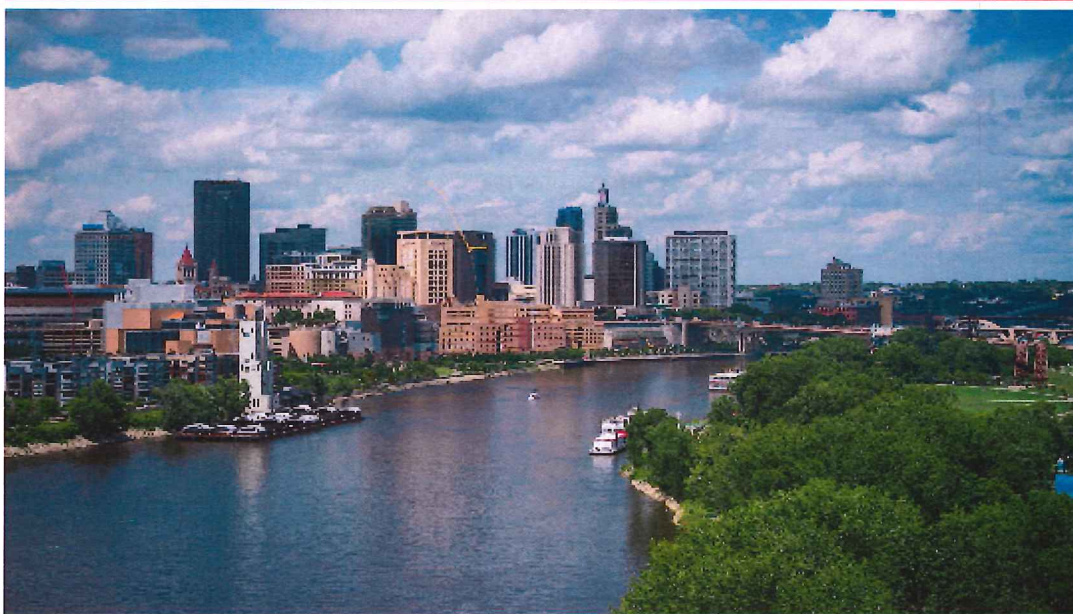




CITY OF SAINT PAUL, MINNESOTA CONSOLIDATED PLAN, 2017 ACTION PLAN



This Document includes information required by the U.S. Department of Housing and Urban Development for Fiscal Year 2017:
Community Development Block Grant Program, Home Investment Partnership,
Emergency Solutions Grant Program



City of Saint Paul
Planning and Economic Development Department
APPROVED BY CITY COUNCIL RESOLUTION #

Annual Action Plan
2017

1

Executive Summary

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

1. Introduction

The City of Paul is considered an entitlement community by the United States Department of Housing and Urban Development (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. 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 anticipates receiving \$6,347,173 of Community Development Block Grant (CDBG) funding, \$1,482,826 of HOME Investment Partnership Program (HOME) funding, and \$574,696 of Emergency Solutions Grant (ESG) funding from HUD in 2017. In addition, the City estimates using about \$502,827 in CDBG program income. These estimates are based on the City of Saint Paul receiving the same level of funding from HUD in FY 2017 that was received in FY2016. Should the City of Saint Paul receive less the estimated amount, the City will alter the division of funding in the following manner:

Under the CDBG program, the Administration, Public Service and Clearance activities will be reduced proportionately to the percentage of reduction received from HUD in the formula allocation. The balance of the reduction will then be applied to the Housing Rehabilitation and Economic Development projects. Single family rehabilitation activates under the Housing Rehabilitation project will absorb 50% of the shortfall, while the Economic Development project and Multifamily Rehabilitation activities under the Housing Rehabilitation project will each absorb 25% of the shortfall.

Should the City receive an increase in CDBG funding from the estimated allocation, the City will increase its Administration and Youth Employment Public Service activities, proportionately to the increased level of funding, staying under the 20% and 15% caps respectively. The remaining increase will be split evenly between the Economic Development and Public Facilities projects.

HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocation received from HUD.

This document is the one year Action Plan for the City of Saint Paul, Minnesota, for program year 2017 to be submitted to HUD. The Action Plan includes the City's application for 2017 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 funds to assist in the provision of long-term, safe and affordable housing, as well as ESG funding, which provides housing opportunities for homeless persons. This document will be submitted to HUD by April 30, 2017.

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 through the consolidated planning process, the City of Saint Paul has identified twenty-one priority needs in the Strategic 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 keep households 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.

3. Evaluation of past performance

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

The housing needs of low income, special needs, and elderly homeowners, as well as the needs of small, large, elderly, and special needs renter households are listed as high priorities in the 2015-2019 Saint Paul Consolidated Plan. The strategies identified in the housing section of the City's Comprehensive Plan

were to preserve and construct affordable housing through partnerships, and retrofit for energy efficiency.

Historically, the City has expended the majority of its funding from the Department of Housing & Urban Development (HUD) on housing activities (primarily for rehabilitation), and it continued to do so in the last program year. During the 2015 program year, all of the City's HOME Investment Partnership Program (HOME) funding, and approximately 95% of the Community Development Block Grant (CDBG) project funding was used for housing related activities. A total of 593 housing units were constructed or completed rehabilitation this year. 93% of this housing work consisted of rehabilitation of existing housing units and 7% was the construction of new affordable units. This total fell short of the proposed 2015 total housing unit goal identified in the 2015-2019 Consolidated Plan, primarily due to a shortfall to the City's projected CDBG and HOME funding amounts in 2015.

The City and its subgrantees provided housing assistance to 61 (17 owner, 44 renter) extremely low income (30% of median) households, 93 (44 owner, 49 renter) very low income (50% of median) households and 166 (76 owner, 90 renter) low income (80% of median) households. A total of 50 Asian households, 177 Black households, 79 White households, and 14 other race households were assisted with housing activities during the program year. 19 of the households were of Hispanic ethnicity.

Housing programs administered by the City were available citywide, to income eligible households. The City provided funding to subgrantees, whose programs were available to income eligible residents residing in the subgrantee service area. These areas included Districts 2 through 9, and 11.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City of Saint Paul consulted with a diverse array of public, non-profit and private sector groups throughout the 2017 Consolidated Annual Action Plan process. The following groups were invited to participate in the process:

- City of Saint Paul Departments
- City of Saint Paul Capital Improvement Budget Committee
- City of Saint Paul District Councils (17 independent non-profit organizations)
- City of Saint Paul's Public Housing Agency
- Ramsey County Community and Economic Development
- Ramsey County Continuum of Care
- Ramsey County Department of Public Health

These groups represent a range of interests including:

- St. Paul residents

- affordable housing providers
- local government offices
- fair housing service providers
- homeless shelters and providers
- providers for elimination of lead-based paint hazards
- health and human service providers, including those focusing on elderly, veterans, homelessness, persons with disabilities and mental illness

The draft plan is posted on the City's website and plans are available for review at each of the public libraries located throughout the City. Notification of the availability of the draft plan was sent out through the City's Early Notification System (ENS) and was published in the local daily newspaper. The notice included information for persons needing special accommodations and assistance for non-English speaking residents. The City will hold a public hearing on April 10, 2017 2:00-3:30 PM at City Hall Annex, Conference Room 42, 15 W Kellogg, Saint Paul, MN 55102.

5. Summary of public comments

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

The City of Saint Paul's citizen participation plan is attached as an exhibit to this plan.

The public comment period runs from March 17, 2017 through April 16, 2017. The City received no additional comments during the public comment period will be incorporated into the plan.

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

The public comment period ran from March 17, 2017 through April 16, 2017. Any additional comments made during the public comment period will be incorporated into the plan.

7. Summary

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

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

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

Agency Role	Name	Department/Agency
CDBG Administrator	ST. PAUL	Planning and Economic Development
HOME Administrator	ST. PAUL	Planning and Economic Development
ESG Administrator	ST. PAUL	Planning and Economic Development

Table 1 – Responsible Agencies

Narrative (optional)

PED was established in 1977, and is responsible for the planning, housing and economic activities throughout the City. Our mission is to actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, grow and sustain downtown and the city's diverse neighborhoods. We have 75.3 full-time equivalent employees that work on our four department teams – Administration & Finance, Economic Development, Housing and Planning (which includes Heritage Preservation and Zoning). The department also staffs the Saint Paul Housing and Redevelopment Authority (HRA) with a development budget of \$50 million. PED also manages a \$9.3 million annual budget for HUD grants and a \$32.2 million annual budget for the City's Sales Tax Revitalization (STAR) program. We finance affordable, and some market rate, housing development, implement economic development strategies including promoting commercial corridors, business retention and recruitment, small business lending, home rehabilitation lending and mortgage foreclosure prevention programs, emergency shelter grant programs, tax increment and bond financing programs, Neighborhood and Cultural Sales Tax loan and grant programs, and manage a \$86.9 million Parking and Transit program.

Consolidated Plan Public Contact Information

Question and/or comments on the Consolidated Plan may be directed to the following PED staff:

- Joe Collins: 651-266-6020
- Beth Ulrich: 651-266-6689
- Tchu Yajh: 651-266-6592

Written comments should be sent to the following address:

- Beth Ulrich
- beth.ulrich@ci.stpaul.mn.us
- Department of Planning and Economic Development
- 1400 City Hall Annex, 25 West Fourth Street
- Saint Paul, MN 55102

AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

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 face to face interviews with organizations. The process also included the review of additional research documentation. Throughout the year, the City's Housing staff consults with the Saint Paul Public Housing Agency, community housing development corporations, for-profit housing providers and non-profit housing providers to finance, construct and preserve affordable housing developments citywide.

The City's ESG staff also works with the Minnesota Housing Finance Agency, the Ramsey County Continuum of Care (members include staff from State and County Correctional departments), community agencies that serve at-risk of being homeless residents, emergency shelters, transitional housing providers, affordable housing providers, and community agencies that assist homeless residents challenged with mental illness. As a result, the City's ESG Program is coordinated with HUD-funded programs, such as Ramsey County Continuum of Care (COC), and state programs, such as the 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(l))

The City of Saint Paul has strong relationships with numerous organizations, local government agencies, and City departments. We consult with these organizations on an on-going basis. Specifically, throughout the year, the City's Housing staff consulted with the Saint Paul Public Housing Agency, community housing development corporations, and assisted housing providers to develop affordable housing developments citywide. The City's ESG staff worked with mental health and community service providers to assist homeless residents challenged with mental illness. Moreover, the City owns the Saint Paul Residence (120 supportive housing units - using the Housing First model). On behalf of the City, Catholic Charities operates St. Paul Residence in order to serve at risk of being homeless residents, formerly homeless residents, and chronically-inebriated homeless residents - many of these residents may have physical or mental health issues.

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

The City's Emergency Solutions Grant ("ESG") Program staff continually consults with the Ramsey County Continuum of Care (COC) Coordinator in addition to attending monthly committee meetings for the Ramsey County COC Governing Board and the Ramsey County Family Homeless Prevention Assistance Program (FHPAP). The City ESG staff and Ramsey County COC Coordinator also review all ESG, COC, and FHPAP funding allocations and service delivery programs. City staff works with the Ramsey County COC Governing Board and the Ramsey County FHPAP committee to discuss service priorities as established for Ramsey County COC, FHPAP, and the City's Consolidated Plan with its ESG focus. In accordance with the Ramsey County COC Governing Board, the highest service priority is established to assist homeless families (with school age children), second highest priority is to assist homeless unaccompanied youth, and the third highest priority is to assist residents with mental illness. The City's ESG also funds street outreach and homelessness prevention services to assist homeless veterans.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City's ESG Program staff works with the Ramsey County Continuum of Care (COC) Coordinator and the COC Governing Board members. Furthermore, in consultation with Ramsey County COC, ESG funding is allocated to programs that 1) promote a comprehensive delivery of homelessness services; 2) assist underserved communities; 3) provide services as needed to achieve the goals of the Ramsey County COC, Ramsey County FHPAP, and ESG, 4) reduce the number of emergency shelter residents at the Dorothy Day Center, and 5) address city concerns while meeting HUD's national housing objectives. Furthermore, pursuant to Ramsey County COC guidance, the highest service priority is established to assist homeless families (with school age children), second highest priority is to assist homeless unaccompanied youth, and the third highest priority is to assist residents with mental illness. Additionally, ESG funding allocations are reviewed by the Ramsey County COC Coordinator, and the ESG Program is discussed with Ramsey County COC Governing Board committee members and community agencies.

ESG staff and Ramsey County COC staff work together to establish performance standards for the ESG, COC and FHPAP programs. Most recently, the Ramsey County COC Coordinator and the City's ESG staff conducted a HUD program-related training for COC, ESG, and FHPAP providers. At the same time, the

staff from the City's ESG, Ramsey County COC, and Institute for Community Alliance (ICA) (HMIS administrator) are considering funding allocations 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	Ramsey County Human Services
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness 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's Emergency Solutions Grant (ESG) staff consults with the Ramsey County Continuum of Care (COC) Coordinator as well as ESG staff attends monthly Ramsey County COC and FHPAP meetings to implement comprehensive services that assist homeless and at-risk of being homeless residents. ESG staff reviews Ramsey County COC and FHPAP service proposals for funding recommendations. City and County staff are also partnering to develop ESG, FHPAP, and COC program evaluations and staff training.
2	Agency/Group/Organization	Minnesota Home Ownership Center
	Agency/Group/Organization Type	Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Home Ownership Programs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City's housing staff participates with the Minnesota Home Ownership Center to consider home ownership programs such as home buying counseling, mortgage foreclosure prevention counseling, and home buying initiative for underserved communities. The anticipated outcome is the continual development of home buying classes and mortgage foreclosure counseling services. Additionally, City staff is participating with Home Ownership Center's Home Ownership Alliance to develop long-term homeownership strategies that may reduce the racial disparity in homeownership.

3	Agency/Group/Organization	Metropolitan Fair Housing Implementation Council
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Furthering Fair Housing Initiatives
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	PED staff participates on the Fair Housing Implementation Council to develop initiatives that further fair housing in the metro area. Currently, the anticipated outcome is an Addendum to the Fair Housing Analysis of Impediments that gives guidance to possible funding for fair housing initiatives.
4	Agency/Group/Organization	Ramsey County
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment 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 and Economic Development staff in the areas of employment and training initiatives, regional fair housing initiatives, affordable housing development, and public service programs addressing public health services. In 1997, the City of Saint Paul's and Ramsey County's public health function was merged through a joint powers agreement. The City will seek comments from the county on the consolidated draft action plan.
5	Agency/Group/Organization	District Councils
	Agency/Group/Organization Type	Planning organization Neighborhood Organization

	What section of the Plan was addressed by Consultation?	Housing Need 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?	Seventeen separate 501(c)3 organizations make up the collective district councils. The City contracts with these organizations to provide planning and advising on the physical, economic, and social development of their areas; identifying needs; and initiating community programs. Each district council selects 6 residents to participate in the CIB Process of recommending funding for projects. The district councils are also requested to provide additional input as an organization on the project proposals during the selection process.
6	Agency/Group/Organization	Saint Paul Public Housing Agency
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs 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?	Throughout the fiscal year, the City and PHA representative participate on the Ramsey County Family Homelessness Prevention Assistance Program Committee and other housing initiatives. The City and Saint Paul PHA have a working partnership which recognizes the challenges faced by the Saint Paul PHA administration and PHA residents. Saint Paul PHA's Project-Based Section 8 Housing Choice Vouchers assist eligible affordable housing projects financed by the City.
7	Agency/Group/Organization	Independent School District #625
	Agency/Group/Organization Type	Services-Children Services-Education

What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth
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 the Saint Paul Public Schools Title 1 Coordinator are committee members of the Ramsey County COC Governing Board members and Ramsey County Family Homelessness Prevention Assistance Program. The City's ESG staff also consults with Saint Paul Public Schools Title 1 Program staff to discuss the needs of homeless students of the Saint Paul Public Schools, including the needs of students aging out of the foster care system.

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	Ramsey County Human Services	The City's ESG and Ramsey County COC strategic priorities are similar to the goals of each plan.
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.
Saint Paul Comprehensive Plan and addenda	City of Saint Paul	The City's Comprehensive Plan is in line with the City's strategic priorities for HUD-funded activities.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

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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

The most significant citizen participation related to the annual allocation of CDBG funds occurs during the Capital Improvement Budget process. The CIB committee and its task forces are comprised of Saint Paul residents. These residents are charged with hearing project proposal presentations, scoring projects and offering comments. The proposals are sent to the 17 district council organizations, representing every neighborhood in Saint Paul, for review and prioritization. These recommendations are presented to the Mayor and Council and are the basis for the selection of projects and programs funded with CDBG funds.

The City followed its established citizen participation plan which is attached as an exhibit to this 2017 Annual Action 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	18 members of the Capital Improvement Budget Committee	Recommendations were made on the distribution of the CDBG funds for program years 2017.		https://www.stpaul.gov/departments/mayors-office/committees-boards-and-commissions/capital-improvement-budget-cib-committee

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Public Meeting	Homeless	Ramsey COC Governing Board and the Ramsey County FHPAP Committee comprised of community service agencies and some former homeless residents	Throughout the year, provides input and direction on strategies, program funding, and program development for services provided to homeless residents		

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)
3	Public Hearing	Non-targeted/broad community	Public Hearing Will be held April 10, 2017 2:00 - 3:30 PM at 15 W Kellogg, Room 42, Saint Paul, MN 55102	No comments were received at the public hearing.	No comments were received at the public hearing.	
4	Internet Outreach	Non-targeted/broad community	The plan is posted on the City's website.	No comments were received in response to the posting.	No comments were received in response to the posting.	https://www.stpaul.gov/sites/default/files/Media%20Root/Planning%20%26%20Economic%20Development/2017%20ConsolidatedPlan%20Draft.pdf

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

All proposed project amounts stated in the FY 2017 consolidated plan are estimates based on the City of Saint Paul receiving the same level of funding from HUD in FY 2017 that was received in FY2016. Should the City of Saint Paul receive less the estimated amount, the City will alter the division of funding in the following manner:

Under the CDBG program, the Administration, Public Service and Clearance activities will be reduced proportionately to the percentage of reduction received from HUD in the formula allocation. The balance of the reduction will then be applied to the Housing Rehabilitation and Economic Development projects. Single family rehabilitation activities under the Housing Rehabilitation project will absorb 50% of the shortfall, while the Economic Development project and Multifamily Rehabilitation activities under the Housing Rehabilitation project will each absorb 25% of the shortfall.

Should the City receive an increase in CDBG funding from the estimated allocation, the City will increase its Administrative and Youth Employment Public Service activities, proportionately to the increased level of funding, staying under the 20% and 15% caps respectively. The remaining increase will be split evenly between the Economic Development and Public Facilities projects.

HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocation received from HUD.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	6,347,173	502,827	0	6,850,000	12,650,000	Expected amount available for the remainder of consolidated plan assumes steady funding for the remaining 2 years.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,400,000	0	1,334,543	2,734,543	5,334,543	Expected amount available for remainder of consolidated plan assumes a small decrease for 2018 and assumes similar funding for the remaining year.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	574,696	0	0	574,696	1,147,500	Expected amount available for remainder of consolidated plan assumes steady funding for the remaining 2 years.

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 requires that all participating jurisdictions match no less than 25 cents for each dollar of HOME funds spent on affordable housing. The City of Saint Paul receives a match reduction of 50%. The City ended the 2016 program year with some excess match and will continue to leverage other private and public funds in the development of HOME funded affordable housing and accumulate additional match.

ESG has a dollar for dollar match requirement. Historically the City's ESG subgrantees have exceeded the match requirement. The City requires its subgrantees to meet the annual match requirements as a condition of the grant agreements.

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

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeless Prevention	2015	2019	Homeless	Citywide	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing	ESG: \$574,696	Tenant-based rental assistance / Rapid Rehousing: 100 Households Assisted Homeless Person Overnight Shelter: 2700 Persons Assisted Homelessness Prevention: 200 Persons Assisted
3	Housing Rehabilitation	2015	2019	Affordable Housing	Citywide	Preservation of Affordable Rental Housing Housing rehabilitation assistance Lead based paint	CDBG: \$3,194,000 HOME: \$774,817	Rental units rehabilitated: 38 Household Housing Unit Homeowner Housing Rehabilitated: 100 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Services	2015	2019	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: 2000 Persons Assisted
5	Community Engagement	2015	2019	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: 121000 Persons Assisted
6	Youth Employment	2015	2019	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
7	Economic Development	2015	2019	Non-Housing Community Development	Citywide	Economic development needs	CDBG: \$525,000	Facade treatment/business building rehabilitation: 3 Business Jobs created/retained: 2 Jobs Businesses assisted: 3 Businesses Assisted
8	Remediation of Substandard Properties	2015	2019	Non-Housing Community Development	Citywide	Acquisition, demolition, clearance of property	CDBG: \$500,000	Buildings Demolished: 16 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Public Improvements	2015	2019	Public facilities	Citywide	Non-housing community development Public facilities	CDBG: \$275,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2500 Persons Assisted
32	Development of New Housing	2015	2019	Affordable Housing	Citywide	Affordable Rental Housing Increase homeownership opportunities	HOME: \$700,000	Rental units constructed: 15 Household Housing Unit Homeowner Housing Added: 2 Household Housing Unit

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homeless Prevention
	Goal Description	
3	Goal Name	Housing Rehabilitation
	Goal Description	
4	Goal Name	Public Services
	Goal Description	
5	Goal Name	Community Engagement
	Goal Description	
6	Goal Name	Youth Employment
	Goal Description	

7	Goal Name	Economic Development
	Goal Description	
8	Goal Name	Remediation of Substandard Properties
	Goal Description	
9	Goal Name	Public Improvements
	Goal Description	
32	Goal Name	Development of New Housing
	Goal Description	

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 of St. Paul preliminarily estimates providing Consolidated Plan housing resources to meet the unit goals for the following income groups during program year 2017:

New Construction for Renters: Very Low-income 10; Low-income 22; Moderate-income 0

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 2017 with CDBG, HOME, and ESG funding. The Capital Improvement Budget Committee recommended the FY2017 capital projects through the 2016-2017 capital improvement budget process.

#	Project Name
1	Acquisition Activities
2	Disposition Activities
3	Clearance Activities
4	Public Services
5	Housing Construction
6	Single Unit Rehabilitation
7	Multi-Unit Rehabilitation
8	Commercial Corridor and Citywide Economic Development
9	HOME Program
10	Emergency Solutions Grant
11	Planning and Administration
12	Marydale Play Area

Table 8 – Project Information

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

Capital project priorities were recommended by the Capital Improvement Budget 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 funding needs.

Projects

AP-38 Projects Summary Project Summary Information

Table 9 – Project Summary

1	Project Name	Acquisition Activities
	Target Area	Citywide
	Goals Supported	Remediation of Substandard Properties
	Needs Addressed	Acquisition, demolition, clearance of property
	Funding	CDBG: \$125,000
	Description	Project for CDBG acquisition activities.
	Target Date	
2	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Acquisition, demolition and remediation costs
	Project Name	Disposition Activities
	Target Area	Citywide
	Goals Supported	Remediation of Substandard Properties
	Needs Addressed	Acquisition, demolition, clearance of property

	Funding	CDBG: \$250,000
	Description	Project for CDBG disposition activities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activity is for management of property acquired for affordable housing activities or businesses who serve low/mod populations.
	Project Name	Clearance Activities
3	Target Area	Citywide
	Goals Supported	Remediation of Substandard Properties
	Needs Addressed	Acquisition, demolition, clearance of property Code enforcement
	Funding	CDBG: \$400,000
	Description	Project for CDBG demolition activities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
4	Location Description	
	Planned Activities	Slum/blight Activities
	Project Name	Public Services

5	Target Area	Citywide
	Goals Supported	Public Services Community Engagement Youth Employment
	Needs Addressed	Non-housing community development Fair Housing and housing discrimination. Emergency shelters and transitional housing Public service needs Community outreach
	Funding	CDBG: \$968,000
	Description	Project for CDBG public service activities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	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.
	Project Name	Housing Construction
	Target Area	Citywide
	Goals Supported	Development of New Housing Housing Rehabilitation
	Needs Addressed	Housing rehabilitation assistance Increase homeownership opportunities

	Funding	CDBG: \$400,000
	Description	
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
6	Location Description	
	Planned Activities	Rehabilitation of vacant housing; may include acquisition, demolition or relocation.
	Project Name	Single Unit Rehabilitation
	Target Area	Citywide
	Goals Supported	Housing Rehabilitation
	Needs Addressed	Housing rehabilitation assistance Lead based paint
	Funding	CDBG: \$2,547,000
	Description	Project for single unit rehabilitation activities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
7	Location Description	
	Planned Activities	Project for single unit rehabilitation activities.
	Project Name	Multi-Unit Rehabilitation
	Target Area	Citywide

8	Goals Supported	Housing Rehabilitation
	Needs Addressed	Preservation of Affordable Rental Housing Affordable Rental Housing Lead based paint
	Funding	CDBG: \$572,000
	Description	Project for multi-unit rehabilitation activities.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Multi-unit rehabilitation or development, including acquisition, demolition, and site preparation
	Project Name	Commercial Corridor and Citywide Economic Development
	Target Area	Citywide
	Goals Supported	Economic Development
	Needs Addressed	Economic development needs
	Funding	CDBG: \$525,000
	Description	Activities to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements and development citywide.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	

9	Location Description	
	Planned Activities	Activities to assist businesses with expansion, property acquisition, rehabilitation, energy conservation improvements, leasehold improvements and development citywide.
	Project Name	HOME Program
	Target Area	
	Goals Supported	Development of New Housing
	Needs Addressed	Affordable Rental Housing
	Funding	HOME: \$1,482,826
	Description	The HOME Program funding may be used for CHDO development and operating activities (the City has met the cumulative 15% CHDO set-aside, so allocating funds to a CHDO is not required this year), City projects, administration, and subrecipient projects. Activities may include single family and multi-family rehabilitation and development, as well as homebuyer assistance. The homebuyer assistance projects will use the resale/recapture criteria being submitted to HUD with this plan. The HOME match requirement will be met with excess match from previous years, as well as match leveraged from new projects. Proposals for HOME funding are accepted throughout the year, and affirmative marketing is required (the MHFA Fair Housing Marketing Plan is used).
	Target Date	2/29/2020
10	Estimate the number and type of families that will benefit from the proposed activities	The City estimates 17 units for single individuals, 15 units for families.
	Location Description	
	Planned Activities	New construction expecting to include multi-family development. Includes City projects, administration and subrecipient activities.
	Project Name	Emergency Solutions Grant

11	Target Area	Citywide
	Goals Supported	Homeless Prevention
	Needs Addressed	Homeless prevention strategies Assessing individual homeless persons' needs Emergency shelters and transitional housing Community outreach
	Funding	ESG: \$574,696
	Description	Activities to include homeless prevention, operating costs of shelters, essential services, street outreach, rapid rehousing, and ESG administration.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities to include homeless prevention, operating costs of shelters, essential services, street outreach, rapid rehousing, and ESG administration.
	Project Name	Planning and Administration
	Target Area	Citywide
	Goals Supported	Community Engagement
	Needs Addressed	Planning needs
	Funding	CDBG: \$1,370,000

12	Description	Funding for the management, coordination, oversight, and monitoring of the CDBG program, and for costs included in the City's approved Indirect Cost Plan. Funding for planning activities in CDBG eligible areas of the City, as well as environmental and historic reviews of HUD funded projects. Funding for costs included in the City's approved Indirect Cost Plan.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Administration and Planning
	Project Name	Marydale Play Area
	Target Area	
	Goals Supported	Public Improvements
	Needs Addressed	Public facilities
	Funding	CDBG: \$275,000
	Description	ADA improvements and replacement of play equipment at Marydale park
	Target Date	12/29/2017
	Estimate the number and type of families that will benefit from the proposed activities	The play area will serve approximately 20,190 residents of which 11,465 are low-mod income.
	Location Description	The service area of the play area is 1/2 mile of radius from 542 W Maryland Ave, Saint Paul, MN
	Planned Activities	Project will renovate the play area with replacement and addition of play equipment that meets CPSC and ADA guidelines.

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

None of the 2017 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% low/moderate income persons is titled as CDBG eligible block groups and tracts and included in the Appendix. All activities providing an area benefit being carried out in 2017 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 subgrantees are available to income eligible households located in the neighborhoods served by the subgrantee. Many of the 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 city-wide geographically, the City of Saint Paul is working to prevent additional concentrations of low income and minority populations through targeted affordable housing projects, as well as to expand access to opportunity to low- and moderate- income residents city-wide.

Discussion

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	32
Special-Needs	0
Total	32

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	32
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	32

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

Discussion

AP-60 Public Housing – 91.220(h)

Introduction

Saint Paul PHA owns and manages 4,262 public housing units and administers 4,664 Housing Choice Vouchers (as of 2/2017), including 100 Family Unification Program vouchers, 117 Disability vouchers, 81 Section 8 Mod rehab SRO vouchers, and 176 Veterans Affairs Supportive Housing (VASH) vouchers. The PHAS has allocated 515 Housing Choice Vouchers for use as project-based vouchers; and more than half of those (327) are in “supportive housing” projects.

The Agency Plan for Saint Paul PHA’s next Fiscal Year, beginning April 1, 2017 is available on the PHA website at <http://www.stpaulpha.org/forms/Draft%20Plan%20102016.doc>

Saint Paul PHA has maintained its “High Performer” status under HUD’s Public Housing Assessment System (PHAS) for 26 consecutive years. The PHA does not administer HOPE VI activities or Mixed-Finance Modernization and Development.

Saint Paul PHA has also maintained its “High Performer” status under HUD’s Section 8 Management Assessment Program for 15 consecutive years. Saint Paul PHA successfully implements and administers current agreements for Project-Based Vouchers (PBV); including PBV(s) in supportive housing that supports the State of Minnesota’s Business Plan to End Long-Term Homelessness.

Saint Paul PHA will continue to advocate for full funding and program reform while preparing contingency plans for possible budgetary cuts in federal funding.

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

Public Housing: Using its Capital Funding Program/Replacement Housing Factor funding supplemented by a grant and long-term loan from the Minnesota Housing Finance Agency, Saint Paul PHA has expanded its public housing by constructing six new units at Roosevelt Townhomes (2014); four new units at Mt. Airy Homes (completed 2015), and 12 new units at McDonough Homes (completed November 2016). Phase III of Dunedin Terrace Modernization Plan is scheduled for 2017. Where possible, Saint Paul PHA is converting hi-rise building space from non-dwelling uses to apartments for eligible residents.

Saint Paul PHA’s Capital Fund Program renovates public housing properties by financing capital improvements that promote fire safety and life safety while preserving the assets. Saint Paul PHA will also maintain high quality buildings by utilizing “green sustainable” design principles that conserve energy and water usage.

Section 8 Housing Choice Voucher Program: Saint Paul PHA will maintain high utilization of vouchers without exceeding authorized limits. Saint Paul PHA will administer current agreements for Project-Based Vouchers (PBV), including PBVs for supportive housing developments that support Minnesota's Plan to End Long-Term Homelessness. Additionally, Saint Paul PHA renews expiring PBV contracts at successful projects. In 2017, the PHA is engaging community stakeholders in discussions to consider whether more Housing Choice Vouchers should be offered for PBV use, and if so, what selection criteria are appropriate.

Saint Paul PHA has maintained full utilization of its 4,664 authorized vouchers. Its Section 8 waiting list opened for one week for new applications in September, and it has been closed for new applications since then.

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

Since 1999, the Saint Paul Public Housing Agency (PHA) Board of Commissioners has established the PHA's Resident Advisory Board (RAB) with membership to be comprised of:

- All members of the Hi-Rise Presidents Council (Presidents -16 Hi-Rise buildings).
- All members of the Family Residents' City-Wide Residents Council (16 members, including the four officers from each of the four family housing developments).
- Section 8/Housing Choice Voucher representatives who volunteered for the RAB in response to mailings and flyers in the Rental Office.
- Two PHA Commissioners are residents of public housing: one Commissioner represents the elderly hi-rise residents and one Commissioner represents family residents.

Resident Advisory Board membership fluctuates due to changes in Resident Council officers, as PHA residents move out of public housing or leave the Housing Choice Voucher program, etc. Some public housing resident-leaders who are not currently members of the Presidents Council or City-Wide Resident Council actively participate in the RAB meetings. RAB meeting agendas are sent to all RAB members and Southern Minnesota Regional Legal Services, Inc. (SMRLS).

During the year, the Saint Paul PHA Senior Management meets with members of the Resident Advisory Board (including the Hi-Rise President Council and the Family Residents City-Wide Resident Council) to discuss significant PHA policy changes, the PHA Annual Plan, and PHA Capital Improvements. Saint Paul PHA actively encourages discussions about planning capital improvements and PHA policies. The RAP supported renewing current contracts for Project-Based Housing Choice Vouchers (PBV) and offering a limited number of additional PBVs. Additionally, Saint Paul PHA's Resident Initiative Department and the Resident Councils work together to form new partnerships with community service agencies.

To promote economic opportunities, Saint Paul PHA participates, to the greatest extent possible, with the Section 3 program – by hiring qualified PHA residents and qualified Section 3 businesses and including Section 3 requirements in all contracts.

The Saint Paul PHA has no current plans to implement a Voucher Homeownership Program, but may consider such an option in the future. For 25 years, Saint Paul PHA operated a successful homeownership program (not using Section 8 vouchers) in conjunction with the Family Housing Fund and Thompson Associates. When the program ended in 2014, almost 300 families from public housing and Section 8 had purchased their own homes.

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

Not applicable. In 2016, Saint Paul PHA received HUD's "High Performer" rating for the 26th consecutive year under HUD's "Public Housing Management Assessment Program" (PHAS). Saint Paul PHA also maintains a HUD "High Performer" rating under HUD's Section 8 Management Assessment Program (SEMAP).

Discussion

As previously stated, Saint Paul PHA has achieved High Performer status for both its Public Housing and Section 8 Housing Choice Voucher Program. That said, Saint Paul PHA has a continual need for stable federal funding to maintain its high standards, such that Saint Paul PHA will continue to advocate for full funding and program reform while preparing contingency plans for possible federal funding cuts.

At this time, Saint Paul PHA has no current plans for large-scale conversions of public housing to Section 8 or other forms of assisted housing. If Congress and HUD continue to under fund the Public Housing Operating Fund and Capital Fund, the PHA may consider selling additional scattered site homes and/or converting other public housing units to Section 8 tenant-based or project-based assistance. Staff has previously discussed this option with the Resident Advisory Board which expressed general support. Before taking such a course of action, the Saint Paul PHA would reconvene the Resident Advisory Board to discuss any proposed changes and seek community input.

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

Introduction

The City of Saint Paul proactively addresses the problems of homelessness in numerous ways. Most important, the City has strong working partnerships with Ramsey County Continuum of Care and service providers to establish a coordinated system that serves homeless and "at-risk of being homeless" individuals, homeless families, and homeless youth. During 2017, the City will work closely with the Ramsey County Continuum of Care Coordinator (COC) and 18+ community agencies to support comprehensive homelessness prevention delivery services that assists homeless single adults, homeless families, homeless veterans, and homeless unaccompanied youth. In partnership with the Ramsey County COC, the City's ESG Program also responds to underserved homeless populations, such as new refugee families and homeless veterans. Additionally, the City owns the Saint Paul Residence (120 units) at which Catholic Charities serves sixty (60) chronically-inebriated single adults (using a Housing First model) and sixty (60) at-risk of being homeless residents.

The City also supports innovative programs that serve homeless residents with mental health illness. As an example, the Saint Paul Police Department works with Listening House (a day drop-in center for homeless adults) and Radian Health (case management/street outreach to homeless adults with mental illness) to support police services that are responsive to homeless residents with mental health illness. The Police Department and Listening House also co-chair the Police-Downtown Community Homeless Forum to address the needs of downtown homeless residents. During 2016, the City, Minnesota Housing, and Catholic Charities built the Dorothy Day Center-Higher Ground facility with 280 shelter beds and 193 units of permanent supportive housing. (Occupancy - January 2017.)

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) with assessment of their needs are provided as follows:

People Inc.'s Metropolitan Homeless Street Outreach Program (MHSOP) has an ESG grant for street outreach services to unsheltered homeless adults who experience mental illness. MHSOP services include providing street outreach, basic survival gear, and assistance in stabilizing mental illness symptoms, benefit assistance, and housing placement, including access to Ramsey County Group Residential Housing Program for stable housing.

Radian Health's ACCESS Program's outreach and case management services assist homeless adults with serious and persistent mental illness and substance abuse disorders. The ACCESS staff visit homeless

shelters and drop-in centers, and Radian Health also has an ESG grant for its Police-Homeless Outreach Program.

Coordinated Access to Housing and Shelter (CAHS) conducts intake assessments to determine the most appropriate referral for homeless families seeking emergency shelter.

Street Outreach to Homeless Veterans will be provided by People Inc. for Minnesota Assistance Council for Veterans (MAC-V) Supportive Services for Veteran Families Program (funded by US Department of Veterans Affairs and the City's ESG program). Street outreach services to homeless veterans occur in emergency shelters and places where homeless veterans congregate.

Community Resource Outreach Project offers weekly outreach to homeless residents who can access community referrals for community resources in the stable, quiet environment of the Saint Paul Central Library.

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

Addressing the emergency shelter and transitional housing needs of homeless persons

Emergency Solutions Grant (ESG). The City's ESG partially funds emergency shelters, transitional housing services, street outreach to homeless residents, homelessness prevention, and rapid rehousing programs that assist housing needs of homeless persons. Saint Paul allocates its ESG funding after review by the City staff in consultation with the Ramsey County Continuum of Care Coordinator for final approval by the City Council.

Emergency Shelter. The City's ESG funds the shelter operations of the Dorothy Day Center (emergency shelter-adults), Family Service Center (emergency shelter-families), Lutheran Social Services Safe House (emergency shelter-youth), Salvation Army Booth Brown House, (emergency shelter-homeless youth), Interfaithaction (emergency shelter-families), Listening House (drop in center for homeless adults) and The Family Place (day-drop-in center for homeless families).

Rapid Rehousing. The City allocates ESG funds for rapid rehousing services for homeless adults currently staying at the Dorothy Day Center Emergency Shelter, rapid rehousing services for homeless families staying at the YWCA Saint Paul's housing, rapid rehousing services for homeless single adults staying at Theresa Living Center, and rapid rehousing services provided by SafeZone for homeless youth.

Transitional housing. The City's ESG funds partially pay operating funds for transitional housing services such as the YWCA St. Paul's transitional housing and Theresa Living Center's transitional housing.

Dorothy Day Center ReVision. In 2016, City staff worked with Catholic Charities and Minnesota Housing to develop a new Dorothy Day Higher Ground Facility which now has 280 shelter beds and 193 single room living units. City staff is currently working with Catholic Charities to develop Phase 2 with a new “Opportunity Connection Center” and up to 170 additional supportive housing units.

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

The City works with the Ramsey County Family Prevention Assistance Program Committee, Ramsey County Continuum of Care (COC) Coordinator, Ramsey County COC Governing Board, and community service agencies to address the needs of homeless adults, homeless families, and homeless youth. Additionally, the City will participate with the following services during 2017:

Homeless Adults: The City’s ESG Program funds the Dorothy Day Rapid Rehousing Program (case management and housing assistance to assist shelter residents move from Dorothy Day Center into permanent supportive housing) and the City’s Saint Paul Residence provides 60 housing units for chronically-inebriated residents (using Housing First model) and 60 units for at-risk of being homeless residents.

Homeless Families: The City provides financing (i.e. CDBG, HOME, TIF, Low Income Housing Tax Credits, HRA funds) to develop affordable housing and affordable supportive housing for more housing opportunities for at-risk of being homeless families. The City’s ESG funds community organizations that serve homeless families, such as Catholic Charities–Family Service Center, the YWCA transitional housing, YWCA rapid rehousing program, Theresa Living Center Transitional Housing, and Theresa Living Center Rapid Rehousing. The City’s ESG also funds East Side Family Center, Southern Minnesota Regional Legal Services and House Calls (utility assistance funds) as homeless prevention initiatives for at-risk of being homeless families.

Homeless Youth: The City and County recognized that the number of emergency shelter beds for homeless youth remain insufficient. In the recent years, the Otto Bremer Foundation provided grant funding to increase shelter capacity for homeless youth, and the City approved funding for the 180 Degrees project – a 14-bed emergency shelter for homeless youth. In 2017, the City’s ESG funds Salvation Army (emergency shelter), Lutheran Social Services (emergency shelter), Ain Dah Yung (emergency shelter) and Face-to-Face Safe Zone – a youth drop-in center (emergency shelter and a rapid rehousing program) – all programs for unaccompanied homeless youth. Additionally, the City worked with Beacon Interfaith to develop Prior Crossing – an affordable housing project for homeless youth/young adults.

Homeless Veterans: Minnesota Assistance Council for Veterans (MACV) provides supportive housing services for veterans, including using ESG funds for street outreach and homeless prevention assistance.

Affordable Housing: CDBG/HOME/Low Income Housing Tax Credits. Saint Paul allocates CDBG funds, HOME Funds, and Low Income Housing Tax Credits, as appropriate, to construct or preserve affordable housing, including developing supportive housing for long-term homeless residents. In 2017 these financial tools are assisting Jamestown Homes (preservation of affordable housing), BROWNstone Apartments (new construction-affordable housing, and Dorothy Day Phase II (new construction of permanent supportive housing for homeless residents - contingent upon obtaining state bond funding).

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 specific programs and counseling to previously-institutionalized or homeless individuals through partnerships with nonprofit service providers to assist in the transition to permanent housing. The County and community agency partnerships are the primary network that performs this function which also includes assistance such as help with security deposit, child care, job training, transportation, mental health counseling, chemical dependency treatment, and job search.

On the other hand, since 2002, the City of Saint Paul has developed supportive housing facilities, such as Crestview, Visitation, and Jackson Street Village, Jeremiah Program, St. Christopher's Place, and Saint Paul's Residence, which serves at-risk individuals and families. During 2017, the City is working with Catholic Charities to develop the new Dorothy Day Center – Higher Ground facility which provides services for homeless adults and the City worked with Beacon Interfaith to complete Prior Crossing – 44 units of supportive housing for unaccompanied homeless youth. Overall, the City and County work with its community agency partners to fund programs that assist homeless residents. The City's CDBG Funds have also been allocated for the Block Nurse Program and neighborhood non-profit programs that provide assistance to residents-in-need. In 2016, Saint Paul invested \$750,000 of CDBG dollars to renovate 504 units within Skyline Tower where most units are designated to families at or below 30% Area Median Income and the average income is under \$14,000 annually.

Discussion

In summary, affordable housing and supportive services are provided within the City of Saint Paul to homeless residents and residents who are not homeless but need supportive housing, including the elderly, frail elderly, persons with disabilities, persons with HIV/AIDS, persons with chemical dependency, and persons with limited English-speaking proficiency. That said, these diverse

communities have often stated that more affordable housing and more affordable supportive housing are needed citywide. In response, the City of Saint Paul's Comprehensive Plan includes a Housing Chapter with strategies to facilitate the development of affordable housing citywide.

One year goals for the number of households to be provided housing through the use of HOPWA for:
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family
Tenant-based rental assistance
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds
Total

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

Introduction

The City has affordable housing opportunities including 12,222 publicly-assisted housing units and 4,664 Housing Choice 8 vouchers such that approximately 36% of all City renters receive some type of housing assistance. Yet, the biggest barriers to securing affordable housing are that: 1) many households lack sufficient incomes to rent modestly-priced apartments; and 2) there is a lack of affordable housing opportunities.

Simply speaking, housing statistics for City of Saint Paul demonstrate that:

- The greatest rental needs are households with the lowest incomes, especially 0-50% AMI.
- The greatest homeowner needs are among those with moderate incomes. This is consistent with the data and policy in the City's Comprehensive Plan - Housing Chapter
- Housing needs for elderly homeowners between 0-50 percent of the AMI are high priorities because many elderly homeowners have fixed incomes.
- Housing needs for special needs populations are high priorities

In response, the City'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. 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. However, even with seemingly insurmountable barriers, the City has partially financed the rehabilitation of 527 affordable rental units, the construction of 15 new affordable rental units, the rehabilitation of 85 owner-occupied housing units, and the construction five owner-occupied homes during the HUD year - using combined financing, such as City STAR funds, City Tax-Increment Financing, federal low-income housing tax credits and federal funds, such as CDBG, NSP, and HOME funds.

Still, the City needs federal and state support to finance affordable housing opportunities. The lack of sufficient federal funding and sufficient allocation of low income housing tax credits – as public policies – have negative effects on the City's affordable housing investments. In 1975, the City received CDBG funding of \$18,835,000. **Forty-one years later, the City's CDBG funding is \$6,347,173. Similarly, the City received HOME funds of \$2,316,000 in 2000; the City may receive \$1,474,817 in 2017.** At the same time, the City has fewer Low Income Housing Tax Credits allocated in 2017 to finance affordable rental housing.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning

ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

As previously stated, Saint Paul has approximately 12,222 publicly-assisted affordable housing units within its city limits. In this section, the City's Action Plan (2017) will identify actions to overcome identified barriers to affordable housing, such as follows:

Lack of Sufficient Funding and Land for Publicly-Assisted Housing. The major barriers to developing publicly-assisted affordable housing in Saint Paul are the lack of sufficient financing and the lack of available land to meet the affordable housing needs of Saint Paul residents. In response, the City will still finance the preservation, renovation, or new construction of affordable rental housing units citywide—using City-owned land and housing financing, such as the City's STAR funding, City's Tax Increment Financing, federal low-income housing tax credits and federal funds, such as CDBG, NSP, and HOME funds, as available, for 2017 affordable housing developments.

Discussion

The City of Saint Paul has affordable housing opportunities such that approximately 36% of all City renters receive some housing assistance. This statistic is a result of numerous public policies and initiatives that support affordable housing citywide, such as

Zoning Code/Land Use Controls/Growth Limitations: In recent years, the City amended its zoning code to increase housing density on high-use transportation corridors. Furthermore, the City's Zoning Code does not impose conditional use permits for supportive housing which has the same zoning code classification as required for an apartment building. Additionally, the City's Zoning Code was amended to facilitate the development of permanent supportive housing for chronically-inebriated residents, such that the City could build the Saint Paul Residence (120 units of permanent supportive housing of which 60 units are reserved for chronically-inebriated residents) in the industrially-zoned areas of the Midway neighborhood.

Service Fees: The City has developed services fees appropriate for services provided.

Summary: The City of Saint Paul has working relationships with the 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 the major barriers to developing affordable housing in Saint Paul.

AP-85 Other Actions – 91.220(k)

Introduction

This section identifies additional actions required as part of the annual action plan.

Actions planned to address obstacles to meeting underserved needs

In 2017, the City will address many of its underserved needs through the activities of the ongoing, multi-year HUD funded housing programs. The production and 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 subgrantees with CDBG and HOME funding. The City allocates its ESG funding to community agencies that serve homeless residents and at-risk of being homeless residents, including homeless residents with mental health challenges. The largest obstacle to meeting underserved needs is a lack of funding for these costly activities.

Actions planned to foster and maintain affordable housing

Actions planned to foster and maintain affordable housing

In 2017, the City will continue to use the majority of its CDBG funding, and all of its HOME 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 and subgrantees. Descriptions of the specific projects and programs can be found in the Consolidated Plan Listing of Projects section of this document. In addition to the HUD funded activities, the City will carry out housing projects in conjunction with the Minnesota Housing Finance Agency, the Metropolitan Council, the Minneapolis-Saint Paul Family Housing Fund, and the Saint Paul Housing and Redevelopment Authority. As of March 1, 2016, the City estimates that there are approximately 874 vacant residential buildings in the City. The City will use the 60% tax credit rent for determining affordable rents for rental housing that is assisted with CDBG funding. HOME projects will use the established HOME rents.

Actions planned to reduce lead-based paint hazards

Saint Paul will continue to comply with the HUD regulations concerning lead based paint, 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 on the window replacement program for homes with children and identified lead paint issues.

Actions planned to reduce the number of poverty-level families

In 2017, the City will again provide funding for youth workforce development activities and other related public service activities, which complement the programs provided by Ramsey County, who is the primary provider of public services in Saint Paul. The workforce activities include outreach to participants, participant assessment, basic skills training, job training, job placement, work experience, and follow up. The City will continue to give preference to businesses that are comprised of and employ Section 3 residents. The City and some subgrantees also carry out programs that provide assistance to businesses, which may create jobs for low/moderate income persons.

Actions planned to develop institutional structure

Saint Paul's institutional structure gives the City the opportunity to partner with many organizations. In 2017 the City of Saint Paul Department of Planning and Economic Development (PED) will again work with other City departments, as well as other levels of government (County, State, Federal), 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. Faith-based organizations, such as Catholic Charities and the YWCA will continue to be very involved with planning and implementing homelessness initiatives.

More specifically, the City partners with Ramsey County Continuum of Care and 18+ ESG subgrantees to develop comprehensive services that can assist homeless residents and at-risk of being homeless residents, including serving underserved populations such as homeless veterans and new Americans. The City is also working with Catholic Charities to build the new Dorothy Day Center – Higher Ground which will provide emergency shelter, pay-for stay housing, and permanent supportive housing. This project requires working collaborations among Minnesota Housing Finance Agency, Catholic Charities, Saint Paul Public Works, Capitol Regions Watershed District, and Saint Paul Planning and Economic Development. At the same time, Catholic Charities' new medical respite program (at the new Dorothy Day Center) will require coordination among institutional private health care providers, Catholic Charities, and public health care providers such as Health Care for Homeless.

The City's Low Income Housing Tax Credit Program also encourages equity partnership agreements 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 (contingent upon available resources for such social services).

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 vouchers in Saint Paul) in 2017. The City will also work with metro-wide governmental jurisdictions to amend the regional Analysis of Impediments to Fair Housing Choice. 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. City economic development programs provide gap financing, which requires businesses seeking assistance to work with banks and other private sector businesses, as well as CDCs and the Saint Paul Port Authority on commercial and industrial projects. This coordination helps maximize the amount of non-HUD funds invested in these projects.

Discussion

Program Specific Requirements

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

Introduction

This section addresses the program-specific requirements for the City of Saint Paul's 2017 Annual Action Plan.

The City anticipates receiving \$6,347,173 of Community Development Block Grant (CDBG) funding, \$1,482,826 of HOME Investment Partnership Program (HOME) funding, and \$574,696 of Emergency Solutions Grant (ESG) funding from HUD in 2017. In addition, the City estimates using about \$502,827 in CDBG program income. These estimates are based on the City of Saint Paul receiving the same level of funding from HUD in FY 2017 that was received in FY2016. Should the City of Saint Paul receive less the estimated amount, the City will alter the division of funding in the following manner:

Under the CDBG program, the Administration, Public Service and Clearance activities will be reduced proportionately to the percentage of reduction received from HUD in the formula allocation. The balance of the reduction will then be applied to the Housing Rehabilitation and Economic Development projects. Single family rehabilitation activities under the Housing Rehabilitation project will absorb 50% of the shortfall, while the Economic Development project and Multifamily Rehabilitation activities under the Housing Rehabilitation project will each absorb 25% of the shortfall.

Should the City receive an increase in CDBG funding from the estimated allocation, the City will increase its Administration and Youth Employment Public Service activities, proportionately to the increased level of funding, staying under the 20% and 15% caps respectively. The remaining increase will be split evenly between the Economic Development and Public Facilities projects.

HOME and ESG activities will be reduced or increased in direct proportion to the difference in the actual allocation received from HUD.

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

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	502,827
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:	502,827

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(l)(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 in 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 guidelines for resale and recapture are included in the following appendix.

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 guidelines for resale and recapture are included in the following appendix.

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:

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

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

The 2017-2018 Saint Paul ESG Action Plan is attached as part of the Executive Summary.

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 Continuum of Care has an established centralized coordinated assessment that meets HUD requirements for families experiencing homelessness in Ramsey County. As an example, the Ramsey County Coordinated Access to Housing and Shelter (CAHS) conducts standardized assessments for homeless families to determine the most appropriate housing referral/housing alternatives before a homeless family enters the family emergency shelter. The assessment identifies the most appropriate housing program support based upon the needs and barriers of the family. Families that complete the assessment may be referred to the emergency family shelter or housing programs that offer rapid re-housing, transitional housing, permanent supportive housing. Before entering the shelter, a CAHS Diversion Specialist assist families identify the alternative to shelter. With the limited number of available shelter beds, the Shelter Diversion Services maximizes the use of emergency shelter beds for those families with no other housing option. Currently, Ramsey County COC must use state homelessness prevention funds to pay for the CAHS operations.

Ramsey County COC is also in the early implementation stages of the coordinated assessment for homeless single adults and unaccompanied youth. That said, Ramsey County COC must seek local funding for all of these coordinated assessment systems.

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 rehousing, homelessness prevention assistance, and street outreach services to homeless adults, homeless families, homeless youth, and underserved populations. Prior to the issuance of the RFP, the ESG staff consults with the Ramsey County Continuum of Care (COC) Coordinator to develop a preliminary gap analysis of services, including reviewing the needs of underserved populations. The City and the Ramsey County COC recognize that ESG funding is supplemental to the County's homelessness prevention initiatives, which are funded with HUD-COC funds and state FHPAP funds. Additionally, ESG staff meet with ESG subgrantees to determine the service level needs of the communities served. Approximately 18+ community agencies apply for ESG funds annually. All proposals are reviewed. ESG staff person consults with Ramsey County COC before submitting recommendations for City Council approval. Overall, the ESG funding allocations recognize 1) services to homeless adults, homeless families, homeless youth, and underserved populations, such as new Americans, refugees, and homeless veterans; 2) the supplemental funding needs of COC programs; 3) prior performance of ESG subgrantees; and 4) the national HUD housing objectives.

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.

The City ESG and County COC supports the participation of homeless residents on various issues and projects, such as the Ramsey County Continuum of Care and the Family Homelessness Prevention Assistance Program Committee. It is encouraging to see some homeless residents become empowered by their ongoing participation with the Homeless Advisory Board. Additionally, many ESG subgrantees have participant-driven programming, such that subgrantees encourage input from program participants, including 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.

5. Describe performance standards for evaluating ESG.

The City's ESG staff person consults with the CPD Monitoring Handbook as well as the City's Compliance Monitoring staff person before conducting a compliance review. When conducting an on-site review, City staff meet with subgrantee to review the following, as appropriate:

- A copy of the current counseling work plan.
- A list of housing counseling staff indicating their years of experience
- Staff training
- Financial records
- List of community service referrals
- Copy of disclosure forms
- Access to housing counseling files.
- List of clients counseled; services provided; description of needs of participants (i.e. meeting HUD definition of homeless); screening process; review of case management services; and housing assistance provided; cultural competency, and participant-driven programing.

During February 2017, ESG and COC conducted staff training for ESG/COC grantees with emphasis on HUD program requirements and issues of coordinated assessment.

Discussion

APPENDIX A

City of Saint Paul, Minnesota

Citizen Participation Plan

The Department of Housing and Urban Development (HUD) requires jurisdictions which receive their program funds to follow a prescribed set of principles to ensure that community groups and organizations are involved in the planning and expenditure of HUD funds.

Saint Paul's citizen participation process began in 1966, approximately 3 decades prior to our HUD partners adopting the current requirements. In 1975, Saint Paul expanded its citizen processes with the establishment of District Councils. These organizations are officially recognized by the Mayor and City Council, with a primary responsibility to provide advice and recommendations on physical, economic, and social development issues. In addition, the district councils engage in community outreach, identify neighborhood needs and initiate community programs. And for almost three decades, Saint Paul has provided financial and technical assistance to more than 100 neighborhood groups and organizations as part of our ongoing commitment to community participation.

Listed below please find the HUD requirements for community involvement, and following each section is a brief explanation how Saint Paul meets or exceeds the HUD regulations. The entire federal rules may be found in Title 24, Code of Federal Regulations, Part 91.100 through 91.115.

91.100 Consultation; local governments.

(a) General.

(1) When preparing the consolidated plan, the jurisdiction shall consult with other public and private agencies that provide assisted housing, health services, and social and fair housing services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, homeless persons) during preparation of the consolidated plan.

Saint Paul's Consolidated Plan is a collaboration and compilation of a number of City approved plans, programs, and strategies. Saint Paul's Long Range Capital Improvement Budget and Program is nationally recognized for its grass roots approach to citizen involvement in the city's budgeting processes.

During the preparation of the 2015-2019 Consolidated Plan, city staff consulted with numerous community based leaders, groups, and organizations on various aspects including: district councils, neighborhood non-profits, housing and public service providers, advocacy groups, local and regional governmental agencies, public housing providers, Ramsey County and community providers.

(2) When preparing the portion of its consolidate plan describing the jurisdiction's homeless strategy and the resources available to address the needs of the homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) and persons at risk of being homelessness, the jurisdiction must consult with:

- (i) The Continuum(s) of Care that serve(s) the jurisdiction's geographic area;

(ii) Public and private agencies that address housing, health, social service, victim services, employment, or education needs of low-income individuals and families; homeless individuals and families, including homeless veterans; youth and/or persons with special needs;

(iii) Publicly funded institutions and systems of care that may discharge persons into homelessness (such as healthcare facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and

(iv) Business and civic leaders.

The City allocates its Emergency Solution Grants ("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. In order to develop its annual Emergency Solutions Action ("ESG") Plan, the City consults with Ramsey County Continuum of Care ("COC") Governing Board as well as Ramsey County Family Homelessness Prevention Assistance Program ("FHPAP") committee. Both committees are comprised of social services agencies that serve homeless residents as well as concerned citizens. Throughout the year, the City also works closely with Ramsey County COC Coordinator to ensure the delivery of comprehensive homelessness services, including identifying publicly-funded institutions, such as the State of Minnesota Corrections and systems of care that may discharge persons into homelessness. Furthermore, the City consults with social agencies and public jurisdictions, including the State of Minnesota and the Ramsey County Veterans Office, to develop programs responsive to homeless veterans. The City also consults with social service agencies and housing providers that serve homeless youth.

(3) When preparing the portion of its consolidated plan concerning lead-based paint hazards, the jurisdiction shall consult with state or local health and child welfare agencies and examine existing data related to lead-based paint hazards and poisonings, including health department data on the addresses of housing units in which children have been identified as lead poisoned.

City elected officials and staff are seriously concerned with the health risks associated with lead based paint. Staff have an on-going collaboration with the State of Minnesota, Ramsey County Health Department, our for-profit and non-profit community service providers to insure that the risks associated with lead based paint are mitigated.

(4) When preparing the description of priority non-housing community development needs, a unit of general local government must notify adjacent units of general local government, to the extent practicable. The non-housing community development plan must be submitted to the state, and, if the jurisdiction is a CDBG entitlement grantee other than an urban county, to the county.

Saint Paul, is totally within the boundaries of its larger State of Minnesota governmental unit, Ramsey County. The City and Ramsey County not only notify each other in the areas of non-housing community development needs, but collaborate in the delivery of health care, senior services, and youth employment programs.

(5) The jurisdiction also should consult with adjacent units of general local government, including local government agencies with metropolitan-wide planning responsibilities, particularly for problems and solutions that go beyond a single jurisdiction.

A number of years ago, Saint Paul and Minneapolis jointly initiated an Inter-jurisdictional group of adjacent public agencies to share knowledge, strategies, and planning efforts. The city also actively participates in the activities of the Metropolitan Council, the state authorized agency charged with planning activities in the greater metropolitan area of Saint Paul, Minneapolis, Bloomington, and surrounding cities and counties.

(b) HOPWA The largest city in each eligible metropolitan statistical area (EMSA) that is eligible to receive a HOPWA formula allocation must consult broadly to develop a metropolitan-wide strategy for addressing the needs of persons with HIV/AIDS and their families living throughout the EMSA. All jurisdictions within the EMSA must assist the jurisdiction that is applying for a HOPWA allocation in the preparation of the HOPWA submission.

Minneapolis is the designated city eligible for receiving HOPWA funding.

(c) Public housing. The jurisdiction shall consult with the local public housing agency (PHA) concerning consideration of public housing needs and planned programs and activities. This consultation will help provide a better basis for the certification by the authorized official that the PHA Plan is consistent with the consolidated plan and the local government's description of the manner in which it will address the needs of public housing and, where necessary, the manner in which it will provide financial or other assistance to a troubled PHA to improve its operations and remove such designation. It will also help ensure that activities with regard to local drug elimination, neighborhood improvement programs, and resident programs and services, funded under a PHA's program and those funded under a program covered by the consolidated plan, are fully coordinated to achieve comprehensive community development goals. If a PHA is required to implement remedies under a Section 504 Voluntary Compliance Agreement to provide accessible units for persons with disabilities, the local jurisdiction should consult with the PHA and identify actions it may take, if any, to assist the PHA in implementing the required remedies. A local jurisdiction may use CDBG funds for eligible activities or other funds to implement remedies required under a Section 504 Voluntary Compliance Agreement.

The City of Saint Paul works closely with the Saint Paul Public Housing Authority, one of the premier PHA's in the nation. This relationship is based on mutual goals, staff cooperation, joint planning and program development. When required, the City reviews PHA activities for consistency with its Consolidated Plan.

(d) Emergency Solutions Grants (ESG). A jurisdiction that receives as ESG grant must consult with the Continuum of Care in determining how to allocate its ESG grant for eligible activities; in developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and in developing funding, policies, and procedures for the operation and administration of HMS.

The City consults with Ramsey County Continuum of Care ("COC") Governing Board as well as Ramsey County Family Homelessness Prevention Assistance Program ("FHPAP") committee which prioritized delivery of services to 1)homeless families, 2) homeless youth, and then 3) to homeless individuals. The City consults with Ramsey County COC regarding the annual allocation of ESG funds. Moreover, the City will continue to work closely with Ramsey County COC to ensure the delivery of comprehensive homelessness services as well as developing performance standards for evaluating projects and services assisted by ESG funds. Finally, the City will continue to work with Ramsey County COC regarding the administration of HMIS.

91.105 Citizen participation plan; local governments.

(a) Applicability and adoption of the citizen participation plan.

(1) The jurisdiction is required to adopt a citizen participation plan that sets forth the jurisdiction's policies and procedures for citizen participation. (Where a jurisdiction, before February 6, 1995, adopted a citizen participation plan that complies with section 104(a)(3) of the Housing and Community Development Act of 1974 (42 U.S.C.

5304(A)(3)) but will need to amend the citizen participation plan to comply with provisions of this section, the citizen participation plan shall be amended by the first day of the jurisdiction's program year that begins on or after 180 days following February 6, 1995.)

The City's comprehensive involvement of citizens includes the Capital Budget process, the District Council Planning process, and participation in various citywide planning efforts, including the adopted Housing Plan, Ramsey County\City of Saint Paul Homelessness Plan, and neighborhood small area plans. For the purposes of the HUD document, Saint Paul's Plan was adopted as part of the 1995 Consolidated Plan and process, and updated as needed in the adoption. In reality, Saint Paul has more than 35 years of promoting and actively partnering with community organizations and citizen groups.

(2) Encouragement of citizen participation.

(i) The citizen participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendments to the consolidated plan, and the performance report. These requirements are designed especially to encourage participation by low- and moderate-income persons, particularly those living in slum and blighted areas and in areas where CDBG funds are proposed to be used, and by residents of predominately low- and moderate-income neighborhoods, as defined but he jurisdiction. A jurisdiction is also expected to take whatever actions are appropriate to encourage the participation of all its citizens, including minorities and non-English speaking persons, as well as persons with disabilities.

Saint Paul's Consolidated Plan draws on, and is many ways a composite of a number of the cities adopted plans, policies, and budgetary documents. Each major section has had extensive citizen review, comment, and community input. Any and all changes follow both the city's tradition of citizen input, and exceed HUD requirements.

Saint Paul's Capital Budget Process and neighborhood planning activities are designed to encourage participation by all members of the community. Through our neighborhood district councils, Early Notification Systems, non-profit community, and the publication of notices, the city attempts to reach as many citizens as possible.

(ii) The jurisdiction shall encourage the participation of local and regional institutions, the Continuum of Care and other organizations (including businesses, developers, nonprofit organizations, philanthropic organizations, and community-based and faith-based organizations) in the process of developing and implementing the consolidated plan.

To implement the consolidated plan, the City has ongoing discussions with local and regional institutions, Ramsey County COC Governing Board, non-profit affordable housing providers, for-profit housing providers, philanthropic organizations, such as Family Housing Fund, and community-based and faith-based organizations, such as Interfaith Action of Greater Saint Paul and Catholic Charities, in order to develop a comprehensive housing strategy and housing programs that are responsive to the needs of its citizenry.

(iii) The jurisdiction shall encourage, in conjunction with consultation with public housing agencies, the participation of residents of public and assisted housing developments, in the process of developing and implementing the consolidated plan, along with other low-income residents of targeted revitalization areas in which the developments are located. The jurisdiction shall make an effort to provide information to the public housing agency (PHA) about consolidated plan activities related to its developments and surrounding communities so that the PHA can make this information available at the annual public hearing required for the PHA Plan.

The Saint Paul Public Housing Authority and the City of Saint Paul are each required to submit their own Consolidated Plans to HUD. As distinct entities, the City of Saint Paul and the local public housing authority have a long tradition of effectively working together, and consult each other in the preparation of plans, documents, and proposed activities.

(iv) The jurisdiction should explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in communities and neighborhoods, and the review of program performance: eg., use of focus groups and the Internet.

Saint Paul has been using both traditional and alternative methods in its citizen participation process for many years, including use of the web, ENS list serve and most

recently, pop-up meetings.

(3) Citizen comment on the citizen participation plan and amendments. The jurisdiction must provide citizens with a reasonable opportunity to comment on the original citizen participation plan and on substantial amendments to the citizen participation plan, and must make the citizen participation plan public. The citizen participation plan must be in a format accessible to persons with disabilities, upon request.

Approximately 20 years prior to HUD creating citizen requirements, Saint Paul established procedures for citizens to have an opportunity to participate in decision making. These mechanisms, including neighborhood review, public notices, citizen review through the Capital Budget process, and formal approval exceed all existing HUD requirements.

(b) Development of the consolidated plan. The citizen participation plan must include the following minimum requirements for the development of the consolidated plan.

(1) The citizen participation plan must require that, before the jurisdiction adopts a consolidated plan, the jurisdiction will make available to citizens, public agencies, and other interested parties information that includes the amount of assistance the jurisdiction expects to receive (including grant funds and program income) and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income. The citizen participation plan also must set forth the jurisdiction's plans to minimize displacement of persons and to assist any persons displaced, specifying the types and levels of assistance the jurisdiction will make available (or require others to make available) to persons displaced, even if the jurisdiction expects no displacement to occur. The citizen participation plan must state when and how the jurisdiction will make this information available.

All of the programs, projects, and activities financed with funds from HUD are budgeted through the City's annual Capital/Improvement Budget and Process, Operating and Special Funds Budgets. These processes have extensive input: at the outset with community groups being actively involved with proposing projects, through the multiple citizen reviews, and finally with the public hearings and approvals by elected officials. Prior to the adoption of the City's Consolidated Plan, city staff publish and make available to citizens program information as required by the federal government, and specifically in the format as required by HUD.

Incorporated by reference and attached to this document is a copy of the City's Residential Antidisplacement and Relocation Assistance Plan.

(2) The citizen participation plan must require the jurisdiction to publish the proposed consolidated plan in a manner that affords citizens, public agencies, and other interested parties a reasonable opportunity to examine its contents and to submit comments. The citizen participation plan must set forth how the jurisdiction will publish the proposed consolidated plan and give reasonable opportunity to examine the contents of the proposed consolidated plan. The requirement for publishing may be met by publishing a summary of the proposed consolidated plan in one or more newspapers of general circulation, and by making copies of the proposed

consolidated plan available at libraries, government offices, and public places. The summary must describe the contents and purpose of the consolidated plan, and must include a list of the locations where copies of the entire proposed consolidated plan may be examined.

In addition, the jurisdiction must provide a reasonable number of free copies of the plan to citizens and groups that request it.

A summary of Saint Paul's Consolidated Plan is published in the Saint Paul Pioneer Press. Copies of the proposed Consolidated Plan are available at City offices, Saint Paul Public Libraries, through the city's 17 District Councils, and other public venues. The plan is published on the City's website and free copies are available at all times during the program year.

(3) The citizen participation plan must provide for at least one public hearing during the development of the consolidated plan. See paragraph (e) of this section for public hearing requirements, generally.

See paragraph (e) of this section for public hearing requirements.

(4) The citizen participation plan must provide a period, not less than 30 days, to receive comments from citizens on the consolidated plan.

The City publicizes and makes notice a thirty (30) day period whereby it will receive comments on the consolidated plan. While this meets the federal requirement, staff accepts comments on the consolidated plan and all program documents at any time during the year.

(5) The citizen participation plan shall require the jurisdiction to consider any comments or views of citizens received in writing, or orally at the public hearings, in preparing the final consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the final consolidated plan.

Saint Paul has, for more than 25 years, provided for participation in its planning and budget processes that exceeds the above HUD requirements. Through the Capital Budget process, persons are notified through publications, community groups, the City's Early Notification List mechanism, and others. By the conclusion of the city's six months process, multiple public hearings have been held at as many as five different participatory levels. In addition, city staff routinely perform the specific HUD requirements, which include even more notices, hearings, and additional comment periods.

As part of the Consolidated Plan process, the Saint Paul will complete its draft plan and publish a notice in the Saint Paul Pioneer Press on or before March 15th. Any and all comments received will be considered, and will be incorporated into the final document.

(c) Amendments.

(1) Criteria for amendment to consolidated plan. The citizen participation plan must specify the criteria the jurisdiction will use for determining what changes in the jurisdiction's planned or actual activities constitute a substantial amendment to the

consolidated plan. (See §91.505.) It must include among the criteria for a substantial amendment changes in the use of CDBG funds from one eligible activity to another.

(2) The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment on substantial amendments. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, not less than 30 days, to receive comments on the substantial amendment before the amendment is implemented.

(3) The citizen participation plan shall require the jurisdiction to consider any comments or views of citizens received in writing, or orally at public hearings, if any, in preparing the substantial amendment of the consolidated plan. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefor, shall be attached to the substantial amendment of the consolidated plan.

The City of Saint Paul follows very specific criteria for amending its programs and budgets, and are found on the following page. These requirements are, in fact, more specific than the HUD guidelines in terms of what constitutes a change in program, and in the changing of funding priorities. A copy of Saint Paul's procedures for preparing and implementing a substantial amendment is attached and hereby made part of this document.

(d) Performance reports.

(1) The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment on performance reports. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, not less than 15 days, to receive comments on the performance report that is to be submitted to HUD before its submission.

Saint Paul provides notice and opportunity to comment on its program performance in accordance with all HUD and local rules and regulations.

(2) The citizen participation plan shall require the jurisdiction to consider any comments or views of citizens received in writing, or orally at public hearings in preparing the performance report. A summary of these comments or views shall be attached to the performance report.

Saint Paul has participated in, and followed HUD program guidelines involving program performance reporting for more than 25 years. The city routinely publishes a notice in the local newspaper 15 days before the annual performance report is submitted to HUD, and makes the report public. The report is available to the public, and the city will consider written comments. A summary of all comments will be attached to report that is submitted to HUD.

(e) Public hearings.

(1) The citizen participation plan must provide for at least two public hearings per year to obtain citizens' views and to respond to proposals and questions, to be conducted at a minimum of two different stages of the program year. Together, the hearings must address housing and community development needs, development of proposed activities, and review of program performance. To obtain the views of

citizens on housing and community development needs, including priority non-housing community development needs, the citizen participation plan must provide that at least one of these hearings is held before the proposed consolidated plan is published for comment.

In a typical year, the City of Saint Paul will conduct three or four public hearings on its CDBG program prior to its adoption, and as many additional hearings as required to ensure that all City and HUD requirements are being fulfilled.

(2) The citizen participation plan must state how and when adequate advance notice will be given to citizens of each hearing, with sufficient information published about the subject of the hearing to permit informed comment. (Publishing small print notices in the newspaper a few days before the hearing does not constitute adequate notice. Although HUD is not specifying the length of notice required, it would consider two weeks adequate.)

The City publishes all notices approximately 10 days prior to a meeting, hearing, or formal action. This conforms with locally accepted policy.

(3) The citizen participation plan must provide that hearings be held at times and locations convenient to potential and actual beneficiaries, and with accommodation for persons with disabilities. The citizen participation plan must specify how it will meet these requirements.

All hearings are held in accessible locations, and at times that vary so as to provide for reasonable accommodation to all interested persons.

(4) The citizen participation plan must identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

Saint Paul routinely provides for language and sign interpreters as needed.

(f) *Meetings.* The citizen participation plan must provide citizens with reasonable and timely access to local meetings.

Meetings are generally held in city buildings, or in neighborhood community centers, and at times that are convenient to encourage participation.

(g) *Availability to the public.* The citizen participation plan must provide that the consolidated plan as adopted, substantial amendments, and the performance report will be available to the public, including the availability of materials in a form accessible to persons with disabilities, upon request. The citizen participation plan must state how these documents will be available to the public.

All program documents are available at all times to the general public.

(h) *Access to records.* The citizen participation plan must require the jurisdiction to

provide citizens, public agencies, and other interested parties with reasonable and timely access to information and records relating to the jurisdiction's consolidated plan and the jurisdiction's use of assistance under the programs covered by this part during the preceding five years.

City and HUD rules require that public documents be available, and timely access be provided. HUD program documents are available at all city libraries, neighborhood district council offices, and on-line through the city's website.

(i) Technical assistance. The citizen participation plan must provide for technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals for funding assistance under any of the programs covered by the consolidated plan, with the level and type of assistance determined by the jurisdiction. The assistance need not include the provision of funds to the groups.

Saint Paul has been nationally recognized for more than 30 years for its participatory government, and for encouraging and assisting persons wishing to participate in the city's programs.

(j) Complaints. The citizen participation plan shall describe the jurisdiction's appropriate and practicable procedures to handle complaints from citizens related to the consolidated plan, amendments, and performance report. At a minimum, the citizen participation plan shall require that the jurisdiction must provide a timely, substantive written response to every written citizen complaint, within an established period of time (within 15 working days, where practicable, if the jurisdiction is a CDBG grant recipient).

Due in part to the City's inclusive policies and procedures governing the planning and administration of its programs, Saint Paul tends to receive very few complaints. When staff receive concerns or complaints, they are taken seriously, and responded to in as timely a manner as possible, often within 15 days when practicable.

(k) Use of citizen participation plan. The jurisdiction must follow its citizen participation plan.

The city follows the guidelines, policies and procedures contained in its own citizen participation documents, and those required by HUD.

(l) Jurisdiction responsibility. The requirements for citizen participation do not restrict the responsibility or authority of the jurisdiction for the development and execution of its consolidated plan.

Public Comments

Typically the city receives a number of comments on the Consolidated Plan, and on programs and projects financed with CDBG, HOME, and ESG funds. The city considers all comments prior to adoption of the Consolidated Plan. Citizen review and involvement is included in every step of the preparation of the City's Capital Improvement Budget, the city's annual operating budget, and the accompanying planning documents. Public hearings were held on each of the above items by city

staff, the Planning Commission, the Capital Improvement Budget Committee, Mayor, and City Council.

In accordance with the Consolidated Plan regulations, Saint Paul includes representatives from federal, state and local government, public and private for-profit and non-profit organizations, human and social service providers.

City of Saint Paul, Minnesota
Residential Antidisplacement and Relocation Assistance Plan

1. Steps Taken to Minimize Displacement:

(i) - 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:

(i)-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 matter 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 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 year before the City submits its replacement plan to HUD, and ending three 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 10 years from the date of initial occupancy.

(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 30 days to provide HUD additional information supporting or opposing the request.

**CITY OF SAINT PAUL, MINNESOTA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUBSTANTIAL AMENDMENTS TO THE CONSOLIDATED PLAN**

In accordance with 24 CFR 91.505, the City of Saint Paul has developed the criteria to be used to determine what changes in the Community Development Block Grant (CDBG) program constitute a substantial amendment, and therefore require an amendment to the City's Consolidated Plan. These basic criteria have been incorporated since the beginning of the CDBG program, originally included as criteria for amendments to the City's Capital Improvement Budget Program and Process. These criteria were originally more stringent than federal requirements. The PED Grants Management Section of the City of Saint Paul has determined that the following actions will be considered substantial amendments to the CDBG program:

- The addition of a project not described in the Consolidated Plan;
- The cancellation of a project described in the Consolidated Plan;
- An increase in the amount to be expended for a project, if the increase is greater than \$50,000.00 and also exceeds 25 percent of the amount appropriated for the project;
- A change in location of any public improvement or public facility described in the Consolidated Plan;
- A change in any project that will affect a majority of the intended beneficiaries or a majority of the planned activities.

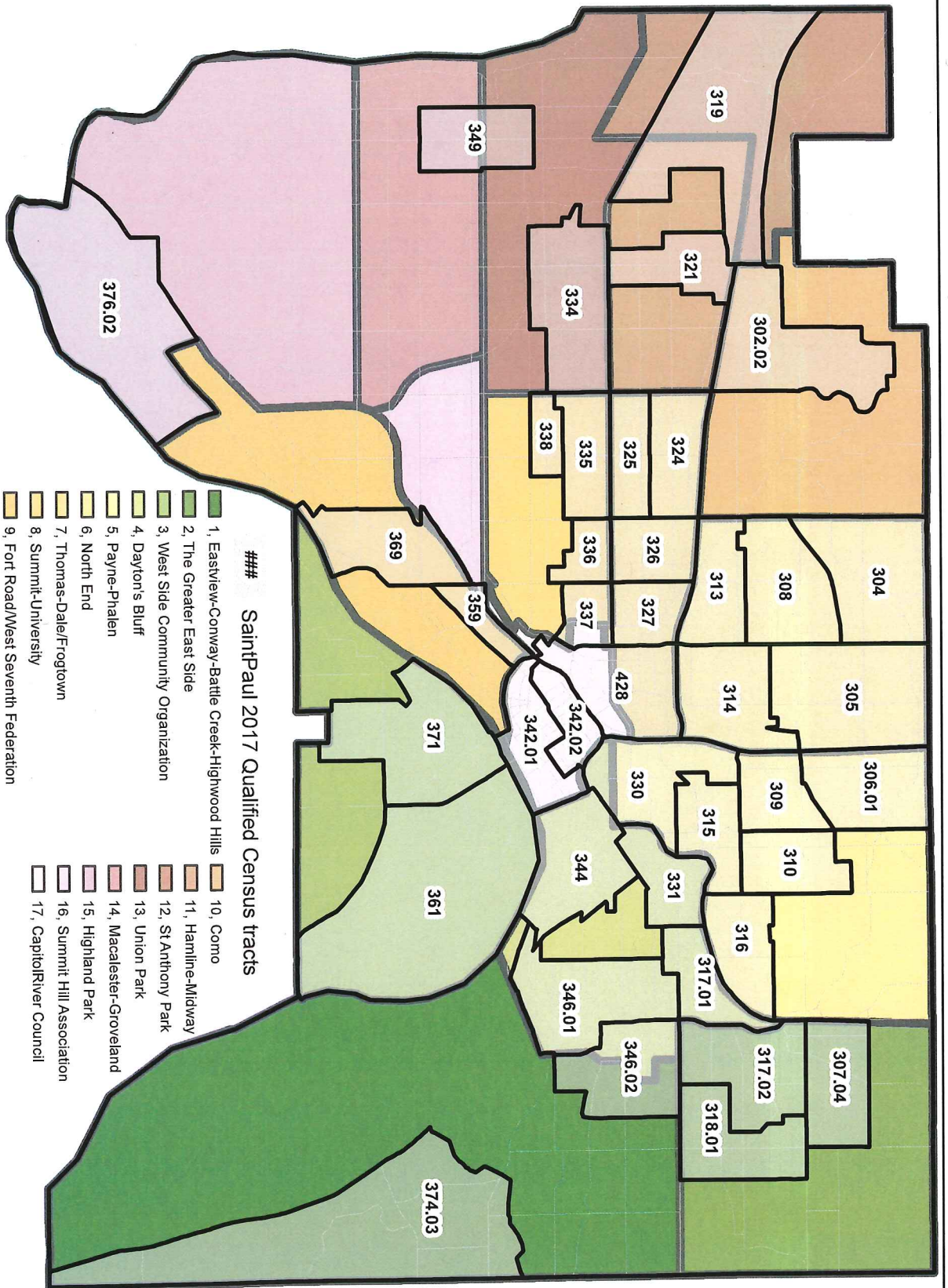
If a substantial amendment is made, the City will follow all applicable HUD rules, as prescribed in the federal regulations. Written comments on the substantial amendment will be reviewed by City staff, the Mayor, and City Council before the decision to implement the amendment is made.



2017 Qualified Census Tracts

CDBG-eligible areas

Source: U.S. HUD, U.S. Census Bureau, Saint Paul PED, Ramsey County



Date: 11/3/2016

**CITY OF SAINT PAUL, MINNESOTA
EMERGENCY SOLUTIONS GRANT
2017-2018 ACTION PLAN**

Information regarding the 2016-2017 Action Plan

Please call Joe Collins, Saint Paul Planning and Economic Development Department at 651-266-6020
or joe.collins@ci.stpaul.mn.us

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN
Priority Need Homeless
Project Title Emergency Solutions Grant

Project Description

The City will use Emergency Solutions Grant funding for homeless prevention, operating costs of shelters, essential services, rapid rehousing (rental assistance, case management, data collection) and ESG administration. The allocation process for ESG funds will occur in late summer or early fall, when an RFP will be published and also sent to providers of homeless services. All applicants are required to provide a 1 to 1 match, which consists of foundation, private sector, State and local funding.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number Housing 4 Homeless 1 - 4	Project ID 14	Funding Sources: CDBG
HUD Matrix Code 03C	CDBG Citation 570.201(C)	ESG \$574,696 HOME
Type of Recipient Subrecipient	CDBG National Obj.	HOPWA Total Formula \$574,696
Start Date 01/01/17	Completion Date 12/31/17	Prior Years Funding Assisted Housing
Performance Indicator Number of Persons Served	Annual Units 3,000 Persons	PHA Other Funding
Local ID	Units Upon Completion 3,000 Persons	Total \$574,696

The primary purpose of this project is to help: ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities
Public Housing Needs

Table 3

Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN

Priority Need Homeless

Project Title Emergency Solutions Grant – Street Outreach

Project Description

The City may use Emergency Solutions Grant funding for street outreach to homeless youth and/or homeless adults with mental health challenges who are living outside. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number	Project ID	Funding Sources: CDBG ESG \$49,500 HOME HOPWA Total Formula \$49,500 Prior Years Funding Assisted Housing PHA Other Funding Total (max allocation) \$49,500
Housing 4 Homeless 1 – 4	14	
HUD Matrix Code	CDBG Citation	
03C	570.201(C)	
Type of Recipient	CDBG National Obj.	
Subrecipient		
Start Date	Completion Date	
01/01/17	12/31/17	
Performance Indicator	Annual Units	
Number of Persons Served	Outreach to approximately 100 persons	
Local ID	Units Upon Completion	
	Outreach to approximately 100 persons	

The primary project purpose assists ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3

Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN

Priority Need Homeless

Project Title Emergency Solutions Grant – Emergency Shelter Operations

Project Description

The City will use Emergency Solutions Grant funding for operating costs of emergency shelter and transitional housing. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number	Project ID	Funding Sources:	
Housing 4 Homeless 1 – 4	14	CDBG	
HUD Matrix Code	CDBG Citation	ESG	\$260,000
03C	570.201(C)	HOME	
Type of Recipient	CDBG National Obj.	HOPWA	
Subrecipient		Total Formula	\$260,000
Start Date	Completion Date	Prior Years Funding	
01/01/17	12/31/17	Assisted Housing	
Performance Indicator	Annual Units	PHA	
Number of Persons Served	2000 persons	Other Funding	
Local ID	Units Upon Completion	Total (estimated)	\$260,000
	2000 persons		

The primary project purpose assists ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3**Consolidated Plan Listing of Projects**

Applicant's Name City of Saint Paul, MN

Priority Need Homeless

Project Title Emergency Solutions Grant – Homeless Prevention Component

Project Description

The City will use Emergency Solutions Grant funding for homelessness prevention component. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number Housing 4 Homeless 1 – 4	Project ID 14	Funding Sources: CDBG
HUD Matrix Code 03C	CDBG Citation 570.201(C)	ESG \$94,000 HOME
Type of Recipient Subrecipient	CDBG National Obj.	HOPWA Total Formula \$94,000
Start Date 01/01/17	Completion Date 12/31/17	Prior Years Funding Assisted Housing
Performance Indicator Number of Households Served	Annual Units 100 households (approximately)	PHA Other Funding
Local ID	Units Upon Completion 100 households (approximately)	Total Estimated \$94,000

The primary project purpose assists ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3

Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN

Priority Need Homeless

Project Title Emergency Solutions Grant – Rapid Rehousing Program Component

Project Description

The City will use Emergency Solutions Grant funding for rapid rehousing program. The allocation process for ESG will occur during late summer or early fall when RFP will be published and sent to homeless services. ESG requires a 1 to 1 match so that applicants must provide 1 to 1 match by securing funds from foundations, the private sector, State funds, local funds or overall the 1 to 1 match may also be recognized within the total ESG program.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number Housing 4 Homeless 1 – 4	Project ID 14	Funding Sources: CDBG
HUD Matrix Code 03C	CDBG Citation 570.201(C)	ESG \$138,000 HOME
Type of Recipient Subrecipient	CDBG National Obj.	HOPWA Total Formula \$138,000
Start Date 01/01/17	Completion Date 12/31/17	Prior Years Funding Assisted Housing
Performance Indicator Number of Households Served	Annual Units Approximately 100 households	PHA Other Funding
Local ID	Units Upon Completion Approximately 100 households	Total (approximately) \$138,000

The primary project purpose assists ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3

Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN
Priority Need Homeless
Project Title Emergency Solutions Grant – Administration

Project Description

The City will use Emergency Solutions Grant funding for administration of the Emergency Solutions Grant Program.

Objective Category: Suitable Living Environment ☒ Decent Housing Economic Opportunity

Outcome Category: ☒ Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number Housing 4 Homeless 1 – 4	Project ID 14	Funding Sources: CDBG
HUD Matrix Code 03C	CDBG Citation 570.201(C)	ESG \$15,196
Type of Recipient Subrecipient	CDBG National Obj.	HOME HOPWA
Start Date 01/01/17	Completion Date 12/31/17	Total Formula \$15,196 Prior Years Funding Assisted Housing
Performance Indicator Number of Persons Served	Annual Units Approximately 3,000 persons served	PHA Other Funding
Local ID	Units Upon Completion Approximately 3,000 persons served	Total (estimated) \$15,196 (less than allowable 7.5% of overall grant award)

The primary project purpose assists ☒ The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3

Consolidated Plan Listing of Projects

Applicant's Name City of Saint Paul, MN

Priority Need Homeless

Project Title Emergency Solutions Grant – HMIS Component

Project Description

The City will use Emergency Solutions Grant funding for HMIS component for the Emergency Solutions Grant Program.

Objective Category: Suitable Living Environment **X** Decent Housing Economic Opportunity

Outcome Category: **X** Availability/Accessibility Affordability Sustainability

Location: Community Wide

Objective Number Housing 4 Homeless 1 – 4	Project ID 14	Funding Sources: CDBG ESG \$18,000 HOME HOPWA Total Formula \$18,000 Prior Years Funding Assisted Housing PHA Other Funding Total (estimated) \$18,000
HUD Matrix Code 03C	CDBG Citation 570.201(C)	
Type of Recipient Subrecipient	CDBG National Obj.	
Start Date 01/01/17	Completion Date 12/31/17	
Performance Indicator Number of Persons Served	Annual Units Approximately 3,000 persons served	
Local ID	Units Upon Completion Approximately 2,500 persons served	

The primary project purpose assists **X** The Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

CITY OF SAINT PAUL

2017-2018 EMERGENCY SOLUTIONS GRANT PROGRAM – ACTION PLAN

OVERVIEW: For HUD FY 2017-2018, the City 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 Coordinator, City Council, and Mayor’s Administration. In general, approximately 19 community agencies that serve Saint Paul residents who are homeless or at-risk of being homeless apply annually for ESG funds for which the City Council considers for final approval. In consideration of HUD national objectives, the City’s Emergency Solutions Grant Program places additional emphasis on rapid rehousing services and street outreach.

During HUD FY 2017, the City will 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. During the HUD year, the City and County staff will 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, when 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 of Saint Paul owns the Saint Paul Residence which provides 120 units of support housing, including 60 units for chronically-inebriated residents. Additionally, during 2017, City staff will work with Catholic Charities to seek financing for the new Dorothy Day Center Higher Ground Phase 2 facility, which will have an “Opportunity Center” and permanent supportive housing that can respond to the increasing service demands of homeless residents using the Dorothy Day Center.

Throughout the HUD year, the City will support innovative programs that serve homeless residents with mental illness. As an example, the Saint Paul Police Department works with Listening House and

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.

South Metro Human Services to develop police services responsive to homeless residents with mental illness. Additionally, the Police Department and Listening House co-chair the Police-Community Forum to address the needs of downtown Saint Paul homeless residents. One result of the community forum discussions was an ESG funding allocation for Catholic Charities' rapid rehousing program with street outreach to homeless residents who use the Downtown Saint Paul Central Library during the day.

As the ESG administrator, the City supports the participation of homeless residents on various issues and projects, such as the Ramsey County Continuum of Care and the Family Homelessness Prevention Assistance Program Committee. It is encouraging to see some formerly-homeless residents become more empowered by their ongoing participation with these committees.

Finally, it should be noted that CDBG funds are allocated to the Block Nurse and Neighborhood Non-Profit programs which provide assistance for homeless persons as well as 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 residents 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 has new medical respite designated housing units to assist emergency shelter residents who are "medically-compromised."

2017-2018 ESG § 576.100 General provisions and expenditure limits.

For HUD FY 2017, the City of Saint Paul will allocate its ESG funds to five program components street outreach, emergency shelter, homelessness prevention, rapid re-housing assistance, and HMIS; as well as administrative activities. The five 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 \$574,696; or
- (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.

2017-2018 ESG STREET OUTREACH COMPONENT

Pursuant to C.F.R. §24 576.102., the City's ESG funds may be used for street outreach if provided to homeless youth or homeless single adults who live outside and have mental health challenges. The maximum allocation for street outreach will be \$49,500 for HUD FY 2017. 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 residents 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 as the costs of providing these services are eligible under paragraphs (a)(1) through (a)(3) of this section.
- (b) *Minimum period of use.* The subrecipient 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.

2017-2018 ESG EMERGENCY SHELTER COMPONENT

In recognition of the local needs, the City's 2017-2018, ESG funds places a high priority on paying operational costs for emergency shelters (homeless adults, homeless families, and homeless youth), and transitional housing (homeless women and homeless families) operations. That said, the City will may 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 providing essential services to homeless families and individuals in emergency shelters and operating costs emergency shelters, including transitional housing.
- (b) *Essential services* may include case management, including using the centralized or coordinated assessment system. However, it must be noted that the Ramsey County and community agencies have developed coordinated assessment for families (funded with State of Minnesota funds). This coordinated assessment process includes screening, initial evaluation, and diversion. At this time, Ramsey County COC is working with community services providers to implement the coordinated assessment process for homeless individuals and homeless youth – also subject to availability of funding. As necessary, coordinated assessment will include more intensive evaluation in order to provide referral 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
- (7) Developing an individualized housing and service plan, including planning a path to permanent housing stability.

(c) *Shelter operations.* For HUD FY2017, Saint, Paul ESG funds may pay eligible operating costs of emergency shelters or transitional housing, such as maintenance costs (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. NOTE: The ESG-Emergency Shelter Program Component is essential to the Heading Home Ramsey Plan. Therefore, in consultation with Ramsey County Continuum of Care and Saint Paul homeless service providers, the City 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 the costs to transfer shelter beds and equipment to faith-based institutions that are participating with Project Home which provides overnight emergency shelter 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.

(c) *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.

Minimum period of use. Where ESG funds are used solely for essential services or shelter operations, the subrecipient must provide services or shelter to homeless individuals and families for the period during which ESG funds are provided. The subrecipient does 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 subrecipient originally provided the services or shelter.

HUD YR 2017-2018 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 default rental payments, default utility payments, first month's rent payment, rental deposits 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. §24 576.05, 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 the 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 has been 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);
homeless in last 12 months;
8. Young head of household (under 25 with children or pregnant);
9. Current or past involvement with child welfare, including foster care;
10. Pending foreclosure of rental housing;
11. High overcrowding (the number of persons exceeds health and/or safety standards for the
housing unit size);
12. Past institutional care (prison, treatment facility, hospital);
13. Recent traumatic life event, such as death of a spouse or primary care provider;
14. Recent health crisis that prevented the household from meeting its financial
responsibilities;
15. Credit problems that preclude maintaining stable housing; or
16. Significant amount of medical debt.

ELIGIBLE POPULATION (C.F.R§24 576.2) – HOMELESSNESS PREVENTION

At risk of homelessness means.

- (1) An individual or family who:
 - (i) Has an annual income below 30 percent of median family income for the area median income (AMI) area as determined by HUD;
 - (ii) 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
 - (iii) Meets one of the following conditions:
 - (A) Has moved because of economic reasons two or more time 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;
 - (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
 - (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing

ELIGIBLE ACTIVITIES

- 1. 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, case management costs, and related costs of subrecipient to provide such services (if not paid under other subsections).
- 2. Subgrantees must not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

HUD YR 2017-2018 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 2017, 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:

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) 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;
 - (ii) 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
 - (iii) 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.
- (2) 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; and
 - (ii) No subsequent residences has been identified; and
- (iii) 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

- (3) Unaccompanied youth under 25 years of age, or families with children and youth who do not otherwise qualify as homeless but who
- (i) 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);
 - (ii) 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;
 - (iii) 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
 - (iv) 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
- (4) Any individual or family who:
- (iv) 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;
 - (v) Has no other residence; and
 - (vi) 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 residents 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 residents 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 will 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. ESG-2 funds may provide the following:

1. Financial Assistance.

ESG financial assistance is limited to the following activities: short-term rental assistance, medium-term rental assistance, security deposits, utility deposits, and moving cost assistance. Sub-recipients will not make payments directly to program participants, but only to third parties, such as landlords or utility companies.

Short and Medium Term Rental Assistance (C.F.R. 24 §576.016)

To receive either short-term or medium-term rental assistance, the following conditions must occur:

- Short-term rental assistance is assistance for up to three months of rental costs.
- Medium-term rental assistance is assistance for more than three months but not more than 24 months
- Monthly rent assistance may be \$400 for 1 bedroom; \$600 for a 2 bedroom; and \$800 for a three bedroom or larger, or an amount that sub-recipient has determined to be reasonable – especially given the tight rental market.
- No program participant may receive more than 12 months of assistance under ESG Rapid Rehousing.
- After 3 months, if program participants receiving short-term rental assistance need additional financial assistance to remain housed, they must be evaluated for eligibility for medium-term rental assistance, for a total of 12 months.
- ESG Rapid Re-Housing assistance should be “needs-based,” meaning that sub-recipient should determine the amount of assistance based on the minimum amount needed to assist homeless resident secure housing.
- The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD’s standard of “rent reasonableness.”
- 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.
- Compliance with Fair Market Rents (FMR) and Rent Reasonableness; and
- For purposes of calculating rent, the rent must equal the sum of the total rent, and rental fees (excluding late fees and pet deposits), and if tenants pays separately for utilities (excluding telephone) the monthly allowance for utilities as established by the public housing authority for the area in which the housing is located; and
- Compliance with minimum habitability standards; and
- Tenant-based rental assistance (participants select housing) or project-based rental assistance (grantee selects housing that meet ESG requirements and execute rental assistance agreements with the owner with a subsidy for the unit so eligible program participants can access to the unit); and
- A standard rental agreement must be in place; and
- No rental assistance will be provided to households receiving assistance from other public source for same time period (exception: rental arrears).

Security Deposits: ESG Rapid Re-Housing funds may pay security deposits, including utility deposits, for eligible program participants. In contrast to the requirements regarding rental assistance payments, security and utility deposits covering the same period of time in which assistance is being provided through another housing subsidy program are eligible as long as they cover separate cost types.

Moving Expense: ESG-2 Rapid Re-housing funds may pay reasonable moving costs, such as truck rental.

2. Housing Relocation and Stabilization Services.

Subrecipient will provide housing relocation and stabilization activities under 24.CFR §576.105. ESG Rapid Re-Housing funds may pay services that assist program participants with housing stability and placement. Each program participant may receive housing relocation and stabilization services for up to 12 months.

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.

Rental Application fees: ESG funds may pay for the rental housing application fee that is charged by the owner to applicants.

Security Deposits: ESG funds may pay for a security deposit that is equal to no more than two (2) months' rent

Last month's rent: If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG 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 three year period.

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.

Utility payments: ES funds may pay up to six months of utility payments per program participant.

Moving Costs: ESG may pay reasonable moving costs, such as a truck rental.

Services costs: Subject to the general restrictions under 24 C.F.R. §576.104, ESG funds may pay the costs of providing the following services.

Housing Search and placement: Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, including the following assessment of housing barriers, needs, and preferences; developing a housing search action plan outreach to and negotiations with owners; assistance with submitting rental applications and understanding leases; assessment of housing for compliance with ESG requirements for habitability, lead-based paint, and rent reasonableness; assistance with obtaining utilities and making moving arrangements; and tenant counseling.

Housing Stability Case Management: ESG funds may pay costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to assist a program

participant in overcoming immediate barriers to obtaining housing. Components services and activities consist of:

- Using the centralized or coordinated assessment system when developed to evaluate individuals and families applying for rapid re-housing assistance;
- Conducting the initial evaluation required under §576.400(1)(a), including verifying and documenting eligibility, for individuals and families applying for rapid re-housing assistance;
- Counseling;
- Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;]
- Monitoring and evaluating program participants' progress;
- Providing information and referrals to other providers
- Developing an individualized housing and services plan, including planning a path to permanent housing stability; and
- Conducting re-evaluations required under §576.401(b).

Case manager will meet with participants at least monthly for the duration of the assistance (participants who are victims of domestic violence are exempt if meeting increases the risk of danger to client). Case manager will develop individualized plans to help program participants overcome immediate barriers to secure permanent housing, and provide assistance to stabilize occupancy after ESG assistance ends. Case manager will also monitor and re-evaluate program participants, as necessary.

Legal Services: ESG 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, and the legal services must be necessary to resolve a legal problem that prohibits the program participant from obtaining permanent housing.

Credit Repair: ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit program. This assistance does not include the payment or modification of a debt.

Ineligible and Prohibited Activities

- 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.
- ESG funds may not pay any of the following items: construction or rehabilitation; credit card bills or other consumer debt; car repair or other transportation costs; 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.
- Programs may not charge fees to program participants.
- 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. Subrecipient 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 three 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, 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 a 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:

- (A) 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;
 - (B) 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;
 - (C) Counseling;
 - (D) Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - (E) Monitoring and evaluating program participant progress;
 - (F) Providing information and referrals to other providers;
 - (G) Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - (H) 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, and the 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.
- (c) *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.

- (d) *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 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. Subrecipient 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 subrecipient 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 subrecipient 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.
- (3) Compliance with minimum habitability standards; and

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.
 - (3) Program participants must be evaluated for eligibility for medium-term rental assistance after every three 3 months
 - (4) 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 developed 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.
- (2) 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 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 subrecipient may make rental assistance payments only to an owner with whom the recipient or subrecipient 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 subrecipient 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 subrecipient 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 subrecipient 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.
- (2) The recipient may require that all program participants live within a particular area for the period in which the rental assistance is provided.

(3) The rental assistance agreement with the owner must terminate and no further rental assistance payments under that agreement may be made if:

(i) 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 subrecipient 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 subrecipient may enter into a rental 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 subrecipient 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 subrecipient 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 subrecipient 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 subrecipient 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 subrecipient 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

subrecipient 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.

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:
 - (1) *General management, oversight and coordination.* Costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:
 - (i) 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:
 - (A) Preparing program budgets and schedules, and amendments to those budgets and schedules;

- (B) Developing systems for assuring compliance with program requirements;
- (C) Developing interagency agreements and agreements with sub recipients and contractors to carry out program activities;
- (D) Monitoring program activities for progress and compliance with program requirements;
- (E) Preparing reports and other documents directly related to the program for submission to HUD;
- (F) Coordinating the resolution of audit and monitoring findings;
- (G) Evaluating program results against stated objectives; and
- (H) 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.

(ii) Travel costs incurred for monitoring of sub recipients;

(iii) Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and

(iv) 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.
- (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; developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; and developing 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.
 - (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.
 - (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 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 HOMELESSNESS 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. Subrecipient must also consult with the City if additional ESG assistance is needed to achieve the agreed-upon action plan.

City of Saint Paul
HOME Funded Home Buyer Requirements
& Resale/Recapture Criteria

General provisions

- > Buyers of housing units assisted with HOME subsidy funds must have incomes at 80% or less of area median income (AMI), adjusted for family size.
- > The property must be the principal residence of the buyer during the affordability period.
- > The property value must be less than the HUD established maximum property value.
- > The property must meet minimum property standards.
- > In the event HOME assistance is used in conjunction with HUD ADDI funds, the buyers must be first-time homebuyers.
- > The amount of HOME funding may not exceed the HOME subsidy limits.
- > The Affordability Period is based on the amount of HOME assistance provided:
 - <\$15,000 of HOME Funds 5 yrs
 - \$15,000-\$40,000 10 yrs
 - >\$40,000 15 yrs
- > In the event senior mortgage loan liens on HOME assisted units are refinanced, current City/HRA policies and rules regarding subordination requests will apply. Generally, subordination of HOME loan liens will be approved:
 - To allow a lender to pay-off a home owner's secured debt at prevailing market rates and fees, which is senior to the HOME lien. (Subordination will not be approved for sub-prime loans, open-ended lines of credit or junior liens.)
 - To allow the home owner to obtain a secured home improvement loan to make capital improvements.
 - Subordination will not be approved for paying off consumer debt or taking cash out.

Options

The selection of either the "Recapture" or "Resale" option must be made at the time initial HOME assistance is provided. Properties subject to the "Resale" option because the HOME assistance is in the form of a development subsidy will not be allowed to also receive HOME assistance for down payment or closing cost assistance.

If the property is sold **before the end** of the HOME required affordability period:

- When the HOME assistance is in the form of a direct subsidy to the buyer (e.g., down payment and closing cost assistance), either the "Recapture" or "Resale" option may be selected.
- When the HOME assistance is in the form of a development subsidy, the "Resale" option must be selected.

If the property is sold **after** the HOME required affordability period:

- The "Resale" requirements no longer apply.
- The "Recapture" requirements apply for a minimum of ten years. (The Recapture requirements apply for the HOME required affordability period or ten years, whichever is greater.)

Resale Provisions

> If the property is sold during the HOME required affordability period (5-15 years), the following conditions must be met:

- The property must be sold to a buyer with income verified at 80% or less of AMI adjusted for family size.
- The sale price must be "affordable" to the new buyer.

"Affordable" is defined as the purchase price which is based on FHA underwriting standards (underwriting based on 33% of monthly income for PITI [principal, interest, property taxes & insurance]) and a current, fixed interest rate, for a 30-year mortgage loan.

An estimated affordable purchase price assumes the buyer has a household size of 1.5 persons per bedroom, and 95% of the purchase price is financed and the loan is based on FHA underwriting standards [above].

- The original homebuyer (and any subsequent sellers during the HOME required affordability period) must receive a "fair return on investment."

"Fair return on investment" is defined as the sales price of the unit (not greater than the appraised value), minus the then current indebtedness (all outstanding principal & interest payment obligations) and reasonable sales costs including

real estate sales commission, but not greater than the "affordable" purchase price to a household with income at 80% of AMI.

At time of resale, homebuyer must receive a fair return on investment, including capital improvements, which are defined as improvements to the home that are not considered maintenance related expenditures. The City will use the average change in the Consumer Price Index over the period of ownership to calculate a fair return as its standard index for fair return on the investment.

- The property must have deed restrictions or land covenants to enforce resale restrictions.

If a subsequent buyer(s) does not receive additional HOME assistance, the affordability period for a subsequent buyer(s) is the remaining time for the initial buyer. If additional HOME assistance is provided to a subsequent buyer(s), the initial buyer affordability period is terminated and a new buyer affordability period is started based on the amount of the new HOME assistance.

In the event HOME funds are used as a development subsidy in projects developed by Twin Cities Habitat for Humanity or Rondo Community Land Trust, the Resale provisions utilized by these entities will apply, but the HOME Resale requirements period will not exceed the maximum HOME required period. The following are their Resale requirements:

Habitat for Humanity (TCHFH)

30YearAffordability:

TCHFH incorporates into its second mortgages a home repurchase clause which extends for a fixed 30-year term TCHFH's right to repurchase the home in accordance with a predetermined formula, in order to guarantee 30 years of affordability and still offer first mortgage terms of 20 and 25 years, the second mortgage remains in effect after the first mortgage is fully paid.

Years 1 through 5 Repurchase Formula:

The home repurchase formula will determine the selling price of the home to TCHFH. The home repurchase price will include all first mortgage payments made to-date plus reasonable costs of TCHFH authorized, documented improvements plus the remaining first and second mortgage balances which are then subsequently paid or forgiven. The repurchase formula will grant TCHFH 100% of market appreciation during the first 5 years of ownership

Years 6 through 30 Repurchase Formula:

The home repurchase formula will determine the selling price of the home to TCHFH. After five years, the home repurchase price will include all first mortgage payments made to-date plus reasonable costs of TCHFH authorized, documented improvements plus the remaining first and second mortgage balances which are then subsequently paid or forgiven. Additionally, the owner retains 25% of the market appreciation since purchase. This price formula will be in effect for a fixed 30 year term.

Rondo Community Land Trust (RCLT)

Home buyers enter into a 99-year renewable ground lease the day they purchase a home. If RCLT does not already own the land beneath the home, it will take title at the time of closing. If the home buyer wishes to sell the home, they must adhere to one of the following:

- The house may be sold to Rondo, who has first right of refusal;
- The house may be sold to another low-moderate income buyer;
- The home may be given to another person listed on the ground lease, provided the new owners abide by the ground lease; or
- The home may be given to another person, provided s/he meets the income guidelines and agree to abide by the ground lease.

Other provisions are as follows:

1. The sale price must be "affordable" to the new buyer.

"Affordable " is defined the cost of housing that does not exceed 30% of household's monthly income for PITI (principal, interest, taxes & insurance). The household has sufficient income to support housing costs and is pre-qualified for a mortgage as evidenced by a letter from a lending institution.

2. The original homebuyer (and any subsequent sellers during the HOME required affordability period) must receive a "fair return on investment."

"Fair return on investment" is defined as 25% of the property's appreciation over the initial purchase price.

Additional information is in Attachment.

Recapture Provisions

- > For a period of 30 years after the date of closing, the property may be sold to any willing buyer, but the HOME subsidy funds must be repaid. The subsidy principal amount is due-on-sale of the property with 3% simple interest per year, with a maturity date of 30 years. If the net proceeds from the sale of the property are insufficient to repay the HOME subsidy, only the net proceeds must be repaid. If more than one entity has provided HOME assistance to the property, and the net proceeds are insufficient to fully repay each entity, each entity will be repaid on a pro rata basis.

Rondo Attachment

Rondo Community Land Trust works within the priorities set by the community, exploring various developmental methods and remaining flexible in its revitalization approaches. Rondo CLT works directly with homebuyers by providing purchase price buy-down and rehabilitation grants for houses for sale within the community. Households whose incomes are between 50 and 80% of the Twin Cities area median income qualify for Rondo CLT's HEP program.

Rondo CLT creatively meets housing needs while preserving the economic and cultural diversity of the community using the land trust model of homeownership. While the land trust model has proven successful for over 90 years in preserving undeveloped land, it has been used to maintain housing affordable for just over 20 years. Homebuyers purchasing houses through community land trust programs buy *only the house*, and enter into a 99-year "ground lease" for the land. The land remains the property of the community land trust, which is governed by a Board of Directors, made up of land trust homeowners, affordable housing advocates and other community members. To ensure affordability for future generations, Rondo CLT's ground lease includes a limited appreciation formula that is used upon resale of the home. If and when the homeowner decides to sell their house, the ground lease requires them to sell it to another household of low-to moderate income for the original sales price plus 25% of any appreciation in the home's value. This allows the home to remain affordable for the next generation of low-income homebuyers, and allows the original buyer to gain equity in their home. The need to continually re-subsidize or lose the property's affordability due to real estate speculation is eliminated. The initial investment in affordable housing is recycled again and again. Equally as important, this affordable housing option gives houses with low to moderate incomes the opportunity to earn equity and appreciation in the real estate market not available in the rental market.