	730	90.41%
271230000000	321	27	123	795	1,250	63.60%
271230000000	324	27	123	960	1,110	86.49%
271230000000	325	27	123	830	975	85.13%
271230000000	326	27	123	935	1,440	64.93%
271230000000	327	27	123	850	920	92.59%
271230000000	331	27	123	795	970	81.96%
271230000000	332	27	123	515	890	57.87%
271230000000	334	27	123	900	900	100.00%
271230000000	335	27	123	835	910	91.76%
271230000000	336	27	123	1,400	1,580	88.61%
271230000000	337	27	123	1,255	1,565	80.19%
271230000000	338	27	123	930	1,200	77.50%
271230000000	339	27	123	795	1,480	53.72%
271230000000	340	27	123	410	755	54.30%

ATTACHMENT I

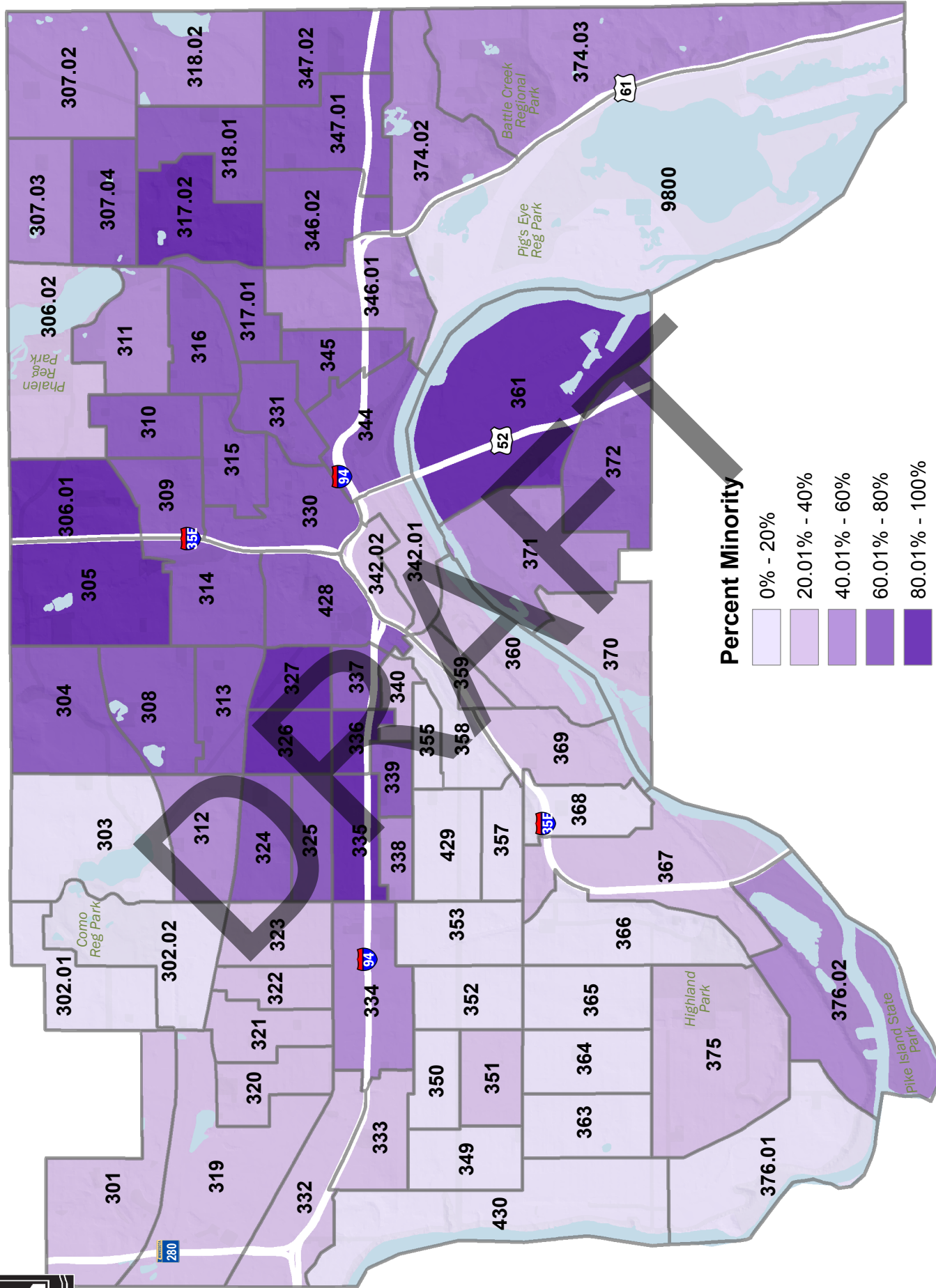
CITY OF SAINT PAUL, MINNESOTA

CDBG Eligible Census Tracts

Geo ID	Census Tract	State ID	County ID	Low-Income Population in Tract	Total Population in Tract	% Low-Income
271230000000	342.01	27	123	1,100	1,815	60.61%
271230000000	345	27	123	1,055	1,475	71.53%
271230000000	346.01	27	123	435	755	57.62%
271230000000	346.02	27	123	450	705	63.83%
271230000000	359	27	123	610	1,005	60.70%
271230000000	361	27	123	1,415	1,610	87.89%
271230000000	365	27	123	475	845	56.21%
271230000000	366	27	123	955	1,725	55.36%
271230000000	368	27	123	750	1,105	67.87%
271230000000	370	27	123	205	395	51.90%
271230000000	371	27	123	875	890	98.31%
271230000000	372	27	123	1,240	1,845	67.21%
271230000000	376.02	27	123	475	835	56.89%
271230000000	405.02	27	123	465	890	52.25%
271230000000	406.04	27	123	685	820	83.54%
271230000000	408.01	27	123	645	835	77.25%
271230000000	408.02	27	123	205	205	100.00%
271230000000	409.02	27	123	1,110	2,105	52.73%
271230000000	411.03	27	123	965	1,505	64.12%
271230000000	411.07	27	123	1,240	2,260	54.87%
271230000000	416.02	27	123	1,255	1,960	64.03%
271230000000	420.02	27	123	1,005	1,255	80.08%
271230000000	421.01	27	123	1,540	2,405	64.03%
271230000000	422.01	27	123	840	1,385	60.65%
271230000000	423.02	27	123	830	1,590	52.20%
271230000000	425.01	27	123	530	810	65.43%
271230000000	428	27	123	360	485	74.23%

Percent Minority Population per Census Tract

February 2019



ATTACHMENT J

CITY OF SAINT PAUL, MINNESOTA

Census Tracts with Minority Concentration

Geo ID	Census Tract	% Minority	% Low-Income
27123030400	304	65.03%	60.02%
27123030500	305	83.80%	83.01%
27123030601	306.01	86.28%	75.02%
27123030703	307.03	50.61%	66.06%
27123030704	307.04	68.68%	57.23%
27123030800	308	64.55%	69.86%
27123030900	309	75.41%	67.30%
27123031000	310	71.52%	74.29%
27123031300	313	75.87%	82.18%
27123031400	314	76.47%	82.56%
27123031500	315	71.21%	88.55%
27123031600	316	77.70%	85.31%
27123031701	317.01	76.27%	50.26%
27123031702	317.02	80.18%	81.70%
27123031801	318.01	68.60%	68.69%
27123032400	324	73.50%	76.18%
27123032500	325	75.80%	75.84%
27123032600	326	81.10%	74.86%
27123032700	327	86.06%	82.31%
27123033000	330	69.12%	77.90%
27123033100	331	64.30%	67.71%
27123033500	335	80.98%	80.53%
27123033600	336	95.12%	88.61%
27123033700	337	78.17%	80.19%
27123033800	338	54.99%	68.66%
27123033900	339	60.01%	53.72%
27123034400	344	63.01%	62.94%
27123034500	345	61.17%	70.68%
27123034601	346.01	59.53%	70.28%
27123034602	346.02	71.56%	63.77%
27123034701	347.01	64.62%	60.46%
27123034702	347.02	61.40%	60.66%
27123036100	361	82.05%	87.89%
27123037100	371	53.02%	55.39%
27123037200	372	63.13%	68.99%
27123037403	374.03	59.20%	55.81%
27123042800	428	79.11%	92.55%

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GLOSSARY OF TERMS, ACRONYMS, AND ABBREVIATIONS

4(d) Affordable Housing Incentive Program – a program that preserves affordable housing by helping rental building owners obtain property tax reductions if they agree to keep a minimum percentage of their rental units affordable over a specified period of time. The program may also help owners make existing buildings greener through cost sharing for energy efficiency improvements and solar installations.

ADA – Americans With Disabilities Act - a civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public.

ADU – Accessory Dwelling Unit – a secondary dwelling unit, subordinate to a principal one-family dwelling, within or attached to a one-family dwelling or in a detached accessory building on the same zoning lot, with the property owner of record occupying either the principal dwelling unit or the accessory dwelling unit as their permanent and principal residence.

Affordable Housing – Defined as housing where the occupant(s) is/are paying no more than 30% of his/her income for gross housing costs, including utilities.

Annual Action Plan (AAP) - annual plans for the period of time covered by the Consolidated Plan (typically three to five years) which provide a concise summary of the actions, activities, and specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified in the Consolidated Plan.

Assisted Housing – housing which is subject to restrictions on rents because of one or more governmental subsidies.

ADA – Americans with Disabilities Act.

AFFH – Affirmatively Furthering Fair Housing - a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act.

AI – Analysis of Impediments to Fair Housing - is a comprehensive review of an Entitlement jurisdiction's laws, regulations, and administrative policies, procedures, and practices how those laws, etc. affect the location, availability, and accessibility of housing, both public and private, and the affect on housing choice for all protected classes.

ALP – Wilder Assisted Living Program - brings supportive services to residents who live in two STPHA hi-rises.

AMI – Area Median Income - the midpoint of a specific region's income distribution – half of families earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income—such as 80% of the area median income—identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households.

ATTACHMENT L

ASL – American Sign Language - a system of communication using visual gestures and signs and serves as the predominant sign language of Deaf communities in the United States and most of English-speaking Canada

CAHS - Coordinated Access to Housing and Shelter - the process that conducts intake assessments to determine the most appropriate referral for homeless families and individuals seeking emergency shelter.

CDBG - Community Development Block Grant - an annual entitlement grant of federal dollars, from HUD to the City of Saint Paul, used to fund activities that primarily benefit low/moderate-income citizens.

CDC – Community Development Corporations - are nonprofit, community-based organizations focused on revitalizing the areas in which they are located, typically low-income, underserved neighborhoods that have experienced significant disinvestment.

CFR – Code of Federal Regulations – Federal regulations; HUD regulations are at 24 CFR.

CHSP - Congregate Housing Services Program - develops individualized services for elderly or disabled STPHA residents to maintain his/her independence.

Conduit Revenue Bonds – are tax-exempt revenue bonds issued by the HRA and are used for not-for-profit organization capital improvement projects.

Consolidated Plan (Con Plan) – a required strategic plan for any local unit of government receiving HUD funds which requires the jurisdiction to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions.

CoC - Continuum of Care - a comprehensive system designed to move individuals and families from homelessness to permanent housing by providing specialized assistance (e.g., job training, psychological counseling, budget counseling, education, etc.).

CROP – Community Resource Outreach Project - Weekly outreach at the City's Central and Rondo Community Library to provide referrals to community resources.

CWRC – Citywide Resident Council – Its purpose is to advocate for residents before STPHA and other agencies; evaluate physical and social conditions at respective developments or buildings; encourage programs and activities designed to promote leadership, self-sufficiency, safety, and education; and encourage good working relationships between residents and STPHA staff.

DOL – Department of Labor - a department of the U.S. federal government responsible for occupational safety, wage and hour standards, unemployment insurance benefits, reemployment services, and some economic statistics. The purpose is to foster, promote, and develop the wellbeing of wage earners, job seekers, and retirees; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

DSI – Department of Safety and Inspections – a City Department whose mission is to preserve and improve the quality of life in Saint Paul by protecting and promoting public health and safety for all through code compliance; building, property, and fire inspections; permits; zoning compliance; dog licensing, among other things.

EEOC – Equal Employment Opportunity Commission - a federal agency that administers and enforces civil rights laws against workplace discrimination. The EEOC investigates discrimination complaints based on an individual's race, children, national origin, religion, sex, age, disability, sexual orientation, gender identity, genetic information, and retaliation for reporting, participating in, and/or opposing a discriminatory practice.

Elderly – A person who is at least 62 years of age and older (applies to housing activities). A person who is at least 60 years of age and older (applies to non-housing Community Development Block Grant activities).

Emergency Shelter – Any facility with overnight sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general or specific segments of the homeless population.

Entitlement Community – A community that receives funding directly from HUD and develops its own programs and funding priorities, for example, the City of Saint Paul.

ESG – Emergency Solutions Grant - provides funding to assist homeless individuals/families or prevent individual/families from becoming homeless.

Extremely Low-Income – Persons/households whose income falls below 30% of the area median income.

FHPAP – Family Homeless Prevention and Assistance program provides grants to encourage and support innovation at the county or regional level by establishing a comprehensive service system, including prevention services, for families, single adults and youth who are homeless or at risk of becoming homeless.

FHEO – Fair Housing and Equal Opportunity - an agency within the U.S. Department of Housing and Urban Development. FHEO is responsible for administering and enforcing federal fair housing laws and establishing policies that make sure all Americans have equal access to the housing of their choice.

FHIC – Fair Housing Implementation Council - a collaboration of local and county governments that recognize a regional approach is necessary to effectively eliminate impediments to fair housing and promote fair housing opportunities. The collaboration consists of: Saint Paul, the counties of Anoka, Dakota, Hennepin, and Washington; the Metro HRA (Metropolitan Council); the Community Development Agencies of Scott and Carver Counties; and the cities of Bloomington, Eden Prairie, Minneapolis, Minnetonka, Plymouth, Coon Rapids, and Woodbury.

FSS – Family Self-Sufficiency Program – designed to enable families to improve their education and employment status and thereby achieve a great measure of economic independence self-sufficiency.

HCV - Housing Choice Voucher – the federal government's largest program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The eligible renter pays no more than 30% of adjusted income toward rent and utilities, and the balance of the rent is paid by the public housing agency. Housing assistance is provided on behalf of the participant who are then able to find their own housing, including single-family homes, townhouses, and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects. The program is administered locally by public housing agencies.

HMIS – Homeless Management Information System - a database to combine data on homeless populations served within a specific geographic area (e.g., St. Paul, Ramsey County).

HOA – Home Ownership Alliance - A statewide collaboration to eliminate Minnesota's homeownership gap.

HOME Program – The HOME Investment Partnerships Program - provides formula funding, from HUD to the City of Saint Paul, for a wide range of affordable housing activities for low-income people which can include rental, homeownership, and rehabilitation of existing housing.

Household – one or more persons occupying a given housing unit (Census Bureau).

Household Income – household means all persons who occupy a housing unit. Occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

HRA – Housing and Redevelopment Authority - a City of Saint Paul public entity which undertakes housing, commercial and business development activities. The HRA authorizes the acquisition of real estate, housing and commercial loans and grants, and the issuance of bonds.

HTF – Housing Trust Fund - an affordable housing production program that complements existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households and may include homeless families. HTF funds are typically used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities.

HREEO - Human Rights and Equal Employment Opportunity - a department at the City of Saint Paul serves to improve the inclusive contracting practices and workforce development strategies of the City.

HUD – United States Department of Housing and Urban Development - the federal agency from which the City receives its CDBG, HOME program, and ESG funding.

IDIS – Integrated Disbursement & Information System - a nationwide database that provides HUD with current information on the status of HUD-funded activities.

Inclusionary Zoning - an affordable housing tool that links the production of affordable housing to the production of market-rate housing. It either requires or encourages new residential developments to make a certain percentage of the housing units affordable to low- or moderate- income residents.

Inspiring Communities - a City of Saint Paul housing redevelopment strategy providing focused investment in neighborhoods most impacted by foreclosure and vacancy. The program funds assist developers with development gap financing for construction of new housing on vacant lots or rehabilitation of vacant structures.

LIHTC – Low-Income Housing Tax Credits - a program provides tax incentives, written into the Internal Revenue Code, to encourage developers to create affordable housing. These tax credits are provided to each State based on population and are distributed to the State's designated tax credit allocating agency. In turn, these agencies distribute the tax credits based on the State's affordable housing needs with broad outlines of program requirements from the federal government. Tax credit subsidies provide a moderate level of affordability through rent restrictions. Tax credits may be combined with additional sources of federal or state funding

LBP – Lead-Based Paint.

LEP – Limited English Proficiency - individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English.

LMI (or low/mod) – Low- and/or Moderate-Income – generally refers to individuals and/or households with incomes at or below 80% of area median income.

Low-Income – Households/persons whose income is at or below 50% of the area median income.

MACPD – Mayor's Advisory Committee–People with Disabilities - advises and makes recommendations to the Mayor and City Council regarding problems, issues, and opportunities facing people with disabilities and specifically focused on issues related to employment, public education, and accessibility.

MAC-V – Minnesota Assistance Council for Veterans - directly helps veterans and their families affected by homelessness or those in danger of becoming homeless.

Mainstream Program – Mainstream Housing Opportunities for Persons with Disabilities - provides vouchers to through Public Housing Agencies that enable persons with disabilities (elderly or non-elderly) to access affordable private housing of their choice. Also assists PHAs and nonprofit disability organizations in providing

ATTACHMENT L

housing choice vouchers (HCVs) for any group identified in a community as having the worst housing need, i.e., very low-income persons with a disability.

MBE – Minority-owned Business Enterprise - business owned by at least 51% minority individuals.

MESH – Minnesota Engagement on Shelter and Housing - helps regions, communities, and organizations develop strategic and customized solutions for ending homelessness, based on national best practices.

MHFA – Minnesota Housing Finance Agency (a.k.a. Minnesota Housing or MN Housing) - the state's housing finance agency that provides access to safe, decent and affordable housing and to build stronger communities across the state by providing funding for homebuyers.

MHU – Mental Health Unit - Specialized SPPD officers who conduct proactive and reactive services citywide in an effort to connect citizens in need of mental health services with available community resources.

Middle-Income – Households/persons whose income is from 81% and 120% of the area median income.

MNHOC – Minnesota Homeownership Center - provides homebuyer services through classes and one-on-one counseling, and helps homeowners facing foreclosure stay in their homes.

Moderate-Income – Households/persons whose income is from 51% and 80% of the area median income.

Multi-Family Housing – A building with 4 or more residential units, including apartments, condominiums. Multi-family units are generally attached and share a common lot. Housing type should not be confused with ownership; multi-family units may be owner-occupied or renter-occupied.

NOAH – Naturally Occurring Affordable Housing - refers to residential rental properties that maintain low rents without federal subsidy. It is the most common affordable housing in the U.S.

NSP - Neighborhood Stabilization Program - was created by the federal government to redevelop abandoned and foreclosed homes as part of the Housing & Economic Recovery Act of 2008.

OFE – Office of Financial Empowerment - seeks to directly address the root causes of poverty and inequity in Saint Paul. Creation of the OFE will connect low-income residents to financial education and counseling, help them establish savings and build credit, and provide them with tools to achieve financial stability.

OZ – Opportunity Zones - are a new community development program established by Congress in the Tax Cut and Jobs Act of 2017 to encourage long-term investments in low-income and urban communities nationwide.

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PBV – Project Based Voucher - helps pay for rent in privately owned rental housing, but only in specific privately-owned buildings or units (see PBRA). The voucher holder does not get to choose the unit as is done with an HCV.

PHA – Saint Paul Public Housing Agency.

PI – Program Income - income directly generated from a CDBG or HOME program funded activity (e.g., loan repayments).

PIT – Point-In-Time Count – a count of all sheltered and unsheltered people in a specific community. Outreach workers and volunteers canvas a community to count the people who appear to be living in places not meant for human habitation. During a PIT count, communities identify whether a person is an individual, a member of a family unit, or an unaccompanied youth. In addition, communities also identify if a person is chronically homeless, indicating long-time or repeated homelessness, and if a person has a disability.

PJ – Participating Jurisdiction - a state or local government designated by HUD to receive funding through the HOME Program.

POHP – Publicly Owned Housing Program – Through Minnesota Housing Finance Agency, assistance is provided to PHAs that provide public housing to individuals and families (households with children) to rehabilitate and preserve public housing units.

PSH - Permanent Supportive Housing – Housing with supportive services; an intervention that combines affordable housing assistance with voluntary support services to address the needs of chronically homeless people.

RAB – Resident Advisory Board – provides the PHA and the residents with a forum for sharing information about the Agency's Annual Plan, developing and/or making any significant modifications or amendment to the plan. PHAs are required to establish one or more RABs as part of the PHA Plan process and is comprised of individuals who reflect and represent the residents assisted by the PHA.

RAD – Rental Assistance Demonstration Program - allows public housing agencies (PHAs) and owners of other HUD-assisted properties to convert units from HUD rental assistance to project-based Section 8 contracts. The primary benefit is that properties are able to private sources of capital financing for owners to address deferred maintenance issues.

RCCHSD – Ramsey County Community Human Services Department.

RRH – Rapid Re-Housing - an intervention designed to help individuals and families that do not need intensive and ongoing supports to quickly exit homelessness and return to permanent housing.

RUSH - Re-directing Users of Shelter to Housing - a group of Ramsey County community partners that aims to move all frequent users of emergency shelters into stable housing.

SBE - Small Business Enterprise - a business that meets specific economic criteria and is owned, operated, and controlled by one or more persons.

Section 3 Program - requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting, and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons.

Single-family Housing – A residence which includes conventional stand-alone housing units as well as patio homes, townhomes, duplexes, or structures with up to four units, one of which is occupied by the owner.

SPHRO - Saint Paul Human Rights Ordinance - prohibits discriminatory treatment in employment, real property, education, public accommodations, and public services.

SPPD – Saint Paul Police Department.

SPPS – Saint Paul Public Schools, Independent District #625.

SRO – Single Room Occupancy - a residential property that includes multiple single room dwelling units. Each unit is for occupancy by a single eligible individual. The unit need not, but may, contain food preparation or sanitary facilities, or both.

STAR Funds – Sales Tax Revitalization - funds are derived from a City of Saint Paul half-cent sales tax levy for capital improvements to further residential, economic, and commercial development.

Supportive Housing – Housing that includes planned supportive services.

TBRA – Tenant-Based Rental Assistance - a rental subsidy that helps make up the difference between what a renter can afford to pay and the actual rent for a home or apartment.

TIF – Tax Increment Financing - a public financing method that is used as a subsidy for redevelopment, infrastructure, and other community-improvement projects.

TPV – Tenant Protection Vouchers (also referred to as **Enhanced Vouchers**) – are meant to ensure there is no displacement of low-income residents occurs as a result of various actions resulting in a loss of subsidy assistance. In other words, tenants may be displaced when a property in which the tenant lives is no longer subject to income restrictions but the tenant does not have a voucher to ensure household affordability. These tenants would receive a voucher to ensure affordability and protection from potential rent increases.

Transitional Housing – a project that is designed to provide housing and appropriate supportive services to homeless persons to facilitate movement to independent living within 24 months.

ATTACHMENT L

VASH – Veterans Affairs Supportive Housing - combines HUD HCV rental assistance for homeless veterans and their families with case management and clinical services provided by the Department of Veterans Affairs at its medical centers and in the community.

Very Low-Income – Households/persons whose income falls below 30% of the area median income.

VOP - Vendor Outreach Program - a City of Saint Paul business assistance program aimed at helping WBE, MBE, and SBE have greater access to contracting opportunities with the city.

WBE – Woman-owned Business Enterprise – a business where at least 51% is owned and controlled by a female.

DRAFT

