



CITY OF
ROCHESTER
MINNESOTA

2024 ANNUAL ACTION PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
Rochester, MN

SUBSTANTIAL AMENDMENT

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Substantial Amendment: the 2024 Annual Action Plan (AAP) has been substantially amended to reallocate 2024 funds and prior year funds for 2021, 2022 and 2023 to a new planning activity, a new clearance and demolition program and to a neighborhood tree removal program.

Executive Summary

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

1. Introduction

The Consolidated Plan for the City of Rochester, Minnesota was completed in response to requirements set forth by the Department of Housing and Urban Development (HUD). The City of Rochester only receives funding from the Community Development Block Grant program.

The purpose of the Consolidated Plan and Annual Action Plan is:

- To identify the city's housing and community development needs, priorities, goals and strategies;
- To stipulate how funds will be allocated to area housing and community development nonprofit organizations and governmental units.

The Annual Action Plan addresses how the City intends to spend its 2024 HUD Entitlement funds in the areas of housing and community development. The 2024 Annual Action Plan is year five of the 2020-2024 Five Year Consolidated Plan.

Substantial Amendment:

The City will make a Substantial Amendment to the AAP to include unspent prior year fund towards the neighborhood tree removal program, reallocate funds to a planning activity and the neighborhood demolition program to eliminate slum and blight.

AP-05 Executive Summary: Summary details in the introduction and citizen participation sections

AP-12 Citizen Participation: Citizen Participation efforts are listed in the introduction and the citizen participation outreach table.

AP-15 Expected Resources: Prior year funds amounts are listed in the introduction and the total prior year funds amount reallocated is added in the table.

AP-20 Annual Goals and Objectives: Table has been updated

AP-35/38 Prior year funds and planned activities were added to the appropriate projects for CDBG: Neighborhood Tree Removal Program, Clearance and Demolition Project and Affordable Housing Planning.

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.

The following objectives and outcomes are proposed for the 2024 Annual Action Plan:

Objective	Allocation
Neighborhood Infrastructure Improvements	\$235,000
Affordable Housing	\$458,785.32
Public Services Activities	\$115,900
Administration Planning Activities	\$75,000

The objective of performance is to provide safe, decent and affordable housing by preserving the existing housing stock and developing opportunities for the addition of new affordable rental and homeownership units. This will assist in revitalizing residential neighborhoods of desirable quality and stability, by representing Rochester’s citizens in terms of race, income group and household type.

3. Evaluation of past performance

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

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

Summary of Past Performance, Strategic Plan to date 2020-2024. As reported in the 2022CAPER.

<u>Activity</u>	<u>Individuals Served</u>
Owner Housing	14
Homeless person overnight shelter	823
Public Service	11,888

During this past year, the City of Rochester has met their goals by utilizing CDBG funds for projects addressing housing needs (rental and owner occupied).

Annual Action Plan
2024

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Citizen input is important to solicit throughout the development of the Annual Action Plan for the City of Rochester. As such the City of Rochester adopted a Citizen's Participation Plan in 1990 and was updated in May, 2020. The adopted Citizen Participation Plan includes information on the CDBG program, offers technical assistance, allows for the public to assess all aspects of the performance of the CDBG program, process for grievances/complaints, application for funding process, and public hearing processes, including utilizing bi-lingual staff if needed.

The City of Rochester conducts public hearings to obtain citizen views, respond to questions, development needs and review of proposed activities prior to determining final appropriations. Copies of the proposed use of funds will be available at City Hall and the city's website.

A notice that the City of Rochester was accepting applications for the 2024 CDBG program was published in the local newspaper on July 29, 2023 and communicated to previous applicants on July 28, 2023. The notice also included the date for the public hearing on October 2, 2023. The public hearing provided opportunity for public input. A copy of the notice and summary of eligible CDBG activities was also sent to non-profits advocates serving low-moderate income persons, social service agencies, homeless and housing providers, health professionals, and local government agencies, addressing community development needs in the area.

On Monday, August 7, 2023, an open house was held where individuals could ask questions regarding CDBG funding and how to complete the 2024 application for funding. Four individuals attended the open house, with two for four being organizations who have never received CDBG funding.

A notice that the City of Rochester has completed a draft of the Annual Action Plan was published in the local newspaper for public comment on October 14, 2023. The notice stated that the City of Rochester has completed a draft of the Annual Action Plan has been published in the local newspaper for public comment starting on October 14, 2023. The notice included the dates public comments would be accepted: October 14, 2023 through November 14, 2022. The notice stated that the City of Rochester expects to receive approximately \$728,000 from the Department of Housing and Urban Development through the CDBG Program in 2024 and anticipates receiving approximately \$100,000 in CDBG program income.

A notice that the City of Rochester has amended the draft of the 2024 Annual Action Plan was published in the local newspaper for public comment on April 6, 2024. The notice stated that the City of Rochester has completed a draft of the Amended Annual Action Plan has been published in the local newspaper for public comment starting on April 6, 2024. The notice included the dates public comments would be accepted: April 6, 2024 through May 7, 2024. The notice stated that the City of Rochester expects to receive approximately \$728,000 from the Department of Housing and Urban Development through the CDBG Program in 2024 and anticipates receiving approximately \$100,000 in CDBG program income.

No comments were received during the comment period. On May 20, 2024 the City Council held a public hearing regarding the 2024 allocations. Since it became known that the anticipated amount of funding to be received is lower than the \$728,000, the allocations to the public service activities were adjusted so that cap on the amount of funding would not be exceeded.

Substantial Amendment:

The City held a 30-day public comment period to give the public an opportunity to review and make comments on the Substantial Amendment to the 2024 AAP. The public comment period was held from November 19, 2024 to December 20, 2024. A copy of the draft plan was made available at the Community Development office, 4001 West River Parkway NW, Suite 100, Rochester, MN 55904 and also made available on the city website at www.rochestermn.gov/departments/community-development/construction-development-resources/economic-development/community-development-block-grant-cdbg. Written comments could be made to the CDBG Administrator at the address above.

A public hearing was held at the Rochester City Council meeting on Monday, December 9, 2024 at 6:00 PM to review and discuss the Substantial Amendment to the 2024 AAP. The public hearing was held at City Hall, 201 4th Street SE, Rochester, MN. Citizens are welcome to make comments at the public hearing.

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 following agencies attended the public hearing held on October 2, 2023:

Representatives from ABC and Family Services Rochester attended the public meeting on October 2nd. They spoke during the open comment period of the meeting and not during the public hearing during the allocation of the CDBG funds. Both agencies thanked the Council for their support.

No comments received regarding the Annual Action Plan from the notice that was published in the Post Bulletin on October 14, 2023 and April 6, 2024. The Plan was also posted on the City's website.

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

No comments received to date.

7. Summary

The 2024 Annual Action Plan (AAP) has been substantially amended to reallocate 2024 funds to a planning activity, Neighborhood Tree Removal activity and the Clearance and Demolition activity. The AAP is also being amended to allocated prior year funds from 2021, 2022 and 2023 to activities.

The following objectives and outcomes are proposed for the 2024 Annual Action Plan:

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Neighborhood Infrastructure Improvements	\$235,000
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The objective of performance is to provide safe, decent and affordable housing by preserving the existing housing stock and developing opportunities for the addition of new affordable rental and homeownership units. This will assist in revitalizing residential neighborhoods of desirable quality and stability, by representing Rochester's citizens in terms of race, income group and household type.

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		Community Development Department

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

Brent Svenby

Senior Administrative Analyst

City of Rochester – Community Development Department

4001 W River Pkwy NW, Suite 100

Rochester, MN 55901

Phone: 507-328-2003

Email: bsvenby@rochestermn.gov

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

1. Introduction

The goals for the 2024 Annual Action Plan are drawn from public comments received during focused outreach to determine strategic priorities for the Consolidated Plan, in developing the Assessment of Impediments to Fair Housing, and on a continuing basis. For purpose of the 2020-2024 Five Year Consolidated Plan for the City of Rochester, a Consolidated Plan Public Meeting was conducted on November 4, 2019.

Citizen input is important to solicit throughout the development of the Annual Action Plan for the City of Rochester. As such the City of Rochester adopted a Citizen's Participation Plan in 1990 and was updated in May, 2020. The adopted Citizen Participation Plan includes information on the CDBG program, offers technical assistance, allows for the public to assess all aspects of the performance of the CDBG program, process for grievances/complaints, application for funding process, and public hearing processes, including utilizing bi-lingual staff if needed.

The City of Rochester conducts public hearings to obtain citizen views, respond to questions, development needs and review of proposed activities prior to determining final appropriations. Copies of the proposed use of funds will be available at City Hall and the city's website.

A notice that the City of Rochester was accepting applications for the 2024 CDBG program was published in the local newspaper on July 29, 2023 and communicated to previous applicants on July 28, 2023. The notice also included the date for the public hearing on October 2, 2023. The public hearing provided opportunity for public input. A copy of the notice and summary of eligible CDBG activities was also sent to non-profits advocates serving low-moderate income persons, social service agencies, homeless and housing providers, health professionals, and local government agencies, addressing community development needs in the area.

A notice that the City of Rochester has completed a draft of the Annual Action Plan was published in the local newspaper for public comment starting October 14, 2023. The notice stated that the City of Rochester has completed a draft of the Annual Action Plan has been published in the local newspaper for public comment on October 14, 2023. The notice includes the dates public comments will be accepted: October 14, 2023 through November 14, 2023. It stated in 2024, the City of Rochester expects to receive \$728,000 from the Department of Housing and Urban Development through the CDBG Program and anticipated receiving approximately \$100,000 in CDBG program income.

A notice that the City of Rochester has amended the draft of the 2024 Annual Action Plan was published in the local newspaper for public comment on April 6, 2024. The notice stated that the City of Rochester has completed a draft of the Amended Annual Action Plan has been published in the local newspaper for public comment starting on April 6, 2024. The notice included the dates public comments would be accepted: April 6, 2024 through May 7, 2024. The notice stated that the City of Rochester expects to receive approximately \$728,000 from the Department of Housing and Urban Development through the CDBG Program in 2024 and anticipates receiving approximately \$100,000 in CDBG program income.

No comments were received during the comment period. On May 20, 2024 the City Council held a public hearing regarding the 2024 allocations. Since it became known that the anticipated amount of funding to be received is lower than the \$728,000, the allocations to the public service activities were adjusted so that cap on the amount of funding would not be exceeded.

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))

For the 2024 Annual Action Plan, the City of Rochester published a notice in the local newspaper and notified previous applicants and any other organization that has expressed interest in an application for the 2024 CDBG funding year. The City also conducted a public hearing regarding the allocations for the 2024 CDBG program year.

The Olmsted County Housing and Redevelopment Authority has partnered with local organizations to bring services directly to public housing tenants.

- Partnered with Rochester Public Schools to engage public housing parents with school personnel.
- Partnered with the Boys and Girls Club to bring after-school programming to children in public housing.
- Partnered with Public Health to provide public housing tenants with community gardens for food, budget savings, community connections, and family engagement.
- Partnered with Workforce Development, Hawthorne Education Center, Community Health Services, Children’s Dental to provide resources at the 2018 HUD Strong Family Initiative event for public housing tenants.

With federal guidance in regards to HIPPA compliance, Olmsted County Public Health and OCHRA are working together to identify children living in federally assisted housing that may be exposed to lead, and to provide resources to the family concerning lead exposure.

The Olmsted County Housing and Redevelopment Authority partnered with the Olmsted County Public Health to promote healthy communities by ensuring smoke-free housing at all county owned rental properties, installing community gardens at all three public housing townhome communities, and providing bike racks at the public housing townhome sites.

The Olmsted County Housing and Redevelopment Authority has partnered with the Rochester Energy Commission to reduce water and electricity usage for each public housing townhome unit (saving average household \$154/year).

The City of Rochester works with a number of public and private agencies that address the needs of low-moderate income persons, including but not limited to, affordable housing issues, coordinated housing

assistance, and services of homeless persons. The City supports these agencies by providing CDBG funding opportunities, if requested by the agency.

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 of Rochester does not directly provide programs that address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and unaccompanied youth) and persons at risk of homeless. The Continuum of Care (CoC) for Rochester is provided through River Valley CoC. These programs are delivered by private non-profit agencies such as: Dorothy Day House, Olmsted County HRA, SE MN Center for Independent Living, Bear Creek Services, Hiawatha Homes, Women's Shelter, Salvation Army, Zumbro Valley Mental Health Center, Community Housing Partnership, Catholic Charities, and Lutheran Social Services.

The Olmsted County HRA is an active member of the River Valleys Continuum of Care and serves as an Executive Member of the Coordinated Entry Committee, working to develop region-wide policies to better utilize Coordinated Entry for both organizations and participants. The HRA receives CoC funding to support The Francis, a 17-unit single-room-occupancy building serving chronically homeless individuals experiencing serious and persistent mental illness. This building has been open for more than 10 years and has proven a successful model. The HRA also owns the building which houses Silver Creek Corner, a permanent supportive housing facility for chronic homeless inebriates. This program has been open for several years as well and has proven a good model for addressing this population. The HRA also provides 30 project-based vouchers for Gage East, a newer program that opened in 2016 for homeless families. The Olmsted County HRA recently purchased a former group home and have approved plans to convert the home into a family shelter for families facing homelessness.

Olmsted County recently received grant dollars from the MN Department of Corrections to develop transitional housing services for clients on probation or supervised release. In 2017, the County began working with Damascus Way to operate this programming out of their space at the Juvenile Detention Center; Damascus Way has offered transitional housing in Rochester since July 2006. The City is allocating CDBG funding to Damascus Way to continue to support transitional housing and living.

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 of Rochester is not an entitlement for receiving ESG funds from the Department of Housing and Urban Development (HUD). HUD provides funding to service programs through their Continuum of Care (CoC program). Several local non-profit agencies receive funding: Salvation Army, Zumbro Valley Mental Health, Olmsted County HRA and Center City Housing.

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	OLMSTED COUNTY HRA
	Agency/Group/Organization Type	Housing PHA Services - Housing Services-Children Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Olmsted County HRA recently adopted a local tax levy. The City of Rochester is engaged with the Olmsted County HRA with implantation of their housing rehab program. In addition, the City of Rochester expanded their Housing Rehab Loan program target area to be citywide. This will complement the HRA's proposed rehab program and result overall in a higher number of low-income households served as well as a higher volume of quality housing stock. Agency sent information regarding the availability of 2024 funding via email. A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs.
2	Agency/Group/Organization	BEAR CREEK SERVICES
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. Agency sent information regarding the availability of 2023 funding via email.
3	Agency/Group/Organization	SE MN CENTER FOR INDEPENDENT LIVING, INC. (SEMCIL)
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment 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?	A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. Agency sent information regarding the availability of 2024 funding via email.
4	Agency/Group/Organization	Hiawatha Homes
	Agency/Group/Organization Type	Housing Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment 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?	A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. Agency sent information regarding the availability of 2024 funding via email.
5	Agency/Group/Organization	ZUMBRO VALLEY MENTAL HEALTH CENTER
	Agency/Group/Organization Type	Housing Services - Housing Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless 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?	A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs. Agency sent information regarding the availability of 2024 funding via email.
6	Agency/Group/Organization	ROCHESTER AREA HABITAT FOR HUMANITY
	Agency/Group/Organization Type	Housing

What section of the Plan was addressed by Consultation?	Housing Need Assessment
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	A survey was sent to requesting information critical in identifying needs and priority needs in the Rochester area, principally for low- and moderate income residents and those with special needs. In addition, a public meeting was conducted on November 4, 2019 allowing interested parties an opportunity to voice their opinions regarding the City's Housing and Community Development needs, including housing market conditions, affordable housing needs, homeless needs, public and assisting housing needs and barriers to affordable housing and on the formulation of such needs.

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

No agencies were intentionally not consulted for the process of the City's 2024 Annual Action Plan.

Broadband providers were not directly consulted due to City's efforts to expand access to broadband. Reliable broadband infrastructure is now considered essential to businesses, connecting people to educational opportunities, and social life among a host of other contributions to quality of life. According to broadbandnow.com/Minnesota1 an estimated 4% of Rochester residents are underserved by broadband service providers, meaning they are either receiving unstable options, or minimal to no options at all. Fortunately, most residents in Rochester, regardless of income, have access to broadband connections. On average, residents can access 4.33 different internet providers per census tract.

In February 2019, the Rochester City Council approved a five-year franchise agreement with Metronet, which allowed the company to build a fiber optic cable system in Rochester. This was a great way for citizens to have access to different and improved broadband provider.

Consumers benefit from competition among service providers by keeping prices lower and having options so they may make choices that best suit their needs. Rochester citizens currently have access to ten different broadband internet service providers with speeds ranging from 1.0 mbps to 1,000 mbps. One provider in particular offers speedier fiber connections, thus the approval of adding an additional fiber connection will improve costs and options for consumers.

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	River Valley COC	Through the review process of the City Consolidated Plan the local CoC was contacted. The CoC provided information for the homelessness needs assessment. Information/data provided by the local CoC was also provided in the Comprehensive Housing Needs Assessment for Olmsted County, MN completed by Maxfield Research, Inc. The Continuum of Care for Rochester is provided through Three Rivers. These programs are delivered by private non-profit agencies such as: Olmsted County HRA, SE MN Center for Independent Living, Bear Creek Services, Hiawatha Homes, Women's Shelter, Salvation Army, Zumbro Valley Mental Health Center, Community Housing Partnership, Catholic Charities and Lutheran Social Services.
Rochester All Hazard Mitigation Plan	Rochester Emergency Management Department	Local government is charged with the protection of the health, safety, and welfare of their residents and visitors. The mission of the department is to coordinate disaster response to meet the immediate health and safety needs of residents and visitors to Rochester, and protect the public from harmful effect of hazards. Hazard mitigation reduces disaster damages by proactively reducing or eliminating long-term risk to life and property from weather, geologic, and human threats. Events such as tornadoes, hazardous chemical spills, and terrorist attacks may result in the loss of life, property, infrastructure, and income. The ability of a community to prepare, respond, mitigate, and recover when confronted by these threats, however, may mean the difference between long-term devastation and systemic resilience. While mitigation strategies and efforts cannot eliminate all threats and hazards, the City of Rochester endeavors to limit their potential physical, economic, and social impacts as much as possible. Preparation is the key to Rochester ability to respond to and rebound from adverse situations. With the assistance of technical experts and community stakeholders, the purpose of this plan is to identify and analyze those hazards most likely to impact the city of Rochester, assess the community ability to respond to these events, and develop strategies to mitigate their impact. This plan was considered when preparing the Plan and includes the following data: Hazard Mitigation Grant Program (HMGP), Pre-Disaster Mitigation (PDM), Flood Mitigation Assistance (FMA), Severe Repetitive Loss (SRL)

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
City of Rochester Unified Development Code	Rochester Community Development	The City has adopted flood district regulations as part of the zoning ordinance and land development manual. The intent of the flood district regulations is to guide development in the flood hazard areas of Rochester consistent with the flood threat, in order to minimize loss of life and property, disruption of commerce and governmental services, extraordinary public expenditure for public protection and relief, impairment of the tax base and interruption of transportation and communication, all of which adversely affect the public health, safety and general welfare. Flood hazard regulations are intended to minimize losses and disruptions. The flood district regulations are adopted to comply with the rules and regulations of the National Flood Insurance Program codified as 44 Code of Federal Regulations Parts 59 -78, as amended, so as to maintain the community's eligibility in the National Flood Insurance Program. The regulations are also intended to preserve the natural characteristics and functions of watercourses and floodplains in order to moderate flood and stormwater impacts, improve water quality, reduce soil erosion, protect aquatic and riparian habitat, provide recreational opportunities, provide aesthetic benefits and enhance community and economic development.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City of Rochester is committed to building an inclusive community. To this end, the City of Rochester is committed to:

Supporting low income tax credit housing and other subsidized housing of high quality in locations that are accessible to employment, neighborhood amenities, and commercial services.

Supporting well designed private development proposals that include townhouses, condominiums, apartments, and appropriate commercial uses as part of neighborhood development areas.

Enforcing minimum standards for housing and enforce such ordinances such as the Disorderly Use Ordinance in to address neighborhood concerns about crime and potential impacts on property values.

Increasing the supply and land zoned for lower cost housing, especially providing for mixtures of housing by style and cost.

Providing for neighborhoods that are integrated by income class, race, age, ability, and are accessible to all modes of travel by all ages and

ability levels.

Providing incentives to developers to accommodate affordable housing up front as part of well-planned communities.

The City supports numerous agencies by providing funding from the city's annual budget. Such agencies include: 125Live, RNeighbors, Youth Commission, SE MN Initiative Fund and Human Rights Commission.

All CDBG-funded project contracts require compliance with the Lead Based Paint Poisoning Prevention Act. All participants of the City's Home Rehabilitation Program are provided the brochure on the hazards of lead-based paint and are required to complete and sign a lead-based paint certification. They are also required to sign acknowledgement of receiving a copy of the US Department of Housing and Urban Development Lead-Based Paint Notification form. A lead-based paint risk assessment test and clearance is conducted on all rehabilitation projects receiving CDBG funding for affordable housing. The City is also receiving funding from a lead grant through the state. Funding is intended to support compliance efforts of the City's Home Rehabilitation Program as well as offer a healthy homes initiative as a means of community outreach and resource connection for lead compliance and radon testing.

The Olmsted County Planning Department does limited transportation planning, primarily in the area of studies and other special reports done with or for the City of Rochester, Olmsted County, and the Minnesota Department of Transportation (MN/DOT) through the Rochester-Olmsted Council of Governments (ROCOG). The ROCOG Policy Board is comprised of sixteen individuals representing the local units of government within Olmsted County and two citizen members. The 2045 Long Range Transportation Plan was referenced as it is being adopted.

In addition, various stakeholder groups in Southeast Minnesota have been working on a plan that would create a Regional Transportation Coordinating Council (RTCC) in the 11-county region. The purpose of the RTCC would be to seek out ways to reduce or remove barriers to effective public transportation in the region, particularly in increasing access, reducing inefficiencies or duplication of efforts, and increasing cooperation among transportation providers. The Minnesota Department of Transportation (MnDOT) has established a grant program to plan for the establishment of RTCCs throughout the state.

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

A notice published in local newspaper in July of 2023 that the City was accepting applications for 2024 CDBG funding. The application period was open for 30 days. The notice identified the City of Rochester priority needs identified as: affordable housing, youth programs, transportation services, and infrastructure improvements, services for persons with disabilities, planning, and public facilities. The notice also provided a link to plan on the City's web site.

Based on the public hearing held on October 2, 2023, the anticipated CDBG dollars were allocated to a number of activities that would help the City meet its priority needs. Based on the allocations, a draft of the 2024 Annual Action Plan was made available on the City's website and notice was published in the local newspaper seeking public comment on the Plan. Copies were also available for public review.

Another public hearing was held on May 20, 2020 based on changing an activity. No comments were received during the public hearing and the open comment period when the AAP was posted for the 30-day comment period.

The City held a 30-day public comment period to give the public an opportunity to review and make comments on the Substantial Amendment to the 2024 AAP. The public comment period was held from November 19, 2024 to December 20, 2024. A copy of the draft plan was made available at the Community Development office, 4001 West River Parkway NW, Suite 100, Rochester, MN and also made available on the city website at www.rochestermn.gov/departments/community-development/construction-development-resources/economic-development/community-development-block-grant-cdbg. Written comments could be made to the CDBG Administrator at the address above.

A public hearing will be held at the Rochester City Council meeting on Monday, December 9, 2024 at 6:00 PM to review and discuss the Substantial Amendment to the 2024 AAP. The public hearing was held at City Hall, 201 4th Street SE, Rochester, MN. Citizens are welcome to make comments at the public hearing.

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	Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	No Comments Received	No Comments Received	No Comments Received	
2	Public Hearing	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	10 agencies submitted requests for the 2024 CDBG funding. Two agencies had representatives that attended the public hearing meeting. Although they didn't speak during the public hearing, they spoke during the open comment period of the meeting and thanked the Council for their support.	Two agencies thanked the City Council for the support over the years.	No comments received other than thanking for the support over the years	

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	Email	Minorities Persons with disabilities Non-targeted/broad community	Emailed 2024 requests notice to over 40 agencies working with low-moderate income persons.	10 agencies submitted requests for the 2024 CDBG funding	N/A	
4	Open House	Non-targeted/broad community	4 individuals attended	Reviewed the 2024 CDBG application, provided overview of the CDBG program. Answered questions regarding CDBG funding and types of activities allowed	N/A	

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)
5	Public Comment Period	Non-targeted/broad community	<p>The City held a 30-day public comment period to give the public an opportunity to review and make comments on the Substantial Amendment to the 2024 AAP. The public comment period was held from November 19, 2024 to December 20, 2024. A copy of the draft plan was made available at the Community Development office, 4001 West River Parkway NW, Suite 100, Rochester, MN 55904 and also made available on the city website at www.rochestermn.gov/departments/community-development/construction-development-resources/economic-development/community-development-block-grant-cdbg. Written comments could be made to the CDBG Administrator at the address above.</p>	All comments are accepted. Comments will be recorded and summarized at the end of the period and submitted with the amendment	All comments are accepted. Comments will be recorded and summarized at the end of the period and submitted with the amendment	https://www.rochestermn.gov

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)
6	Public Hearing	Non-targeted/broad community	A public hearing was held at the Rochester City Council meeting on Monday, December 9, 2024 at 6:00 PM to review and discuss the Substantial Amendment to the 2024 AAP. The public hearing was held at City Hall, 201 4 th Street SE, Rochester, MN. Citizens are welcome to make comments at the public hearing.	All comments are accepted. Comments will be recorded and summarized at the end of the period and submitted with the amendment	All comments are accepted. Comments will be recorded and summarized at the end of the period and submitted with the amendment	N/A

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The table below lists the resources expected to be available from the U.S. Department of Housing and Urban Development and from program income received from repayments of single family rehab loans in Rochester to address the priority needs and specific objectives identified in the Annual Action Plan.

Substantial Amendment:

The City has made a Substantial Amendment to the AAP to include unspent prior funds as the result from spending program income prior to spending entitlement funds. The unspent prior year funds went towards the Neighborhood Tree activity and Clearance and

Demolition activity. The following are the amounts reallocated from prior FY funds:

FY2021 =\$64,985.32

FY 2022 = \$46,251.53

FY 2023 = \$663.47

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	672,785	100,000	111,900.32	884,685.32	0	Our annual allocation increase last year and our program income is anticipated to be lower than the previous year. Substantial Amendment: the prior year resources column was amended to include an additional amount of prior year funds of \$64,985.32 which was also added to the total annual.
Other	public - federal	Economic Development Housing Public Services	0	0	0	0	0	

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

Leveraging of private resources by the use of federal funds will be attempted and encouraged. Applications for public service activities are scored and applicants leveraging private funds earn more points than applicants who are not leveraging private funds. Agencies applying for CDBG funds are required to include information how they will leverage additional resources to complete their activity. It is anticipated that \$360,000 in donations, contribution or grants will be obtained by the agencies completed public service activities. Leveraging of private funds in conjunction with the use of CDBG funds will continue to be a priority to maximize accomplishments. It is anticipated that \$100,000 of the City's levy will be used to complete sidewalks.

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

None currently known.

Discussion

The City only accepts applications for CDBG funding of those activities that fall under public service activities. Since public service activities are limited to 15% of the CDBG dollars received plus program income received, it is a competitive application process. Public service activities that leverage matching funding, create equitable and socioeconomic impact typically score higher than other activities.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2024	Affordable Housing		Affordable Housing	CDBG: \$408,050 \$458,785.32	Rental units rehabilitated: 4 Household Housing Unit Homeowner Housing Rehabilitated: 15 Household Housing Unit 19 dwellings demolished 36 households remaining affordable via tree removal assistance
2	Public Facilities	2020	2024	Non-Housing Community Development		Infrastructure Improvements Public Facilities	CDBG: \$235,000	Public service activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted
3	Public Service	2020	2024	Non-Housing Community Development		Affordable Housing Youth Programs Transportation Services	CDBG: \$115,900	Homeless Person Overnight Shelter: 45 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	
2	Goal Name	Public Facilities
	Goal Description	
3	Goal Name	Public Service
	Goal Description	

Projects

AP-35 Projects – 91.220(d)

Introduction

Below the projects included in the 2024 Annual Action Plan. The total funding for the projects equals \$819,700 that consist of the City's 2024 CDBG allocation, program income recieved during 2024 and previous unspent program income.

Substantial Amendment:

The City has made a Substantial Amendment to the AAP to include projects for planning activities related to affordable housing, neighborhood trees and removal of blighted properties in neighborhoods

Projects

#	Project Name
1	ABC
2	Boys and Girls Club of Rochester
3	Catholic Charities - Warming Center
4	Damascus Way Re-entry Center
5	Family Service Rochester
6	Jeremiah Program
7	Salvation Army
8	Sports Mentorship
9	CDBG Program Administration Affordable Housing Planning
10	Affordable Housing
11	Neighborhood Sidewalk/Infrastructure Improvements
12	Neighborhood Tree Removal
13	Clearance and Demolition

Table 7 - Project Information

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

The City of Rochester’s intent for its CDBG program is to meet the identified needs of low and moderate income residents and to provide a more desirable living environment for all residents within the City. Due to limited resources, it is impossible for the City to identify all of the needs of our residents and/or fund all of the programs / activities necessary to meet those needs. Therefore, the City must rely on a coordinated effort among private citizens, social service providers and other governmental

agencies to assist in addressing the needs of the residents of Rochester.

The City seeks applications each year for activities that are considered “public service” activities. Each application scored based on timeliness, project effectiveness (leverage other sources of funds, equitable impact, socioeconomic impact), priorities (consolidated plan and council priorities), and if the activity was previously funded.

The first eight projects are projects from public service applications submitted, scored the highest and met either the first, second or third priority (affordable housing, youth programs, and transportation services) found in the City’s Consolidated Plan. Other projects being funded help address in making a more desirable living environment by helping to address priority one (affordable housing) or the fourth priority (infrastructure improvements) found in the City Consolidated Plan.

AP-38 Project Summary

Project Summary Information

1	Project Name	ABC
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Services for Persons with Disabilities
	Funding	CDBG: \$18,550
	Description	Purchase a van to transport individuals with disabilities to and from worksites, rec and leisure sites and to and from their home.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Clients live all over the city
	Planned Activities	Purchase a van to transport individuals with disabilities to and from worksites, rec and leisure sites and to and from their home.
2	Project Name	Boys and Girls Club of Rochester
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Youth Programs
	Funding	CDBG: \$13,950
	Description	Outreach Program at Longfellow Elementary School serving students in grades K-5. After-school programming 3 days a week so that club members can retain consistent programming
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	Programming for 320 students in grades K-5
	Location Description	Outreach Program at Longfellow Elementary School serving students in grades K-5. After-school programming 3 days a week so that club members can retain consistent programming

	Planned Activities	Outreach Program at Longfellow Elementary School serving students in grades K-5. After-school programming 3 days a week so that club members can retain consistent programming
3	Project Name	Catholic Charities - Warming Center
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Services for Persons with Disabilities
	Funding	CDBG: \$4,850
	Description	Fund the operations of the Warming Center. Catholic Charities plans to use the funds for staffing costs and other operating expenses. The Warming Center serve as an evening shelter for the homeless.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	45 homeless persons will be provided emergency shelter on a daily basis.
	Location Description	200 4th Street SE, Rochester, MN 55904
	Planned Activities	Fund the operations of a Warming Center. Catholic Charities plans to use the funds for staffing costs and other operating expenses. The Warming Center serve as an emergency shelter for the homeless—it includes 45 beds
4	Project Name	Damascus Way Re-entry Center
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Services for Persons with Disabilities
	Funding	CDBG: \$7,000
	Description	Financial support for new programming offered Peer Recovery
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	80
	Location Description	
	Planned Activities	Financial support for new programming offered – Peer Recovery

5	Project Name	Family Service Rochester
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Services for Persons with Disabilities
	Funding	CDBG: \$11,150
	Description	Neighbors helping neighbors program - low - income elderly/disabled households, helps them stay in the home
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	City wide
	Planned Activities	Neighbors Helping Neighbors chore and support services help older adults and person with disabilities with chores and other daily activities to that they can remain living independently in their own homes.
6	Project Name	Jeremiah Program
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Youth Programs
	Funding	CDBG: \$18,550
	Description	Support programming at the onsite Child Development Center up to 58 low -income children
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	58 low-income single moms with young children
	Location Description	
	Planned Activities	Childcare activity
7	Project Name	Salvation Army
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Services for Persons with Disabilities

	Funding	CDBG: \$23,300
	Description	Rental assistance program provides up to one month of unpaid rent for households facing eviction
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	15- 25 low-income households facing eviction
	Location Description	City wide
	Planned Activities	Rental assistance program provides up to one month of unpaid rent for households facing eviction
8	Project Name	Sports Mentorship
	Target Area	
	Goals Supported	Public Service
	Needs Addressed	Youth Programs
	Funding	CDBG: \$18,550
	Description	Funding Sports Mentorship Academy Rec Center
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	60 at-risk students served
	Location Description	930 40th Street NW
	Planned Activities	The rec center where students are able to receive a positive learning environment and reinforced life skills in a recreation setting.
9	Project Name	CDBG Program Administration Affordable Housing Planning
	Target Area	
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$60,750-75,000
	Description	Administration of the CDBG program The planning and development of opportunities for the creation of affordable housing
	Target Date	12/31/2024

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Costs associated with the planning and development of opportunities for the creation of affordable housing. administrating the CDBG program. Such as publishing costs and staff time.
10	Project Name	Affordable Housing
	Target Area	
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$408,050
	Description	City Single Family Rehab program, which provides an interest free deferred loan to low-moderate income owner occupants for rehabilitation of substandard single family structures. These interest free loans must be repaid when the property is sold or transferred or if the property ceases to be the owner's principal place of residence. Program income is factored into the total dollars for the activity. If less program is received, the dollars allocated to the City's single family rehab loan program will be reduced. If more program income is received than planned, the dollars will
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	15 low and moderate income families and 4 rental units rehabbed
	Location Description	City wide
	Planned Activities	City Single Family Rehab program, which provides an interest free deferred loan to low-moderate income owner occupants for rehabilitation of substandard single family structures. These interest free loans must be repaid when the property is sold or transferred or if the property ceases to be the owner's principal place of residence.
11	Project Name	Neighborhood Sidewalk/Infrastructure Improvements
	Target Area	
	Goals Supported	Public Facilities

	Needs Addressed	Infrastructure Improvements Public Facilities
	Funding	CDBG: \$235,000
	Description	Funding to address sidewalk safety defects and upgrading pedestrian curb ramps to meet American with Disabilities Act (ADA) standards in low and moderate income neighborhoods. Along with completing street overlays in low and moderate income neighborhoods.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	500 families in the low and moderate income neighborhoods.
	Location Description	City-wide
	Planned Activities	Funding to address sidewalk safety defects and upgrading pedestrian curb ramps to meet today's American with Disabilities Act (ADA) standards in low and moderate income neighborhoods. Along with completing street overlays in low and moderate income neighborhoods.
12	Project Name	Neighborhood Tree Removal
	Target Area	City Wide
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$95,748.44
	Description	Funding to assist qualified homeowners with the cost of the removal of dead and hazardous trees. The City's forestry department identifies the dead and hazardous trees and letter are sent to property owners. The homeowner applies for assistance with the cost of the removal of the tree.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	36 families in the low and moderate income neighborhoods.
	Location Description	City-wide
	Planned Activities	Funding to assist 36 qualified homeowners with the cost of the removal of dead and hazardous trees.

13	Project Name	Clearance and Demolition
	Target Area	City Wide
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$124,250
	Description	The removal of 18 manufactured homes located in a trailer park that has been closed for over a year. The manufactured homes on the site have deteriorated to the point that they no longer are in habitable condition and present a hazard. The removal of one manufacture homes that has been damaged by fire.
	Target Date	12/31/2024
	Estimate the number and type of families that will benefit from the proposed activities	19 blighted manufactured homes removed
	Location Description	City-wide
	Planned Activities	Removal of 19 blighted manufactured homes

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

Rochester is located in the State of Minnesota and is the county seat of Olmsted County. Located on the rolling bluffs on the Zumbro River's south fork in southeast Minnesota, the city home of the Mayo Clinic. The current population of Rochester is 121,395 (2020 census), making it Minnesota's third largest city.

Housing and public service needs are dispersed throughout Rochester. Project are not geographically specific, but intend to benefit citizens throughout the city. Rochester has 8 census tracts that are either low or moderate income levels. Census tracts are listed for the public service activities but they service individuals from throughout the community.

- Catholic Charities - Warming Center: Census tract 3.01
- Damascus Way Reentry Center: Census tract 10
- ABC : Citywide
- Boys and Girls Club: Census tract 9.02
- Family Service Rochester: Census tract citywide
- Jeremiah Program: Census tract 14.01
- Salvation Army: Census tract citywide
- Sports Mentorship: Census tract 17.02
- Affordable Housing Citywide, individual must income qualify
- Neighborhood Infrastructure Improvements : Qualifying low-moderate neighborhoods

Geographic Distribution

Target Area	Percentage of Funds

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

No specific location within Rochester has been targeted for funding. A number of years ago the target area for the City's Home Rehab Program was expanded to be citywide. The target area was expanded due to age of housing and possibility of lead based paint in the structures.

Discussion

Affordable Housing is among the City of Rochester's top priority. In general, Rochester is predicting a shortage in supply of housing as the population grows (noted in the Maxfield Housing Study and Plan to Succeed Comprehensive Plan). Currently, we are seeing a trend for more development of rental properties (new or otherwise), and foresee this making up more of the future supply of housing.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Providing affordable housing is an increasing concern in the community. CDBG funds are used to help individuals maintain their units.

One Year Goals for the Number of Households to be Supported	
Homeless	45
Non-Homeless	100
Special-Needs	100
Total	245

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	0
Rehab of Existing Units	19
Acquisition of Existing Units	0
Total	39

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Affordable Housing is among the City of Rochester’s top priority. The City Council has had numerous discussions on the topic area. The City has reported affordable housing assessments in partnership with Olmsted County for a 2020 Maxfield Housing Assessment, Bloomberg Associates / What Works Cities Initiative on data collection, and research on affordable housing incentives. Currently, the City provides TIF assistance to affordable housing projects. The City has provided over \$29 Million in assistance to housing projects over the past 20 years resulting in 3,000 housing units. Furthermore, redevelopment TIF collections generated 5-25% collected for affordable housing projects, resulting in \$130,000-\$190,000 annually in the next years to invest in affordable housing redevelopments.

In general, Rochester is predicting a shortage in supply of housing as the population grows (noted in the Maxfield Housing Study previously, currently, and Plan to Succeed Comprehensive Plan). Currently, we are seeing a trend for more development of rental properties (new or otherwise), and foresee this making up more of the future supply of housing—vacancy rates are holding, though concessions are prevalent. New developments like First Avenue Flats fit this trend and provide additional affordable housing options, as its prices are based on requirements outlined by government assistance with construction costs. The single-family housing market in Rochester has been in short supply resulting in available for-sale units remaining available on the market for a short time—this market seems to be at it's peak, and is showing positive metrics. Per local reporters, the City is observing a pause in this market urgency, leading way to a more balanced market, but this could be seasonal and is still considered a

rather tight market. Other key takeaways from our 2020 assessment include:

- Continued solid growth past decade; projecting strong growth this decade +16%
- Growth in almost all age cohorts; but 65+ population growing fastest
- Empty nesters/never nesters highest % of all households (30%) | 30% single households in Rochester
- Strong HH incomes | \$79,432 (Olmsted MA) vs. \$82,390 (Metro Area)
- Major job importer (+21,000 worker inflow) | High wages (\$52,416)
- Low senior housing vacancies | New product needed to meet growing demand
- COVID-19 has not majorly impacted housing market yet.

AP-60 Public Housing – 91.220(h)

Introduction

The Olmsted County HRA operates 110 units of Public Housing throughout Rochester. 90 units are townhome style units split between three complexes, and 20 units are single family homes scattered throughout Rochester.

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

A property needs assessment occurred in the fall 2021 to help build a ten-year capital improvement plan for all public housing properties. The HRA continues to evaluate the logistics of repositioning Public Housing properties.

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

The HRA continues to hold weekly office hours at two of the public housing complexes. This has allowed staff to form closer relationships with the tenants and create a venue in which to voice property safety and household concerns. It also allows staff to respond in a thoughtful and timely manner, as well be proactive rather than reactive when property concerns arise. Community rooms have been established two different properties to allow for space for events, meetings, etc. Partnerships are underway with Public Health, the local food shelf, mobile medical units and the public schools to provide services on-site on a rotating basis.

Staff has also formed a Resident Advisory Board (RAB). This provides the residents with a formal avenue to address their concerns about their property, and provide input on the annual PHA plan and any significant amendments to the Admin Plan or ACOP.

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

N/A

Discussion

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

Introduction

The City of Rochester does not administer homeless and other special needs activities directly.

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

The City of Rochester will continue to offer our considerations in funding requests to agencies that work with homeless persons (especially unsheltered persons) that assess their individual needs.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Rochester will continue to offer and consider requests to agencies that work with emergency shelter and transitional needs of homeless persons.

The Warming Center was awarded CDBG funding to run the operations through Catholic Charities, in turn providing 45 beds for individuals experiencing homelessness.

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 of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies that work with helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) making 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 Olmsted County HRA is an active member of the River Valleys Continuum of Care (CoC), which utilizes and prioritizes the use of coordinated entry for entry into programs funding by CoC/McKinney-Vento dollars, as well as several programs funded by MN Housing. Coordinated Entry is utilized to assess the needs of homeless families and individuals and better match them with appropriate services. Olmsted County has several sites where individuals/families take the VI-SPDAT assessment, which then puts their name on the coordinated entry list. Providers throughout the region share the same message and resources with individuals and families experiencing homelessness, so that everyone

is receiving the same message and access to services.

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.

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.

The City of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies that work with helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) making 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 Olmsted County HRA is an active member of the River Valleys Continuum of Care (CoC), which utilizes and prioritizes the use of coordinated entry for entry into programs funding by CoC/McKinney-Vento dollars, as well as several programs funded by MN Housing. Coordinated Entry is utilized to assess the needs of homeless families and individuals and better match them with appropriate services. Olmsted County has several sites where individuals/families take the VI-SPDAT assessment, which then puts their name on the coordinated entry list. Providers throughout the region share the same message and resources with individuals and families experiencing homelessness, so that everyone is receiving the same message and access to services.

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Discussion

The City will continue to offer our considerations in funding requests from agencies that assist with housing/supportive service needs of non-homeless persons with special needs.

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

Introduction:

The Rochester Comprehensive Plan was adopted by the City Council on April 16, 2018. The plan outlines barriers to affordable housing as well as considerations for the future which could impact affordable housing. Some findings include a significant growth in population by 2040 to be approximately 55,000 new residents, 50,000 new jobs, and approximately 24,000 new housing units to add to the city's housing stock. In addition to an overall increase in people, the demographic makeup and size of future households will have an impact on the need for affordable housing. The plan notes demographic changes such as an increase in married couples without children, single-person households, and a notable increase in individuals ages 65 and older. Rochester will also see an increase in low-income households as a result in lower wage jobs being added to support other new jobs.

Other barriers the Comprehensive Plan notes include:

- The City of Rochester annually hosts about 3 million visitors, due to the Mayo Clinic being our biggest economic driver.
- Rochester's physical structure is different in that it can be considered a suburb as well as a strong city with a central downtown—thus we will need to consider new infrastructure as well as rebuilding aging infrastructure throughout the city.
- As we look towards improving transportation modes, we must be strategic in placing mixed-use residential development to have a greater impact in costs associated with affordable housing.
- Land limitations and increasing property values act as barriers to affordable, new housing.
- The Olmsted County HRA is an active member of the River Valleys Continuum of Care (CoC), which utilizes and prioritizes the use of coordinated entry for entry into programs funding by CoC/McKinney-Vento dollars, as well as several programs funded by MN Housing. Coordinated Entry is utilized to assess the needs of homeless families and individuals and better match them with appropriate services. Olmsted County has several sites where individuals/families take the VI-SPDAT assessment, which then puts their name on the coordinated entry list. Providers throughout the region share the same message and resources with individuals and families experiencing homelessness, so everyone is receiving the same message and access to services.

During COVID 19, the HRA added a housing stability team to the department to assist homeless individuals with temporary and permanent housing. Two buildings were set up providing 30 individuals with single-room occupancy dwelling units, aiding in social distancing, stabilizing the client, and assess long-term housing options. The HRA utilized hotels to house individuals until permanent housing could be attained. More than 120 homeless households were assisted with permanent housing options.

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

Rochester is a growing community and that growth is anticipated to continue. Growth and change presents both opportunities and challenges. Long-range planning is needed to position the City to address its long-term needs; to be resilient; to support changing demographics; and to address housing demand, multi-modal transportation needs, growth in jobs and visitors, and more; while working with finite resources. Rochester's long-range planning effort, referred to as "Planning to Succeed" or P2S, has updated the City's Comprehensive Plan.

The City hired a consultant to transform our Land Development Manual and Zoning Ordinances to a Uniform Development Code (UDC) to help achieve the goals laid out in the Comprehensive Plan. On September 7, 2022, the City Council adopted the UDC. Implementation of the UDC began on January 1, 2023. The goals of the UDC:

- Help implement Rochester's 2018 Comprehensive Plan, Plan 2 Succeed (P2S);
- Expand housing diversity to provide an ample supply of the right type of housing in the right locations to meet the needs of a diverse and growing population;
- Improve community connectivity to provide convenient and efficient movement of people and goods to and throughout Rochester;
- Promote Rochester's commitment to health, wellness, and the environment; and
- Make the development standards as user-friendly as possible.

The City has added two new zoning districts: a Transit-Oriented Development (TOD) zone and an R2x zone, designed to encourage infill and redevelopment around key corridors and near the Downtown. Both zoning districts could aid affordable housing and align with CDBG goals by increasing density near jobs and Public Transportation, loosening land use controls, and encouraging residential investment. Other possible recommendations include supporting all people to have fair and equal access to adequate affordable housing, establishing a diverse mix of housing types, support housing in locations that contribute to a neighborhood identity, and avoid creating isolated residential developments, which are not part of a larger neighborhood.

The Olmsted County Board has authorized a levy of special benefit tax by the Olmsted County Housing and Redevelopment Authority (OCHRA) up to 0.0185 percent. This levy will support the OCHRA's housing programs, which include new construction of affordable housing and rehabilitation of existing housing units.

Discussion:

AP-85 Other Actions – 91.220(k)

Introduction:

The City of Rochester does not provide any programs that directly address the reduction of poverty level for persons (including worst-case & underserved needs, and persons with disabilities) residing within the City of Rochester. Most programs working with poverty level persons (including worse-case & underserved needs, and persons with disabilities) are addressed through the Community Services Department of Olmsted County (including the City of Rochester) and private non-profit agencies.

The City of Rochester acknowledges that the major obstacle to meeting underserved needs is the lack of funding and recognizes the need for such programs by supporting agencies that work with state and federal sources on obtaining financing for their programs. In addition, the City of Rochester ensures compliance with program and comprehensive planning requirements.

Agencies providing housing assistance continue to investigate funding sources to meet the needs of housing, and provide some incentives for builders, developers and property management / owners.

The City's primary focus to meeting undeserved needs is to provide affordable housing for poverty level persons. Here are our actions for resolution:

- Support the Olmsted County Housing and Redevelopment Authority in their efforts to administer the Section 8 Homeownership Program. The program provides homeownership assistance by sending part of the mortgage payment to the assisted family to send in with their share of the mortgage payment. Homeownership assistance eligibility available for 15 years.
- Encourage landlords to apply for a variance to the City of Rochester's Housing Code, requesting approval for additional persons in a rental unit for lease to families needing 3+ bedrooms. The procedure for applying for a variance is provided by the Olmsted County HRA when a client of the Section 8 Program is over-occupying a unit.

Actions planned to address obstacles to meeting underserved needs

The City of Rochester recognizes the need for such programs that assists in the elimination of barriers to affordable housing by supporting agencies that work with state and federal sources on obtaining financing for their programs.

The City of Rochester will continue to work with the Olmsted County HRA in establishing a rehabilitation program for existing housing with funding provided by the approved Olmsted County HRA tax levy.

As mentioned earlier, providing affordable housing is a priority. Here are other actions we are taking:

- Continue to offer financial assistance through the Community Development Block Grant program to the First Homes Program established by the Rochester Area Foundation.
- Support the Olmsted County Housing and Redevelopment Authority in their efforts to administer the Section 8 Homeownership Program. The program will provide homeownership

assistance by sending a portion of the mortgage payment to the assisted family to send in with their share of the mortgage payment. Homeownership assistance eligibility will be for up to 15 years.

- Encourage landlords to apply for a variance to the City of Rochester's Housing Code, requesting approval for additional persons in a rental unit for lease to families needing 3+ bedrooms. The procedure for applying for a variance is provided by the Olmsted County HRA when a client of the Section 8 Program is over-occupying a unit.

Actions planned to foster and maintain affordable housing

The City of Rochester recognizes the need for such programs that assists in the elimination of barriers to affordable housing by supporting agencies that work with state and federal sources on obtaining financing for their programs.

The City of Rochester will continue to work with the Olmsted County HRA in establishing a rehabilitation program for existing housing with funding provided by the approved Olmsted County HRA tax levy.

As mentioned earlier, providing affordable housing is a priority. Here are other actions we are taking:

- Continue providing Tax Increment Financing Assistance to developers as warranted based upon existing housing market conditions.
- Document the number of additional affordable units that become available through the Low Income Housing Tax Credit, Tax Increment Financing, First Homes Program and local non-profit housing providers.

Actions planned to reduce lead-based paint hazards

It is estimated that there are 48,000 housing units located within the City of Rochester. The Census shows that 53% (24,449) of the housing stock was built prior to 1979. A Study "Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Housing, Report to Congress, HUD December 7, 1990" states that 90% of homes built before 1940 contain lead-based paint and 62% of those built between 1960 and 1978.

All project contracts require compliance with the Lead Based Paint Poisoning Prevention Act.

All participants of the City's Home Rehabilitation Program are provided the brochure on the hazards of lead-based paint, and are required to complete and sign a lead-based paint certification. They are also required to sign acknowledgement of receiving a copy of the US Department of Housing and Urban Development Lead-Based Paint Notification form.

A lead-based paint risk assessment test and clearance is conducted on all rehabilitation projects

receiving CDBG funding for affordable housing.

Actions planned to reduce the number of poverty-level families

The City of Rochester does not provide any programs that directly address the reduction of poverty level for persons (including worst-case & underserved needs, and persons with disabilities) residing within the City of Rochester. Most programs working with poverty level persons (including worse-case & underserved needs, and persons with disabilities) are addressed through the Community Services Department of Olmsted County (including the City of Rochester) and private non-profit agencies.

The City of Rochester acknowledges that the major obstacle to meeting underserved needs is the lack of funding and recognizes the need for such programs by supporting agencies that work with state and federal sources on obtaining financing for their programs. In addition, the City of Rochester ensures compliance with program and comprehensive planning requirements.

Agencies providing housing assistance continue to investigate funding sources to meet the needs of housing, and provide some incentives for builders, developers and property management / owners.

Actions planned to develop institutional structure

The City of Rochester will continue to work in partnership with agencies that address affordable housing, youth services, senior services, and other public services to low and low-moderate income persons.

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

The City of Rochester works with several public and private agencies addressing the needs of low-moderate income persons, including but not limited to, affordable housing issues. The City supports numerous agencies by providing funding from the City's budget. Such agencies include: 125Live, RNeighbors, Youth Commission, SE MN Initiative Fund and Human Rights Commission. The City also supports local agencies by providing CDBG funding opportunities, if requested by the agency.

Through a cooperation agreement with the City of Rochester, the Rochester-Olmsted County Planning Department provides staffing for administration of the CDBG program and administration of the city's Home Rehabilitation Loan Program (CDBG funded) and its CDBG program.

Discussion:

Program Specific Requirements

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

Introduction:

The 2024 Action Plan is designated as year 5 of a 5 year overall benefit period consisting of 2020, 2021, 2022, 2023, and 2024.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects 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	100,000
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:	100,000

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.	90.00%