

City of Rochester, Minnesota
Consolidated Annual Performance and Evaluation Report
2025



CITY OF
ROCHESTER
MINNESOTA

Submitted:



CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

This CAPER is for the period of January 1, 2025 through December 31, 2025 and represents the City's progress in carrying out projects and activities pursuant to the 2025 Annual Action Plan for CDBG funds received from the United States Department of Housing and Urban Department (HUD). The CAPER also provides a general assessment of the City's progress in addressing the priorities and objectives within the five-year Consolidated Plan covering the period on January 1, 2025 through December 31, 2029. This CAPER is the first year of the 2025-2029 Five-Year Consolidated Plan for Rochester, MN. During this reporting period, \$1,034,231.54 was expended from HUD CDBG Entitlement Grant program. In addition, the \$5,783,311 was leveraged from other public and private sources to implement HUD-eligible projects during the reporting period. The City's Single-Family Rehabilitation Loan program generated \$276,892.96 in program income from repayment of rehab loans in 2025. The program income generated is put back into the CDBG program. Within the calendar year 2025, the City exceeded the percentage allowed of CDBG dollars spent on Planning and Administration. The maximum percentage allowed is 20%. In 2025, 21.72% of CDBG funds were spent on Planning and Administration. 2024 planning activity dollars were reimbursed in 2025 eventhough the planning activity occurred in 2024. If the 2024 planning activity would have been reimbursed in 2024 instead of 2025, the Planning and Administration percentage for 2025 would have been 14.3%, well below the cap.

There were 14 activities allocated for 2025 CDBG funding. Of the 14 activities, 4 were completed during the calendar year. A balance of \$863,180.65 of CDBG funding remains for 13 activities to be completed (some activities have had small incremental draws). The remaining activities are detailed below:

Activity	Pgm Yr	Activity Name	Funding Date	Funded Amt	Drawn Amt	Remaining Funding
609	2022	Neighborhood Tree Program	07/03/25	\$60,000.00	\$31,450.00	\$28,550.00
610	2023	Neighborhood Tree Program	07/03/25	\$10,000.00	\$0.00	\$10,000.00
590	2024	Neighborhood Sidewalks	9/24/24	\$135,000.00	\$121,779.37	\$13,220.63
607	2025	Sidewalk Infrastructure	9/29/25	\$100,000.00	\$0.00	\$100,000.00
606	2025	Rental Housing Rehab	09/26/25	\$150,000.00	\$0.00	\$150,000.00
605	2025	Homeownership Rehabilitation	09/26/25	\$197,436.35	\$48,804.42	\$149,631.90
604	2025	Rehabilitation Administration	09/24/25	\$75,000.00	\$12,935.30	\$62,064.70

603	2025	CDBG Program Administration	09/26/24	\$25,543.00	\$19,780.43	\$5,762.57
600	2025	Hiawatha Homes Foundation	09/26/25	\$7,000.00	\$0.00	\$7,000.00
598	2025	Damascus Way Reentry	09/26/25	\$6,550.00	\$0.00	\$6,550.00
597	2025	Catholic Charities	09/26/25	\$17,500.00	\$0.00	\$17,500.00
596	2025	Boys & Girls Club of Rochester	09/26/25	\$7,000.00	\$0.00	\$7,000.00
595	2025	Ability Building Community	09/26/25	\$8,750.00	\$0.00	\$8,750.00
602	2025	The Landing MN	09/26/25	\$20,000.00	\$20,000.00	-
599	2025	Family Promise Rochester	09/26/25	\$20,000.00	\$20,000.00	-
601	2025	Jeremiah Program	09/26/25	\$14,000.00	\$14,000.00	-
608	2025	Affordable Housing Planning	09/26/25	\$75,000.00	\$75,000.00	-

Unallocated funds \$281,593.61 – based on annual action plans, funding is to be allocated to the rehab activity.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Administration	Affordable Housing	CDBG: \$	Other	Other	1	0	0.00%	1	0	0.00%

Disability Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	385	0	0.00%			
Fair Housing Education	Affordable Housing	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	0	0.00%			
Homeless Services and Operations	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2500	281	11.24%	200	281	140.50%
Homeless Services and Operations	Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	72		0	72	
Housing Rehabilitation	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	50	0	0.00%	10	0	0.00%
Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2000	0	0.00%			

Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		500	0	0.00%
Rehab Administration	Affordable Housing	CDBG: \$	Other	Other	1	0	0.00%	1	0	0.00%
Rental Housing Rehabilitation	Affordable Housing	CDBG: \$	Rental units rehabilitated	Household Housing Unit	30	0	0.00%	6	0	0.00%
Transportation	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	687		0	687	
Transportation	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2250	0	0.00%	450	0	0.00%
Workforce Development	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	200	36	18.00%	50	36	72.00%

Youth Services	Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1500	0	0.00%	300	0	0.00%
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Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan,

giving special attention to the highest priority activities identified.

The following priority needs have been identified in the Five-Year Consolidated Plan:

- Access to Affordable Housing
 - Home Repair for Homeowners
 - Rental Rehabilitation
 - Homeownership Assistance
- Access to Public Services
 - Homeless Services and Operations
 - Youth Services
 - Transportation
 - Workforce Development
 - Disability Services
- Non-Housing Community Development
 - Public Facility Improvements
 - Public Infrastructure and Improvements
 - Facility Acquisition or Rehabilitation
- Affirmatively Furthering Fair Housing
 - Fair Housing Activities
- Planning and Administration

Activities completed in the first year of the Consolidated Plan met at least one of the five priorities. Although only four activities from the 2025 program year were completed in 2025, the City also completed activities from the 2022, 2023, and 2024 program years during 2025. As in most years, the greatest number of individuals served were under the access to affordable housing Consolidated Plan priority. Based on the activities completed in 2025, there were 938 individuals supported that met this priority.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	813
Black or African American	134
Asian	32
American Indian or American Native	4
Native Hawaiian or Other Pacific Islander	0
Total	983
Hispanic	45
Not Hispanic	938

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The data provided above in Table 2 comes from the eighteen completed activities during 2025 using 2020, 2022, 2023, 2024 and 2025 CDBG funding.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	776,343	

Table 3 - Resources Made Available

Narrative

The City had \$1,615,818.58 in CDBG entitlement funds and \$276,892.96 in program income funds available in 2025. Rochester was awarded \$676,343 of CDBG entitlement funds in 2025 and the remaining funds were CDBG dollars from prior years that were not paid out prior to the start of 2025. A number of prior year activities were completed during the 2025 program year. These included the following:

IDIS Activity ID	Program Year & Project	Activity Name
512	2020-12	Rehab Administration
558	2022-5	Bus Shelter Replacement
567	2023-6	Rehab Program
568	2023-6	Rental Rehab Program
572	2023-5	Program Admin
579	2024-2	Boys and Girls Club
580	2024-4	Damascus Way
582	2024-6	Jeremiah Program
584	2024-8	Sports Mentorship
585	2024-3	Catholic Charities
587	2024-10	Rehab Program
589	2024-10	Rehab Administration
592	2024-10	Affordable Housing Planning
594	2024-10	Clearance and Demo

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

CDBG dollars were allocated to projects and programs within the city limits of the City of Rochester.

The following public and private resource dollars were contributed to towards activities closed in 2025:

- CDBG Dollars: \$1,615,818.58
- Program Income (from Single Family Rehab Program): \$276,892.96

Other Funds:

- \$95,341 from Olmsted County Rehab 2% Loan program
- \$2,793 from homeowners contributed funds on rehab projects
- \$13,200 from the MN Lead Grant
- \$2,563,316 in federal, state, public and private funds for Boys and Girls Club - 2024 activity
- \$41,250 in state and private funds for Damascus Way - 2024 activity
- \$915,644 in state, public and private funds for Jeremiah Program – 2024 activity
- \$80,000 in state and private funds for Sports Mentorship – 2024 activity
- \$650,000 in state, public and private funds for Catholic Charities – 2024 activity
- \$238,995 in state, public and private funds for Family Promise Rochester – 2024 activity
- \$326,772 in federal, state, public and private funds for Jeremiah Program – 2025 activity
- \$856,000 in state and public funds for The Landing MN – 2025 activity

Total of Other Funds contributed in 2025: \$5,783,311

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

The City's Single Family Rehabilitation Loan program generated \$276,892.96 of program income from the repayment of loans in 2025. In addition to the repayments, a total of \$2,793 was provided by the owners that received assistance through the City's Single-Family Rehabilitation Loan Program and \$95,341 from the Olmsted County Housing and Redevelopment Authority (OCHRA) from their rehabilitation loan program.

The City of Rochester approved the creation of 4 tax increment financing districts in 2025. One will create 50 owner-occupied single-family dwellings with the developer being provided \$20,000 for each qualifying dwelling sold. Another TIF district created in 2025 is for multi-family development consisting of 75-unit senior affordable housing building. The affordable building will have average rents levels that are affordable to individuals at 50% area median income (AMI) and rents.

The Olmsted County Board of Commissioners continue to support the maximum amount of the HRA tax levy allowed by the State Legislature, providing more than \$3 million annually to support HRA housing programs, and leverage additional government and nonprofit investment with the development of new affordable housing and other programs in Olmsted County, including the City of Rochester. The tax levy assistance with development of housing was launched in March of 2017. In 2025, 22 HRA loans were granted for single-family dwelling rehabilitation projects (16 in Rochester and 6 outside the Rochester city limits within the County). In addition, the County completed 10 MNFA Housing rehabilitation projects in 2025. With 6 of them within the city limits. The structure of the rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and the loan is deferred until the unit is sold or refinanced, requiring 2% interest upon repayment. The County aims to rehabilitate 15-20 loans each year.

CDBG funds are used to leverage additional private, state, and local resources from agencies that are allocated CDBG funds. The City does not receive any leveraged or matching funds from subgrantees. Private, state, and local funds from the agencies are distributed by the agencies. These funds are distributed prior to spending the CDBG funding.

The City of Rochester anticipates additional resources to be available citywide from Minnesota Housing Finance Agency provided to OCHRA, developers (TIF funding and Economic Vitality funding), and non-profits serving low-moderate income persons. OCHRA administers the MN Housing Rehabilitation Program.

In 2021, the Rochester City Council directed staff to review city-owned parcels that may be under-utilized and provide recommendations for future use of the properties and potential local partners that may be better suited to using the properties. Recommendations thus far have been largely focused on affordable living. To this end, in 2024, the City conveyed 3 City-owned properties to the local non-profit, First Homes. The properties are in the process of being developed as owner-occupied housing and sold to families earning 80% or less AMI. The land will be entered into the community land trust (CLT), and the future buyers will own the housing units themselves.

City staff are also reviewing other City-owned properties that may be candidates for conveying to developers with a focus on future affordable housing development.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	18	18
Number of Special-Needs households to be provided affordable housing units	0	0
Total	18	18

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	18	18
Number of households supported through Acquisition of Existing Units	0	0
Total	16	16

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The largest amount of funding goes to the Rochester Single Family Rehabilitation Loan Program. The City continues to strive to meet their goals and outcomes. If meeting a goal and outcome problem is encountered, it is due to lack of funding sources. The City will continue to offer and consider requests that address the priorities established in the City's Five-Year Consolidated Plan.

In 2025, the Coalition for Rochester Area Housing contracted with Maxfield Research & Consulting to update the Comprehensive Housing Needs Analysis completed for Olmsted in 2023 by Maxfield Research and Consulting. The updated report found that the demand for affordable rental homes decreased by 1,248 units and that there was a vacancy rate of 4.5% on the affordable units.

In November of 2023 the City's local option sales tax was extended by the voters. One program that the sales tax funds will be used for is an economic vitality fund. It is envisioned that this fund (\$60 million) will focus on economic development strategies to support growth and prosperity of the community by investing in the creation of additional housing, particularly among middle and low-income residents, the preservation of existing affordable housing options in our neighborhoods, and workforce development for a thriving and diverse community. These funds will help the City foster and maintain affordable housing opportunities in the community.

Discuss how these outcomes will impact future annual action plans.

The City of Rochester is aware of the needs of the community and actively makes strides to address those needs (both housing and non-housing related). Funding limitations will not allow all the needs and requests to be met. However, the City hopes to continue carrying out the CDBG program in future years to meet the needs for the extremely low to low-moderate income individuals and families through the priority goals listed in the City's 2025-2029 Five Year Consolidated Plan. The priorities are:

- Access to Affordable Housing
- Access to Public Services
- Non-Housing Community Development
- Affirmatively Furthering Fair Housing
- Planning and Administration

The CDBG program will also continually assess the goals, objectives and outcomes of each approved activity using CDBG funds.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	10	0
Low-income	4	0
Moderate-income	4	0
Total	18	0

Table 7 – Number of Households Served

Narrative Information

The table above reflects the income data from those who benefited from housing rehabilitation activities. According to data from the HUD open data portal, there are an estimated 33,075 low- and moderate-income residents living in qualified census tracts in Rochester. The CDBG program will support programs and services designed to benefit the residents living in these areas and low- and moderate-income residents throughout the City.

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CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Rochester does not administer any homeless programs directly but will continue to offer and consider requests from agencies that aim to reduce and end homelessness. The City is also a partner in Any Path Home, a local collective effort of public and private agencies and the River Valleys Continuum of Care (CoC), to reduce unsheltered homelessness by coordinating outreach, services and housing for homeless single adults in Rochester. The shared purpose of Any Path Home is that everyone has a home.

Agencies reaching out to homeless persons are part of the Continuum of Care (CoC) for Olmsted County. The Institute for Community Alliances is the hosting agency for the River Valleys CoC which includes Olmsted County and the City of Rochester.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- CoC Coordinated Entry Navigators based with Olmsted County and Women's Shelter connect with people experiencing homelessness to maintain contact, access benefits, gather eligibility documentation, and successfully complete application to secure housing. This program is funded through the HUD CoC program.

Other efforts in the city supported by private, state, and federal funding are:

- The Landing MN Day Center offers meals, basic hygiene services and materials, clothing, on-site medical services and social services, and connections to the CoC Coordinated Entry housing referral system. The program is privately funded.
- The Salvation Army Day Shelter and Meal program provides safe space during the day and meals. The program is supported by private and other government resources.
- Minnesota Assistance Council for Veterans provides targeted outreach, service assessments, and connection to shelter for military veterans. The program receives private, state, and federal HUD ESG funding.
- Lutheran Social Service LINK program reaches out to youth 15-24 experiencing homelessness and housing instability, with safe gathering space, services/connections to services, and connections to the CoC Coordinated Entry housing referral system. This program is funded through state Homeless Youth Act and federal RHY funds.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Rochester does not administer emergency shelter and transitional housing needs of homeless persons programs directly, but will continue to offer and consider requests from agencies that address emergency shelter and transitional housing needs of homeless persons. The City is also a partner in Any Path Home, a local collective effort of public and private agencies and the River Valleys Continuum of Care (CoC), to reduce unsheltered homelessness by coordinating outreach, services and housing for homeless single adults in Rochester.

In 2025, the City of Rochester allocated \$17,500 of CDBG funding for the operations of the Rochester Community Overnight Shelter while plans for a larger scale homeless shelter are explored. The Overnight Shelter is operated by Catholic Charities and has expanded their services to a year round, nightly operation, with the capacity to serve up to 62 individuals at one time.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- Women's Shelter Inc.: \$73,242 for rental subsidies, services, and transitional housing operations to serve individuals and families experiencing homelessness due to domestic violence.
- Olmsted County and Women's Shelter Inc. \$154,427 for rental subsidies, services, and transitional housing operation to serve individuals and families experiencing homelessness due to domestic violence.

Other shelter and transitional housing programs in the city supported by private, state, and federal funding are:

- Von Wald Youth Shelter – Emergency shelter for youth (12 beds)
- Dorothy Day Hospitality House – Emergency shelter for adults (22 beds)
- Family Promise Rochester – Emergency shelter for households with children
- Lutheran Social Service – Youth shelter, transitional housing, and shelter vouchers (15 beds with federal funds)
- The Creek Shelter (Olmsted County) – Emergency shelter for adults (12 beds with county and state funds)
- Salvation Army – Emergency shelter vouchers via police department (12 beds with federal and state funds)
- Women's Shelter – Emergency shelter and transitional housing (63 beds with federal and state funds)
- MN Assistance Council for Veterans – Shelter vouchers (5 beds with state funds)

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after

being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City of Rochester does not administer homeless programs directly, but will continue to offer and consider requests from agencies that aim to reduce and end homelessness.

Through the Continuum of Care (CoC) funding, the following projects received funding:

- None. The CoC program does not fund prevention activities, but access sites or CoC Coordinated Entry offer Housing Problem Solving (HPS) to all households in a housing crisis. HPS helps to identify ways to maintain or quickly secure housing as an alternative to entering shelter or seeking referral through Coordinated Entry.

Other efforts in the city supported by private, state, and federal funding are:

- HUD Fostering Youth to Independence (FYI) vouchers to support stable housing at exit from foster care (Olmsted County HRA)
- Family Homelessness Prevention and Assistance Program services and direct assistance for households at immediate risk of homelessness, with some specialized services for partnership with Rochester Public Schools (Three Rivers Community Action)
- Housing Stability Services (federal Covid Response and Emergency Rent Assistance) via Institute for Community Alliances and Legal Aid of Olmsted County in conjunction with eviction court and expungement programs
- Zumbro Valley Medical Society (ZVMS) local coordination and training to change emergency room exit procedures for people experiencing homelessness who seek care at Mayo Clinic and Olmsted Medical Center
- Mayowood Apartments uses county, state, and private funds to provide 40 units for people exiting mental health care facilities and need supportive housing to avoid experiencing homelessness (Center City Housing/Olmsted County/CREST mental health initiative)
- Rochester Public Schools uses state and federal resources to conduct outreach and offer support to students and their families to resolve housing crises and secure stable housing (Olmsted County staffing)
- MN Assistance Council for Veterans operated Supportive Services for Veteran Families (SSVF) to prevent homelessness and rapidly rehouse military veterans.
- Vocational Rehabilitation Specialists uses Homeless Veterans Reintegration Program (HVRP) to provide housing and employment services to military veterans.
- Other agencies with private funds as available for emergency needs

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City of Rochester does not administer homeless programs directly but will continue to offer and consider requests from agencies that aim to reduce and end homelessness. The City is also a partner in Any Path Home, a local collective effort of public and private agencies and the Continuum of Care (CoC), to reduce unsheltered homelessness by coordinating outreach, service and housing for homeless single adults in Rochester.

Institute for Community Alliances is the agency currently hosting the River Valleys Continuum of Care (CoC), which includes Olmsted County (including the City of Rochester). Through The CoC funding, the following projects receive funding:

- Olmsted County HRA: \$309,464 – The Francis has 18 housing units with support services for individuals who meet the definition of chronic homelessness. Supportive services are provided by Olmsted County Health, Housing and Human Services.
- Center City Housing: \$82,133 – Supportive housing at Silver Creek Corner for chronic inebriates with long histories of homelessness, consisting of 40 single residential units (15 supported by the CoC, 25 with GRH). Meals provided with round the clock staffing. Collaboration between City Center Housing and Olmsted County Community Services. This program replaced CoC funding with state program funds, but still serves the same number of people.
- Olmsted County Health, Housing and Human Services: \$181,525 Rental subsidies and supportive services for homeless persons who live in the community, who have long histories of homelessness and experiencing a disabling condition such as AIDS/HIV positive, severe mental illness, or chemical dependency issues.
- Center City Housing: \$118,346 for operational subsidies for Gage East Apartments (family side). Services (and rental subsidies and services for homeless youth) are provided from other sources.
- Women’s Shelter Inc.: \$75,410 for rental subsidies, services, and transitional housing operations to serve individuals and families experiencing homelessness due to domestic violence.
- Olmsted County HRA and Women’s Shelter: \$154,427 for rental subsidies and services to support individuals and families experiencing homelessness due to domestic violence.
- Three Rivers Community Action: \$273,227 for rental subsidies and services for homeless persons who live in the community. (Collaboration with Minnesota Valley Action Council. Serves Rochester as well as other geographic areas of the CoC region.)
- Institute for Community Alliance \$311,227 for housing navigators to assist individuals who are unsheltered or who are fleeing DV quickly connect to resources and housing to reduce time homeless. Service provided by Olmsted County, Women’s Shelter Inc., and Institute for

Community Alliances.) Collaboration with Rochester as well as other geographic area of the CoC region.)

DRAFT

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

As reported in the Olmsted County HRA PHA 5- Year and Annual Plan, the Olmsted County HRA proposes to provide safe, decent, and affordable housing to low-income families and Extremely low-income families through continued successful administration of Low Income Public Housing programs achieving the highest rating possible through the Public Housing Assessment System. The Olmsted County HRA opened the Public Housing program waiting list during 2019 and took 500 applications for two-bedroom units.

The Olmsted County HRA administers the Public Housing and Housing Choice Voucher programs. The Olmsted County HRA is allotted up to 691 vouchers, of which 50 are specific Project-Based Vouchers, 100 Mainstream vouchers, 25 VASH vouchers, 12 FYI and 2 FUP vouchers. Of the 500 names placed on the Housing Choice Voucher waiting list in 2019, only 20 remain on the list waiting for assistance. The Olmsted County HRA opened the Public Housing program waiting list over a 3-day period in 2024 and received a total of 449 applications.

The HRA administers several programs funded by MN Housing, including Bridges, and Housing Trust Fund, serving approximately 30 households. Additionally, the HRA administers the MN Housing Rehab program and began its own levy-funded rehab program in 2017. That program provides low-interest deferred loans to low and moderate-income households for safety and security rehab projects, or accessibility projects. The structure of these rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and ineligible, has a 2% interest upon repayment, but it is deferred until the home is sold or refinanced under certain conditions. The county program's goal is to provide 15-20 loans each year. In total, the HRA administered 22 rehab loans in 2025.

The Olmsted County HRA also owns a number of rental properties and leases to low-moderate income households described as follows:

- Single Family Homes - 18 single family properties with a total of 19 units.
- Project Based Single Family Homes – 19 single family properties.
- POTH Units - 4 units for transitional housing, in partnership and collaboration with the Women's Shelter.
- River's Edge – A 39-unit mixed income development providing affordable and market rate apartments.
- The Francis - 18 units providing housing for individuals experiencing chronic homelessness with supportive services provided by Olmsted County Health, Housing and Human Services.
- The 105 - 18 units providing housing for individuals experiencing chronic homelessness with supportive services provided by Olmsted County Health, Housing and Human Services.
- Rolling Heights - An RRDL property consisting of 16 two-bedroom units for elderly/ disabled

households.

- Silver Creek Corner – 40 Permanent Supportive Housing units for chronic inebriates who are also homeless. This was a collaborative project between City Center Housing Corp., Olmsted County Community Services and the Olmsted County HRA.
- Northgate – 12 Section 811 units assisting elderly and disabled individuals.
- Bandel Hills – A 25-unit mixed income townhome development providing affordable units.
- Halling House - 8 two-bedroom units with under fair market rate rents
- The Creek - 12 units of 90-day emergency shelter for individuals experiencing homelessness, with case management and housing supports in place.
Immediate needs include additional Housing Choice Vouchers made available by Congress and HUD, increased landlord participation in the rental subsidy programs, and development of affordable housing unit developments.
- Family shelter – a 17-room building that will shelter up to 10 families experiencing homelessness; partnership with Family Promise Rochester as the service provider.
- Residences of Old Town Hall – a 60 single-room Occupancy building providing housing for single adults with low income; mix of housing programs on site.

The Olmsted County Housing and Redevelopment Authority has less than 250 Public Housing units and therefore is recognized as a Small PHA according to HUD standards.

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

The Olmsted County Housing & Redevelopment Authority (OCHRA) Board is comprised of eight members; seven members consist of the Olmsted County Board of Commissioners and one resident member who is a current voucher holder or Public Housing resident. The resident commissioner holds an active place with the Resident Advisory Board, a group of people residing in public housing that meet to address the needs of the public housing properties and provide insight and input into policies, program development and property enhancements.

Actions taken to provide assistance to troubled PHAs

Not Applicable--The Olmsted County HRA is not a troubled HRA.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Rochester adopted their Comprehensive Plan in April of 2018. In 2025 an update was adopted which was technical, focusing on revising and refining the plan's data, graphs, maps, and figures to reflect the most up-to-date information available. The document, entitled Planning 2 Succeed (P2S), updates the City's Comprehensive Plan and presents a vision of a more balanced approach to the distribution of growth between edge areas and infill/redevelopment areas, encouraging densification, and allowing the City to grow in a more fiscally responsible way.

Public meetings were held to allow the community an opportunity to provide feedback on the scenario planning process. Rochester is a growing community, and that growth is anticipated to continue. Growth and change present both opportunities and challenges. Long-range planning is needed to position the City to address its long-term needs to be resilient, to support changing demographics, and to address housing demand, multi-modal transportation needs, growth in jobs and visitors, and more—while working with finite resources.

The Comprehensive Plan outlines many goals, which guide future policies to put the plan to work. Likewise, the Comprehensive Plan's core principles include expanding housing diversity, enhancing the integrity of existing neighborhoods, and championing social equity and environmental justice.

In September 2022, the City Council adopted a new Zoning Ordinance, known as the Unified Development Code (UDC). The UDC modernized the zoning standards to reflect the goals of the Comprehensive Plan. In addition, the UDC brings together all of Rochester's development regulations and better implements the key goals and objective of the Comprehensive Plan. The effective date of the UDC was January 1, 2023. The goals of the UDC are:

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

In October of 2022, the City Council adopted an Active Transportation Plan Update which updated the visions, goals, and objectives of the previous Bicycle Master Plan; evaluated the existing network's conditions and deficiencies; engaged the public and the broader community; and delivered a

comprehensive plan that will guide non-motorized network planning and budgeting efforts in the years ahead. The updated plan focuses on developing connections for all users of the non-motorized system, strengthening existing efforts, and creating implementation-oriented recommendations. The plan's vision for active transportation in the City is to "Provide equitable freedom of movement. Walking and bicycling in the City of Rochester are primary modes of transportation that are safe, convenient, and enjoyable." The work included finalizing an implementation plan identifying a comprehensive "All Ages and Abilities" bicycle network, a pedestrian network, planning-level cost estimates, funding sources, maintenance and operational considerations, and phasing scenarios.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

There are a wide variety of community-based service providers, faith-based organizations, and others addressing obstacles to meeting underserved needs in the community. The City has provided CDBG funding supporting public projects including youth activities, gang prevention, domestic violence services, support for seniors and the disabled, for low-income households, and homeless services. Many of the community-based service providers are a part of the Continuum of Care consortium for SE Minnesota.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

According to the 2020 Comprehensive Housing Needs Analysis for Olmsted County, Minnesota, it is estimated that there are 52,850 housing units located within the City of Rochester. The report shows that 41.8% (22,096) of the housing stock was built prior to 1979. A Study "Comprehensive and Workable Plan for the Abatement of Lead-Based Paint in Privately Owned Housing, Report to Congress, HUD December 7, 1990" states that 90% of homes built before 1940 contain lead-based paint and 62% of those built between 1960 and 1978.

All participants of the City's Home Rehabilitation Program are provided the Renovate Right Brochure on the hazards of lead-based paint if their home was built before 1979. Homeowners are required to sign acknowledgement of receiving a copy of the brochure. All projects in pre-1979 homes are required to complete a lead risk assessment and contractors are required to comply with the Lead Based Paint Poisoning Prevention Act.

From 2021 to 2024, the City was a subgrantee to the State of Minnesota Department of Health's (MDH) Lead Hazard Reduction & Healthy Homes grant program that was funded by HUD. The purpose of the grant was to maximize the number of children under the age of six years protected from lead poisoning by reducing or eliminating lead-based paint hazards in rental-occupied or owner-occupied housing units in SE Minnesota. The total grant agreement was for \$781,782.78. Lead hazard reduction work began in the fall of 2021 and the grant agreement with MDH ended after December 2024. In total, 21 dwelling units were made lead-safe with \$256,026.76 spent in the program.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

There are a wide variety of community-based service providers, faith-based organizations and others working to reduce the number of poverty-level families in the community. Most anti-poverty programs that provide income support and employment opportunities are largely the responsibility of the County, State, and Federal governments. Local agencies addressing the anti-poverty needs are Salvation Army, the Olmsted County HRA, Olmsted Community Services, and Zumbro Valley Mental Health Center to name a few.

Through the Section 8 voucher program, the HRA has 17 spots for voucher families to participate in Family Self-Sufficiency programs, or FSS. This program allows voucher holders to escrow a portion of their monthly rent monthly for up to five years, which may then be used to assist with higher education, purchase of a home, etc. Currently, 15 households utilize this program.

Additionally, the HRA administers the MN Housing Rehab program and is started its own levy-funded rehab program in 2018. That program provides low-interest deferred loans to low and moderate-income households for safety and security rehab projects, or accessibility projects. In 2025, 22 HRA loans were granted for single-family dwelling rehabilitation. The structure of the rehab loans the county offers is very similar to the City's Rehab program. Similar rehab work is eligible and the loan is deferred until sold or refinanced, requiring 2% interest upon repayment. The county program's goal is to provide 15-20 loans each year.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Staffing for administration of the CDBG entitlement grant is provided by the City of Rochester. The City and Olmsted County have executed a Partnership Agreement outlining the roles and responsibilities of each party in administering the City's Single-Family Rehabilitation program.

The City of Rochester has a history of working with agencies and other city departments requesting the use of CDBG funding delivering a variety of public services and improvements (including handicapped) that serve low and moderate-income persons. The City continues to work with agencies providing services needed for permanent affordable housing, emergency shelters, rental assistance, and housing services for people who are homeless. This gap can be addressed through additional funding sources whether federal, state, or local.

The City of Rochester supported approval of the Olmsted County HRA Tax Levy to provide affordable housing opportunities in the City of Rochester.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Rochester has a history of working with agencies and other city departments requesting the

use of CDBG funding to deliver a variety of public services and improvements (including handicapped) that serve low and moderate-income persons. The City continues to work with agencies providing services needed for permanent affordable housing, emergency shelters, , and housing services for people who are homeless. This gap can be addressed through additional funding sources whether federal, state, or local.

The Olmsted County HRA utilizes the HRA tax levy to address a variety of affordable housing activities and projects. These funds support the owner-occupied rehabilitation program for income-qualified residents of Olmsted County. In 2025, 22 HRA loans were granted for single-family dwelling rehabilitation. The structure of the rehab loans the county offers is nearly identical to the City's Rehab program. Similar rehab work is eligible and the loan is deferred until sold or refinanced, requiring 2% interest upon repayment. The county program's goal is to provide 15-20 loans each year.

The City will continue working with developers providing affordable housing units with either federal, state, or local financing tools.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City has taken an active approach to review public policy that could inadvertently impede fair housing choice, development of affordable housing, and inclusivity. The UDC allows outright the development of an accessory dwelling unit in any property with a residential zoning. Additionally, the minimum lot size of the most prevalent residential zone, R-1, decreased from 6,000 square feet to 5,000 square feet. Residential care facilities and group homes are permitted either outright or with staff/planning commission approval in all residential zoning districts.

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

- Supporting the Olmsted County Human Rights Ordinance and the work of the Olmsted County Human Rights Commission in implementing the Ordinance.
- Supporting low income tax credit housing and other subsidized housing of high quality in locations that are accessible to employment, neighborhood amenities, and commercial services.
- Supporting well designed private development proposals that include townhouses, condominiums, apartments, and appropriate commercial uses as part of neighborhood development areas.
- Enforcing minimum standards for housing and enforce such ordinances such as the Disorderly Use Ordinance in to address neighborhood concerns about crime and potential impacts on property values.
- Increasing the supply and land zoned for lower cost housing, especially providing for mixtures of housing by style and cost.
- Providing for neighborhoods that are integrated by income class, race, age, ability, and are accessible to all modes of travel by all ages and ability levels.
- Providing incentives to developers to accommodate affordable housing up front as part of well-

planned communities. The City Council approved a fee reimbursement pilot program aimed at creating owner-occupied dwellings valued at \$350,000 or less.

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CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

All recipients of Community Development Block Grant (CDBG) Program funds are required to complete an agreement with the City of Rochester. This agreement specifies the amount of CDBG funding received and what regulations the recipient must meet to spend the funding. The agreement also includes a description of their CDBG funding activity, national objective that is being met, and performance measurement objective/outcome/statement(s).

The CDBG Administrator addresses the required environmental issues for each activity that receives CDBG funding.

The CDBG Administrator, for the City of Rochester, monitors all recipients of CDBG funding either at the time of spending or during completion of the CAPER reporting. The monitoring may consist of reviewing the year-end independent audit, required to be completed by each recipient receiving over \$25,000 of CDBG funding, record keeping requirements, including any program income. For program eligibility, the City's Five Year Consolidated Plan requirements and performance measurement objective/outcome/statement activities are reviewed at the time of application for CDBG funding.

The City of Rochester does not release CDBG funding to a recipient if work hasn't been completed or until the City receives funds from HUD. The CDBG Administrator and the City's Finance Department reviews each payment request individually and approve payments as the recipient submits a request for payment. When submitting a payment request, the recipient must include supporting documentation or provide staff access to files that present evidence that the activity meets a National Objective and the record keeping requirements.

All activities are required to report information needed for IDIS reporting, allowing the City of Rochester to complete its Consolidated Annual Performance and Evaluation Report (CAPER) to the US Department of Housing and Urban Development.

The City of Rochester, as required by HUD, has an annual independent audit completed. To date, there have been no findings regarding the use of CDBG funding or the City's procedure in monitoring the activities of CDBG funding.

The CDBG Administrator provides technical assistance to citizen and /or groups as requested.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

This CAPER was posted for comments with a notice published in the Post Bulletin on March 10, 2026. The notice in the newspaper stated that the comment period was open for 15 days and asked that comments be submitted by March 26, 2026. The notice listed contact information for where written or verbal comments could be submitted or where to obtain a copy of the CAPER. The notice also included contact information in Spanish and Spanish speaking City staff were available to provide interpretation services as needed. Copies were also made available at the City's Development Services Infrastructure Center (DSIC) during normal business hours.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

There were no changes in the City's program objectives.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

There were no changes in the City's program objectives.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

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CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					

Other.					
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Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

No projects in 2025 were subject to Section 3 regulations.

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