



# St. Louis County 5 Year Strategic Plan

This document includes Narrative Responses to specific questions that grantees of the Community Development Block Grant, HOME Investment Partnership, Housing Opportunities for People with AIDS and Emergency Shelter Grants Programs must respond to in order to be compliant with the Consolidated Planning Regulations.

## GENERAL

### Executive Summary

The St. Louis County Consolidated Plan is an application and strategy statement to the U.S. Department of Housing and Urban Development (HUD) addressing the county's housing and community development needs. The St. Louis County Consolidated Plan is a new five-year strategy covering the program years of 2010-2014. The FY 2010 Action Plan is incorporated into the document. The *2010-2014 Consolidated Plan* is a combination housing plan, community development plan and application for the following three U.S. Department of Housing and Urban Development entitlement programs:

- Community Development Block Grant (CDBG)
- Home Investment Partnerships (HOME)
- Emergency Shelter Grant (ESG)

The *2010-2014 Consolidated Plan* five-year strategy updates the county's previous five-year strategy issued in 2005 covering program years 2005-2009. The plan is a statement of how the county intends to spend its HUD entitlement funds in the area of housing and community development. Priorities are set in accordance with HUD directives.

The FY 2010 Action Plan is a statement of how the county intends to spend its HUD entitlement funds in the areas of housing and community development over the 2010 program year. The county's annual program year for Consolidated Plan purposes runs from May 1 – April 30.

The area served under the St. Louis County CDBG and ESG program is all of St. Louis County excluding the city of Duluth. The HOME program serves the Northeast Minnesota HOME Consortium which is composed of the five counties of Cook, Itasca, Koochiching, Lake, and St. Louis (excluding the city of Duluth). The city of Duluth receives a separate entitlement allocation from HUD.

### Objectives and Outcomes

St. Louis County's primary **objectives** to address the priority needs of citizens are:

- ***Create viable communities through infrastructure and accessibility improvements, and provision of community services.***
- ***Preserve and expand the supply of decent, affordable rental and owner-occupied housing through rehabilitation, development, home buyer assistance, and homeless/special needs housing support.***

- ***Expand economic opportunities through increased employment opportunities and an increased tax base.***

**Outcomes** are designed to capture the nature of the change or the expected result of the activity. HUD's outcome performance measures are framed in three categories:

***Availability/Accessibility:*** Applies to activities that make services, infrastructure, public services, public facilities, housing or shelter available or accessible to low- and moderate-income people, including persons with disabilities.

***Affordability:*** Applies to activities that provide affordability in a variety of ways to low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure, or services.

***Sustainability:*** Applies to activities that are aimed at improving communities or neighborhoods, helping make them livable or viable by providing benefit to low- and moderate-income persons or by removing or eliminating slums or blighted areas, through a range of activities or services.

## **Performance**

The St. Louis County programs are designed to meet our objectives, and, in particular, improve the lives of low-moderate income citizens. Accomplishments during the past four years include:

- Assisted over 350 families to become first time home buyers by providing counseling, education, access to low-interest mortgage products and down payment assistance
- Maintained existing housing stock by providing loans and grants to over 100 low-moderate income families
- Expanded affordable housing opportunities by developing 70 units of new owner-occupied or rental housing
- Expanded economic opportunities supporting initiatives that created over 120 jobs for low- and moderate- income persons and assisted 38 microenterprises with education and technical assistance
- Improved communities by removing blighted property, improving public infrastructure and removing physical barriers to public facilities
- Provided services to low- and moderate-income persons which improve their quality of life, promote self-sufficiency and reduce homelessness

St. Louis County will continue to leverage federal, state and local resources to create viable communities, preserve and expand the affordable housing stock and expand economic opportunities. The county has been significantly impacted by the recent economic downturn, particularly in the mining and timber industry. St. Louis County will continue to invest in existing infrastructure and position itself for economic growth with potential for several large scale developments.

## Strategic Plan

### Mission

In cooperation with local communities and agencies, use available federal, state and local resources to serve St. Louis County residents by improving and maintaining the existing housing stock, expanding the supply of affordable housing, promoting economic development, improving existing public infrastructure, removing blighted property, supporting community development and providing community services.

### General Questions

#### **1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed.**

Located in Northeastern Minnesota, St. Louis County is the largest county east of the Mississippi. St. Louis County is known for its spectacular natural beauty, including a national forest and a national park, the Boundary Waters Canoe Area, four state parks and 1,000 lakes. St. Louis County covers 7,000 square miles and shares its northern boundary with Canada and its southern boundary with Lake Superior.

St. Louis County is the home of 200,528 people, who live in small mining towns, farm communities, and in busy cities. Duluth has a population of 86,319 and the remainder of the population lives throughout the county in smaller cities and rural areas.

Duluth is the largest city and is the county seat. Duluth has an international airport, an international seaport and an active rail yard.

The major industries in St. Louis County are mining, wood and paper products, shipping and transportation, health care, and tourism.

The Northeast Minnesota HOME Consortium includes the five counties of Cook, Itasca, Koochiching, Lake, and St. Louis (excluding the city of Duluth).

Included in the Appendix is a map that illustrates the CDBG-eligible geographic areas within St. Louis County. The County will primarily designate funding to CDBG-eligible areas or to projects which benefit low-moderate income persons.

Included in the Appendix are two reports prepared by St. Louis County Planning and Development for the Range Readiness Initiative. These reports provide additional demographic and community profile information that support the St. Louis County's *2010-2014 Consolidated Plan*.

In 2000, the population of St. Louis County as a whole was 200,528. From 1990-2000, St. Louis County experienced only a minimal 1.2% growth in population. The city of Duluth, which is by far the largest population center in the region, grew at a very modest rate of 1.7%. The remainder of St. Louis County grew at an even slower rate of .8%. Throughout Minnesota, the average population increase was 12.4%. In 2008, the estimated population of the county was 196,864. This represents a loss of 1.8% total population. In contrast, the state of Minnesota saw an increase of 6.1% total population.

The median age of St. Louis County residents is 39 years, in contrast to the state median of 35.4 years. Not only are residents of this region older on average, the population is aging

faster than the state as a whole. Of the 5 largest cities in the county, Virginia had the highest median age of 43.2 years.

Once thought of as one of the most ethnically diverse areas of Minnesota, the service area's non-white population grew much slower as a percentage of the total population between 1990 and 2000 than in other regions of the state. In 2008 it was estimated that 94.3% of the population in St. Louis County was white, whereas the estimate for the state was 89.0%. American Indians are the largest minority group in the region, estimated in 2008 at 2.2% compared to 1.2% for the state.

Overall, the region can be characterized as an area with lower incomes, lower wages, lower home prices, and somewhat higher unemployment and poverty rates. A significant part of its economic base is in natural resource based industries such as mining, timber and tourism. Support industries to the primary base are found in manufacturing and repair that are subject to the same cyclical employment issues. The service industry jobs related to tourism are found in accommodations and food service which tend to have lower wages and be seasonal in nature, which may explain some of these economic characteristics.

Poverty statistics from 2007 indicates that St. Louis County had a poverty rate of 14.9 percent with the rate for the state of Minnesota at 9.5 percent. Of the 5 largest cities in the county, Virginia had the highest poverty rate of 15.85 percent. Employment information for the month of January 2010 indicates St. Louis County had an increase in its unemployment rate of 9.1 percent (up from 8.2 in December), compared to the not seasonally adjusted statewide rate which was 7.3 percent. The communities of Virginia and Hibbing also experienced increased unemployment rates over the month of December to 11.7 (10.7 December) and 11.4 (10.9 December) respectively. During the months of July and August these cities had unemployment rates of over 17 percent.

**2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a) (1)) and the basis for assigning the priority (including the relative priority, where required) given to each category of priority needs (91.215(a) (2)). Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.**

St. Louis County is an urban entitlement county for CDBG funding. The county has an annual competitive application process with project applications submitted in four categories; housing, economic development, physical improvement, and public services. Eligible applicants are cities, townships, and nonprofits operating within St. Louis County. Applications are reviewed by a Citizen Advisory Committee which provides a funding recommendation to the St. Louis County Board.

St. Louis County is the lead agency for the St. Louis County Consortium which also includes Cook, Itasca, Koochiching and Lake Counties. Similar to CDBG, there is an annual competitive allocation process. A HOME advisory board, comprised of representatives of each of the jurisdictions reviews applications and makes funding recommendations to the St. Louis County Board.

ESG funding is also allocated annually based on review and input from advisory group of public service providers. They provide a funding recommendation to the St. Louis County Board.

**3. Identify any obstacles to meeting underserved needs (91.215(a) (3)).**

Reductions and the uncertain availability of federal and state funds impact the ability to meet the needs of the underserved. The recent economic downturn has put additional pressures on the systems in place to serve this population. The lack of funding and capacity limits agencies and local government’s ability to undertake new initiatives. St. Louis County will work to address the following barriers:

- Increase employment opportunities for low- and moderate-income persons
- Remove physical barriers
- Remove impediments to fair housing and equal housing choice
- Remove barriers to affordable housing
- Foster relationships with public, private, nonprofit organizations to improve communities, expand housing opportunities and promote economic self sufficiency

**Managing the Process (91.200 (b))**

**1. Lead Agency. Identify the lead agency or entity for overseeing the development of the plan and the major public and private agencies responsible for administering programs covered by the consolidated plan.**

St. Louis County leads the coordination and administration of the U.S. Department of Housing and Urban Development (HUD) Community Planning and Development (CPD) formula programs which include:

- Community Development Block Grant (CDBG)
- HOME Investment Partnerships (HOME)
- Emergency Shelter Grant (ESG)

**2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.**

St. Louis County qualified for entitlement status as an urban county and assumed administrative responsibilities for the CPD programs in federal fiscal year 1992. These administrative responsibilities are held by the St. Louis County Planning and Development Department. This division provides centralized administration for the 23 cities, 72 townships, and 28 unorganized townships of the urban county entitlement. The city of Duluth receives a formula allocation of CPD funds directly from HUD as a metropolitan city.

St. Louis County also leads the coordination and administration of the five-county Northeast Minnesota HOME Consortium which includes the counties of Cook, Itasca, Koochiching, Lake, and St. Louis. Seventy-six units of local government make up the four non-urban counties of the Consortium. Because of the different geographic areas represented, the following definitions will apply when referring to the various jurisdictional geographic areas:

County: St. Louis County, excluding the city of Duluth.

Consortium: Counties of Lake, Cook, Itasca, Koochiching and St. Louis

**3. Describe the jurisdiction's consultations with housing, social service agencies, and other entities, including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons.**

As lead entity, St. Louis County strives to provide a coordinated approach to planning among the various jurisdictions, service providers, and other partners. The St. Louis County Board of Commissioners gives final approval to the Consolidated Plan and subsequent activities that address priority needs of the County and Consortium.

## **Citizen Participation (91.200 (b))**

**1. Provide a summary of the citizen participation process.**

St. Louis County consulted a wide range of individuals, groups, agencies and communities to gather information and gain insight into the community development, housing and homelessness needs of St. Louis County and the Consortium in preparing the Consolidated Plan. County staff members networked with many federal, state and county entities, including the following:

- U.S. Department of Housing and Urban Development (HUD)
- U.S. Department of Agriculture-Rural Development (RD)
- U.S. Army Corps of Engineers - Section 569 Program (USACE)
- Minnesota Department of Health
- Minnesota Housing Finance Agency (MHFA)
- Minnesota Department of Employment and Economic Development (DEED)
- Minnesota Department of Natural Resources (DNR)
- Minnesota Pollution Control Agency (MPCA)
- Minnesota Department of Transportation (MNDOT)
- Iron Range Resources (IRR)
- Iron Range Economic Alliance (IREA)
- Range Readiness Initiative
- University of Minnesota's Natural Resources Research Institute (NRRI)
- University of Minnesota Extension
- St. Louis County Public Health and Human Service Department
- Northeast Minnesota Office of Job Training - Workforce Centers
- MHFA Regional Housing Advisory Group (RHAGs)
- Rural St. Louis County Housing Coalition
- St. Louis County Committee to End Homelessness
- Arrowhead Regional Development Commission (ARDC)
- The Northspan Group
- Northland Foundation
- Cook County
- Itasca County
- Koochiching County
- Lake County
- Twelve public housing authorities within the Consortium
- Regional housing and nonprofit service providers
- Approximately 100 communities within St. Louis County

St. Louis County maintains contact with these entities during the normal course of conducting community development business. Coordinated efforts with economic development entities

throughout the region have intensified due to the ongoing economic challenges of the area.

The St. Louis County Planning and Development Department and HRA staff continued its facilitation role with various entities involved in the CPD programs. County and HRA staff members promote cooperation and coordination of private nonprofit agencies to address housing issues throughout the county. HRA staff members also promote strategies that result in the development of affordable housing. Staff members actively participate in the Rural St. Louis County Housing Coalition, St. Louis County Committee to End Homelessness, Fair Housing Committee, Northeast Minnesota HOME Consortium, Northeast Minnesota Regional Housing Alliance, Range Readiness Initiative and the Iron Range Economic Alliance. The County maintains day-to-day working relationships with area service providers and other entities that provide funding resources.

The St. Louis County Citizen Participation Plan sets the foundation to develop stronger relationships with citizens. St. Louis County supports and encourages the participation of citizens, community groups, and interested agencies in both the development and evaluation of programs and activities included in the Consolidated Plan. Increasing citizen and community involvement is important to gain a better understanding of the needs in the county and to develop effective strategies to address those needs. The Citizen Participation Plan sets forth a process to be followed at both the community and county levels.

Currently, there are three advisory committees involved in the Consolidated Plan process:

- The St. Louis County Board of Commissioners appoints a 19-member citizen advisory committee. Members are carefully selected to provide a fair and balanced representation of county citizens and their interests. The committee's primary responsibility is to recommend the annual distribution of CDBG project funds to the County Board. The committee bases its recommendation on the County's objectives and the established program guidelines.
- The HOME program has a 10-member advisory committee composed of one county commissioner and one housing-knowledgeable individual from each participating county. The committee meets twice each year to gain a better understanding of the housing needs in the Consortium, develop effective strategies to address those needs, and to make recommendations to the County Board on the use of HOME funds.
- The Rural St. Louis County Housing Coalition serves as the advisory committee for the ESG program. The coalition representatives include professional staff members from private nonprofit housing-related and social service agencies that deliver services to homeless individuals and families. The coalition meets monthly to discuss concerns related to homelessness and to develop effective strategies to address those concerns. The coalition evaluates the ESG initiatives and makes recommendations to the County Board on the proposed use of ESG funds.

The complete St. Louis County *Citizen Participation Plan* is provided in the Appendix.

**2. Provide a summary of citizen comments or views on the plan.**

No comments were received on the plan.

**3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-**

**English speaking persons, as well as persons with disabilities.**

*Notice of Public Hearings and Accommodations*

Public notice is given in advance of all advisory committee meetings in area newspapers. A 10-day notice is given for county board public hearings and a 3-day notice for business meetings. Meetings are held in buildings that are accessible to persons with disabilities. Accommodations are made to meet the needs of attendees who do not speak English or who have hearing loss. The County purchases interpreter or translator services when requested.

*Access to Information and Records*

Records and documents for the CDBG, HOME, and ESG programs are maintained by the St. Louis County Planning and Development and are open and available to the general public for inspection and use during regular business hours. All documents are available in electronic format for ease in transmitting to requesting parties. Documents are also available on the County's web site.

*Technical Assistance*

The Planning and Development Department provides technical assistance to any community or community group to develop funding proposals for any HUD Community Planning and Development program included in the St. Louis County Consolidated Plan. The level and type of technical assistance varies depending on need. Each August, annual workshops are held to describe the CDBG program application process and to make communities and nonprofits aware of the opportunity to apply for annual funding. The workshops cover:

- An explanation of the available programs
- Anticipated funding levels for the programs
- Federal objectives
- Eligible and ineligible activities
- Environmental clearance requirements
- Labor standards
- Funding timeline
- Application content and forms

Participating communities and nonprofit agencies receive notification of the meetings by both postal and electronic mail and a public meeting notice is published both in a regional newspaper and on the County website.

St. Louis County solicits and receives pre-applications in September of each year for projects from communities and agencies that could meet housing and community development objectives. Planning and Development staff members conduct site visits to review the federal objectives and activity eligibility and provide one-on-one technical assistance as needed. Final CDBG applications are received in August of each year. Technical assistance continues to be provided to any applicant, individual, or agency throughout the year.

St. Louis County Planning and Development recently adjusted its program year from a calendar year to a fiscal year commencing May 1. The listing of information meetings below reflects the previous program year schedule.

### Informational Meetings Held during 2009 and 2010

- April 1 & 2 Public hearings were held in Proctor and Mountain Iron in order to accommodate respective south and north regions of the county. Notice was published in area newspapers for these meetings providing time, location, and purpose. The hearings were held to report on FY 2009 program accomplishments; to solicit citizens' views and input on housing, community development, and homeless needs, and to obtain citizens recommended prioritization of needs for FY 2010.
- Sept 3 The CDBG Citizen Advisory Committee held a public meeting in Mountain Iron to hear presentations from each applicant for FY 2010 funding. Notice was published in local newspapers and on the county website providing the time, location, and purpose of the meeting.
- Sept 24 The CDBG Citizen Advisory Committee held a public hearing in Mountain Iron to receive comments on their initial recommendations for FY 2010 CDBG funding. Following the hearing, the advisory committee finalized their recommendations and adopted a resolution recommending 28 projects to the St. Louis County Board for inclusion in the *2010 Action Plan*.
- Sept 25 The Northeast Minnesota HOME Consortium Advisory Committee met in Virginia to develop the proposed use of FY 2010 HOME funds. The Advisory Committee adopted a resolution supporting the proposed use of funds in the *2010 Action Plan*.
- February 16 The St. Louis County Board set a public hearing to receive citizen comments on the *2010-2014 Consolidated Plan and 2010 Action Plan* and authorized publication of a public hearing notice scheduled for March 2, 2010 at the Duluth Courthouse.
- March 2 The St. Louis County Board held a public hearing in Duluth to receive citizen comments on the established priorities and funding recommendations included in the *2010-2014 Consolidated Plan and 2010 Action Plan*. Following the hearing, the county board adopted a resolution authorizing the submission of the *2010-2014 Consolidated Plan and 2010 Action Plan* to the U.S. Department of Housing & Urban Development.

The County held a series of public meetings and hearings during the process of developing the 2010 Action Plan, but such meetings do not exhaust efforts to promote public awareness of the CPD programs. Each applicant jurisdiction must hold at least one public hearing at the community level for their proposed CDBG project as part of the County's submission requirements. In addition, a series of meetings are held throughout the year to develop the County's *Continuum of Care Plan*. Those meetings are attended by low-income housing advocates, social service advocates, service providers, community representatives and county and city of Duluth staff members.

### Public Comment

A notice was published in area newspapers and listed on the County website on January 22, 2010 informing the public that the established priorities and funding recommendations included in the *2010 Action Plan* would be available for review and comment from February 5 through March 8, 2010 with hard copies available in the offices of the St. Louis County Planning and Development offices in Virginia and Duluth. The public notice provided the time, location, and purpose of the public review and allowed 30 days for comment.

**4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.**

No comments were received on the plan.

**Institutional Structure (91.215 (i))**

**1. Explain the institutional structure through which the jurisdiction will carry out its consolidated plan, including private industry, non-profit organizations, and public institutions.**

As the lead agency for the Consolidated Plan submission, St. Louis County Planning and Development Department and HRA staff members consult and coordinate with agencies to improve the assessment and planning process for priority housing and community needs. The Planning and Development Department continually implements actions that will enhance the evaluation and allocation process of the CDBG, HOME, and ESG programs. The St. Louis County Public Health and Human Services Department has assumed the facilitator role in the development of the County's *Continuum of Care Plan*. The St. Louis County Planning and Development Department provides technical assistance to communities that undertake comprehensive and/or long-range planning processes.

The County Planning and Development Department coordinates strategy sessions between County Public Health and Human Services, HRA, Public Works Department, Environmental Services, Corrections, and the Land Departments, Cook County, Lake County, Soil and Water Conservation Districts, Board of Water and Soil, Minnesota Department of Natural Resources, and Arrowhead Regional Development Commission. Partner and networking relationships with both public and private regional economic development organizations in northeastern Minnesota are ongoing. Staff membership and participation in the Iron Range Economic Alliance, Economic Development Association of Minnesota, Minnesota Association of Professional County Economic Developers, Minnesota Community Capital Fund, Arrowhead Growth Alliance, MHFA-RHAGs, St. Louis County Committee to End Homelessness, St. Louis County Fair Housing Committee, and Rural St. Louis County Housing Coalition will continue over the next five years.

St. Louis County and the five-county Consortium will continue to work together to plan actions and coordinate resource delivery to provide housing assistance in northeastern Minnesota. Successful models will be shared among the five counties.

Each of the twelve public housing authorities throughout the five-county region is independently managed with its own governance board. St. Louis County's relationship with those authorities is limited to working closely to coordinate housing placement with support services offered through the CPD-funded projects. The County will work with public housing authorities to evaluate vacancy issues and to develop strategies to ensure there is no loss of affordable housing units for low income people.

Currently, there are no gaps in the institutional structure required to carry out our strategy to address priority needs. Also, there are no "troubled" public housing jurisdictions within the Consortium area.

**2. Assess the strengths and gaps in the delivery system.**

**Coordination**

St. Louis County has demonstrated leadership in coordinating Consolidated Plan strategy implementation throughout the county and Consortium area. Planning and Development Department and HRA staff members facilitate housing and economic development planning to develop viable strategies and projects. The Planning and Development Department and HRA work with the private nonprofit community to identify gaps in housing for low income renters and special needs populations and to develop housing programs to fill identified gaps. The process that was employed in the development of the non-housing community development strategy has strengthened our working relationships and opened new lines of communication between the county and our participating urban county communities.

Coordination between the County and housing and homeless service providers will be enhanced through the technology-based Homeless Management Information System currently in use. A shared computerized system for common intake of clients will allow for more efficient inter-agency referral. It will also provide demographic and statistical data needed for reporting and assessing needs, and to assist in the analysis of gaps in service.

The County encourages a collaborative effort among public, private, and nonprofit organizations. Housing and economic development representatives meet regularly to share information to maximize the use of federal, state, and local funds for affordable housing, community development, and related services throughout the county.

**3. Assess the strengths and gaps in the delivery system for public housing, including a description of the organizational relationship between the jurisdiction and the public housing agency, including the appointing authority for the commissioners or board of housing agency, relationship regarding hiring, contracting and procurement; provision of services funded by the jurisdiction; review by the jurisdiction of proposed capital improvements as well as proposed development, demolition or disposition of public housing developments.**

**Public Housing**

The service area included in St. Louis County and the Consortium incorporates twelve public housing authorities (PHAs). The independent structure and active involvement of the boards of directors for each of the PHAs has developed their autonomy and effectiveness at running their respective operations.

The jurisdiction's interaction with the PHAs has not historically involved funding projects specific to public housing. St. Louis County Planning and Development staff, along with members of several of the PHAs, regularly attends regional housing meetings such as the Minnesota Housing Finance Agency – Regional Housing Advisory Group (RHAGs), the Range Readiness Initiative Housing Work Team, and the Rural St. Louis County Housing Coalition. These forums have facilitated collaborative project development between the PHAs and the nonprofit service providers throughout the Consortium. Projects undertaken have focused on serving both public housing residents and the low-income residents in the region.

**HUD Income Levels**

St. Louis County uses HUD Low and Moderate Annual Income Guidelines to establish eligibility for its programs. HUD estimates of median family income are based on the 2000 Census data. Estimates are updated using a combination of local Bureau of Labor Statistics data and Census Divisional data. Low to moderate income (L/MI) is defined by family size and income limits annually established by HUD.

As of March 2009 St. Louis County L/MI levels were as follows:

Family Size	Low Income	Moderate Income
1	\$20,950	\$33,550
2	\$23,950	\$38,300
3	\$26,950	\$43,100
4	\$29,950	\$47,900
5	\$32,350	\$51,750
6	\$34,750	\$55,550
7	\$37,150	\$59,400
8	\$39,550	\$63,250

### Monitoring (91.230)

1. Describe the standards and procedures the jurisdiction will use to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

St. Louis County uses both on-site and remote monitoring of projects to ensure compliance with program and planning requirements. Each agency or community that is initially funded through the CPD programs has an on-site monitoring visit to test the adequacy of their accounting system. No changes have been made to the monitoring plans to date. Monitoring Plans for CDBG, HOME, and ESG programs follow:

#### St. Louis County CDBG Monitoring Plan Introduction

In order for St. Louis County to comply with its monitoring responsibilities of Subrecipient projects funded under Title I of the Housing and Community Development Act of 1974, as amended, the following Monitoring Plan has been implemented:

**Monitoring Plan Objectives:** The objectives are to ensure that Subrecipients:

- Comply with all regulations governing their administrative, financial, and programmatic operations; and
- Achieve their performance objectives within schedule and budget.

St. Louis County will carry out the statutorily mandated responsibility to review Subrecipient performance as cited in the CDBG regulations at 24 CFR 570.501 (b):

*The recipient is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise, such as the actions described in §570.910...*

Subpart J of 24 CFR Part 85 "Uniform Administrative Requirements for Grants and

Cooperative Agreements to State and Local Governments” is more explicit about monitoring Subrecipients:

*Grantees are responsible for managing the day-to-day operations of grant and sub-grant supported activities. Grantees must monitor...sub-grant supported activities to assure compliance with applicable Federal requirements and performance goals are being achieved. Grantee monitoring must cover each program, function, or activity.*

## **Priority Needs Analysis and Strategies (91.215 (a))**

- 1. Describe the basis for assigning the priority given to each category of priority needs.**
- 2. Identify any obstacles to meeting underserved needs.**

### **Overview**

*The 2010-2014 Consolidated Plan* represents a collaborative process. The County along with cities, townships, Consortium members, and citizens identified housing, homeless and community development needs, and then established goals, priorities and strategies to address those needs. The goals, priorities and strategies are reviewed annually. This review coincides with the County Board’s approval of the one year action plan and funding allocations.

The County has developed a strategic vision which integrates economic, physical, environmental, community, and human development concerns in a comprehensive and coordinated fashion so that families and communities in St. Louis County can work together and thrive. CPD programs alone cannot fund all of the priority needs, but by developing partnerships with communities and other key stakeholders and funders, St. Louis County can have an impact in achieving community goals.

St. Louis County’s primary objectives to address priority needs of citizens include the following:

### **Provide Decent Affordable Housing**

***Preserve and expand the supply of affordable housing through new construction, rehabilitation and home ownership opportunities.***

Meet individual, family or community needs, through housing programs including:

- Homeownership assistance
- Rental property rehabilitation
- Owner occupied property rehabilitation
- Rental housing production
- Lead-based paint assessment activities
- Housing for homeless persons (shelters, permanent housing, supportive housing, transitional)
- Housing for persons with special needs (such as housing for persons with disabilities)
- Housing counseling or supportive services
- Accessibility modifications
- Demolition or clearance related to housing

### **Create Economic Opportunities**

***Expand economic opportunities through increased employment opportunities and an increased tax base.***

Implement activities that support economic development, commercial revitalization or job creation including:

- Micro-enterprise assistance
- Add and/or improve infrastructure of office or industrial parks to attract businesses (including roads, water, sewer, utilities or transportation)
- Flood control, remediation, demolition or clearance related to economic development
- Technical assistance and/or training to businesses
- Employment skills training

### **Create Suitable Living Environment**

***Create viable communities through infrastructure and accessibility improvements, and through provision of community services.***

Improve and enhance communities and/or families by providing access to services and improving safety and livability of their living environment including:

- Community and recreational facilities
- Water, sewer or storm sewer system improvements
- Improving roads and sidewalks which present safety hazards
- Utilities
- Flood and drainage control
- Environmental remediation or code enforcement (such as brownfields clean-up, clearance types of activities, lead-based paint management or code enforcement)
- Downtown revitalization
- Targeted community/neighborhood revitalization
- Public services (such as homeless activities)
- Supportive human services

### **Relative Priority**

In meeting these objectives, the County Board established four general categories for use of CDBG funds. The four categories reflect the annual CDBG allocation of funds.

- Housing
- Physical Improvements
- Economic Development
- Public Services

St. Louis County includes approximately 100 units of local governmental jurisdictions and what might be a high priority in one jurisdiction may be a low priority in another jurisdiction. A community's priority activity must be consistent with a community plan in order to be considered for funding.

The assignment of relative priority was based on the analysis of information gathered from community meetings; an extensive community development needs survey of cities and townships, and through consultations with regional homeless, housing and economic

development groups. Meetings were held with more than 20 cities and townships during November and December to gather information about community needs and priorities. Private nonprofit organizations that serve low income and homeless populations and representatives of the five-county Consortium provided additional information for this analysis through local and regional forums. Information to support funding priorities was also gathered from private nonprofit agencies through the Continuum of Care planning process.

The County's CDBG program focuses primarily on "bricks and mortar" projects which address aging public infrastructure, housing preservation and affordable housing development. Economic development activities focus on job creation. Public service activities are directed toward very-low income clientele emphasizing basic human and community needs. Within each CDBG category there is a system of guides that assist in the decision making process for the various activities to be supported and funded. The same is true for the HOME and ESG programs.

HUD-CPD programs are primarily used to leverage other resources. Investments made by the County's CPD programs have successfully leveraged significant resources to the benefit of our area. Such leverage of additional resources to a project is the County's primary method of meeting the objectives listed above. A minimum of 30% is expected to be expended during the 5 years covering this Consolidated Plan for affordable housing activities. A minimum of 40% of CDBG funds will be expended over five years for physical improvement activities and a maximum of 12% will be expended over five years for CDBG public service activities. A minimum of 8% of CDBG funds will be expended over 5 years for activities which create or retain jobs.

Obstacles to meeting these goals may include lack of capacity at the local community level to carry out certain activities, limited number and lack of capacity of nonprofit organizations to develop affordable housing, and a shortage of qualified licensed contractors to carry out housing rehabilitation projects. State and federal financial cuts to nonprofit organizations, as well as to city and township budgets, may create major obstacles to meeting community goals during the next 5 years.

## **Lead-based Paint (91.215 (g))**

- 1. Estimate the number of housing units that contain lead-based paint hazards, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, and are occupied by extremely low-income, low-income, and moderate-income families.**
- 2. Outline actions proposed or being taken to evaluate and reduce lead-based paint hazards and describe how lead based paint hazards will be integrated into housing policies and programs, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.**

### *Lead-Based Paint Hazards*

In an effort to evaluate and reduce lead-based paint hazards, the County will continue to place emphasis on educating homeowners and tenants of structures built prior to 1978. The County worked with its housing program administrators to develop a comprehensive packet of information notifying homeowners and tenants of the dangers and symptoms of lead-based paint poisoning, and preventative measures regarding lead-based paint.

The Planning and Development Department consults with the County's Public Health and

Human Services Department regarding lead-based paint, radon, and other environmental issues residents may experience. As an urban county entitlement, St. Louis County is required to integrate lead-based paint regulations to the CDBG- and HOME-funded housing rehabilitation programs and projects. Planning and Development staff members participate in HUD lead-based paint training when provided and distribute information about training opportunities to all housing program administrators.

Lead-based paint regulations initially resulted in increased administrative costs for project oversight, decreased program production, and increased activity completion times. The County continues to address these issues by information sharing with other local, state and federal agencies.

## Estimates of Regional Housing Conditions Indications of Units with Lead-Based Paint

Location and Tenure Type	Units Built Prior to 1940			Units Built 1940-1959			Units Built 1960-1979			Units Built Post 1979	Total Housing Units	Presumed % of Total Units With LBP
	Total Units	Total W/LBP	Children Present	Total	Total W/LBP	Children Present	Total	Total W/LBP	Children Present			
<b>Cook County</b>	269	242	38	424	339	51	662	410	60	995	2,350	42%
Owner Occupied	230	207	31	316	253	34	485	301	45	807	1,838	41%
Renter Occupied	39	35	7	108	86	17	177	110	15	188	512	45%
<b>Itasca County</b>	2,455	2,210	360	3,685	2,948	425	6,485	4,021	620	6,605	19,220	48%
Owner Occupied	2,080	1,872	295	3,185	2,548	345	4,385	2,719	445	5,490	15,135	47%
Renter Occupied	375	338	65	500	400	80	2,100	1,302	175	1,115	4,085	50%
<b>Koochiching County</b>	1,144	1,030	165	1,589	1,271	191	2,184	1,354	201	1,123	6,040	61%
Owner Occupied	914	823	123	1,220	976	132	1,772	1,099	165	950	4,856	60%
Renter Occupied	230	207	41	369	295	59	412	255	36	173	1,184	64%
<b>Lake County</b>	1,105	995	160	1,353	1,082	157	1,388	861	128	800	4,646	63%
Owner Occupied	860	774	116	1,142	914	123	1,192	739	111	708	3,902	62%
Renter Occupied	245	221	44	211	169	34	196	122	17	92	744	69%
<b>St. Louis</b>	10,725	9,653	1,275	12,460	9,968	1,495	13,100	8,122	1,140	12,675	48,960	57%
Owner Occupied	8,850	7,965	850	10,600	8,480	1,150	10,300	6,386	895	9,945	39,695	58%
Renter Occupied	1,875	1,688	425	1,860	1,488	345	2,800	1,736	245	2,730	9,265	53%
<b>Consortium Totals</b>	15,698	14,128	1,998	19,511	15,609	2,319	23,819	14,768	2,149	22,198	81,226	55%
Owner Occupied	12,934	11,641	1,416	16,463	13,170	1,784	18,134	11,243	1,661	17,900	65,431	55%
Renter Occupied	2,764	2,488	583	3,048	2,438	535	5,685	3,525	488	4,298	15,795	54%

The *Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Structures*, suggests that, based on the construction date, the following percent of homes with lead-based paint is: before 1940 – 90%; 1940 to 1959 – 80%; 1960 to 1979 – 62%; 1980 and later – 0%.

## HOUSING

### Housing Needs (91.205)

1. Describe the estimated housing needs projected for the next five year period for the following categories of persons: extremely low-income, low-income, moderate-income, and middle-income families, renters and owners, elderly persons, persons with disabilities, including persons with HIV/AIDS and their families, single persons, large families, public housing residents, victims of domestic violence, families on the public housing and section 8 tenant-based waiting list, and discuss specific housing problems, including: cost-burden, severe cost-burden, substandard housing, and overcrowding (especially large families).
2. To the extent that any racial or ethnic group has a disproportionately greater need for any income category in comparison to the needs of that category as a whole, the jurisdiction must complete an assessment of that specific need. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.

#### *Projected Housing Needs*

The housing needs and housing market analysis components which follow continue to support the priorities for programs established by St. Louis County and the Consortium. Those programs include:

- Owner-occupied and rental housing rehabilitation
- Home ownership assistance
- Housing development fund
- Community Housing Development Organization (CHDO) development through rehabilitation and construction of single family housing units

The jurisdiction's efforts will focus on program expansion through funding diversification.

The 2000 Census data provides a baseline for the following discussion of the housing needs for St. Louis County and the Northeast Minnesota HOME Consortium. Updated information was received through ongoing participation in regional housing groups and regional focus group meetings. The discussion will address housing needs related to the income levels of 4 categories of renter and owner households:

- Extremely low-income households (0-30% of median family income)
- Low-income households (31-50% of median family income)
- Moderate-income households (51-80% of median family income)
- Upper-income households (greater than 80% of median family income)

One of the first and most important points to note from the Census data is the predominance of home ownership (82%) versus rental (18%) throughout our service area. These figures are consistent with the 1990 Census data.

## Extremely Low-Income Households

### Renters

Approximately 28% of all renters are households that fall into the extremely low income category. This represents a 3% reduction when compared with the 1990 Census data. The extremely low income group also experiences a high percentage of housing problems (64%) and cost burden > 30% of their income (62%). In terms of household make-up, 33% are elderly, 25% are small, related households, and 39% are "other" households. Housing problems and cost burdens weigh heavily on all extremely low income renters. Although at 4% large-related families are the smallest group represented, they experience housing problems and cost burdens in greater percentage than do the other households.

### Owners

Applying similar analysis to the ownership group reveals that only 8% of all owners fall into the extremely low income category. This rate is comparable to the 1990 Census rate. However, they experience similar percentages of housing problems (67%) and cost burden > 30% of their income (64%). The household makeup is mostly elderly (48%). While all renter categories face high cost burden rates at the >30% of income level, the elderly group fares considerably better at the >50% cost burden level. The elderly group has limited and often fixed income and is impacted by increasing property tax and energy costs, but most own their homes debt free. The "all other owners" category includes young working families that experience the same energy and property tax costs, but also have the additional burden of mortgage payments.

## Low-Income Households

### Renters

The low income category represents 23% of all renters. Their incidence of housing problems and cost burden > 30% of income as a group is less than the extremely low income group, but they have far less incidence of cost burden > 50% of income. Household make-up is still primarily elderly (39%) with small related households at 25%, large related at 5%, and all other households at 31%.

### Owners

While the percent of total renters in this income category declined between extremely low income and low income, the percent of total owners increased from 8% to 11%. The elderly represent 53% of the group, but experience housing problems and cost burden rates substantially less than the balance of the group. The non-elderly owners incurred housing problems and cost burden > 30% at rates of 58% and 53% respectively while these rates for the elderly were correspondingly 25% and 23%. When comparing the incidence rate of cost burden > 50% between the extremely low income and the low income group the rate falls from 40% to 16% respectively.

## Moderate-Income Households

### Renters

Moderate-income renters represent 22% of all renters. This income level is the turning point at which marked decreases occur in both the housing problems and cost burden percentages for the group. It is also the point where the household make-up is no longer primarily the elderly, although they remain 25% of the group. All other households make

up 31% of moderate-income renters followed by small related households at 31% and large related households at 8%. When comparing incidence rates between the low- and moderate-income categories, the cost burden > 30% rates for the large related group drops from 40% to 9% and for the all other group from 49% to 11% as their respective incomes begin to support market rental rates. The cost burden > 50% rates become almost nonexistent at this income level.

### **Owners**

Owners with moderate-incomes make up 18% of total home owners. The household breakdown of the group is comparable to previous trends at 45% elderly and 55% other households. For the elderly group, the housing problem and cost burden rates are 12% and 11% respectively. While the rates are far lower than these same rates for the low income group, the rates are double those reported from 1990 Census data. The elderly have had to push back their retirement age, experienced reductions in planned retirement income, and have been unable to retire their mortgage debt to coincide with the income reductions.

The incidence rate of housing problems and cost burden for the other groups in the moderate-income category again drop by almost half, but 36% still incur housing problems and 30% experience a cost burden > 30%. The cost burden >50% rates also fall sharply from those reported in the low income category. However, both the housing problem and cost burden rates are higher than those reported with the 1990 Census data.

The moderate-income category has been affected by the economic changes in our service area as we move from an economy rooted in natural resources to a more service- and commercial-oriented economy. The jobs lost in the mining industry and its supporting industries are being replaced by lower-paying jobs in the commercial service area.

## **Upper-Income Households**

### **Renters**

The obvious correlation between income level and housing problem rates and cost burden rates shows up dramatically at the upper-income level. For the group as a whole, housing problem and cost burden rates dropped markedly. Individually, the large related households reported housing problems at a rate of 22%. This group has low rate of cost burden >30% (6%), but rental payments are still perceived to be excessive in relation to household income. For the elderly, housing problems impacted 6% of the group and a close percentage incurred cost burden > 30%. Their incidence of cost burden >50% becomes negligible.

Small related households make up 32% of the group, elderly 21%, large related households 6%, and all other households 41%.

### **Owners**

Upper-income owners represent 63% of total owners. The incidence of housing problems is greatest in the large family group at 19% and cost burden > 30% is greatest in the all other households group. Cost burden > 50% is minimal for the entire group. The split between elderly and all other owners moved from about 45/55 to 21/79 when compared with the moderate-income group.

**General Comments**

As mentioned earlier in the discussion, renters as a whole represent only 18% of all households in our service area. However, 73% of the renter households have an income less than 80% of the median. Stated another way--of the 14,722 renter households in our service area 10,788 may positively benefit from resources directed to rental-related programs that target income levels at 80% of median or less.

In contrast, home owners make up 82% of the service area's households and 37% of the owner households have an income at 80% or less than the median. The 37% equates to 25,023 households that may benefit from ownership-related programs targeted by income.

**Area of Minority Concentration**

For the jurisdiction, an area of minority concentration is defined as any census tract within the jurisdiction that has a minority population percentage of 21.5% or greater. There are no such areas within the Consortium that are off reservation lands.

**Area of Low-Income Concentration**

Areas of low-income concentration are defined as those that qualify under the Qualified Census Tract (QCT) definition used with the Low-Income Housing Tax Credit Program. A QCT is any census tract in which at least 50% of the households have an income less than 60% of the Area Median Gross Income (AGMI) or where the poverty rate is at least 25%. There is one QCT (#130) within the city of Virginia in St. Louis County that meets the definition.

Housing Problems Output for -All Households

Name of Jurisdiction: <b>Cnsrt-St Louis County(HOME), Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	2,705	1,863	310	2,626	7,504	6,510	3,043	778	2,462	12,793	20,297
<b>2. Household Income &lt;=30% MFI</b>	1,354	993	144	1,570	4,061	2,633	1,323	290	1,273	5,519	9,580
3. % with any housing problems	51.9	69.9	94.4	67.1	63.7	59.3	75.4	82.8	72.5	67.4	65.8
4. % Cost Burden >30%	51	68.3	80.6	64.8	61.6	56.7	72.6	71	66.1	63.5	62.7
5. % Cost Burden >50%	25.8	48.4	38.9	45.5	39.4	28.7	54.2	50.3	47.1	40.2	39.9
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	1,351	870	166	1,056	3,443	3,877	1,720	488	1,189	7,274	10,717
7. % with any housing problems	37.5	52.2	77.1	51.5	47.4	24.5	56.2	66	57.8	40.2	42.5
8. % Cost Burden >30%	36.9	45.6	40.4	48.5	42.8	22.6	53.5	52.5	50.7	36.5	38.5
9. % Cost Burden >50%	14	3.9	2.4	9.7	9.6	9.4	21	20.9	27.2	15.8	13.8
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	804	1,026	246	1,198	3,274	5,437	3,764	1,192	1,837	12,230	15,504
11. % with any housing problems	19	19	37.8	14.7	18.8	11.9	33.2	42.8	37	25.2	23.9
12.% Cost Burden >30%	17	12.6	9.3	10.8	12.8	11	29.2	26.8	32.4	21.3	19.5
13. % Cost Burden >50%	1.7	0	0	0.7	0.7	3.5	6.7	6.2	9.6	5.7	4.6
<b>14. Household Income &gt;80% MFI</b>	822	1,269	250	1,603	3,944	8,970	24,701	3,817	5,411	42,899	46,843
15. % with any housing problems	6.1	7.1	22	4.6	6.8	5	6.8	19.4	12.5	8.3	8.2
16.% Cost Burden >30%	4.6	0	6	2.9	2.5	4.2	4.7	6.1	8.5	5.2	5
17. % Cost Burden >50%	1	0	0	0.5	0.4	0.4	0.7	0.6	1.4	0.7	0.7
<b>18. Total Households</b>	4,331	4,158	806	5,427	14,722	20,917	31,508	5,787	9,710	67,922	82,644
19. % with any housing problems	32.6	34.5	51.1	34	34.7	17.2	15.6	31.3	30.5	19.6	22.3
20. % Cost Burden >30	31.5	29	27.4	31.4	30.5	16	13.2	17.5	25.7	16.2	18.8
21. % Cost Burden >50	12.9	12.4	7.4	15.3	13.4	6.4	4.8	6	12.1	6.4	7.7

Housing Problems Output for -All Households

Name of Jurisdiction: <b>Cook County, Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	77	44	4	85	210	107	77	12	73	269	479
<b>2. Household Income &lt;=30% MFI</b>	37	22	4	33	96	53	41	0	44	138	234
3. % with any housing problems	59.5	81.8	100	42.4	60.4	81.1	65.9	N/A	90.9	79.7	71.8
4. % Cost Burden >30%	59.5	81.8	0	42.4	56.3	73.6	56.1	N/A	68.2	66.7	62.4
5. % Cost Burden >50%	32.4	63.6	0	30.3	37.5	26.4	46.3	N/A	68.2	45.7	42.3
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	40	22	0	52	114	54	36	12	29	131	245
7. % with any housing problems	30	36.4	N/A	73.1	50.9	44.4	88.9	66.7	65.5	63.4	57.6
8. % Cost Burden >30%	30	36.4	N/A	73.1	50.9	37	77.8	66.7	65.5	57.3	54.3
9. % Cost Burden >50%	20	0	N/A	19.2	15.8	22.2	38.9	0	51.7	31.3	24.1
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	22	34	4	63	123	126	108	22	79	335	458
11. % with any housing problems	0	0	0	22.2	11.4	17.5	39.8	63.6	36.7	32.2	26.6
12. % Cost Burden >30%	0	0	0	6.3	3.3	14.3	26.9	18.2	31.6	22.7	17.5
13. % Cost Burden >50%	0	0	0	0	0	3.2	3.7	18.2	19	8.1	5.9
<b>14. Household Income &gt;80% MFI</b>	16	68	4	103	191	320	590	94	209	1,213	1,404
15. % with any housing problems	0	20.6	0	3.9	9.4	6.3	16.1	30.9	28.2	16.7	15.7
16. % Cost Burden >30%	0	0	0	0	0	5	6.8	16	13.9	8.2	7.1
17. % Cost Burden >50%	0	0	0	0	0	1.3	1.7	0	1.9	1.5	1.3
<b>18. Total Households</b>	115	146	12	251	524	553	775	128	361	1,817	2,341
19. % with any housing problems	29.6	27.4	33.3	27.9	28.2	19.7	25.4	39.8	40.7	27.7	27.9
20. % Cost Burden >30	29.6	17.8	0	22.3	22.1	16.8	15.5	21.1	28.5	18.9	19.6
21. % Cost Burden >50	17.4	9.6	0	8	10.3	6.1	6.1	3.1	17.7	8.2	8.7

Housing Problems Output for -All Households

Name of Jurisdiction: <b>Itasca County, Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	597	359	69	391	1,416	1,353	726	217	522	2,818	4,234
<b>2. Household Income &lt;=30% MFI</b>	292	218	30	206	746	545	303	89	250	1,187	1,933
3. % with any housing problems	52.1	70.2	100	73.3	65.1	52.5	73.6	78.7	76	64.8	64.9
4. % Cost Burden >30%	49.3	70.2	86.7	71.4	63	49.9	72.3	67.4	70.4	61.2	61.9
5. % Cost Burden >50%	23.6	50	40	52.9	40.1	26.4	55.8	53.9	45.2	39.9	40
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	305	141	39	185	670	808	423	128	272	1,631	2,301
7. % with any housing problems	47.9	64.5	74.4	48.6	53.1	26.6	49.2	72.7	61.4	41.9	45.2
8. % Cost Burden >30%	47.9	58.9	35.9	43.2	48.2	25.1	48.2	57.8	54.4	38.6	41.4
9. % Cost Burden >50%	28.9	2.8	0	5.4	15.2	10.9	18.9	26.6	30.9	17.5	16.9
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	212	260	79	214	765	1,192	917	274	379	2,762	3,527
11. % with any housing problems	26.9	28.8	55.7	6.5	24.8	12.8	36.8	34.3	42	26.9	26.4
12. % Cost Burden >30%	25	17.3	19	6.5	16.6	11.6	34.6	25.2	35.6	23.9	22.3
13. % Cost Burden >50%	1.9	0	0	0	0.5	2.9	6.4	3.6	9.2	5	4
<b>14. Household Income &gt;80% MFI</b>	179	329	33	367	908	1,911	5,470	859	990	9,230	10,138
15. % with any housing problems	13.4	7.3	12.1	3.3	7	4.2	7.3	16.2	11.1	7.9	7.8
16. % Cost Burden >30%	11.2	0	0	1.1	2.6	3.6	5.1	8	8.6	5.4	5.2
17. % Cost Burden >50%	0	0	0	0	0	0.7	0.7	2.3	2	1	0.9
<b>18. Total Households</b>	988	948	181	972	3,089	4,456	7,113	1,350	1,891	14,810	17,899
19. % with any housing problems	38.4	36.2	59.1	27.5	35.5	16.5	16.4	29.3	33.1	19.7	22.5
20. % Cost Burden >30	36.7	29.6	30.4	25.2	30.6	15.3	14.3	20.1	28.8	17	19.3
21. % Cost Burden >50	16.3	11.9	6.6	12.2	13.1	6.3	4.9	8.3	13.3	6.7	7.8

Housing Problems Output for -All Households

Name of Jurisdiction: <b>Koochiching County, Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	305	160	30	187	682	497	209	54	137	897	1,579
<b>2. Household Income &lt;=30% MFI</b>	202	73	18	88	381	232	79	30	68	409	790
3. % with any housing problems	48	94.5	100	60.2	62.2	76.7	94.9	66.7	64.7	77.5	70.1
4. % Cost Burden >30%	48	89	100	55.7	60.1	75	84.8	53.3	64.7	73.6	67.1
5. % Cost Burden >50%	28.7	68.5	22.2	44.3	39.6	44.8	69.6	40	42.6	48.9	44.4
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	103	87	12	99	301	265	130	24	69	488	789
7. % with any housing problems	28.2	59.8	100	39.4	43.9	26.8	65.4	41.7	43.5	40.2	41.6
8. % Cost Burden >30%	28.2	55.2	66.7	35.4	39.9	23.8	53.8	41.7	43.5	35.5	37.1
9. % Cost Burden >50%	0	4.6	0	0	1.3	8.7	19.2	41.7	29	16	10.4
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	64	70	25	70	229	447	265	74	72	858	1,087
11. % with any housing problems	21.9	0	0	0	6.1	8.3	22.6	59.5	16.7	17.8	15.4
12. % Cost Burden >30%	21.9	0	0	0	6.1	8.3	22.6	32.4	16.7	15.5	13.5
13. % Cost Burden >50%	15.6	0	0	0	4.4	3.1	7.5	18.9	5.6	6.1	5.7
<b>14. Household Income &gt;80% MFI</b>	93	45	24	119	281	783	1,689	255	394	3,121	3,402
15. % with any housing problems	4.3	0	0	11.8	6.4	5.5	5	11.8	9.9	6.3	6.3
16. % Cost Burden >30%	4.3	0	0	11.8	6.4	5	3.5	3.9	8.9	4.6	4.7
17. % Cost Burden >50%	4.3	0	0	3.4	2.8	0.5	0.2	0	2.5	0.6	0.8
<b>18. Total Households</b>	462	275	79	376	1,192	1,727	2,163	383	603	4,876	6,068
19. % with any housing problems	31.2	44	38	28.2	33.6	19.1	14.1	27.2	20.7	17.7	20.8
20. % Cost Burden >30	31.2	41.1	32.9	26.1	32	18.1	11.8	15.7	20.1	15.4	18.6
21. % Cost Burden >50	15.6	19.6	5.1	11.4	14.5	8.4	4.8	9.4	10.4	7.1	8.6

Housing Problems Output for -All Households

Name of Jurisdiction: <b>Lake County, Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	144	96	4	116	360	316	165	18	98	597	957
<b>2. Household Income &lt;=30% MFI</b>	43	49	0	62	154	102	76	0	68	246	400
3. % with any housing problems	76.7	79.6	N/A	67.7	74	57.8	75	N/A	79.4	69.1	71
4. % Cost Burden >30%	76.7	79.6	N/A	61.3	71.4	50	69.7	N/A	79.4	64.2	67
5. % Cost Burden >50%	32.6	49	N/A	22.6	33.8	11.8	51.3	N/A	57.4	36.6	35.5
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	101	47	4	54	206	214	89	18	30	351	557
7. % with any housing problems	36.6	25.5	100	63	42.2	21	66.3	22.2	53.3	35.3	37.9
8. % Cost Burden >30%	28.7	25.5	100	63	38.3	19.2	61.8	22.2	40	31.9	34.3
9. % Cost Burden >50%	4	8.5	0	7.4	5.8	13.6	33.7	0	13.3	17.9	13.5
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	62	59	8	31	160	337	176	70	87	670	830
11. % with any housing problems	12.9	6.8	50	38.7	17.5	9.8	29	50	42.5	23.3	22.2
12. % Cost Burden >30%	12.9	0	0	25.8	10	9.8	24.4	28.6	33.3	18.7	17
13. % Cost Burden >50%	0	0	0	0	0	1.2	4.5	0	4.6	2.4	1.9
<b>14. Household Income &gt;80% MFI</b>	34	118	14	74	240	742	1,334	204	399	2,679	2,919
15. % with any housing problems	0	3.4	28.6	5.4	5	3	5.5	6.9	14.8	6.3	6.2
16. % Cost Burden >30%	0	0	0	0	0	2.4	2.5	0	8.8	3.2	3
17. % Cost Burden >50%	0	0	0	0	0	0	0.3	0	0	0.1	0.1
<b>18. Total Households</b>	240	273	26	221	760	1,395	1,675	292	584	3,946	4,706
19. % with any housing problems	32.5	21.6	46.2	41.6	31.7	11.4	14.4	18.2	28.4	15.7	18.3
20. % Cost Burden >30	29.2	18.7	15.4	36.2	27	10.3	11	8.2	22.3	12.2	14.6
21. % Cost Burden >50	7.5	10.3	0	8.1	8.4	3.2	4.8	0	8	4.4	5

Housing Problems Output for -All Households

Name of Jurisdiction: <b>St Louis County(CDBG), Minnesota</b>		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renters	Elderly 1 & 2 member households	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
<b>1. Household Income &lt;=50% MFI</b>	1,494	1,139	192	1,735	4,560	3,924	1,667	372	1,380	7,343	11,903
<b>2. Household Income &lt;=30% MFI</b>	747	588	86	1,134	2,555	1,569	707	118	707	3,101	5,656
3. % with any housing problems	49.7	64.8	90.7	66.8	62.1	57	74.8	89.8	71.1	65.6	64
4. % Cost Burden >30%	49.1	62.8	76.7	65	60.2	54.7	74.3	78	64.9	62.4	61.4
5. % Cost Burden >50%	24.5	44.7	46.5	45.7	39.3	27.7	54.5	44.1	47.5	39	39.1
<b>6. Household Income &gt;30% to &lt;=50% MFI</b>	747	551	106	601	2,005	2,355	960	254	673	4,242	6,247
7. % with any housing problems	34.7	50.1	67.9	51.4	45.7	21.4	55.2	67.7	55.7	37.2	40
8. % Cost Burden >30%	34.7	41.9	29.2	48.4	40.5	19.5	52.5	48.8	48.6	33.3	35.6
9. % Cost Burden >50%	11.6	4	3.8	10.3	8.7	7.3	19.3	17.3	22.7	13.1	11.7
<b>10. Household Income &gt;50 to &lt;=80% MFI</b>	421	570	92	792	1,875	3,221	2,194	680	1,149	7,244	9,119
11. % with any housing problems	16.4	19.8	34.8	16.2	18.2	10.7	31.3	40.1	34.4	23.4	22.4
12.% Cost Burden >30%	13.5	14.2	4.3	11.7	12.5	9.9	26.9	24.7	30.5	19.7	18.2
13. % Cost Burden >50%	0	0	0	1	0.4	3.8	5.9	6.8	7.8	5.3	4.3
<b>14. Household Income &gt;80% MFI</b>	473	692	154	911	2,230	5,086	15,581	2,314	3,326	26,307	28,537
15. % with any housing problems	4.2	6.1	27.9	4	6.3	4.7	5.9	20.8	10.4	7.6	7.5
16.% Cost Burden >30%	2.5	0	9.7	2.6	2.3	3.9	4.4	5.4	7.2	4.8	4.6
17. % Cost Burden >50%	0.8	0	0	0	0.2	0.3	0.6	0.2	0.8	0.5	0.5
<b>18. Total Households</b>	2,388	2,401	438	3,438	8,665	12,231	19,442	3,366	5,855	40,894	49,559
19. % with any housing problems	30.1	33.8	51.4	35.8	34.5	16.2	13.7	30.7	27.7	17.8	20.8
20. % Cost Burden >30	29.1	28.4	26.5	33.3	30.4	15	11.9	15.1	23.5	14.8	17.5
21. % Cost Burden >50	11.5	11.9	10	17.1	13.7	6.1	4.1	4.3	10.4	5.6	7

<b>Number Of Renter Households With Cost Burden</b>					
<b>Income Group</b>	<b>Elderly</b>	<b>Small Related</b>	<b>Large Related</b>	<b>Other Households</b>	<b>Total</b>
Extremely low income (0-30% median)	691	678	116	1,017	2,502
Low income (31-50% median)	499	397	67	512	1,475
Moderate-income (51-80% median)	137	129	23	129	418
Upper-income (81-95% median)	38	0	15	46	99
<b>TOTALS</b>	<b>1,365</b>	<b>1,204</b>	<b>221</b>	<b>1,704</b>	<b>4,494</b>

## Priority Housing Needs (91.215 (b))

1. Identify the priority housing needs and activities in accordance with the categories specified in the Housing Needs Table (formerly Table 2A). These categories correspond with special tabulations of U.S. census data provided by HUD for the preparation of the Consolidated Plan.

Priority Housing Needs				
Household Types			Priority Need Level High, Medium, Low	Unmet Need
Renter	Small Related	0-30%	H	680
		31-50%	H	400
		51-80%	M	130
	Large Related	0-30%	H	120
		31-50%	H	70
		51-80%	M	30
	Elderly	0-30%	H	690
		31-50%	H	500
		51-80%	M	140
	All Other	0-30%	H	1,020
		31-50%	H	520
		51-80%	M	130
Owner	0-30%	H	3,500	
	31-50%	H	2,650	
	51-80%	M	2,600	
Special Needs	0-80%	M	3,000	
<b>Total Goals</b>				<b>16,180</b>
<b>Total Section 215 Affordable Housing Owner Goals</b>				<b>675</b>
<b>Total Section 215 Affordable Housing Renter Goals</b>				<b>100</b>
<b>Total Section 215 Affordable Housing Goals</b>				<b>775</b>

**Definition: Section 215 Affordable Housing**

*Rental housing units* are considered to be affordable when occupied by L/MI families or individuals and there is a rent that is lesser of (1) the existing Section 8 fair market rent for comparable units in the area or (2) are 30% of the adjusted income of a family whose income equals 65% of the median income for the area.

*Home ownership housing* qualifies as affordable housing if (1) it is purchased by an L/MI homebuyer who makes the housing their principal residence and (2) has a sales price that does not exceed HUD's mortgage limit for the area. Housing to be rehabbed and owned by a family when assistance is provided qualifies as affordable housing if the housing (1) occupied by L/MI family which uses the house as its principal residence and (2) has a value after rehab that does not exceed HUD's mortgage limit for the type of single family housing for the area.

2. Provide an analysis of how the characteristics of the housing market and the severity of housing problems and needs of each category of residents provided the basis for determining the relative priority of each priority housing need category.
3. Describe the basis for assigning the priority given to each category of priority needs.
4. Identify any obstacles to meeting underserved needs.

This information is contained in sections 91.205 and 91.210.

## Housing Market Analysis (91.210)

1. Based on information available to the jurisdiction, describe the significant characteristics of the housing market in terms of supply, demand, condition, and the cost of housing; the housing stock available to serve persons with disabilities; and to serve persons with HIV/AIDS and their families. Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation.
2. Describe the number and targeting (income level and type of household served) of units currently assisted by local, state, or federally funded programs, and an assessment of whether any such units are expected to be lost from the assisted housing inventory for any reason, (i.e. expiration of Section 8 contracts).
3. Indicate how the characteristics of the housing market will influence the use of funds made available for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units. Please note, the goal of affordable housing is not met by beds in nursing homes.

### Housing Market Analysis

Our discussion of the housing market conditions throughout St. Louis County and the Northeast Minnesota HOME Consortium is based on the data analysis and input from regional housing-related groups and service providers. St. Louis County Planning and Development staff regularly attends and actively participate in the Range Readiness Initiative Housing Work Team, Regional Housing Advisory Group (RHAGs). Staff also maintains contact with the St. Louis County Committee to End Homelessness, and the Rural St. Louis County Housing Coalition. Commissioners and housing related agency leaders from each of the five counties in the Consortium also provided input included in the discussion. The citizen participation section of the Consolidated Plan lists additional informational meetings that provided input to this section.

In discussion of the housing needs and conditions within the Consortium, these terms, when used, will be defined as follows:

***Standard Condition Housing:*** Housing that in its initial construction and current condition meets the requirements for Group R occupancies as set forth in Chapter 12 of the Uniform Building Code (1988 Edition); these requirements describe basic structural conditions and living situations (e.g., height and allowable area, exits and emergency escapes, light, ventilation, sanitation, heating, room dimensions, smoke

detectors and sprinkler systems, fire alarms, and the like) and are not concerned with cosmetic conditions of the dwelling.

***Substandard Condition Housing:*** Housing which falls into one of two categories based upon assessment of whether or not it may be suitable for rehabilitation:

- *Substandard Condition Housing not Suitable for Rehabilitation:* defined as any housing that is damaged, dilapidated or deteriorated from any cause to the extent of more than 60% of the value of a similar new building.
- *Substandard Condition Housing Suitable for Rehabilitation:* defined as any housing not meeting the definition of *standard housing* nor meeting the definition of *substandard housing not suitable for rehabilitation*.

## Home Ownership

Home owners in our service area outnumber renters by more than four to one. This preference for owner-occupied housing coupled with an extremely low market availability rate (1.4%) creates an imbalance between supply and demand. At a market availability rate of less than 5%, housing choice in terms of location, price, style, and amenities is quite limited.

The low market availability rate is in part attributable to the economic decline and population loss experienced between 1980 and 1990. During this period, many housing units were abandoned and demolished. Most of those units were the affordable units. Although we are now experiencing improved economic conditions, the area has seen very limited development of new, low-cost units. Ongoing housing development has been targeted primarily to seasonal vacation properties and upscale single family housing.

Limited housing choice results in very little mobility or turnover in the housing market. Households are somewhat prohibited from upgrading their housing as their income and family conditions change. The effect on first time home buyers and lower income households is that low turnover reduces the “free up” of the affordable units which are attractive to them.

Economically speaking, limited choice or supply in comparison with ownership preference or demand may also indicate that housing prices are higher than they would be in a more balanced market. First time home buyers and lower income households are the hardest hit by this condition. This conclusion is supported by the cost burden percentages reflected for owners in the Housing Problems Table at an income level of less than 50% of the area median.

The low market availability rate is a substantial problem in and of itself. It is further complicated with a high percentage of the housing stock in substandard condition. Estimates based on the Census data indicate that at least 48% of the area's housing stock is more than 40 years old and 25-30% of the housing is more than 60 years old. With the average life span of a home estimated to be 40-50 years, a significant number of units in our service area are in *poor* to *fair* condition at best. The Estimate of Substandard Units table that follows places as many as 29,282 owner occupied units in need of rehabilitation.

A majority of the affordable units are the older housing units. Therefore, not only do the supply and price of affordable units impact lower income households, these same

units are more likely to be in substandard condition. The lower household income also prohibits homeowners from being able to afford the rehabilitation of their housing, often resulting in further deterioration.

**Renters**

The 2000 Census data projects a vacancy rate of 9.5% for rental units in our service area. Vacancy rates vary across the region with rental unit shortages noted in an Itasca County housing study and higher vacancy rates noted in St. Louis County (excluding Duluth).

Rental vacancies directly affect the property owner’s ability to support debt and, more importantly, ongoing property maintenance and improvement. This problem is affirmed by the Estimate of Substandard Units table that estimates more than 50% or approximately 7,025 of the rental units as substandard.

Analysis indicates that approximately 51% of all the renter households were at an income level of less than 50% of the area median. This factor influences the relatively low market rates for rental housing in our service area. The low rates further limit landlords’ abilities to maintain or improve their rental units. Income levels, coupled with the vacancy rate, strongly suggest the potential for large numbers of substandard units in the region.

The 2010 Fair Market Rent (FMR) for St. Louis County is calculated by HUD and adjusted by the number of bedrooms in a rental unit:

<b>Efficiency</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>
\$409	\$499	\$629	\$790	\$1,006

HUD uses 30% of income paid for rent as its presumed affordability level. In reality, paying 30% of household income for rent leaves little margin in the budget for low-income households.

The table below displays rent that is presumed affordable at different income levels. The true market rate that would be determined by the economics of supply and demand in our service area is considerably lower than the FMR because the majority of the renter households are low and extremely low-income households. To afford the Fair Market Rent for a two-bedroom unit and pay no more than 30% of their income for rent, a household must earn at least \$12.19 per hour and work 40 hours per week.

<b>Two-Bedroom Rental Unit in St. Louis County</b>	
Fair Market Rent - St. Louis County (HUD 10/1/09)	\$629.00
An extremely low-income 3-person household paying 30% of adjusted mfi <sup>1</sup> can afford a maximum monthly rent of	\$403.75
At minimum wage <sup>2</sup> , a household can afford a monthly rent of	\$319.80
A 3-person household receiving TANF <sup>3</sup> grant can afford monthly rent of	\$301.50

<sup>1</sup>St. Louis County median family income (mfi) \$59,900 (HUD 3/19/2009)

<sup>2</sup>\$6.15/hour and \$12,792 annually

## Selected Housing Data for the Northeast Minnesota HOME Consortium

	Cook County		Itasca County		Koochiching County		Lake County		St. Louis County		Consortium Area	
<b>Housing Units</b>	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Total Units	4,708		24,528		7,719		6,840		58,806		102,601	
Occupied Units	2,350	49.9%	17,789	72.5%	6,040	78.2%	4,646	67.9%	47,119	80.1%	77,944	76.0%
Seasonal/Recreational Units	2,255	47.9%	5,747	23.4%	1,117	14.5%	1,830	26.8%	8,712	14.8%	19,661	19.2%
Other	103	2.2%	992	4.0%	562	7.3%	364	5.3%	2,975	5.1%	4,996	4.9%
<b>Occupancy Status</b>	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Total Occupied Units	2,350		17,789		6,040		4,646		47,119		77,944	
Owner occupied	1,839	78.3%	14,768	83.0%	4,858	80.4%	3,902	84.0%	38,910	82.6%	64,277	82.5%
Renter occupied	511	21.7%	3,021	17.0%	1,182	19.6%	744	16.0%	8,209	17.4%	13,667	17.5%
<b>Vacancy Status</b>	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Total Vacant Units	2,358		6,739		1,679		2,194		11,687		24,657	
For Rent	35	1.5%	141	2.1%	143	8.5%	85	3.9%	894	7.6%	1,298	5.3%
For Sale	19	0.8%	219	3.2%	125	7.4%	56	2.6%	477	4.1%	896	3.6%
Sold, Not Occupied	16	0.7%	120	1.8%	22	1.3%	23	1.0%	398	3.4%	579	2.3%
Seasonal	2,255	95.6%	5,747	85.3%	1,117	66.5%	1,830	83.4%	8,712	74.5%	19,661	79.7%
For Migrant	2	0.1%	4	0.1%	0	0.0%	0	0.0%	1	0.0%	7	0.0%
Other Vacant	31	1.3%	508	7.5%	272	16.2%	200	9.1%	1,205	10.3%	2,216	9.0%
<b>Vacancy Status w/o Seasonal Units</b>	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Total Vacant Units	103		992		562		364		2,975		4,996	
For Rent	35	34.0%	141	14.2%	143	25.4%	85	23.4%	894	30.1%	1,298	26.0%
For Sale	19	18.4%	219	22.1%	125	22.2%	56	15.4%	477	16.0%	896	17.9%
Seasonal	16	15.5%	120	12.1%	22	3.9%	23	6.3%	398	13.4%	579	11.6%
For Migrant	2	1.9%	4	0.4%	0	0.0%	0	0.0%	1	0.0%	7	0.1%
Other Vacant	31	30.1%	508	51.2%	272	48.4%	200	54.9%	1,205	40.5%	2,216	44.4%
<b>Average Household Size</b>												
Total	2.17		2.43		2.33		2.32		2.32			
Owner occupied	2.29		2.52		2.44		2.39		2.47			
Renter Occupied	1.77		1.99		1.86		1.95		1.88			
<b>Renter Occupied Vacancy Rate</b>	<b>6.8%</b>		<b>4.7%</b>		<b>12.1%</b>		<b>11.4%</b>		<b>10.9%</b>		<b>9.5%</b>	
<b>Owner Occupied Vacancy Rate</b>	<b>1.0%</b>		<b>1.5%</b>		<b>2.6%</b>		<b>1.4%</b>		<b>1.2%</b>		<b>1.4%</b>	

## Specific Housing Objectives (91.215 (b))

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve over a specified time period.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the strategic plan.

## Additional Housing Market Analysis

Revisions to the HUD Consolidated Plan submission requirements include the following:

*“Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation. If you believe that you do not have any relevant data, please state this.”*

At present, an estimate of the number of vacant or abandoned buildings is not collected or available for St. Louis County or the Consortium.

## Housing – Fair Housing

As part of the 2010-2014 Consolidated Plan process, St. Louis County Planning and Development staff facilitated fair housing planning and analyzed the results for the *Analysis of Impediments to Fair Housing Choice*. St. Louis County certifies that an *Analysis of Impediments to Fair Housing Choice* was completed and is on file in the office of the Planning and Development Department and is included in the Appendix.

## Needs of Public Housing (91.210 (b))

1. In cooperation with the public housing agency or agencies located within its boundaries, describe the needs of public housing, including the number of public housing units in the jurisdiction, the physical condition of such units, the restoration and revitalization needs of public housing projects within the jurisdiction, and other factors, including the number of families on public housing and tenant-based waiting lists and results from the Section 504 needs assessment of public housing projects located within its boundaries (i.e. assessment of needs of tenants and applicants on waiting list for accessible units as required by 24 CFR 8.25). The public housing agency and jurisdiction can use the optional Priority Public Housing Needs Table (formerly Table 4) of the Consolidated Plan to identify priority public housing needs to assist in this process.

## Public Housing Needs

The geographic size of the service area included in St. Louis County CPD programs and the NE MN HOME Consortium incorporates twelve public housing authorities (PHAs). The independent structure and active involvement of the boards of directors for each of the PHAs has developed their autonomy and effectiveness at running their respective operations.

The jurisdiction's interaction with the PHAs has not historically involved funding projects specific to public housing. Staff of St. Louis County Planning and Development along with several of the PHAs regularly attends regional housing meetings such as the Minnesota Housing Finance Agency – Regional Housing Advisory Group (RHAGs), the Range Readiness Initiative Housing Work Team, and the Rural St. Louis County Housing Coalition. These forums have facilitated collaborative project development between the PHAs and the nonprofit service providers throughout the Consortium. Projects undertaken have focused on serving both public housing residents and the low-income residents in the region.

The following tables show the number of units and Section 8 Certificates/Vouchers managed by each of the listed PHAs that exist in the Consortium.

### Public Housing Inventory

PHA	0/1-BR	2-BR	3-BR and Larger	Total Units
Itasca County	32	6	2	40
Chisholm	65	20	24	109
Two Harbors	56	4	0	60
Ely	102	13	6	121
Hibbing	179	39	32	250
Gilbert	48	1	0	49
International Falls	78	2	0	80
Grand Rapids	92	0	0	92
Cook	47	9	4	60
Eveleth	6	16	12	34
Virginia	171	68	36	275
<b>Totals</b>	<b>868</b>	<b>232</b>	<b>129</b>	<b>1227</b>

Tenant-Based Section 8 Certificates and Vouchers	
Housing Authority	Number of Section 8 Certificates and Vouchers
Duluth - Southern St. Louis County*	1428
Virginia - Northern St. Louis County	505
Itasca County	204
Koochiching County	128
Total	2266

*\* The numbers for Duluth are included due to their provision of service to the area of southern St. Louis County outside the City of Duluth.*

Local PHAs wrestle with balancing the numbers of vouchers available and voucher dollar value. With HUD funding changes in 2004, PHAs stopped receiving fixed dollar amounts per voucher and were instead given a funding pool for vouchers. The pool provided latitude for PHAs to set voucher amounts relative to individual markets, but HUD cuts to the pool ultimately resulted in fewer vouchers available for clients. PHAs employ the following measures to maintain balance with voucher numbers and voucher values:

- *The PHAs are reducing the number of vouchers issued through attrition.* When a client relinquishes or “turns over” a voucher, it is not being reissued.
- *Portability review.* Previously, an assisted household could take its voucher from one PHA jurisdiction to another nationwide. The issuing jurisdiction was billed by the new jurisdiction for the voucher cost even if the rent was higher in the new jurisdiction. Under portability review, the issuing jurisdiction may deny portability if the rent in the new jurisdiction is higher than its limits or limit the portability amount to the issuing PHA’s rent limits.
- *Staffing cuts or reduced hours of office operation.* Administration of the Section 8 program is staff intensive. It requires inspection of units for compliance with Housing Quality Standards (HQS), and processing staff for the monthly landlord reimbursement. Cuts to staff in either area may jeopardize the quality of one of the nation’s foremost affordable housing programs.

The result of HUD changes and the PHA response measures will be growth in the PHA waiting lists for public housing units and Section 8 vouchers. To emphasize the concern, the area’s PHAs have experienced funding cuts to the Section 8 program in times of increased need.

The public housing needs table provides insight into other areas of need and priority for the PHAs in the region and estimates the financial requirements to meet these needs. In general, units in all the agencies are in good condition. Priorities for capital improvement, modernization, and rehabilitation reflect ongoing planned activities for the next five years. The Section 504 needs assessment of accessibility found the agencies to be currently meeting these needs of their residents to the best of their ability.

**Priority Public Housing Needs - Local Jurisdiction**

Public Housing Need Category	PHA Priority Need Level				Estimated Dollars to Address
	H	M	L	NA	
<b>Restoration and Revitalization</b>					
Capital Improvements		H			3,800,000
Modernization		H			2,400,000
Rehabilitation		H			3,700,000
Other (Specify) HOPE VI		H			4,500,000
<b>Management and Operations</b>		M			475,000
<b>Improved Living Environment</b>					
Neighborhood Revitalization (non-capital)		M			100,000
Capital Improvements		M			20,000
Safety/Crime Prevention/Drug Elimination		H			105,000
Other (Safety)		M			25,000
<b>Economic Opportunity</b>					
Resident Services/Family Self Sufficiency		M			550,000
Other (Specify)					
<b>Total</b>					<b>\$ 15,675,000</b>

## Public Housing Strategy (91.210)

1. Describe the public housing agency's strategy to serve the needs of extremely low-income, low-income, and moderate-income families residing in the jurisdiction served by the public housing agency (including families on the public housing and section 8 tenant-based waiting list), the public housing agency's strategy for addressing the revitalization and restoration needs of public housing projects within the jurisdiction and improving the management and operation of such public housing, and the public housing agency's strategy for improving the living environment of extremely low-income, low-income, and moderate families residing in public housing.
2. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake to encourage public housing residents to become more involved in management and participate in homeownership. (NAHA Sec. 105 (b)(11) and (91.215 (k))
3. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation. (NAHA Sec. 105 (g))

## Public Housing Strategy

Information submitted by PHAs identifies some of the resident programs/services currently provided and those to be expanded or developed in the next five years. PHAs are pro-active in the provision of services which enhance the quality of life for their residents. Because of the number and diversity of the PHAs in the Consortium some of the services may be provided at one location and in need of development at another.

### Currently Provided

- Nutrition sites
- Scheduled bus transportation
- Resident Councils
- On-site maintenance staff
- Regularly scheduled activities
- Hearing aid services
- Diabetes testing/blood pressure testing
- Income tax preparation assistance
- Assisted living program
- On-site grocery store
- Community room/kitchen for group functions
- Family Investment Center
- Beauty shop
- Day care

### To Be Developed or Expanded

- On-site assisted living availability
- Additional handicapped accessible units
- Job search/training
- After school child care
- Self-sufficiency development training
- Service networking-connection - others
- Family Investment Center services
- Transportation
- Community room

## Public Housing Resident Initiatives

Programs currently available to public housing residents, such as Home Ownership Assistance and Money Management, have been funded through the use of CDBG and HOME programs. The focus of Planning and Development has been to serve public housing residents, as well as the broader L/MI clientele in the region. This focus is necessitated by

the existence of twelve separate PHAs in the entitlement areas for which CDBG and HOME funding are received and a commitment to strive for equitable service throughout the region.

None of the region's public housing agencies have been HUD designated as "troubled" or poorly performing.

## **Barriers to Affordable Housing (91.210 (e) and 91.215 (f))**

- 1. Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, particularly those of the local jurisdiction. Such policies include tax policy affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.**

Public policies are not viewed as creating an undue or inequitable burden on affordable housing. The County's efforts have instead focused on the following identified barriers:

- Lack of capacity to develop housing by nonprofit organizations.
- High cost of new housing construction vs. expected return on investment.
- Enormity of the need for rehabilitation and the tendency to focus on "worst case" versus comprehensive area rehab.
- Low market rents historically paid by renters.
- Poor soil conditions and bed rock which escalate infrastructure costs.
- Relatively low population density.
- Lack of innovation in construction methods.
- Limited involvement of developers and the local financial community in regional development.

- 2. Describe the strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing, except that, if a State requires a unit of general local government to submit a regulatory barrier assessment that is substantially equivalent to the information required under this part, as determined by HUD, the unit of general local government may submit that assessment to HUD and it shall be considered to have complied with this requirement.**

The *FY 2010-2014 St. Louis County Fair Housing Analysis of Impediments to Fair Housing Choice* and the *Fair Housing Executive Summary and Plan* are included in an appendix to the Consolidated Plan.

## **HOMELESS**

### **Homeless Needs (91.205 (b) and 91.215 (c))**

Homeless Needs— The jurisdiction must provide a concise summary of the nature and extent of homelessness in the jurisdiction, (including rural homelessness and chronic homelessness where applicable), addressing separately the need for facilities and services for homeless persons and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with Table 1A. The summary must include the characteristics and needs of low-income individuals and children, (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered. In addition, to the extent information is available, the plan must

include a description of the nature and extent of homelessness by racial and ethnic group. A quantitative analysis is not required. If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates.

## **Priority Homeless Needs**

- 1. Using the results of the Continuum of Care planning process, identify the jurisdiction's homeless and homeless prevention priorities specified in Table 1A, the Homeless and Special Needs Populations Chart. The description of the jurisdiction's choice of priority needs and allocation priorities must be based on reliable data meeting HUD standards and should reflect the required consultation with homeless assistance providers, homeless persons, and other concerned citizens regarding the needs of homeless families with children and individuals. The jurisdiction must provide an analysis of how the needs of each category of residents provided the basis for determining the relative priority of each priority homeless need category. A separate brief narrative should be directed to addressing gaps in services and housing for the sheltered and unsheltered chronic homeless.**
- 2. A community should give a high priority to chronically homeless persons, where the jurisdiction identifies sheltered and unsheltered chronic homeless persons in its Homeless Needs Table - Homeless Populations and Subpopulations.**

Please see the Continuum of Care document in the Appendix

## **Homeless Inventory (91.210 (c))**

The jurisdiction shall provide a concise summary of the existing facilities and services (including a brief inventory) that assist homeless persons and families with children and subpopulations identified in Table 1A. These include outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, access to permanent housing, and activities to prevent low-income individuals and families with children (especially extremely low-income) from becoming homeless. The jurisdiction can use the optional Continuum of Care Housing Activity Chart and Service Activity Chart to meet this requirement.

## **Homeless Strategic Plan (91.215 (c))**

- 1. Homelessness— Describe the jurisdiction's strategy for developing a system to address homelessness and the priority needs of homeless persons and families (including the subpopulations identified in the needs section). The jurisdiction's strategy must consider the housing and supportive services needed in each stage of the process which includes preventing homelessness, outreach/assessment, emergency shelters and services, transitional housing, and helping homeless persons (especially any persons that are chronically homeless) make the transition to permanent housing and independent living. The jurisdiction must also describe its strategy for helping extremely low- and low-income individuals and families who are at imminent risk of becoming homeless.**
- 2. Chronic homelessness—Describe the jurisdiction's strategy for eliminating chronic homelessness by 2012. This should include the strategy for helping homeless persons make the transition to permanent housing and independent living. This strategy should, to the maximum extent feasible, be coordinated with the strategy presented Exhibit 1 of the Continuum of Care (CoC) application and any other strategy or plan to eliminate chronic homelessness. Also describe, in a narrative, relationships and efforts to coordinate the Conplan, CoC, and any other strategy or**

plan to address chronic homelessness.

3. **Homelessness Prevention**—Describe the jurisdiction’s strategy to help prevent homelessness for individuals and families with children who are at imminent risk of becoming homeless.
4. **Institutional Structure**—Briefly describe the institutional structure, including private industry, non-profit organizations, and public institutions, through which the jurisdiction will carry out its homelessness strategy.
5. **Discharge Coordination Policy**—every jurisdiction receiving McKinney-Vento Homeless Assistance Act Emergency Shelter Grant (ESG), Supportive Housing, Shelter Plus Care, or Section 8 SRO Program funds must develop and implement a Discharge Coordination Policy, to the maximum extent practicable. Such a policy should include “policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.” The jurisdiction should describe its planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how the community will move toward such a policy.

## Homelessness

St. Louis County’s goal has always been (both in theory and in practice) to prevent homelessness from occurring whenever possible as it is disruptive to families and children to move to a new residence and is cost effective for families to remain in their residence. The St. Louis County CDBG citizen advisory committee has always given high priority to preventing and ending homelessness and the presumed benefit activities. Presumed benefit activity serves a specific clientele, rather than providing service to all the persons in a geographic area. Examples would be abused women, persons with mental illness or persons who are homeless. Historically, over 60% of CDBG public service funds are expended on projects that address homeless issues, transitional housing and shelter operations, and support services.

CDBG funding will be allocated to support transitional housing case management and legal assistance to individuals and families who are homeless or at-risk of becoming homeless. CDBG funding will also support services which increase independent living skills, education, employment and access to programs and resources for at-risk youth and young adults. CDBG funding assists two community soup kitchens provide for the nutritional needs as well as social needs of homeless persons and those at –risk of becoming homeless. CDBG funds will continue to augment services offered at an emergency shelter to serve homeless persons, and a money management program will offer education, counseling, and skill building to deal with budgeting and financial problems.

ESG program allocations support a collaborative effort of the Rural Housing Coalition in addressing the needs of homeless persons through provision of essential services, homeless prevention, operation of shelters and transitional housing. Historically, over 95% of ESG funds support these activities.

Program implementation will include more effective use of CDBG and ESG funds to serve homeless people and to use the state’s Family Homeless Prevention and Assistance Program (FHPAP) funds to prevent homelessness. The combination of housing and support services has proven to be both successful and cost effective under FHPAP. Direct assistance service

is used to pay rent, deposit, transportation and utility bills. St. Louis County has been awarded FHPAP funds since 1995 and has received over \$2.2 million for use in homeless prevention and assistance since then.

St. Louis County service providers have identified a number of successful strategies to maintain people in housing and to access new housing. One of the most effective strategies is to build strong working relationships with landlords, housing authorities, and property management groups. Landlords would be very receptive to case managers who make home visits with tenants and to having a contact person in the event they have concerns or problems. Private landlords and management companies have been cooperative in developing rental agreements that allow previously rejected housing applicants the means to gain admission to housing. Some landlords have been responsive in maintaining affordable housing stock.

An additional strategy is to coordinate public and private resources to fill the service gaps and avoid duplication of services in order to make the system user-friendly to homeless people. A review of CDBG and ESG funds occurs each year to analyze the success in meeting this strategy.

The St. Louis County Planning and Development Department facilitates the continuum of care planning process which encompasses all of St. Louis County. The County works with the City of Duluth Housing and Community Development and with private nonprofit organizations to prioritize housing needs, provide services, and maximize the use of federal, state, and local funds for homeless individuals and families. CDBG and ESG program funds are coordinated to support the goals of St. Louis County's *Continuum of Care Plan*.

In 1996, St. Louis County was first awarded HUD Homeless Assistance Program funding to address homelessness and since then has received over \$14.6 million. Continuum planning groups are now required by HUD to adopt a vision and develop strategies for ending chronic homelessness, including an institutional discharge policy. Federal legislation now stipulates a focus on permanent housing with support services rather than supportive services only. This forces a systemic shift locally in how continuum of care services are both provided and funded.

This shifted the focus of activities and associated funding on the local level and in 2004 St. Louis County and the City of Duluth restructured the homeless continuum of care process to focus on ending homelessness and chronic homelessness. The new *Committee to End Homelessness* is responsible for the development of a broad strategic and funding plan to end homelessness by 2012. St. Louis County's CDBG and ESG funding will be used to strategically support essential homeless prevention, housing operations and support services as part of the homeless strategy.

The County will address the need for emergency and transitional housing as a high priority for individuals and families and other homeless subpopulations with special needs, such as HIV/AIDS, disabled, and substance abuse and mental health problems, as the County continues to work to end chronic homelessness.

# COMMUNITY DEVELOPMENT

## Community Development (91.215 (e))

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), – i.e., public facilities, public improvements, public services and economic development.

Community Development Needs		
PRIORITY COMMUNITY DEVELOPMENT NEEDS	Priority Need Level High, Medium, Low, No Such Need	Dollars to Address Unmet Priority Need
<b>PUBLIC FACILITY NEEDS</b> (projects)		
Senior Centers	L	150,000
Handicapped Centers	M	450,000
Homeless Facilities	H	2,500,000
Youth Centers	L	150,000
Child Care Centers	M	500,000
Health Facilities	M	2,500,000
Neighborhood Facilities	M	2,000,000
Parks and/or Recreation Facilities	M	2,500,000
Parking Facilities	L	300,000
Non-Residential Historic Preservation	M	12,000,000
Other Public Facility Needs	M	6,000,000
<i>Subtotal Public Facilities</i>		<i>29,050,000</i>
<b>INFRASTRUCTURE</b> (projects)		
Water/Sewer Improvements	H	50,000,000
Street Improvements	H	25,000,000
Sidewalks	M	5,000,000
Solid Waste Disposal	M	10,000,000
Flood Drain Improvements	L	500,000
Other Infrastructure Needs: Clearance of Blighted Property/Brownfields	H	10,000,000
<i>Subtotal Infrastructure</i>		<i>100,500,000</i>
<b>PUBLIC SERVICE NEEDS</b> (people)		
Senior Services	M	1,000,000
Handicapped Services	M	500,000
Youth Services	M	350,000
Child Care Services	M	200,000
Transportation Services	M	500,000
Substance Abuse Services	M	1,500,000
Employment Training	M	1,250,000
Health Services	M	200,000
Lead Hazard Screening	L	50,000
Crime Awareness	L	50,000

<b>Community Development Needs</b>		
<b>PRIORITY COMMUNITY DEVELOPMENT NEEDS</b>	<b>Priority Need Level High, Medium, Low, No Such Need</b>	<b>Dollars to Address Unmet Priority Need</b>
Other: Supportive Services for Homeless Population	H	1,500,000
<i>Subtotal Public Service Needs</i>		<i>7,100,000</i>
<b>ECONOMIC DEVELOPMENT</b>		
Financial Assistance to For-Profits (businesses)	M	2,000,000
Technical Assistance (businesses)	M	400,000
Micro-Enterprise Assistance(businesses)	M	675,000
Rehab; Publicly- or Privately-Owned Commercial/Industrial (projects)	M	2,000,000
Commercial/Industrial Infrastructure Development (projects)	H	7,000,000
Other Commercial/Industrial Improvements(projects)	M	500,000
<i>Subtotal Economic Development</i>		<i>12,575,000</i>
<b>PLANNING</b>		
Planning	H	1,000,000
<b>TOTAL ESTIMATED DOLLARS NEEDED:</b>		<b>150,225,000</b>

## Public Facility Needs

### Senior Centers – Low Priority

Over 16.1% of St. Louis County's residents are over the age of 65 which is significantly higher than both the state and national trend. The aging of our community residents will impact future need. At this time there is a well established distribution of senior centers throughout the county. The County will consider certifications of consistency for other entities' applications for federal assistance.

### Handicapped Centers – Medium Priority

Nonprofit organizations continue to deal with the impact of budget deficits. At the same time they must operate within state and county financial directives which include a restriction on the amount of funding held in reserve for both operating expenditures and long-term capital improvements. As a result, funding is needed for large capital improvement projects to address much needed facility improvements. The County will primarily take action to leverage funds and help organizations locate other sources of funds as the primary funding source.

### Homeless Facilities – High Priority

The County's *Continuum of Care Plan* documents the need for such facilities. The County will give priority consideration for activities that support homeless peoples' transition from the streets to permanent housing. The County will consider certifications of consistency for other entities' applications for state and federal homeless funding.

### Youth Centers – Low Priority

Declining local budgets have limited many communities' ability to provide facilities and operational support for youth activities. While communities recognize this as a need it has become a lower priority in their overall budgeting. Gap financing to leverage other funding for infrastructure improvements may be considered only when the local unit of government provides the ongoing operational commitment and programmatic support.

### **Child Care Centers – Medium Priority**

The number of regional child care centers is limited due to the low density and vast geographic area of the county. Priority will be given to assisting the development of such centers in rural areas that primarily serve L/MI families. The County will assist centers to find other sources of funds as the primary funding source.

### **Health Facilities – Medium Priority**

There are currently no clinic facilities within the county that provide primary health care only to low-income individuals. Priority will be given to the rehabilitation of those facilities which primarily serve L/MI individuals and communities. Special attention will be afforded to those facilities which provide essential services to special needs groups. Nursing home or assisted living facilities will not be considered for funding.

### **Neighborhood Facilities – Medium Priority**

With the high proportion of low density jurisdictions within the county, township halls are primarily used as centers for community activities and only incidentally provide a small office for the town clerk. High priority will be given to removal of architectural barriers as most of these current structures are old and handicap accessibility is an immediate problem. Consideration may be given to those facilities in L/MI areas when the activity has a community purpose and is not an exterior rehabilitation or maintenance issue.

### **Parks and/or Recreation Facilities – Medium Priority**

Due to the high number of small communities in our region, a well developed regional system of parks, trails and recreational facilities is absent. Priority will be given to developing and expanding community facilities in under-served locations that primarily serve concentrations of L/MI families. The County will assist communities leverage other sources of federal, state, and local funds.

### **Parking Facilities – Low Priority**

Due to the generally low density of the county's population, low priority will be given to free standing parking facilities. However, the secondary development of parking in conjunction with high priority projects may be considered.

### **Non-Residential Historic Preservation – Medium Priority**

Preservation of such structures in conjunction with designated Historic Districts or economic development activities will be given consideration. The conversion of major public buildings (such as an abandoned school) or commercial structures (such as an abandoned hotel) to an acceptable reuse will be given consideration. The County will help organizations locate other federal and state sources of funds as the primary funding source.

### **Other Public Facility Needs – Medium Priority**

There is a fairly good distribution of fire halls throughout the county. However, in many instances they are used as community centers as well. Such improvements will have medium priority in predominately L/MI service areas. Emergency response equipment will have a low priority as local communities should prioritize those purchases even if they must delay other expenditures.

Nonprofit organizations which provide direct services to L/MI families, individuals, and the homeless population with facility improvement needs will be supported as a high priority.

Due to the abundance of older structures throughout the county, there is a significant cost burden in bringing these structures into compliance with the Americans with Disabilities Act.

Priority will be given to the elimination of architectural barriers in existing public buildings that are frequented by the general public for a public purpose. Priority will also be given to retro-fitting buildings owned by private nonprofit organizations that deliver services to L/MI and presumed category clients.

County-owned facilities within the city of Duluth that are open to the public for general government functions only may be eligible for funding. Activity would be limited to common areas of the facility.

## **Infrastructure Projects**

### **Water/Sewer Improvements – High Priority**

Water and sewer infrastructure throughout the County is generally old, deteriorated, and undersized. Numerous waterlines require replacement due to corrosive action, lead pipes, inadequate pressure, and inadequate capacity. Sewer lines in the older L/MI neighborhoods have extensive cracking, collapsed segments, are undersized and have other deterioration leading to ground contamination and back-ups during rain storms due to excessive infiltration of storm water. Emphasis will go to communities that are using collaborative funding assistance through other state and federal agencies, and local resources, and are working from a comprehensive utility plan. Such improvements will be limited to predominately L/MI service areas.

Providing adequate storm sewer capacity and limiting sanitary sewer infiltration and inflow (I&I) are priority goals for the majority St. Louis County communities. Reducing I&I, and hence long-term sanitary sewer flows, will result in affordable utility rates and a suitable living environment.

Communities proposing a centralized sewer collection and treatment system to address problems created by failing individual septic systems, or sewer extensions to non-sewered areas or water extensions to non-watered areas must first have a current county-approved land use plan in order to be considered for funding.

A county-wide assessment abatement program is available to pay for costs of certain public infrastructure improvements when the only use of CDBG funds is to pay special assessments levied against residential properties that are owned and occupied as a homestead by low-income households.

CDBG funding may be considered for rehabilitation of water towers if conditions are documented as a community health issue or improvements are mandated by a regulatory authority. Routine maintenance is not an eligible activity.

### **Street Improvements – High Priority**

L/MI concentration areas tend to be in older sections of each community throughout the county. These areas are characterized by unimproved, deteriorating, or unsafe street surfaces in need of reconstruction. Numerous unimproved streets are in need of an initial hard surface. Priority will be given to resurfacing, reconstruction and construction of residential streets in L/MI areas where documented safety hazards exist.

### **Sidewalks – Medium Priority**

Sidewalks in L/MI areas throughout the county are broken, cracked and are uneven. Corrective action is considered desirable, but not critical. Individual communities should take the full responsibility for repair and replacement in most instances. Communities with a comprehensive sidewalk plan addressing this as a high priority need will be considered for such improvements where documented safety hazards exist. Only L/MI area neighborhoods and the L/MI households' assessed portion will be considered for funding.

### **Solid Waste Disposal – Medium Priority**

An area of concern for most communities in the county is the deterioration of neighborhoods due to the loss of a state-sponsored demolition program that addressed clearance and safe disposal of dilapidated structures. Priority will be given to the redevelopment of these deteriorated parcels for public use. A blighted residential property removal program and a blight removal and development program are available through the County's CDBG program. Communities must have a blight ordinance or policy with enforcement procedures, documented enforcement of that ordinance or policy, and should offer citizens an annual community-wide cleanup program. Investment of funds must result in a public benefit such as creation of affordable housing units, job creation, or community green space.

### **Flood Drain Improvements – Low Priority**

Flooding in high risk flood plains is generally not a county-wide problem; however, there are several communities within the county where the flooding problem is acute. The solutions go well beyond CDBG resources and, therefore, priority will be given to the planning of alternative solutions.

### **Other Infrastructure Needs – High Priority**

A significant number of communities have older homes and commercial buildings built with a piping system around the foundation to collect groundwater. A problem occurs when these systems are connected to the sanitary sewer system and a large amount of clear water is added into the wastewater treatment system. Corrective measures may create a cost burden to the L/MI home owner. Priority will be given to assisting L/MI households with the cost of complying with the mandated corrections.

## **Public Service Needs (People)**

### **Senior Services – Medium Priority**

According to the 2000 Census St. Louis County has a larger than average senior population and therefore may see an increase in the need for services. Projects that address low-income service gaps require leverage for time-limited funding, and projects that are able to self-sustain operations without continued CPD funding may be considered.

The County may also consider projects that provide innovative methods of service delivery and create awareness of low-income senior needs. Priority will be given to projects that provide information and advocacy to low-income seniors related to family crisis, healthcare, and housing issues.

### **Handicapped Services – Medium Priority**

The County's support will be primarily directed to the removal of architectural barriers, and will primarily assist entities locate other sources of funds for services.

### **Youth Services – Medium Priority**

Priority consideration will be primarily directed to presumed benefit areas of youth protection services. Independent living services specifically for homeless youth will be considered a high priority under the *Continuum of Care Plan*.

### **Child Care Services – Medium Priority**

The County will primarily consider certifications of consistency for other entities' applications for federal assistance.

### **Transportation Services – Medium Priority**

Transportation access is a regional responsibility and may likely only be resolved through collaboration of all units of government at the local, state and federal level. Because the solutions go well beyond CDBG resources, the County will primarily consider certifications of consistency of other entities' applications for federal assistance.

### **Substance Abuse Services – Medium Priority**

Substance abuse negatively impacts the health of our communities. The County may consider activities that are strengthened by coordinating treatment with other support services necessary in addressing comprehensive needs including housing and employment. The County will primarily consider certifications of consistency for other applications for federal assistance and assist agencies locate other sources of funds for services.

### **Employment Training – Medium Priority**

Projects that provide opportunities for unemployed and underemployed people to competitively enter or advance in the job market will be considered for funding. The County will consider certifications of consistency for other entities' applications for federal assistance and assist agencies locate other sources of funds.

### **Health Services – Medium Priority**

The County will consider certifications of consistency for other entities' applications for federal assistance and assist agencies locate other sources of funds.

### **Lead Hazard Screening – Low Priority**

The County recognizes the dangers of high lead blood levels in children living in pre-1978 housing units and will continue to identify training opportunities for housing rehabilitation agencies that address lead-based paint. The St. Louis County Public Health Department provides lead safety information and blood lead level screening and the County will consider certifications of consistency for other entities' applications for federal assistance and assist agencies locate other sources of funds. The County does not plan to use available funds to address this need during the next five years.

### **Crime Awareness – Low Priority**

The County, along with the rest of the nation, has experienced a significant increase in drug-related criminal activity. The lack of awareness of the drug culture by many of our rural communities has led to the proliferation of usage and related crime to support that usage. The County may consider crime awareness activities in a predominantly L/MI community. The County will consider certifications of consistency for applications for federal assistance and will primarily assist agencies locate other sources of funds.

### **Other Public Service Needs – High Priority**

The County will place priority emphasis on county-wide services that assist homeless individuals and families and those at risk of homelessness, fair housing counseling, and tenant/landlord counseling aimed at averting eviction and homelessness. Activities that benefit individuals under the presumed benefit category and support the continuum of housing services will be given high priority. Activities must be consistent with the County's *Continuum of Care Plan* or with the organization's core mission; or be considered a core function of the County.

## **Economic Development**

### **Economic Development Assistance to For-Profits (businesses) – Medium Priority**

Financial assistance will be provided to projects that successfully leverage private and public funds in the creation of full time, permanent employment for L/MI individuals. Studies and/or research into new economic development initiatives may be supported in collaboration with others. Brownfield reclamation and redevelopment activities will be supported in conjunction with EPA, MPCA, and Department of Trade and Economic Development efforts.

### **Economic Development Technical Assistance (businesses) – Medium Priority**

Success of micro and small business ventures is increased through the provision of extensive technical assistance, education and training in starting and operating a business. The County will continue to support technical assistance in this area.

### **Micro-Enterprise Assistance (businesses) – Medium Priority**

Small businesses are the backbone of the County's economic base. Priority will be given to the development and preservation of micro and small businesses.

### **Rehabilitation: Publicly- or Privately-Owned Commercial/Industrial (projects) – Medium Priority**

Commercial and industrial rehabilitation in our aging communities will continue to be emphasized. Reclamation and redevelopment of industrial sites will be encouraged in order to regain their role as a tax base, create new jobs, and continue as a source of revenue generation in the community. The County will provide assistance where eligible for communities participating in the State of Minnesota's Job Opportunity Building Zone Program (JOBZ) or other economic development initiatives of the state.

**Commercial or Industrial Improvements by Grantee or Non-Profit (projects) – High Priority**

Acquisition, construction, rehabilitation, reconstruction of commercial or industrial structures and other related real property equipment and improvements is generally better implemented through other funding sources. The County will consider support when job creation of L/MI full time, permanent jobs will result. The County will primarily provide gap financing to these projects.

**Other Commercial or Industrial Improvements (projects) – Medium Priority**

Generally other funding resources are more appropriate. However, the provision of "gap financing" will be considered on a project-by-project basis, where the provision of funding directly creates new jobs or preserves existing jobs.

**Planning**

**Planning – High Priority**

Communities recognize the need to develop comprehensive plans that will guide future land decisions and allow for broad community discussion on the direction of their community. Joint planning which provides for a community-wide vision and identifies areas that need intergovernmental cooperation will be given priority consideration. The County will consider proposals by communities that wish to undertake a planning process that includes comprehensive land use plans, regional wastewater treatment system plans, or planning that addresses primarily L/MI priority needs. Plans that address fair housing needs will also be considered.

**Antipoverty Strategy (91.215 (h))**

- 1. Describe the jurisdiction's goals, programs, and policies for reducing the number of poverty level families (as defined by the Office of Management and Budget and revised annually). In consultation with other appropriate public and private agencies, (i.e. TANF agency) state how the jurisdiction's goals, programs, and policies for producing and preserving affordable housing set forth in the housing component of the consolidated plan will be coordinated with other programs and services for which the jurisdiction is responsible.**

**Anti Poverty Strategy**

Prior to 1935, relief for the poor had been the responsibility of state and local government and private charities. During the Depression, however, local government and private agencies no longer had enough resources to help the growing number of families and individuals who were in need of direct financial assistance. In 1935, Congress passed the Social Security Act as a response to the economic hardship created by the Great Depression.

Eligibility for the assistance programs created in the Social Security Act is based on individual or family financial need and on whether or not an applicant/recipient is a member of a federally authorized category. Through the provisions of the original Social Security Act and its successive amendments, Congress has authorized programs that provide cash and medical assistance to aged, blind, and disabled individuals and families with dependent children. (Minnesota Family Assistance, Housing Research Department, January 2004)

Minnesota's welfare program, the Minnesota Family Investment Program, was signed into law on April 30, 1997, and was fully implemented as of July 1, 1998. Families first began reaching the 60-month limit in July 2002. Chapter 14 of the 2003 special session made a number of modifications to Minnesota's welfare law, including the elimination of increases in cash assistance if families have additional children while on welfare; restrictions on what types of food may be bought with food stamps; adding additional work requirements; and imposing sanctions for those breaking work requirements. Another change made by this law counts SSI and housing allowances as unearned income, reducing welfare payments accordingly. (Resources on Minnesota Issues, Public Welfare, Minnesota Legislative Reference Library, October 2004.)

<b>Poverty Status</b>	<b>St. Louis County</b>
All Income levels in 1999	
Households	82,720
Families	51,815
Income in 1999 Below Poverty Level	
Families	3,731
Percent below poverty level	7.2
Female householder, no husband present	2,055
Percent below poverty level	27.1
Persons	23,211
Percent below poverty level	12.1

- In St. Louis County 12.05% of the population live in poverty. Nationally, this ranked as the 1,796<sup>th</sup> highest poverty rate of 3,142 U.S. counties and is lower than the national average of 12.4%
- In Minnesota, St. Louis County's percent population in poverty ranked 6<sup>th</sup> of 87 counties and is higher than the Minnesota average of 7.9%
- Of the five largest cities in St. Louis County, Virginia has the highest percent population in poverty at 15.85%.

Welfare reform has had a significantly negative impact on families in our service area, with more families imminently homeless or currently homeless. Providers now have more requests for emergency shelter, some longer stays in shelters and see more households having repeated episodes of homelessness. Families and youth receiving Minnesota Family Investment Partnership (MFIP) appear to have more complex problems than prior to MFIP. They may need assistance to meet with job counselors, financial workers or help with a job search to avoid sanction.

Many of those transitioning from welfare to work face multiple barriers and have difficulty obtaining and retaining employment that adequately supports them. Many have limited reading and writing skills and remain in a cycle of failed employment attempts.

The type of assistance non-MFIP families might need is more related to their employment needs. Generally a family unit that no longer receives public assistance will initially experience increased housing stability because they may have learned better budgeting skills and they need to remain in the same housing for employment purposes.

St. Louis County's anti-poverty strategy focuses on the goal of increasing self-sufficiency for low-income individuals and families. Conditions that are associated with poverty must be addressed in order for individuals to move toward breaking the cycle of poverty and dependence. To enhance the effectiveness of the County's anti-poverty strategy, the County will:

- Coordinate housing programs, and other programs targeted to very-low income individuals, with budgeting skills programs.
- Support education and training programs and provide technical assistance to enable unemployed and underemployed men and women start or retain their small businesses to achieve economic self-sufficiency for their families.
- Support education and training programs that are geared toward individuals with severe barriers to employment and who have a limited self-directed capability to achieve personal and financial self-sufficiency.
- Place priority funding support on programs of the Rural St. Louis County Housing Coalition providers for emergency and transitional housing services to persons who are homeless or at risk of becoming homeless. Identify and challenge other resources to support the continuum of care strategy and homeless prevention efforts.
- Place an emphasis on expanding higher wage jobs through fostering private/public partnerships to build on the county's economic base.
- Create additional affordable housing options for low-income elderly,

persons with special needs, and public housing residents.

Results of these efforts will be reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

## **Low Income Housing Tax Credit (LIHTC) Coordination (91.315 (k))**

Only state entitlements required to complete

### **NON-HOMELESS SPECIAL NEEDS**

## **Specific Special Needs Objectives (91.215)**

- 1. Describe the priorities and specific objectives the jurisdiction hopes to achieve over a specified time period.**

### **Special Needs Populations**

#### **Elderly – Medium Priority**

Over 31% of all households were identified by the 2000 U.S. Census as elderly. The need for assistance with activities of simple daily living will increase as this group continues to age. The Consortium's population as a whole is getting older and has a greater need for housing with supportive services. This priority need will continue to be addressed over the next five years.

#### **Persons with Developmental Disability – Medium Priority**

The Census data for the Consortium reports 20,891 persons age 65 and over with a mobility, self-care, sensory, or "go-outside-home" disability and 32,952 persons 16 to 64 years of age with these same limitations. This priority need will continue to be addressed over the next five years.

#### **Persons with AIDS – Medium Priority**

Approximately 85 people have been reported with HIV/AIDS in the Consortium (including the city of Duluth). The Minnesota AIDS Project and the Minnesota Department of Health statistics show a concentration of cases in Duluth so the estimate for the Consortium region excluding Duluth is indeterminable. However, two-thirds of the people with AIDS are estimated to have incomes in the extremely-low income category. This priority need will continue to be addressed over the next five years.

**Persons with Mental Illness – Medium Priority**

A community-based system that includes foster care, board and lodging, and supportive housing, based on individual needs, is scattered throughout the five counties and provides the primary housing for persons with mental illness. This system has integrated their clients more closely to residential neighborhoods through the use of single family residences. This priority need will continue to be addressed over the next five years.

## Documents included in Appendix

### **2010-2014 Consolidated Plan:**

1. SF 424
2. Certifications
3. Income Guidelines
  - a. St. Louis County
  - b. Cook
  - c. Itasca
  - d. Lake
  - e. Koochiching
4. Range Readiness Report
5. St. Louis County Community Profile
6. Citizen Participation Plan
7. 2009 Continuum of Care Final Application and NE 504 Exhibit 1
8. FY 2010-2014 St. Louis County Fair Housing Analysis of Impediments to Fair Housing Choice and the Fair Housing Executive Summary and Plan
9. Maps
  - a. SLC Location
  - b. NE MN HOME Consortium
  - c. No. of Residential Properties
  - d. Low Income Concentration
  - e. SLC Unemployment – December 2009
  - f. SLC Minority Concentration
  - g. HOME Consortium Minority Concentration
  - h. Population Change
  - i. SLC Low- and Moderate-Income Areas

### **FY 2010 Action Plan**

1. Table 3: Listing of Proposed Projects
2. Map of Proposed Projects
3. Tables: Combined 1C-2C and 3B
4. Home Ownership Assistance Program Recapture Guidelines