

# 2019 Annual Action Plan Hennepin County Consortium CARES Act Amendment 3- DRAFT

March 16, 2021

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## Consortium Members:

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

Website

[www.hennepin.us/housing-plans](http://www.hennepin.us/housing-plans)





## Executive Summary

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

#### **1. Introduction**

The Hennepin County Consortium 2019 Action Plan is prepared to meet statutory planning and application requirements for the receipt and use of five Housing and Urban Development (HUD) funding programs in suburban Hennepin County:

- Community Development Block Grant (CDBG);
- HOME Investment Partnerships Program (HOME); and the
- Emergency Solutions Grant (ESG) Program
- Community Development Block Grant- CV (CDBG – CV)
- Emergency Solutions Grant (ESG) Program – CV (ESG-CV)

The Hennepin County Consortium ("Consortium") is comprised of four entitlement jurisdictions:

- The City of Bloomington
- The City of Eden Prairie
- The City of Plymouth
- The "Urban County" which includes 40 cities in suburban Hennepin County.

The 2015-2019 Consolidated Plan set community development and affordable housing goals for the use of CDBG, HOME, and ESG for five program years.

The Action Plan outlines the specific ways in which CDBG, HOME, and ESG funding will be used in the program year which is approximately July 1, 2019 to June 30, 2020. At the end of each program year, the Consortium prepares a Consolidated Annual Performance Evaluation Report (CAPER) to evaluate its performance relative to the 2015-2019 Consolidated Plan.

This Amendment adds two Authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, which was signed by President Trump on March 27, 2020, to respond to the growing effects of this historic public health crisis. Hennepin County received two special allocations of funds, under the CARES Act, to be used to prevent, prepare for, and respond to the coronavirus (COVID-19). They include the Community Development Block Grant (CDBG-CV) allocation in two rounds totaling \$4,286,617 which all will be used for emergency assistance under public services and general program

administration. The other is the Emergency Solutions Grants (ESG-CV) Program funds allocation in two rounds totaling \$4,455,822, funds, will be used among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19 and possibly up to 10 percent will be used for program administration.

The CARES Act adds additional flexibility for both the CDBG-CV grant and, in some cases, for the annual FY2020 CDBG grants in these unprecedented times. The public comment period is reduced to not less than 5 days, grantees may use virtual public hearings when necessary for public health reasons, the public services cap is suspended during the emergency, and States and local governments may reimburse costs of eligible activities incurred for pandemic response regardless of the date.

In addition, the CARES Act authorizes the HUD Secretary to grant waivers and alternative requirements of statutes and regulations in connection with the use of CDBG-CV funds and fiscal year 2019 and 2020 CDBG funds. Except for requirements related to fair housing, nondiscrimination, labor standards, and the environment). Waivers and alternative requirements can be granted when necessary to expedite and facilitate the use of funds to prevent, prepare for, and respond to coronavirus.

This Amendment adds two Projects and modifies the Administration Project in our original 2019 Annual Action Plan.

## AP-10 Consultation - 91.100, 91.200(b), 91.215(I)

### 1. Introduction

**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(I)).**

In addition to the coordination detailed in our original Plan, or the CARES Funding we did specific outreach to all suburban cities for additional input on the needs during this unprecedented time.

#### Suburban Hennepin COVID-19 Housing and Community Development Needs Assessment

City of Medicine Lake	Possible rental assistance for residents and small businesses.	More anticipated needs.	Unknown needs.	Medicine Lake has no resources for providing economic assistance to individuals or businesses.
City of Medina	Unknown. Medina has not been approached with emergency needs at this point.	(no response)	(no response)	Medina has limited funds in our budget that could be used for this purpose.
City of Minnetonka Beach	Unknown. Minnetonka Beach has not been approached with emergency needs at this point.	(no response)	(no response)	No response.
City of Minnetonka	Rental Assistance Programs, Small Business Assistance. Increase assistance to public service agencies. Housing (rent, utilities), car, food. Business: rent, employee pay/unemployment, self-employed, health insurance. Assistance to help businesses navigate applications. Non-payment of property taxes (concerns for revenue loss).	Same as immediate needs. Housing evictions, and mortgage non-payments will happen. Business, loss of employees, revenue, behind on rent, and possible permanent business closure. Deferred maintenance on properties/nuisance.	Same as immediate needs. Housing mortgage foreclosures, business closures. Services to prevent shut-off gas/electric for winter 2020.	Too numerous to mention (federal, state, local); but each piece of assistance has individual parameters to that program. Difficult to navigate at all levels.  We would like to reallocate existing entitlement funds to public service agencies.
City of Mound	Immediate Rental and mortgage assistance.	Same as immediate needs. Enhanced	Same as immediate needs.	Waiver of utility late fees,

	Utilities. Gap funds between other assistance. Immediate assistance to businesses in navigating CARES Act, SBA, MNM&B, DEED, MNUI, etc administrative procedures (counseling, information clearinghouse, etc).	workforce programs to transition unemployed back to work in jobs likely different than they lost.	Property tax violations. Loss of income for schools/cities from lower tax base. Aide to local government to close gap in tax revenues.	prorating license fees. There are no city programs to address property tax relief or to assist property/business owners.
City of New Hope	Unknown. New Hope has not been approached with emergency needs at this point.	(same as immediate needs response)	(same as immediate needs response)	Limited emergency resources. Would refer residents to the county or state for assistance.
City of Osseo	Increase in social services for seniors. Increase in Law enforcement calls to homes. Concerns for mental health/welfare during stay-at-home order.	Anticipate higher housing support, homelessness prevention. Small businesses financial impacts.	Same as immediate and 3-month needs.	Some private donations from restaurants to feed seniors. No business resources available for business assistance.
City of Richfield	Emergency rent, utility and food assistance. Regardless of immigration status.	Same as immediate needs. Emergency mortgage payment assistance. Domestic violence victim support. Mental health resources. Support for organizations that support kids in negligent/abusive/substance abuse situations. Assistance for seniors.	Same as immediate needs and 3-month needs. New needs could be housing maintenance. Items become higher priority over time (e.g., housing maintenance).	Limited. VEAP and local food shelf recommended to receive 2020 CDBG funds for rent/food. RE-appropriation \$15,000 in local EDA levy funds to go to VEAP.
City of St. Louis Park	Rent, mortgage payments, utilities, food.	(same as immediate needs)	(same as immediate needs)	Allocation of \$100,000 to STEP for emergency housing assistance related to COVID-19

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

### Introduction

The Needs identified in the Consolidated Plan are to:

- Preserve/Create Multifamily Rental Opportunities,
- Preserve/Create Single Family Homeownership Opportunities,
- Housing Opportunities for Homeless Populations,
- Support Education, Outreach and Services,
- Encourage Neighborhood Revitalization, and
- Stimulate Economic Development.

Projects are selected based on the population served and the needs and goals identified in the Consolidated Plan.

1	<b>Project Name</b>	2019 Administration
	<b>Target Area</b>	n/a
	<b>Goals Supported</b>	n/a
	<b>Needs Addressed</b>	n/a
	<b>Funding</b>	CDBG: \$347,745 HOME: \$169,185 CDBG20-CARES: R1 \$172,639 CDBG20-CARES: R2 \$332,829
	<b>Description</b>	Twelve percent of Urban Hennepin County CDBG Program funds and ten percent of HOME Consortium funds, plus PI, will be used to help defray the costs incurred by Hennepin County for general program administration costs (planning, general management, oversight, coordination, evaluation and reporting). These are estimated amounts  Adding 10 percent of CDBG-CV – Round 1 Adding 13 percent of CDBG-CV -- Round 2
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	n/a
	<b>Location Description</b>	n/a
	<b>Planned Activities</b>	General Administration for the CDBG and HOME programs. Adding 10 percent of CDBG-CV R1. Adding 13 percent of CDBG-CV R2.
	<b>Project Name</b>	ESG20-CARES (ESG- CV)

37	<b>Target Area</b>	Hennepin County
	<b>Goals Supported</b>	Emergency Assistance Rapid Rehousing
	<b>Needs Addressed</b>	Housing Opportunities for Homeless Populations
	<b>Funding</b>	Other – ESG20-CARES: ROUND 1 -- \$878,034 ESG20-CARES: ROUND 2 -- \$3,577,788
	<b>Description</b>	Most likely funds will be used for our usual housing stabilization, housing location, and short- and medium-term rental assistance, the key priorities for ESG-funded service providers. However the details have not been finalized, so it is possible these Emergency Solutions Grants (ESG) funds will be used for any or all eligible uses: to provide a wide range of services and supports under the five program components: Street Outreach, Emergency Shelter, Rapid Rehousing, Homelessness Prevention, and HMIS and possibly Administration
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	180 homeless households
	<b>Location Description</b>	Hennepin County
	<b>Planned Activities</b>	Funds will be used for housing stabilization, housing location, and short- and medium-term rental assistance, the key priorities for ESG-funded service providers.
38	<b>Project Name</b>	CDBG20-CARES (CDBG-CV) AND CDBG-CV – 2 <sup>ND</sup> ROUND
	<b>Target Area</b>	Suburban Hennepin County households (not including Plymouth, Bloomington, and Eden Prairie)
	<b>Goals Supported</b>	Emergency Assistance Homelessness Prevention and Support Services
	<b>Needs Addressed</b>	Support Education, Outreach and Services Stimulate Economic Development
	<b>Funding</b>	Other – CDBG20-CARES: R1 \$1,553,756 CDBG20-CARES: R2 \$2,227,939

<b>Description</b>	<p>Twelve percent of Urban Hennepin County CDBG Program funds and ten percent of HOME Consortium funds, plus PI, will be used to help defray the costs incurred by Hennepin County for general program administration costs (planning, general management, oversight, coordination, evaluation and reporting). These are estimated amounts</p> <p>CDBG-CV - R1 as of May 2020. – used for renters</p> <p>CDBG- CV- R2 as of March 2021 – used for homeowners and navigators for renters and homeowners.</p>
<b>Target Date</b>	<p>10/30/2021</p>
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<p>CDBG- CV R1 – 300 renter Households at risk of economic loss related to COVID-19</p> <ul style="list-style-type: none"> <li>• Renters with annual household income &lt;50% AMI</li> <li>• Have lost income due to COVID-19</li> <li>• Do not have sufficient funds to cover housing costs</li> <li>• Not receiving assistance from other federal funds</li> <li>• Priority for households’ ineligible for Unemployment Insurance</li> </ul> <p>CDBG-R2 -- 750 homeowner Households at risk of economic loss related to COVID-19</p> <ul style="list-style-type: none"> <li>• Homeowners with annual household income &lt;80% AMI</li> <li>• Have lost income due to COVID-19</li> <li>• Do not have sufficient funds to cover housing costs</li> <li>• Not receiving assistance from other federal funds</li> </ul>
<b>Location Description</b>	<p>Suburban Hennepin County households (not including Plymouth, Bloomington and Eden Prairie)</p>



<b>Planned Activities</b>	<p><b>ROUND 1 –</b></p> <p>Non-profit organizations currently serving suburban Hennepin County, and selected to receive CDBG funding for Emergency Assistance or Homeless Prevention in the 2019 and/or 2020 Program Year. Households Self attest to their income and stability impacted by COVID.</p> <p>Eligible expenditures:</p> <ul style="list-style-type: none"><li>• ~\$1,500 financial assistance/household<ul style="list-style-type: none"><li>o Rent assistance, rent arrears, or utility assistance</li><li>o Payments must be made directly to property managers or utility companies</li></ul></li><li>• Staffing costs to complete screening, eligibility determination, problem-solving and referral</li><li>• Costs for increased food assistance needs</li><li>• Personal protective equipment</li><li>• Administration (management, accounting, etc.)</li></ul> <p>Funds will be distributed retro-actively to reimburse expenses.</p>
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**ROUND 2 –**

Support homeowners facing delinquency or mortgage crisis because of COVID through homeownership emergency assistance with counseling. Through the Minnesota Homeownership Center’s network of the Advisors, six agencies in Hennepin County will conduct intake using the program reporting requirements and County’s Emergency Housing Assistance Intake form as a guide but modifying as necessary for the particulars of this program. The agencies will use their client management system to track all client data. The intake will determine preliminary eligibility:

- Any homeowner in Hennepin County
- 80% of AMI or below
- Self attest to their homeownership stability impacted by COVID
- Past due payments as of March 1, 2020.

1. All clients will be offered foreclosure counseling. For those deemed preliminarily eligible, phase 1 of foreclosure counseling is required, to include: additional intake questions, gathering or requisite documents, review of mortgage status (forbearance eligibility, status in forbearance, etc.) before any program funds are disbursed.
2. Eligible clients will receive up to 3 months (est. at \$1,500 per household) of principle and interest, taxes and insurance, homeowner association dues, lot rent, manufactured home payment, contract for deed, utilities (after other utility resources have been exhausted), garbage, and water. Any cap on amounts will be dictated by CDBG requirements. We will not impose any other maximums.
3. Maximizing resources and stability are the goals. We propose that anyone in an active forbearance plan is not eligible for principle and interest payments covered by the forbearance, except for taxes and insurance not covered by the forbearance. Part of the foreclosure advising, however, will be ensuring that consumers know what their options are post-forbearance. There will be flexibility on overall eligibility and how we address forbearance if and when government requirements and regulations related to forbearance change.
4. All funds will be distributed directly to the vendors.
5. And cover Staffing costs to complete screening, eligibility determination, problem-solving and referral and Administration (management, accounting, etc.).