

Hennepin County Consortium

2021, 2022, and 2024 Annual Action Plan Amendment

DRAFT for public comment

DRAFT June 24, 2025

www.hennepin.us/housing-plans

Consortium Members:

Hennepin County
City of Bloomington
City of Eden Prairie
City of Plymouth



Executive Summary

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

1. Introduction

The Hennepin County Consortium 2021, 2022, and 2024 Action Plan has been prepared to meet statutory planning and application requirements for the receipt and use of three Housing and Urban Development (HUD) funding programs in suburban Hennepin County: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) Program. The 2020-2024 Consolidated Plan set community development and affordable housing goals for the use of CDBG, HOME, and ESG for five program years, 2020-2024. The Consolidated Plan can be found at: <https://www.hennepin.us/your-government/research-data/housing-plans-accomplishments>

The 2021, 2022, and 2024 Action Plan outlines the specific ways in which CDBG, HOME, and ESG funding will be used in the Program Years, following the goals in the Consolidated Plan. The 2021, 2022, and 2024 program year starts July 1 of their respective year, and ends June 30, of their respective year.

The Hennepin County Consortium is comprised of three entitlement jurisdictions - the Cities of Bloomington, Eden Prairie, and Plymouth – and the remaining 38 suburban cities in Hennepin County. Hennepin County's Housing and Economic Development Department is the Consortium's lead agency responsible for the Plan's development.

2. Summarize the objectives and outcomes identified in the Plan

The Consolidated Plan priorities were developed after a thorough review of demographic data, citizen and community input, other public policy and community plans, and past funding results in suburban Hennepin County. The Consolidated Plan seeks to address the following HUD and local objectives and outcomes for low to moderate income residents in suburban Hennepin County.

Objectives:

- Provide decent housing
- Provide a suitable living environment
- Expand economic opportunities

Outcomes:

- Assisting homeless persons obtain affordable housing

- Increasing the availability of permanent housing that is affordable and accessible to low-income households
- Improving the safety and livability of neighborhoods
- Creating and retaining jobs

Through a collaborative process including city, non-profit, citizen participation, the following Priority Needs have been established for the use of CDBG, HOME, and ESG funding in suburban Hennepin County for the Consolidated Plan period:

- Preserve and create multifamily rental opportunities
- Preserve and create single family homeownership opportunities
- Create housing opportunities for homeless populations
- Promote education, outreach, and services
- Support neighborhood revitalization
- Stimulate economic development
- Administration, Fair Housing and Community Housing Development Organization (CHDO) operating

Goals were developed to meet these Priority Needs. Proposed program year Projects are in alignment with the identified Goals and Needs.

Amendments

The Amendments to each year Annual Action Plan (AAP) is to reallocate funds to develop affordable rental housing, rehabilitate homeowner housing, and support tenant based rental assistance program. This will provide funding to new and existing projects in suburban Hennepin County. Notice is hereby given that Hennepin County, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, is requesting a Substantial Amendment of the 2021, 2022, and 2024 Annual Action Plan to reallocate HOME Investment Partnership (HOME) and Community Development Block Grant funds.

The 2024 APP awarded \$1,300,000 of HOME funds to Duffy Development to develop affordable rental housing units in Brooklyn Park; this project subsequently terminated. The 2025 Coordinated Affordable Housing RFP process identified the proposed use of the reallocated funds to one affordable housing development and one tenant based rental assistance program: \$900,000 to Lupe Development Partners for American Legion Apartments in Richfield, and \$400,000 to St. Louis Park Housing Authority – Stable Home program.

The 2024 AAP awarded \$234,180 of CDBG funds to Brooklyn Park for the Zanewood Teen Center public facility renovation; Brooklyn Park rescinded their funds for this project and identified the proposed use of reallocated funds to the Brooklyn Park Housing Rehabilitation program. In addition, the 2024 AAP will be amended to allocate CDBG Program Income of \$79,324 from Minnetonka to the Consolidated Pool Rehabilitation Program. The additional funds will be used to support additional homeowner rehabilitations serving a low- and moderate-income persons in Hennepin County.

The 2022 AAP awarded \$550,000 of HOME funds to MWF Properties, LLC to develop affordable rental housing units in Richfield; this project subsequently terminated. The 2025 Coordinated Affordable Housing RFP process

identified the proposed use of the reallocated funds to support affordable homeownership: \$550,000 to West Hennepin Affordable Housing Land Trust.

The 2021 AAP will be amended to reallocate \$107,127 of unexpended CDBG funds to support the Consolidated Pool Rehabilitation program. The additional funds will be used to support additional homeowner rehabilitations serving a low- and moderate-income persons in Hennepin County. In addition, the Consortium completed a substantial amendment of the 2021 Action Plan to create the HOME-ARP allocation plan, which was later approved by HUD. This current substantial amendment would increase HOME-ARP funds of \$9,632 received in April 2025 from HUD to be allocated to HOME-ARP Program Administration. The HOME-ARP Allocation Plan/2021 Action Plan Amendment describes the planned allocation of the funds.

Hennepin County solicited public comment on the proposed amendment for a period of 30 days ending on July 25, 2025.

Expected Resources

2021 - AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Below is an estimate of expected resources based prior years' allocations and amounts approved by Congress.

If we receive more or less CDBG than anticipated, we may increase or decrease admin but will maintain a 15% allocation for public services and change each public service project's funding proportionately. We will also adjust proportional allocations to cities with need greater than 3.5% of the total, and those cities will adjust their homeowner rehab budgets as needed. For the balance of CDBG – the consolidated pool - the Land Trust project will be increased or decreased to reflect increases or decreases in our overall CDBG funding.

If we receive more or less HOME than anticipated, either admin or the Land Trust activity will be increased or decreased as necessary.

If we receive more or less HESG than anticipated, we will increase or decrease the amount made available in HHS's request for proposals.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,960,586	500,000	0	3,460,586	11,739,952	Assumes annual allocation remains constant and \$500,000 per year of Program Income

Annual Goals and Objectives

2021 - AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information - Amended

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Homeowner Rehabilitation Assistance	2020	2024	Affordable Housing Non-Homeless Special Needs		Affordable homeownership development and preservation	CDBG: \$1,375,438.67	Homeowner Housing Units Rehabilitated: 60

2021 - AP-35 Projects - 91.420, 91.220(d)

Introduction - Amended

Projects to be funded for the 2021 Program Year.

Project #10 Homeowner Rehab amended to reallocated CDBG funds.

The following Project in the 2021 Action Plan Project Summary, below, was selected to add properties and receive funds based on the population served and the needs and goals identified in the Consolidated Plan.

#	Project Name
10	Homeowner Rehab

2021 - AP-38 Project Summary

Project Summary Information - Amended

10	Project Name	Homeowner Rehab
	Target Area	
	Goals Supported	Homeowner Rehabilitation Assistance
	Needs Addressed	Preserve & Create Homeownership Opportunities
	Funding	CDBG: \$1,375,438.67
	Description	Provide loans to low to moderate income homeowners for necessary home improvements or emergency repairs. (Note that the estimated Program Income is not included in this.)
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	60 low-income homeowners provided with rehab assistance.
	Location Description	Suburban Hennepin County
	Planned Activities	Provide loans to low to moderate income homeowners for necessary home improvements or emergency repairs. (Note that Program Income is often recycled in this goal.)

2022 - AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Below is an estimate of expected resources based prior years' allocations and amounts approved by Congress. If we receive more or less CDBG than anticipated, we may increase or decrease admin, but will maintain a 15% allocation for public services, and change each public service project's funding proportionately. We will also adjust proportional allocations to cities with need greater than 3.5% of the total, and those cities will adjust their homeowner rehab budgets as needed. For the balance of CDBG – the consolidated pool - the Land Trust project will be increased or decreased to reflect increases or decreases in our overall CDBG funding. If we receive more or less HOME than anticipated, either admin or the Land Trust activity will be increased or decreased as necessary. If we receive more or less ESG than anticipated, we will increase or decrease the amount made available in HHS's request for proposals.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,918,022	1,281,189	0	3,199,211	7,180,900	Assumes annual allocation remains constant

Annual Goals and Objectives

2022 - AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information - Amended

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Develop homes for homeownership	2020	2024	Affordable Housing		Preserve & Create Homeownership Opportunities	CDBG: \$331,230 HOME: \$907,409	Homeowner Housing Added: 24 Household Housing Unit

2022 - AP-35 Projects - 91.420, 91.220(d)

Introduction - Amended

Projects to be funded for the 2022 Program Year. Project #4 amended to add reallocated HOME funds.

The following Projects in the 2022 Action Plan Project Summary, below, were selected to receive additional funds based on the population served, and the needs and goals identified in the Consolidated Plan, and the ability to contribute to timeliness of CDBG expenditures.

#	Project Name
4	WHAHLT

2022 - AP-38 Project Summary

Project Summary Information - Amended

4	Project Name	WHAHLT
	Target Area	
	Goals Supported	Develop homes for homeownership
	Needs Addressed	Preserve & Create Homeownership Opportunities
	Funding	CDBG: \$331,230 HOME: \$907,409
	Description	West Hennepin Affordable Housing Land Trust (WHAHLT), a nonprofit and a Community Housing Development Organization (CHDO), will create affordable homeownership opportunities and preserve affordable homeownership in suburban Hennepin County for workforce families of low-to-moderate income households at or below 80% of the Area Median Income (AMI). WHAHLT, through its program called Homes Within Reach, will purchase and resell homes under the land trust model of ownership. Under this model, the land trust owns the land and leases it to the buyers of the improvements on the land. The improvements are the house and other structures on the property. WHAHLT retains ownership of the land and sells the improvements only to households at an affordable price. When selling the homes to eligible homebuyers, a 99-year ground lease is signed by the buyer which places restrictions on future resale of the property to only qualified buyers and it limits the equity they are able to take with them. Even though there are restrictions, it also allows the homeowner secure, long-term rights to the use of the land and the ability to earn equity. The homeowner is responsible for the payment of all real estate taxes on the house and on the land. This activity may be increased or decreased depending upon how much funding we receive.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	CDBG: Five (5) households at or below 80% AMI HOME: Approximately 15 to 19 households at or below 80% AMI, with priority on 60% AMI.
	Location Description	CDBG: Edina, Maple Grove, St. Louis Park, and cities served by the consolidated pool of CDBG funds. HOME: Suburban Hennepin County
	Planned Activities	West Hennepin Affordable Housing Land Trust will create affordable homeownership opportunities and preserve affordable homeownership by purchasing and reselling homes under the land trust model of ownership.

Expected Resources

2024 - AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Below is an estimate of expected resources based on the allocations and amounts approved by Congress and provided by HUD. If more or less CDBG is allocated than anticipated, HED will increase or decrease admin commensurately, maintain a 15% allocation for public services, and change each public service project's funding proportionately. HED will then increase or decrease homeowner rehab to reflect increases or decreases in our overall CDBG funding.

If HED receives more or less HOME than anticipated, either admin or the Land Trust activity will be increased or decreased as necessary.

If HED receives more or less ESG than anticipated, the amount made available in HHS's request for proposals will be increased or decreased.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,918,805	250,000	0	3,168,805	0	Assumes \$250,000 per year of Program Income which would go to homeowner rehab.

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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	1,571,452	1,874,319	0	3,445,771	0	Includes funds repaid from prior projects.

Annual Goals and Objectives

2024 - AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information - **Amended**

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Develop or Rehab Affordable Rental Housing	2020	2024	Affordable Housing Public Housing		Preserve & Create Rental Opportunities	CDBG: \$480,942 HOME: \$1,500,000	Rental units constructed: 187 Household Housing Unit Rental units rehabilitated: 44 Household Housing Unit
2	Tenant Based Rental Assistance	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs		Preserve & Create Rental Opportunities	HOME: \$495,000	Tenant-based rental assistance / Rapid Rehousing: 60 Households Assisted
5	Homeowner Rehabilitation Assistance	2020	2024	Affordable Housing Non-Homeless Special Needs		Preserve & Create Homeownership Opportunities	CDBG: \$1,201,922	Homeowner Housing Rehabilitated : 57 Household Housing Unit

2024 - AP-35 Projects - 91.420, 91.220(d)

Introduction - Amended

Projects to be funded for the 2024 Program Year. Project #1 amended to add reallocated CDBG funds and projects #2 and #3 amended to add reallocated HOME funds.

The following Projects in the 2024 Action Plan Project Summary, below, were selected to receive additional funds based on the population served, and the needs and goals identified in the Consolidated Plan, and the ability to contribute to timeliness of CDBG expenditures.

#	Project Name
2	Affordable Rental Housing Development
3	Stable HOME
4	Homeowner Rehab

2024 - AP-38 Project Summary

Project Summary Information - Amended

2	Project Name	Affordable Rental Housing Development
	Target Area	
	Goals Supported	Develop or Rehab Affordable Rental Housing
	Needs Addressed	Preserve & Create Rental Opportunities
	Funding	HOME: \$1,500,000
	Description	Construction of new multifamily housing projects: \$600,000 to The Community Corner in Brooklyn Center to create 31 units of deeply affordable housing, and \$900,000 to Lupe Development in Richfield to create 156 units of affordable housing.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	When complete, the project will create a total of 187 units affordable to households <50% AMI. This will total 47 affordable from 31-50% AMI, including 8 units set aside for people experiencing homelessness, and 35 affordable <30% AMI, and xx units aside for people experiencing homelessness.
	Location Description	Brooklyn Center, Richfield
3	Planned Activities	Construction of affordable multifamily housing projects in Brooklyn Center and Richfield includes PI.
	Project Name	Stable HOME
	Target Area	

	Goals Supported	Tenant Based Rental Assistance
	Needs Addressed	Preserve & Create Rental Opportunities
	Funding	HOME: \$495,000
	Description	Tenant Based Rental Assistance
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	45 households at or below 50% AMI.
	Location Description	Suburban Hennepin County
	Planned Activities	Rental Assistance. Includes PI.
4	Project Name	Homeowner Rehab
	Target Area	
	Goals Supported	Homeowner Rehabilitation Assistance
	Needs Addressed	Preserve & Create Homeownership Opportunities
	Funding	CDBG: \$1,356,778
	Description	Provide loans to low to moderate income homeowners for necessary home improvements or emergency repairs. (Note that the estimated Program Income (\$250,000) is included in this, as it is typically recycled in this project.)
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	57 low income and moderate-income households
	Location Description	Suburban Hennepin County
	Planned Activities	Homeowner rehabilitation – includes PI and Rehab administration