

Hennepin County Consortium HOME-ARP Allocation Plan

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May 14, 2024 Amendment DRAFT

www.hennepin.us/housing-plans

Consortium Members:

Hennepin County, Lead

City of Bloomington

City of Eden Prairie

City of Plymouth



Contents

Introduction..... 3
Consultation4
Public Participation6
Needs Assessment and Gaps Analysis8
HOME-ARP Activities 20
HOME-ARP Production Goals..... 21
Preferences, Referral Sources and Priority 23
HOME-ARP Refinancing Guidelines 24

Introduction

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law, enabling over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. To address the critical need for homelessness assistance and supportive services across the country, Congress appropriated \$5 billion in ARPA funds to be administered by the U.S. Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships program (HOME-ARP) to carry out activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations.

These activities include:

- (1) development and support of affordable housing
- (2) tenant-based rental assistance (TBRA)
- (3) provision of supportive services
- (4) acquisition and development of non-congregate shelter units.

As a HOME Program Participating Jurisdiction (PJ), the Hennepin County Consortium (the Consortium) received **\$6,415,971** to benefit our community's qualifying populations. The amount is in addition to the annual allocation of HOME funds that the Consortium receives from HUD. This draft plan describes the Consortium's intended use of the additional HOME funds as required in HUD Notice CPD-21-10.

An overview of funding goals: Create 113 new units of permanent, affordable, supportive housing which include assisted units for the qualified populations:

1. Homeless as defined in [24 CFR 91.5](#);
2. At risk of Homelessness as defined in [24 CFR 91.5](#);
3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, which includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). (referred to herein as domestic violence/sexual assault/trafficking); and,
4. Other populations who do not qualify under any of the populations above but meet one of the following criteria:
 - A. Other Families Requiring Services or Housing Assistance to Prevent Homelessness
 - B. Those At Greatest Risk of Housing Instability

Within these populations, projects will preference three subpopulations, while ensuring access to all qualified populations:

1. Veterans experiencing homelessness, at risk of homelessness, and/or fleeing domestic violence as noted below, and with significant barriers to housing,
2. Unaccompanied youth under 25 years of age experiencing homelessness or at risk of homelessness as defined below, and
3. Families involved with Hennepin County Child Protection Services with at least one family member with a disability and who are experiencing homelessness or housing instability

Consultation

Describe the consultation process including methods used and dates of consultation.

The Hennepin County Consortium recognizes the unique opportunity that the additional HOME program funding brings to the affordable housing landscape and the ability of local homeless service providers to reduce homelessness for many individuals and households.

The Consortium has been working closely with the Hennepin County Human Services, Heading Home Hennepin, Cities, Providers, Housing Authorities, and the Hennepin Continuum of Care (CoC) to coordinate efforts that serve the qualifying populations. The consultation was an ongoing process that began when the HOME-ARP program was created, and was built upon using recent information, more current data, and changing conditions. The process can be summarized to date as follows:

- (1) One-on-one/small group discussions with stakeholders /agencies/ companies
- (2) Consultation with the Hennepin County/City of Minneapolis Continuum of Care Funding Committee
- (3) Consultations via Microsoft TEAMS, phone and in person.
- (4) Incorporate feedback into version for public review and comment as we get them or after the comment period.

Organizations consulted:

Agency/Organization	Organization type / topic	Method of consultation
Municipal partners (Bloomington, Brooklyn Park, Brooklyn Center, St. Louis Park, Hopkins)	Public entities with low income census tracts	Virtual meeting
NHHI, Accessible Space, Inc., Fraser, & Hammer	Disability advocate, service and housing providers	Virtual meeting
American Indian Community Development Corporation	Affordable housing and shelter developer/operator	Virtual meeting
Simpson Housing Services	Homeless services/Supportive housing provider	Virtual meeting
Project for Pride in Living, Alliance Housing, Beacon Interfaith, Aeon	Non-profit affordable housing developers/operators	Virtual meeting
Minneapolis/Hennepin CoC and CoC Funding Committee	Local CoC	Virtual meeting
Asian Women United of Minnesota, Cornerstone Advocacy Service, Missions Inc, Tubman, Sojourner	Domestic violence service providers	Virtual meeting
Hopkins Housing and Redevelopment Authority, Housing Authority of St. Louis Park	Public Housing Authorities	Virtual meeting
Metropolitan Council, Bloomington, Plymouth, St. Louis Park, Richfield	Housing Choice Voucher Administrators	Virtual meeting

Midwest Minnesota Legal Aid and HOMELine	Legal advocates / Fair Housing / Civil Rights	Virtual meeting
Minnesota Assistance Council for Veterans, Hennepin County Veterans Service Officer, the Veterans' Administration	Veteran agencies	Virtual meeting
VEAP, CEAP, IOCP, WeCan, STEP, PRISM, CAP-HC	Food shelf and Low income service providers	Virtual meeting
Duffy, Sand, Dominion, & MWF	For-profit affordable housing developers and operators	Virtual meeting
Freedom from the Streets, Street Voices of Change	Local advisory groups of people with lived experiences of homelessness	Listening session
Hennepin County Human Services Departments (Housing Stability and Office to End Homelessness, Child Welfare and Child Protection Services, Behavioral Health and Long-Term Supports and Services)	Public agency that addresses the needs of the qualifying populations	Phone, Virtual, in person meetings

Summarize feedback received and results of upfront consultation with these entities:

As a PJ and County that works effectively and continually with our CoC, providers, PHAs, public agencies, veterans' groups, and legal advocates, the Consortium is able to utilize learnings from ongoing partnership, as well as quickly gain insights on highest needs for this allocation plan. As examples, consultation was informed by data analysis, surveys, and listening sessions the Consortium conducted for its Five-Year Consolidated Plan; ongoing Continuum of Care partnership; and multiple data analyses and community meetings the County Conducts to bring people together. Partners shared this feedback most frequently:

- Follow the priorities in the CoC to create permanent supportive housing units for all of the eligible populations, prioritizing people experiencing literal and chronic homelessness
- Increase number of units with rents affordable for people with extremely low incomes (at or below 30% of the Area Median Income)
- Increase housing supply of units that accept Section 8
- Try new models to create basic, dignified housing for adults experiencing homelessness or housing instability who can afford very low rents and don't need on-site services
- Fund and encourage development of deeply affordable long-term supportive housing by strategically investing additional capital into projects serving the County's priority population of vulnerable residents.

Additional feedback is referenced specifically within the needs analysis and allocation plan sections.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

Original allocation plan:

- *Date(s) of public notice:* July 19, 2022
- *Public comment period:* August 1, 2022-August 30, 2022
- *Date(s) of public hearing:* August 9, 2022

2024 amendment:

- *Date(s) of public notice:* May 14, 2024
- *Public comment period:* May 14, 2024 through May 29, 2024

Describe the public participation process:

The draft Substantial Amendment to the 2021 Action Plan was available August 1, 2022 on the county's website: www.hennepin.us/housing-plans. Hennepin County posted notice of the 30-day review and comment period in the paper of record, Finance and Commerce, as well as through various emails lists and newsletters. To request a copy of either draft plan or to ask questions, residents could contact the Hennepin County Department of Housing and Economic Development at 612-543-4342.

Written comments needed to be submitted by 4:30 p.m., August 30, 2022, and addressed to Julia Welle Ayres, Housing Development and Finance Director, Hennepin County Housing and Economic Development Department, 701 Fourth Avenue South, Suite 400, Minneapolis, MN 55415, or Julia.welleayres@hennepin.us.

Additionally, a Public Hearing on the Substantial Amendment to the 2021 Action Plan was held at 1:30 p.m., Tuesday, August 9, 2022 at the Administration, Libraries and Budget Committee meeting of the Hennepin County Board of Commissioners.

The draft allocation plan amendment was available May 14, 2024 on the county's website: www.hennepin.us/housing-plans. Hennepin County posted notice of the 15-day review and comment period in the paper of record, Finance and Commerce, as well as through various emails lists and newsletters. To request a copy of either draft plan or to ask questions, residents could contact the Hennepin County Department of Housing and Economic Development at 612-543-4342.

Written comments need to be submitted by 4:30 p.m., May 29, 2024, and addressed to Julia Welle Ayres, Housing Development and Finance Director, Hennepin County Housing and Economic Development Department, 701 Fourth Avenue South, Suite 400, Minneapolis, MN 55415, or Julia.welleayres@hennepin.us.

Describe efforts to broaden public participation:

The Consortium makes content available via its webpage, social media, open email distribution lists and newsletters, and via print upon request. At the Public Hearing, an overview of the Allocation Plan was provided.

Summarize the comments and recommendations received through the public participation process either in writing, or orally at a public hearing:

We did not receive any written or verbal comments received during the comment period or at the public hearing.

Summarize any comments or recommendations not accepted and state the reasons why:

All comments have been accepted to date; none have been rejected.

Needs Assessment and Gaps Analysis

Housing Needs Inventory and Gap Analysis

Levels of low income and cost burden

As in our Consolidated Plan process, the County used the most recent Comprehensive Housing Affordability Strategy (CHAS) dataset available (2014-2018). Each year, the U.S. Department of Housing and Urban Development (HUD) receives data from the U.S. Census Bureau to produce the data. This data demonstrates the extent of housing problems and housing needs, particularly for low-income households. The main housing problems assessed are: (a) cost-burdened households; (b) substandard housing; and (c) overcrowding.

A safe and affordable place to live is the foundation on which our residents build healthy lives and contribute to their communities. Unfortunately, that reality remains out of reach for many:

- Nearly 500,000 households live in Hennepin County. Almost 1/3 of them are considered housing cost burdened, which means they spend more than 30% of their income on housing costs.
- A total of 33,760 very low-income renters spend over 30% (cost burdened) or 50% (severely cost burdened) of their monthly income on rent, representing the major problem experienced by renter households at-risk of homelessness as well as other low-income populations.
- Three out of five Hennepin County households with incomes below 30% of the area median pay more than half of their monthly income toward housing costs.
- When people are housing cost burdened, they may not be able to afford other basic needs like food, transportation, education and medical care.

Current Inventory

There are 53,090 Hennepin County households with incomes below 30% of the area median, and only 18,705 housing units affordable to them¹.

The majority of housing units in suburban Hennepin County are single family homes. A full 60% of all homes are 1 unit detached structures, and 70% of households live in homes they own (2011-2015 ACS). Larger homes (3 or more bedrooms) tend to be inhabited by owners, while renters inhabit 0-2 bedroom homes. Although we see investment development in all housing types, proportions remain the same.

According to Housing Link's Streams data, currently there are approximately 9,370 units of subsidized affordable rental housing in suburban Hennepin County. Of these, slightly higher than a third (3,469 units) are affordable to households earning less than 30% AMI. More than two-thirds are targeted to households earning 50% and 60% AMI (2,067 units at 50% AMI, 3,922 units at 60%). Since 2015, the number of units affordable at 50% and 60% AMI have nearly doubled (total of 3,428), while the number of units affordable at 30% AMI decreased.²

¹ [2021 County Profile: Hennepin, Minnesota Housing Partnership](#)

² <https://www.housinglink.org/streams/>

Also, according to Streams data, the county is at risk of losing affordable units. Within the next five years, contracts representing 2,180 units of project-based Section 8 affordable housing in suburban Hennepin County are set to expire, and 1,604 units in Low-Income Housing Tax Credit (LIHTC) properties will reach their 15-year affordability opt out date without intents to renew. The above figures total 3,784 units of affordable subsidized housing that could be lost over the next five years from just a limited number of programs, not including units that could leave the housing stock through deteriorating physical condition.

This number also excludes any change in the amount of "naturally-occurring" affordable housing, or NOAH, in the unsubsidized market. The Minnesota Housing Partnership estimated 45,000 NOAH units in Hennepin County. Physical condition is an especially salient concern in this sector, as Minnesota Housing Partnership identifies the average year built for Hennepin NOAH in 1953, and that unsubsidized affordable rental housing is typically "Class C" (older properties that provide basic shelter without additional amenities).³ Current trends of increasing home values and rents are likely to put more pressure on this naturally occurring affordable housing stock, which in turn would likely result in further pressure on the already greatly under-supplied subsidized affordable housing sector.

Housing Market Analysis: Cost of Housing

Suburban Hennepin County continues to experience lack of affordable housing that contributes to cost burdens to all households, especially very low- and low-income renter households. Vacancy rates fell from 6.2% to 4.4% since 2010, with at least 17 Suburban cities seeing vacancy rates below 5%, which drives up the prices of rent. With low vacancy rates for both ownership and rentals, not only is it difficult for the general population to find housing, but it is also especially difficult for low-income renters and renters with poor credit, housing, and criminal histories to access affordable housing. As the population continues to grow and, with it, the demand for housing, the affordability of the available housing will continue to decrease.

Finally, with the vacancy rate on apartments being so low, the Fair Market Rent (FMR) and the HOME rents are significantly lower than the area median rents found in the market for all unit types and increase in magnitude as unit size increases. This gap between FMR-determined HOME rents and the actual median rent in the area has the practical effect of decreasing the number of affordable units produced using HOME funds dispersed by the Consortium. Limiting rents to levels below what private landlords could charge on the open market requires offering deeper subsidies up front during the financing period in order to make projects financially viable. This leaves less funding available for subsequent projects, lowering the total number of units that can be produced using HOME funds. There is little flexibility for the Consortium to create a strategic response to this issue aside from increasing its per unit or per project subsidy, since it does not control the levels of HOME rents.

Given the rising prevalence of cost burdened households, the persistence of homelessness, and the stark disparities in housing problems by race and income level, the availability of housing units does not adequately meet the needs of the population.

³ [Market Watch Issue #5: Hennepin County](#)

Qualifying populations

Describe size and demographic composition of qualifying populations within the PJ's boundaries; Identify any gaps within the current shelter and housing inventory as well as the service delivery system; Identify priority needs for qualifying populations; and Explain how the PJ determined the level of need and gaps in the PJ's shelter and housing inventory and service delivery systems based on the data presented in the plan.

1. Homeless population

The Hennepin County Collaborative and the Homeless Management Information System (HMIS) Lead Agency, the Institute for Community Alliance (ICA), have compiled preliminary data trends from 2021-2022. Main sources include the HUD Point in Time Count, Housing Inventory Count, data from Built for Zero, and HMIS data to include the Coordinated Entry Monitoring report. This section uses the term "homeless" as defined in 24 CFR 91.5 or as in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) ("McKinney-Vento").

In general, for purposes of this chapter, the terms "homeless", "homeless individual", and "homeless person" means –

- (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, and 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 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 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;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, 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 Service Act (42 U.S.C. 254b(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:

(i) Is fleeing, or is 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.

Conditions and outcomes of the 2022 Point In Time (PIT) count continued to be impacted by the COVID-19 pandemic. The pandemic impacted services in FY2021, and prohibited an unsheltered PIT count in 2021, making the 2021 PIT count incomplete. Due to this, 2022 PIT count findings were compared to both the 2021 and 2020 PIT counts, in an effort to make accurate determinations of changes over time.

When comparing the 2022 count to 2020 (the last year both unsheltered and sheltered persons experiencing homelessness were included in the count), counts of all household types decreased or remained the same. The number of single adult households decreased by 74 people (a 4% decrease). Additionally, single adults have continued to make up a larger proportion of the community of people experiencing homelessness in Hennepin, from 59% in 2020, to 64% in 2022. Wilder research (2018 Minnesota homeless study) tri-annual count results also pointed to sharp increases in single adult homeless numbers for both unsheltered and single adults across Minnesota.

From 2022 to 2020, the number of families experiencing homelessness decreased significantly, decreasing by 68 households (a 9% decrease) and 244 people (a 22% decrease). Families continued to make up the second largest proportion of the community of people experiencing homelessness in Hennepin County, at 35% in 2022. This proportion has been decreasing steadily from 40% in 2020, to 35% in 2022.

Youth make up the smallest proportion of the community of people experiencing homelessness in Hennepin County at just 1% in 2020, 2021, and 2022. Additional funding has recently been made available for youth-serving projects in Hennepin through the Youth Homelessness Demonstration Program (YHDP).

The CoC Governing board approved a priority population and housing type for the purpose of any opportunity to capture bonus funds through the FY2022 Notice of Funding Opportunity (NOFO) application, or if reallocated funds are made available from any current CoC funded projects as part of the NOFO application process.

Black and Indigenous households are over-represented amongst people experiencing homelessness in Hennepin County. In shelter in Hennepin County, 51% of people are Black, and 13% are Indigenous. Among people experiencing unsheltered homelessness, 54% are Black, and 16% are Indigenous. Strategies, housing, and services for people experiencing homelessness must respond to these racial disparities and have design methodology relevant to specific cultures.

Homeless population recommendation: prioritize projects serving single adults, and specifically those who meet the HUD definition of chronically homeless. The second priority population is families experiencing homelessness.

The number of chronically homeless individuals in the Built for Zero Dashboard Data remained steady at 351 people from in March 2021 to March 2022. As chronically homeless individuals continue to make up a large portion of our community of people experiencing homelessness in Hennepin, and often present with complex service needs, CoC funds will be prioritized to projects serving people who meet the HUD definition of chronically homeless. This decision aligns with HUD’s prioritization of people experiencing chronic homelessness.

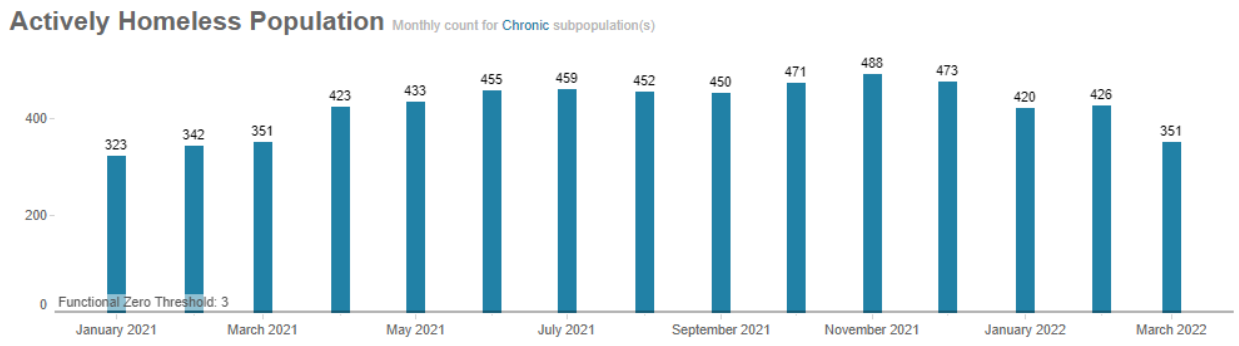


Figure 1. Built for Zero dashboard of people experiencing chronic homelessness

Homeless service recommendation: prioritize service strategies to address unsheltered homelessness in the 2022 NOFA process.

While the number of people in the unsheltered PIT count decreased from 2020 to 2022, the unsheltered community in Hennepin continues to present with complex service needs and require high support models of care.

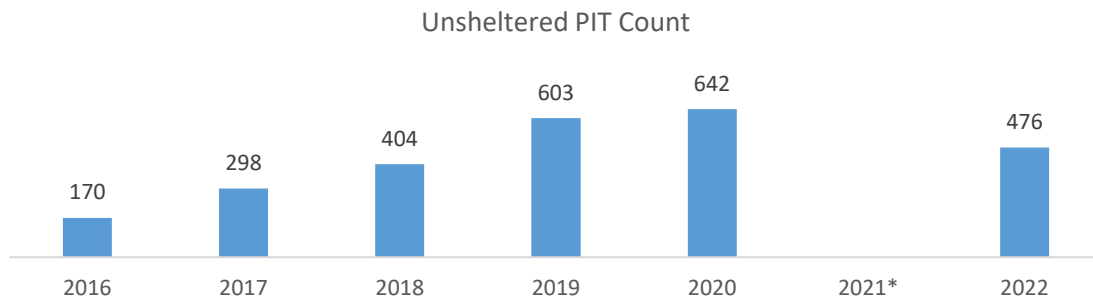


Figure 2. Unsheltered point in time count, Hennepin County, 2016-2022

Additionally, HUD continues to prioritize funding services for those experiencing unsheltered homelessness, and Minnesota’s Office to Prevent & End homelessness has convened a metropolitan unsheltered homeless design team to develop strategies to decrease unsheltered homelessness due to the increase in encampments and increases in homeless persons using the light rail system as a shelter.

Project component type recommendation: prioritize permanent supportive housing (PSH) projects first, Rapid rehousing (RRH) second, and joint component third

PSH projects will be prioritized first:

- PSH has proven to be a cost-effective solution that can increase housing stability and improve health outcomes for chronically homeless and/or highly vulnerable people by linking subsidized housing with access to supportive services.
- The most common reason given by people who opt out of PSH options and instead remain in sheltered and/or unsheltered settings is the required rent payments in programs funded by the State’s Housing Support income supplement (currently the primary funding source for PSH in Hennepin). Increasing CoC-funded PSH capacity will help increase the number and proportion of PSH units available that require only 30% of the resident’s income towards rent.
- 4,978 PSH housing beds were counted in the 2022 HIC count, an increase of just 10 beds from the 2020 count. These PSH beds made up 43% of the available housing inventory. On the night of the 2022 PIT count, 79% of the PSH beds were utilized.
- Prioritize site-based PSH project types that practice Housing First principles over scattered-site PSH projects as site-based projects may offer more guaranteed housing that people can be moved into quickly

Rapid Rehousing (RRH) projects will be prioritized second:

- The previous CoC Notice of Funding Opportunity (NOFO) saw significant funds reallocated to new RRH projects, specifically focused on serving chronically homeless persons, which are currently in the process of ramping up.

- 875 RRH units were counted in the 2022 HIC count, a decrease of 40 beds since the 2020 HIC. These RRH beds made up 7.5% of the available housing inventory.
- Additionally, recent ESG-CV awards have created significant additional RRH capacity in 2022.

Joint component projects will be prioritized third:

- Joint component projects provide a safe space for people to stay while providing financial assistance and wrap around supportive services to help people move into and stabilize in permanent housing. HUD expects joint component projects will target and prioritize people experiencing homelessness with higher needs and who are most vulnerable.
- Hennepin recognizes joint component projects as a promising housing intervention to serve the populations we have prioritized in these recommendations (chronically homeless single adults, and those experiencing unsheltered homelessness).

Finally, in addition to prioritizing chronically homeless, single adults, other program characteristics will be prioritized in the review process including:

- Projects that provide “high support models of care”. These projects may be broader in scope and better able to meet the range and complexity of needs presenting in the community of people being served by CoC-funded projects.
- The “high support model of care” can best serve other populations that will be prioritized through CoC-funds including people considered “medically vulnerable”, people experiencing substance use disorders, and people experiencing increased mental health needs.

2: People at Risk of Housing Instability

Housing instability touches renters and homeowners alike, though renters are significantly more at risk since they do not have home equity, are subject to rent increases, and are more likely to have lower incomes. Renters with incomes below 30% of the area median income are at highest risk of housing instability, severe housing cost burden, and of homelessness. As noted above, 53,090 households in Hennepin County have incomes below 30% of the area median income, and only 18,705 housing units affordable to them. Further, 3 out of 5 of those households pay more than half of their income toward rent. Housing instability impacts households differently based on their race, ethnicity, neighborhood, and other factors. Black, Indigenous, and Latino households are significantly more likely to be housing cost burdened and severely housing cost burdened than other households, as noted in the chart below.

Housing cost burden by income and race/ethnicity

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	234,087	50,926	38,592	1,838
White	199,353	39,027	28,364	1,412
Black / African American	11,972	6,012	6,118	244

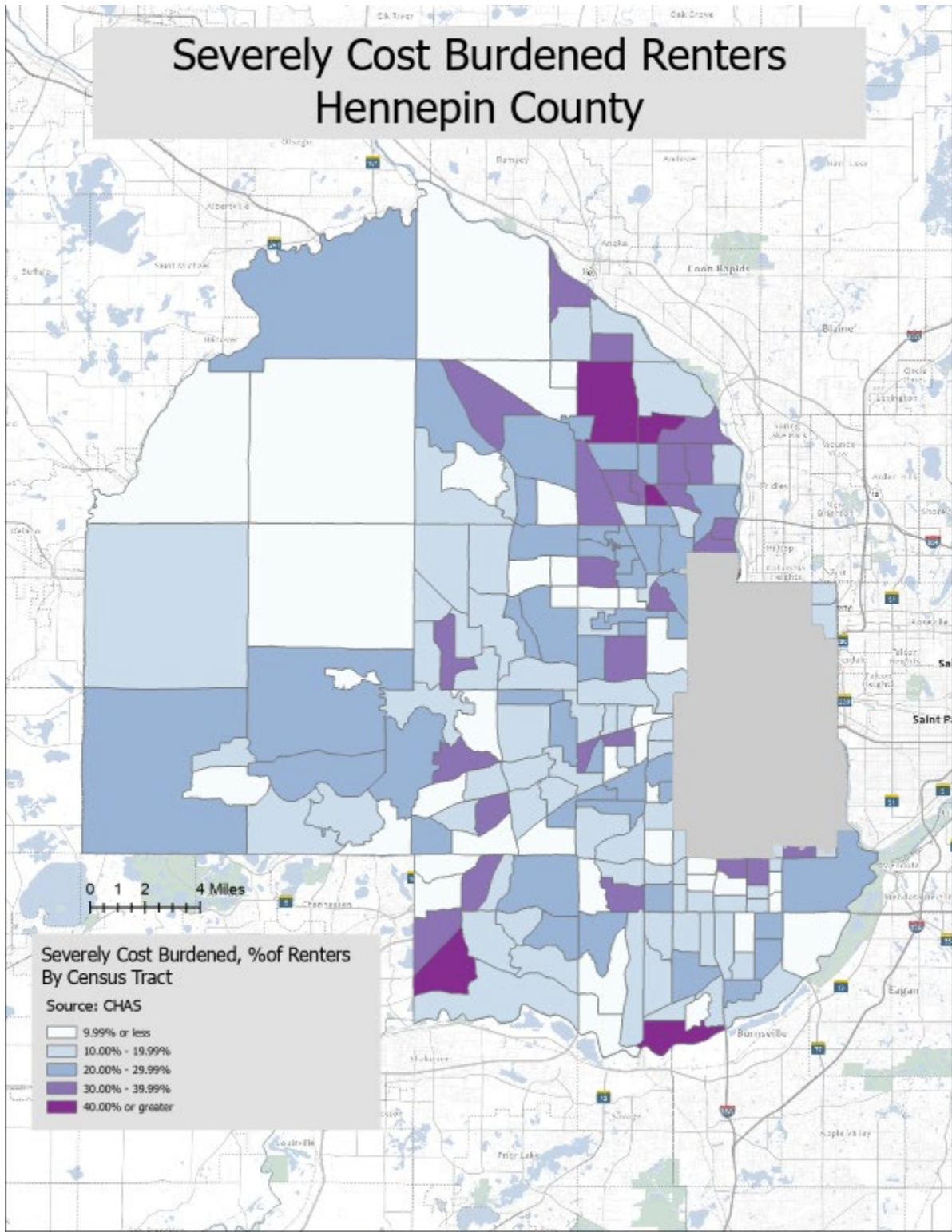
Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Asian	13,427	2,373	1,189	109
American Indian, Alaska Native	585	138	226	0
Pacific Islander	0	45	0	0
Hispanic	5,975	2,461	1,997	74

Data Source: 2011-2015 CHAS

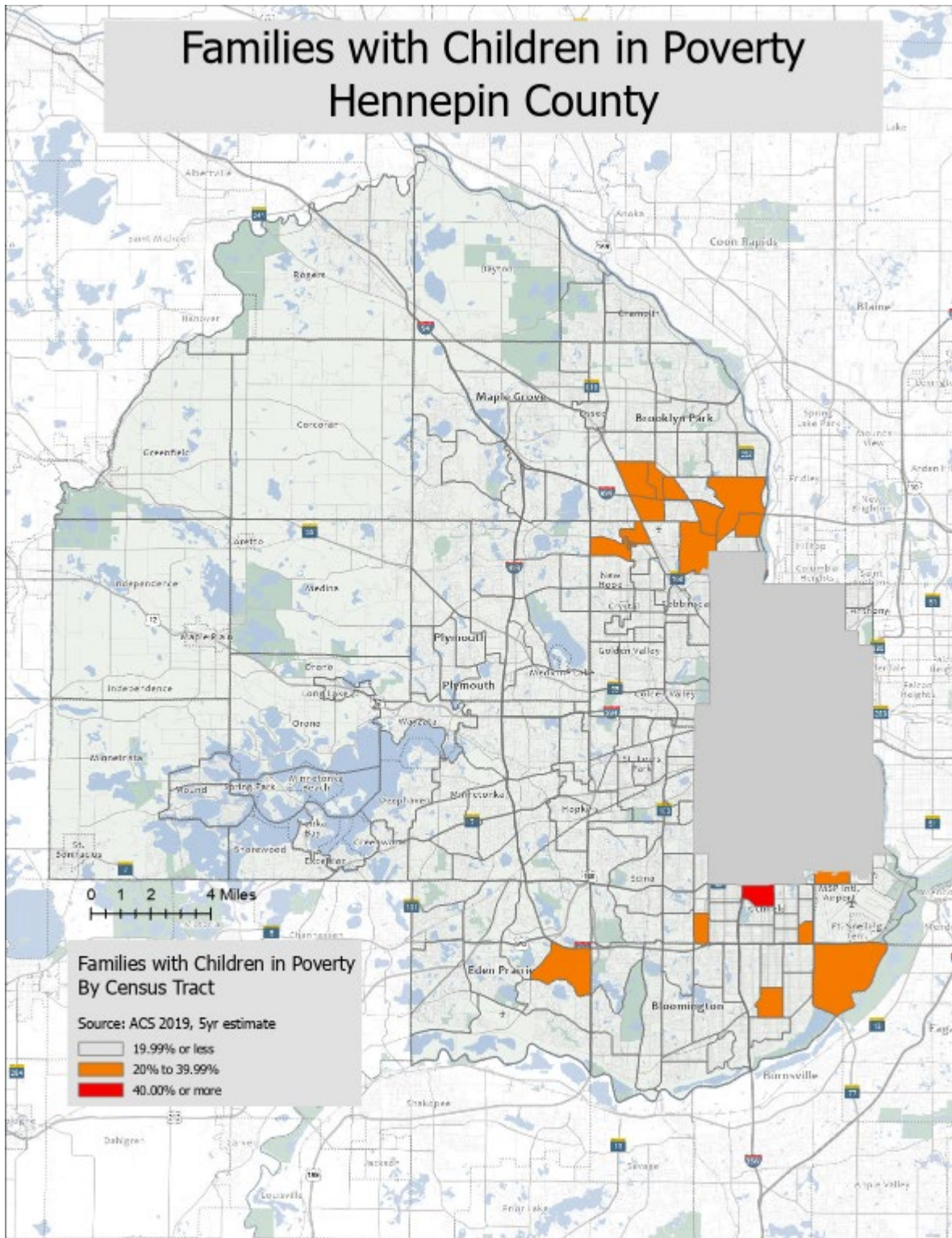
Households with low incomes and with severe housing cost burdened households are also overrepresented in certain neighborhoods, namely in the northwest Hennepin region including Brooklyn Park and Brooklyn Center. The density maps below show the neighborhoods with the highest share of renters who are severely cost burdened or paying more than half of their income on rent, and neighborhoods with the highest concentrations of families with children living in poverty. Neighborhoods with highest concentrations of cost burdened renters also have the highest eviction rates⁴.

⁴ [Eviction Rates in Hennepin County dashboard](#)

Severely Cost Burdened Renters Hennepin County



Families with Children in Poverty Hennepin County



Hennepin County administers a robust emergency assistance program and has targeted pandemic-related emergency rental assistance to people with lowest incomes at highest risk of eviction, and to

people with eviction filings. While need for emergency assistance far surpasses supply, funding sources other than HOME-ARP can more efficiently meet this need.

Similarly, Hennepin County administers tenant based rental assistance through both HOME and Emergency Solutions Grant. The short-term duration of rental assistance programs makes the need for more permanent housing options increasingly urgent.

Housing instability recommendation: The greatest need is for more housing affordable for people at risk of homelessness, as defined by in section 401 of McKinney-Vento as households with incomes below 30% of the area median income with frequent moves due to insufficient resources and economic reasons

3: People Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking

Local, up to date, comprehensive data on victims of domestic violence is difficult to obtain, as service providers do not use HMIS and may use different databases that must follow required privacy laws. For the purposes of this section, the Consortium uses statewide service trends, local police call data, and local housing inventory to get a sense of the scale and scope of needs among this qualifying population. The following data is from the Minnesota Summary section of the 16th Annual Domestic Violence Counts Report from the National Network to End Domestic Violence (2022).

In 2021, frontline advocates say they continued to navigate unforeseen challenges due to the COVID-19 pandemic and other crises. In Minnesota,

- 2,421 victims were served in Day One,
- 779 adult and child victims of domestic violence found refuge in emergency shelters, transitional housing, hotels, motels, or other housing provided by local domestic violence programs
- 1,642 non-residential adult and child victims received supportive services including counseling, legal advocacy, and support groups
- 859 Hotline Contacts received domestic violence hotlines are lifelines for victims in danger, providing support, information, safety planning, and resources via phone, chat, text, and email.
- 328 unmet requests for services victims made 328 requests for services—including emergency shelter, housing, transportation, childcare, legal representation, and other support needs—that program could not provide because they lacked the resources. Approximately 63% of these unmet requests were for housing and emergency shelter.

Proj. Ty	Organization Name	Project Name	HMIS-Participati	Beds HH w/ Childr
ES	Asian Women United of Minnesota	Domestic Violence Shelter	No	24
OPH	Cornerstone Advocacy Service	Blooming Glen	No	12
ES	Cornerstone Advocacy Service	Emergency Housing	No	25
OPH	Cornerstone Advocacy Service	Ewing Square Townhomes	No	10
RRH	Cornerstone Advocacy Service	Rapid Rehousing	No	8
TH	Cornerstone Advocacy Service	Transitional Housing	No	36
ES	Missions Inc	Home Free Shelter	No	24
ES	Sojourner	Sojourner	No	18
RRH	Tubman	Tubman Rapid Rehousing for Domestic Violence Survivors	No	13

Figure 3. Housing and shelter inventory for domestic violence, Minneapolis/Hennepin CoC Shelter Report

Domestic violence recommendation: The greatest need for people fleeing domestic violence is affordable and supportive housing.

4: Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability

The Hennepin County Board and Housing Redevelopment Authority Board identified priority population groups who have increased health and safety risked when unhoused. Hennepin County prioritizes investments in permanent supportive housing for these groups:

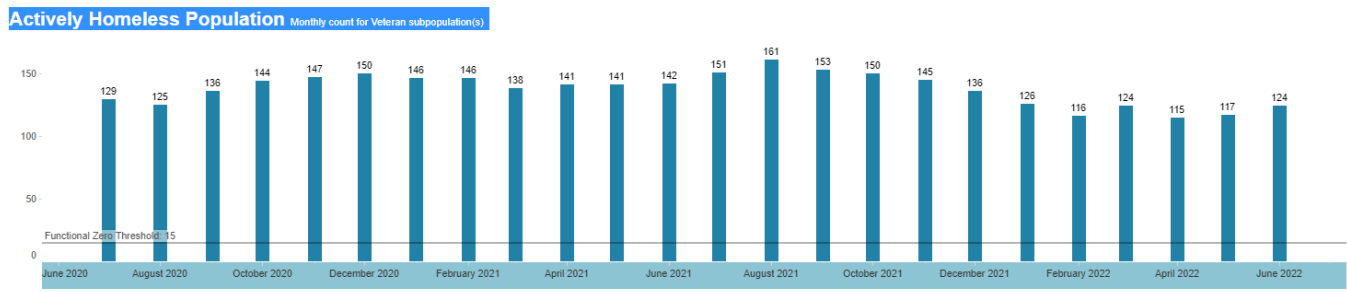
- People experiencing chronic homelessness
- People with severe addictions who frequently use withdrawal management services
- People with developmental disabilities and co-occurring mental illnesses or substance use disorders
- People leaving mental health treatment
- People with experiencing homelessness with complex co-morbidities exacerbating public health crises
- People with a disability and a level 3 predatory offense
- Youth with neuro-diverse conditions (such as autism spectrum disorders, brain injuries, or fetal alcohol syndrome)
- Youth experiencing sexual exploitation
- Unaccompanied minors experiencing homelessness
- Youth in and leaving extended foster care
- Families with disabilities who are involved with child protection services

Hennepin County identified these population groups through robust analysis of service gaps and use, and consultation with public and non-profit service organizations. These characteristics are associated with instability and increased risk of homelessness in the jurisdiction (“At Greatest Risk of Housing Instability”).

Other populations requiring services or housing assistance to prevent homelessness recommendations: The greatest need for this population is permanent supportive housing.

Veterans

Between June 2020 and June 2022 there were a continuous 124 actively homeless veterans.



Hennepin County participates in Veterans’ Registry to house veterans experiencing homelessness, and benefits from a robust inventory of support through the Minnesota Assistance Council for Veterans (MAC-V), including Veteran Affairs Supportive Housing (VASH) vouchers.

Following CPD notice 12-10, “Veterans and Families that include a Veteran Family Member that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.”

HOME-ARP Activities

Describe the method(s) that will be used for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors:

The County will select affordable multifamily housing and permanent supportive housing projects through projects that applied to any of our 2022 Requests for Proposals (RFPs) or will apply to future RFP processes. Projects will be prioritized based on their feasibility, cost reasonableness, and by how closely they meet the goals of the HOME-ARP Allocation Plan.

Describe whether the PJ will administer eligible activities directly:

The Consortium will administer the activities will enter into agreements with the project owners for all funded activities.

Use of HOME-ARP Funding	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$0	0%	
Acquisition and Development of Non-Congregate Shelters	\$0	0%	
Tenant Based Rental Assistance (TBRA)	\$0	0%	
Development of Affordable Rental Housing	\$6,330,000	97%	
Non-Profit Operating	\$0	0%	5%
Non-Profit Capacity Building	\$0	0%	5%
Administration and Planning	\$85,971	0%	3%
Total HOME ARP Allocation	\$6,415,971	100%	

Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis.

Supportive services: Hennepin County has services dollars which has already been committed from the County or from other funding streams. Because the state housing finance agency requires a long term service commitment, and these funds are limited in funds and time, the Consortium will devote the majority of the funds to capital projects.

Non-congregate shelter and rental housing: Hennepin County already pays to operate shelters but does not directly own or operate it. Based on analysis of community need and consultation, the Office to End Homelessness recommended that HOME-ARP funds be used to fund additional housing units instead of additional non-congregate shelter.

Tenant Based Rental Assistance: The County currently partners with the Housing Authority for St. Louis Park on a tenant-based rental assistance (TBRA) program for homelessness or at risk of homelessness. If needed, the County may decide to use HOME-ARP funds for additional TBRA if a high priority need develops.

Operating Funds: The County chose not to use HOME-ARP for operating funds to support future projects because of the availability of other funds to leverage this, such CDBG Public Services, ESG, and other philanthropic sources.

Administration and Capacity Building: Administrative funding will be reserved for projects. It may become needed later, we may will be included to staff this program internally, as well as help our local housing providers prepare competitive capital project proposals, as needed.

Development of Affordable Rental Housing: As noted in the Needs Assessment section, affordable and supportive housing is the highest need for all four qualified populations.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The Needs Assessment of this plan demonstrated the need for more permanent supportive housing for all four qualified populations. Services in these projects will be funded by other funding streams.

HOME-ARP Production Goals

Estimate the number of affordable rental housing units for qualifying populations that the County will produce or support with the HOME-ARP allocation.

By using other federal, state, and local finance tools, the goal is to close the housing gap for those making under 30% AMI by creating approximately 75 units.

Housing Units Created or Supported with HOME-ARP Funds	Funding Amount	Units Created/Supported
Acquisition and Development of Non- Congregate Shelter	\$0	0
Tenant Based Rental Assistance (TBRA)	\$0	0
Development of Affordable Rental Housing	\$6,330,000	113
Admin, capacity-building, supportive services	\$85,971	0
Total HOME-ARP Allocation + Units	\$6,415,971	113

*Denotes assumption that HOME-ARP will provide project financing at estimate of approx. \$64,159/unit

Describe specific affordable rental housing production goals:

The primary goal for these funds is to add up to 113 permanent housing units that are an appropriate resource for the highest priority populations of the lowest incomes with appropriate support services. Adding units that meets the needs of all types of households in need of wraparound services is critical in reducing the time people spend in homelessness and successfully placing them in permanent housing.

The 2024 amendment reduced funding for Vista 44 and The Robin Hotel, and added funding for Aster Commons and administrative costs.

Projects to be funded with HOME-ARP (91.420, 91.220(d))

Affordable multifamily housing development and preservation		
1	Project Name	Vista 44
	Target Area	Suburban Hennepin County
	Goals Supported	Develop or Rehab Affordable Rental Housing
	Needs Addressed	Preserve & Create Rental Opportunities
	Funding	\$4,630,000
	Description	Fund the creation of 50 supportive rental housing units.
	Target Date	6/30/2026
2	Project Name	The Robin Hotel
	Target Area	Suburban Hennepin County
	Goals Supported	Develop or Rehab Affordable Rental Housing
	Needs Addressed	Preserve & Create Rental Opportunities
	Funding	\$700,000
	Description	Fund the creation of 25 supportive rental housing units.
	Target Date	6/30/2026
3	Project Name	Aster Commons
	Target Area	Suburban Hennepin County
	Goals Supported	Develop or Rehab Affordable Rental Housing

	Needs Addressed	Preserve & Create Rental Opportunities
	Funding	\$1,000,000
	Description	Fund the creation of 38 supportive rental housing units.
	Target Date	6/30/2028
4	Project Name	Administration and Planning
	Target Area	Suburban Hennepin County
	Goals Supported	Admin, capacity-building, supportive services
	Needs Addressed	Admin, capacity-building, supportive services
	Funding	\$85,971
	Description	Develop the allocation plan, administer the HOME-ARP program and ensure ongoing compliance
	Target Date	12/30/2030

Preferences, Referral Sources and Priority

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

The Consortium intends to have a preference for projects based on the recommendations of its needs and gaps analysis:

- Within all qualified populations, the subpopulation of veterans;
- Within the homeless qualified population, the subpopulation of unaccompanied youth;
- Within the “at risk of housing instability” QP, the subpopulation of households with incomes below 30% of the area median income with frequent moves due to insufficient resources and economic reasons; and
- Within the “other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability” qualified population, the subpopulation of families with disabilities who are involved with child protection services and who are experiencing homelessness or housing instability, as outlined in the Qualified Populations section.

Recipients will be required to demonstrate that the funded activity or project will be made available to all qualifying populations under the HOME-ARP program, consistent with civil rights and nondiscrimination laws and requirements, including fair housing and equal opportunity.

Any and all preferences will be in accordance with federal and Minnesota Fair Housing laws.

If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ’s needs assessment and gap analysis:

The identified preferences follow the needs and gaps analysis directly. The preferences are identified as having a gap in our system and are a subpopulation of the qualifying populations. In addition, all preferences are required to meet all funding requirements from service, rental assistance, and/or capital sources.

Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any:

Projects will prioritize HOME-ARP units for preferences. Projects will receive referrals for all HOME-ARP QPs, including from Coordinated Entry, Minnesota’s Homeless Veterans’ Registry, and Hennepin County Child Welfare in the order of preferences and methods of prioritization normally implemented for their populations.

When the project has an opening, they will offer the opening to individuals meeting preferred QP definitions first. Should there be no preferred QP households, the rental housing project could select the next eligible QP household from the list. Hennepin County will review and approve tenant selection plans to ensure projects do not categorically exclude any qualified population.

Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:

Hennepin County will not limit eligibility and will be accessible to all QPs.

HOME-ARP Refinancing Guidelines

Hennepin County does not intend to use HOME-ARP funds to refinance existing multifamily housing debt through rehabilitation activities.