

AMERICAN RESCUE PLAN ACT SPENDING IMPACTS

LEVERAGING FEDERAL FUNDING

The COVID-19 pandemic hit local governments across the nation hard, leaving many cities grappling with economic uncertainty as downtowns emptied and inflation soared. In 2021, Congress responded with the American Rescue Plan Act (ARPA), offering a lifeline to support state and local governments in maintaining vital public services and protecting jobs.

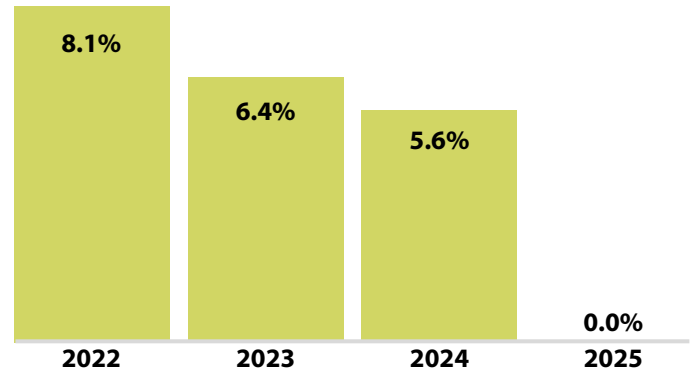
For the City of Minneapolis, this relief came in the form of \$271 million distributed between two installments. These funds were crucial not only in addressing immediate pandemic-related challenges but also in understanding the broader impact of funded projects on communities. By examining the impact of ARPA funding, the City aims to recognize effective strategies and identify areas for growth, ensuring that that temporary relief translates into meaningful and sustainable benefits for people across Minneapolis.

NAVIGATING REVENUE REPLACEMENT

The City faced a significant revenue shortfall, resulting in budget cuts in 2021. With the addition of ARPA funding, the City devised a strategic three-year plan to fill in the gap. Without this funding, the City would have faced steep tax hikes or further budget cuts. Through supplementing the budget with ARPA funding, the City was able to sustain basic services and reinstate previously cut jobs.

By distributing the ARPA funds over three years, the City also created a buffer for its revenue streams to recover gradually. By 2025 and 2026, the City anticipates a resurgence in revenues, paving the way for a more stable and resilient budget moving forward. In fact, local sales tax revenues, which saw steep declines due to the pandemic, have already recovered to pre-pandemic levels.

ARPA FUNDS AS SHARE OF CITY BUDGET



PRIORITIZING GOAL AREAS

With the remaining ARPA funding, the City focused on addressing priority issues intensified by the pandemic. To tackle these challenges effectively, the funds were allocated across five key goal areas of the City:

-  **HOUSING AND HOMELESSNESS**
-  **ECONOMIC REBUILDING**
-  **PUBLIC SAFETY**
-  **CLIMATE AND PUBLIC HEALTH**
-  **CITY CAPACITY AND PERFORMANCE**

Each of these areas included multiple projects aimed at creating a meaningful impact. The following sections of this report explore several case studies, highlighting stories of initiatives, their impact on communities, and lessons learned along the way.



Housing and Homelessness

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- Simpson Community Shelter and Apartments
- Minneapolis Homes
- Family Housing Expansion Project



Economic Rebuilding

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- Green Zone Weatherization



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- Recruitment, Retention, and Hiring Support

A UNIQUE OPPORTUNITY TO TRANSFORM SUPPORTIVE HOUSING

The Simpson United Methodist church transitioned into an emergency shelter for those experiencing homelessness in 1982. The shelter provided housing, support, and advocacy to its guests in need of short-term housing for many years. However, over time the condition of the church began to deteriorate and severely impacted the shelter's ability to serve the community safely.

Due to the condition of the church building, Simpson Housing Services (SHS), the organization that ran the emergency shelter, knew that the time had come to replace the existing shelter. SHS reached out to three potential development partners to help identify future use of the site and, after an interview process, SHS selected Project for Pride in Living (PPL). The shared concept the collaborators moved forward was a multi-story building which would continue to serve as an emergency shelter with additional housing opportunities. The new building would also include additional units of housing, supportive services, and several communal amenities. The additional features of the new building would broaden the shelter's ability to help individuals transition from unstable living situations to longer-term housing.

A project of this size required additional sources of funding and support beyond what the partners had secured. In response, the City of Minneapolis, through its commitment to promoting safe, stable, and accessible housing, provided both financial assistance and guidance on the building's development through the Community Planning and Economic Development (CPED) department.



HOLISTIC AND INNOVATIVE LENS ON HOUSING STABILITY

While the City's work of increasing and maintaining affordable housing has multiple avenues of financing, shelters, on their own, do not have a specific designated funding source. The American Rescue Plan Act (ARPA) granted the City the opportunity to meaningfully finance the proposed shelter. To secure an even stronger financial foundation, the City partnered with Hennepin County to consolidate ARPA funding, and construction of the new building began in June 2024.

The new building, coined the Simpson Community Shelter and Apartments (SCSA), will follow a holistic approach to support shelter guests. This approach seeks to improve long-term living conditions through changes that include:

- Adding 42 permanent supportive housing units for guests who have experienced long-term homelessness.
- Extending service hours to 24/7 to provide stability for guests and increase their access to resources for physical, mental, and chemical health needs.
- Replacing bunk beds with single beds to provide accessibility to and support the safety of guests that are older or have physical disabilities.
- Organizing space into 6-bed "pods" to help reduce sleep disturbances common in congregated sleeping quarters, which can improve the health and well-being of guests.

These changes highlight a responsiveness to the needs of guests and the commitment to building new pathways toward safe, stable, and accessible housing for all.



PROJECT COLLABORATORS

SIMPSON HOUSING SERVICES (SHS)

Holding primary ownership of the shelter, associated maintenance, and supportive services provided to guests.

PROJECT FOR PRIDE IN LIVING (PPL)

Holding primary ownership over the permanent supporting housing units.

CITY OF MINNEAPOLIS

Offered financial support through ARPA funding and guidance on building development.

HENNEPIN COUNTY

Offered financial support made possible by ARPA funds and will be supporting the integration of services provided.

INCREASING POSITIVE CHANGES FOR GUESTS AND THE COMMUNITY

The holistic approach centers on the needs of existing and future guests through increased access to health services, more shared community space for guests to build community, and improving the well-being of guests through a more physically safe facility. For the community surrounding the shelter, this work shows a visible investment in their neighborhood by addressing both the physically deteriorated property and the impact of housing instability on their neighbors.

RACIAL EQUITY IMPACT

A history of housing discrimination and economic marginalization in Minneapolis has led to higher rates of Black, Indigenous, and People of Color (BIPOC) living in unstable housing situations. While BIPOC individuals comprise 35% of the Minneapolis population, they account for 82% of SHS clients. As a result, providing safe, dignified, and supportive housing is crucial to addressing the disproportionate impact of housing instability on historically marginalized communities. The shelter's emphasis of providing both immediate and long-term support will work toward reducing the severity of the housing impact on these communities, and redirect guests into more resilient and long-term housing.

LESSONS LEARNED

EMBRACE COMMUNITY PARTNERSHIPS

The City united with community partners around a shared goal of providing safe, stable, and accessible housing. This collaboration allowed the City to effectively leverage newly available ARPA funding into a project that needed financial support. By working closely with local organizations, the City can co-create lasting positive change for community members.

LEVERAGE SHARED EXPERTISE

By sharing knowledge and resources, a diverse group of partners were able to design a shelter that met the immediate needs of safety and included innovative, community-centered elements and long-term supportive housing. Proactively sharing experience across project teams helps transform ambitious and holistic visions into reality.

WORKING TOWARDS MORE EQUITABLE HOMEOWNERSHIP RATES

Due to historic racial, political, and economic marginalization, homeownership rates throughout Minneapolis differ dramatically by race and ethnicity. On average, 30.5% of Black, Indigenous, and People of Color (BIPOC) individuals own homes in Minneapolis compared to 57% of White individuals. The City of Minneapolis' Community Planning and Economic Development (CPED) department runs the Minneapolis Homes program which seeks to address these racial disparities in homeownership. The program works to:

- Develop affordable units for low- to moderate-income households
- Provide financing and support for new construction, rehabilitation, and stabilization of homes to ensure they are accessible and affordable
- Use City-owned property for housing development to reduce costs for developers and maximize residential density

These efforts make housing more affordable by closing the affordability gap—the difference between the appraised value of a home and the amount a homebuyer can afford to pay—and helping to increase homeownership rates.

One of the major obstacles in closing the affordability gap is the cost of construction. As construction costs rise, homes are appraised at higher values and are less attainable for those with lower incomes. In addition, developers also seek to make a profit on projects by selling homes for more than the cost of construction. Through Minneapolis Homes, the City provides funds to help developers bring down their costs, providing the opportunity for homes to be sold at more affordable prices.



BRINGING DOWN COSTS THROUGH GREATER INVESTMENT

The City supplemented initial investments with funding from the American Rescue Plan Act (ARPA) to support several projects within Minneapolis Homes, most notably the Harrison Townhomes project and the rehabilitation of 628 E Franklin Avenue. As a result, both properties were able to price units more affordably and sell to buyers who make less than the area median income (AMI). Without the increased investment, the impact of heightened costs would have compelled developers to sell units at higher prices. Lowered prices help mitigate disparities in homeownership rates throughout Minneapolis.



CREATING DIRECT CHANGE IN NEIGHBORHOODS

Both the Harrison Townhomes project and the rehabilitation of 628 E Franklin Avenue can now sell units to homebuyers with incomes at or below 60% AMI. These units will remain perpetually affordable to homebuyers. Specifically reserving units for those with low- to moderate-incomes opens opportunities for those households to have more stability and build wealth through homeownership. Minneapolis Homes uses City-owned properties whenever possible, which reduces the number of vacant buildings and helps address community concerns of public safety and neighborhood quality. Additionally, while the program prioritizes lowering housing costs for low- to moderate-income households, increasing the supply of available homes in Minneapolis can help lower overall housing costs for all community members.



HARRISON TOWNHOMES

- 17 perpetually affordable townhomes
- No down payment necessary
- Monthly mortgage payments won't exceed 30% of household income
- Personalized guidance provided to first time homebuyers

628 E FRANKLIN AVENUE

- 7 perpetually affordable condos
- Rehabilitation ended the City's longest building vacancy
- Construction finished in 2023, and units are available for purchase

RACIAL EQUITY IMPACT

A significant gap in homeownership rates between BIPOC and White individuals exists due to historical racial, political, and economic exclusion. Minneapolis Homes seeks to narrow this disparity by increasing opportunities of homeownership for households with lower incomes and addressing the systemic economic marginalization of BIPOC individuals. Beyond supporting development financially, other features of the Minneapolis Homes program, such as education for first time homebuyers and downpayment assistance, further support historically marginalized households in building wealth and accessing homeownership.

LESSONS LEARNED

UTILIZE EXISTING RESOURCES

In densely populated metro areas, finding land for new housing developments can be challenging, with land often being scarce and expensive. Minneapolis Homes, specifically through the rehabilitation of 628 E Franklin, significantly reduces development costs and contributes to neighborhood revitalization by rehabilitating vacant properties. Leveraging existing resources in this way can lead to more cost-effective solutions over time.

BUILD RESILIENCY

Rising construction costs pose a significant risk to housing projects and their long-term affordability. Relying on a single funding source can leave projects vulnerable to economic shifts. By spreading investments across various funding sources, including ARPA support, the City ensured that Minneapolis Homes units could be sold at more affordable prices, strengthening the program's financial resilience.

RAPIDLY EXPANDING AVAILABLE AFFORDABLE HOUSING

For families with lower incomes, securing affordable housing is more than just finding a place to live—it's central to their overall stability. In 2023, the reality for many families was stark: over 8,000 families were on a waiting list for housing assistance from the Minneapolis Public Housing Authority (MPHA), a key public housing provider. The highest demand came from families in need of two- and three-bedroom units. Meeting this urgent demand required creativity, collaboration, and funding.

MPHA developed the Family Housing Expansion Project (FHEP), also known as the MPHA Scattered Sites Project, in collaboration with the City of Minneapolis. This project is a redevelopment initiative aimed at addressing the immediate need for affordable housing by increasing residential density. Instead of building single-family homes, the project utilized existing properties in MPHA's portfolio as well as two City-owned sites to build multi-unit buildings, each one offering multi-bedroom apartments for families. By reusing their existing real estate, MPHA was able to reduce the overall cost of development and exponentially increase their number of deeply affordable family-sized apartments.

The City's Community Planning and Economic Development (CPED) department provided significant financial support for the development of these homes and facilitated the sale of City-owned land, citing the vision for increasing residential density and creating affordable housing laid out in the Minneapolis 2040 plan—a roadmap the City uses to guide work over the next two decades.

Credit: Russell Heeter Photography



ACCELERATING THE DEVELOPMENT OF AFFORDABLE HOUSING

Funding from the American Rescue Plan Act (ARPA) supported the FHEP's rapid transition from existing single-family homes to multi-unit buildings. But it wasn't just the funding that accelerated the process—innovation played a key role as well. The FHEP utilized modular construction, allowing for homes to be built faster and more efficiently. Modular construction, which involves assembling the homes off-site, provided significant time-saving advantages. It allowed the project to progress 33% faster than traditional on-site building methods, with 75% of the construction avoiding weather delays by taking place in a climate-controlled facility. Additionally, while the modular units were being built, work on-site occurred simultaneously, further cutting down on construction time. These efficiencies meant that renters, many of whom had been waiting for years, could access affordable housing much sooner.

Credit: Russell Heeter Photography



AVOIDING WEATHER DELAYS WITH INDOOR CONSTRUCTION



of construction was done indoors

PROJECT COLLABORATORS

MINNEAPOLIS PUBLIC HOUSING AUTHORITY (MPHA)

Serves as the long-term owner and property manager of the buildings and provides rental assistance through the Project Based Section 8 program.

CITY OF MINNEAPOLIS

Provided substantial financial support through ARPA funding, the Affordable Housing Trust Fund, Housing Revenue Bonds, and 4% Low Income Housing Tax Credits.

Credit: Russell Heeter Photography



DEEPLY AFFORDABLE HOUSING MADE POSSIBLE BY INNOVATIVE CONSTRUCTION

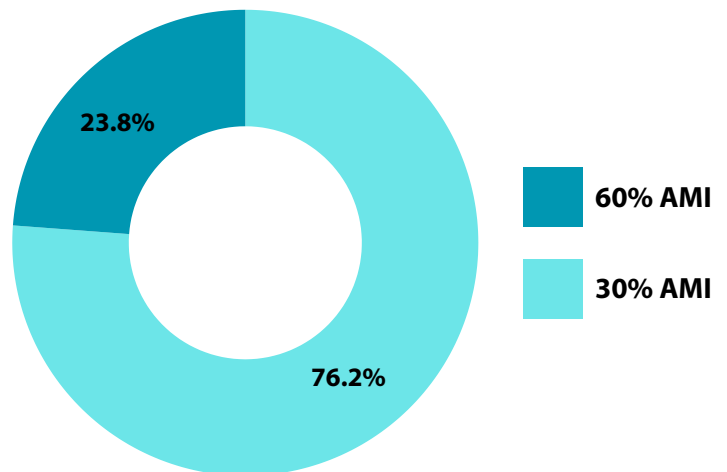
The FHEP was more than just a redevelopment initiative; it served as a lifeline for many families in need. MPHA leveraged existing properties in its portfolio, some of which already had renters. Understanding the delicate situation of these renters, the project offered relocation services, ensuring their right to return once construction was complete. MPHA and the City have a Memorandum of Understanding that guides relocation activities in jointly financed projects like the FHEP, maintaining the focus of projects on alleviating challenges for renters.

Additionally, MPHA engaged renters in the design process of new units, incorporating elements from that engagement such as exterior lighting for security and increased kitchen storage space. Renters were also able to select the interior finishes of their units. These thoughtful approaches not only provided stability during transition and mitigated the risk of displacement, but they also fostered a sense of ownership and inclusion into the process, allowing families to feel secure and heard amid changes.

The FHEP successfully constructed a total of 84 new housing units across 16 small apartment buildings, each designed with the needs of the community in mind. Among these, 64 units are reserved for households earning at or below 30% of the area median income (AMI), while the remaining 20 units are set aside for those earning at or below 60% of the AMI. Additionally, to support vulnerable populations, 17 of the new units are specifically reserved for people experiencing long-term homelessness and include supportive services to aid their transition into stable housing. Renters first moved into new units 10 months after construction began, and construction was fully completed after 13.5 months.

The need for deeply affordable units is evident, with the median household income of current FHEP renters being \$20,060. This statistic underscores the critical demand for affordable housing solutions, making the success of the FHEP not just a triumph of innovative construction, but an opportunity for stability and security for families.

FHEP UNITS BY AVERAGE MEDIAN INCOME



Credit: Russell Heeter Photography



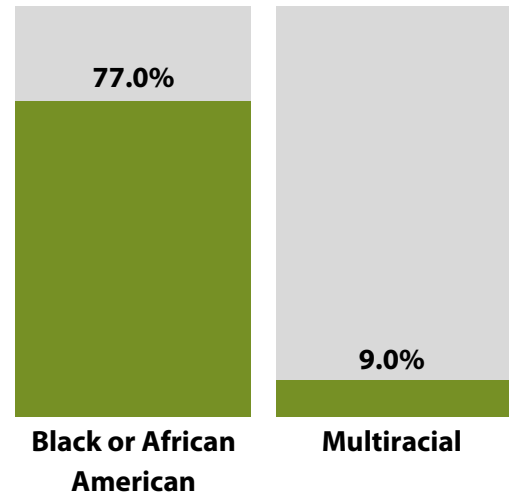
Ensuring safe and stable housing is available for those who have been historically at a disadvantage is crucial to the City's commitment to equity and affordable housing. By offering relocation services to renters before construction began, the project offered additional stability and peace of mind, reducing the risk of further marginalization during the redevelopment process. This project also provided deeply affordable units, which are a key part of the City's racial equity approach to housing as BIPOC individuals are more likely to be renters and more likely to be cost burdened in their housing. This thoughtful approach not only aided in addressing immediate housing needs but also paved the way for a more equitable future in Minneapolis.

RACIAL EQUITY IMPACT

Historical housing discrimination and economic marginalization disproportionately impact Black, Indigenous, and People of Color (BIPOC) households, limiting their access to affordable housing throughout Minneapolis. The FHEP approached this inequity by rapidly developing deeply affordable units, offering more accessibility to housing to those who face systemic barriers.

By providing 17 permanent supportive housing units for people experiencing long-term homelessness, the FHEP helps reduce disparities and racial inequity in homelessness. African Americans are over-represented in homelessness at a rate of almost 5:1 against the general population and Native Americans are over-represented at a rate of more than 12:1. Today, 77% of the FHEP's renters identify as Black or African American and 9% identify as multiracial, reflecting that concerted effort.

SHARE OF FHEP RENTERS IDENTIFYING AS BLACK OR MULTIRACIAL



LESSONS LEARNED

EMBRACE CREATIVE METHODS

The FHEP demonstrated the effectiveness of modular construction in rapidly delivering affordable housing. The innovative approach facilitated faster construction, streamlined design, and responded to urgent housing demand. These advantages highlight the benefits of exploring alternative approaches, including in construction techniques, demonstrating that creativity can lead to effective solutions in the face of pressing challenges.

KEEP COMMUNITY IN MIND

Providing support to existing renters is vital in creating impactful housing projects. By offering relocation services, the project ensured stability for renters prior to construction, preserving relationships and connections to their neighborhoods. Engaging renters in the design process allowed their insights to shape the new units, further strengthening their connection to the community. Prioritizing community needs ensures that successful developments are responsive and beneficial to those they aim to serve, fostering a sense of belonging and continuity amidst change.

SEEKING NEW WAYS TO BUILD FINANCIAL STABILITY

For many individuals in Minneapolis, achieving financial stability can feel like a juggling act of competing priorities, from securing housing and food to planning for long-term financial goals. To support those in need, the City of Minneapolis offers a range of services aimed at providing stability, including public housing projects and food banks. However, many of these programs address only a specific need at a time. Recognizing this, the City saw an opportunity to build a broader, more holistic approach to improve overall financial stability.

One approach adopted by other communities to increase financial stability is a guaranteed basic income (GBI) program. GBI programs supplement the incomes of individuals by providing them with a lump sum of money and allowing them the opportunity to make financial decisions that suit their individual situations. To best understand how a program might work in Minneapolis, the City's Community Planning and Economic Development (CPED) department designed a GBI pilot using funding from the American Rescue Plan Act (ARPA).

PARTICIPANTS...



generally make less than

\$20k

are, on average,

38 years old



received monthly payments of

\$500

received payments for over

2 Years



PUTTING THE GUARANTEED BASIC INCOME PILOT TO THE TEST

To empower those with lower incomes without the stigma often associated with government assistance or the restrictions common to other aid-based programs, participants received monthly payments with no requirements or limitations on spending. Furthermore, pilot participants were not directed to other supportive services to give participants the freedom to spend the funds as they saw fit while enabling the City to assess the impact of direct funding.

Criteria was established to focus the benefits of a GBI pilot onto individuals who needed financial assistance most. To qualify as a participant, individuals needed to reside in zip codes with high poverty rates within Minneapolis, earn less than 50% of the area median income (AMI), have experienced a negative financial impact from the pandemic, and be at least 18 years old. 200 participants were selected for the pilot, with more than half of participants earning less than \$20,000 a year. Participants ranged in age from 18 to 88 years old, with an average age of 38.

Participants received \$500 monthly payments to boost their income over a two-year period. A comparison group of similar individuals was also identified to assess the impact of payments more accurately.

Every six months, both the pilot and comparison groups were surveyed on topics such as housing, employment, and overall financial stability. The City reinforced its commitment to understanding the potential positive impacts of the GBI pilot by partnering with the Federal Reserve Bank of Minneapolis, a third party, to evaluate the results of the surveys. This cross-collaboration was key to the program evaluation's success and will continue through the final stages of the program.

MONTHLY PAYMENTS SUPPORTED PARTICIPANTS IN ACHIEVING STABILITY

The survey results observed from participants demonstrate that the GBI pilot effectively enhanced their financial stability and overall well-being. These improvements highlight an opportunity for reaching broader community financial stability in a more established program.

After 18 months, compared to those who did not receive monthly payments, participants are more likely to:

- Be food secure
- Be financially secure
- Have positive self-assessed well being
- Score high on psychological wellness, and
- Have stable housing

Participants reported that their monthly payments initially went to repeating costs such as housing and food, granting them more immediate stability. The consistent monthly payments over the two-year period allowed some participants the opportunity to pay down debt or increase their savings for long-term planning.



PROJECT COLLABORATORS

CITY OF MINNEAPOLIS

Designed, implemented, and managed the GBI pilot.

FEDERAL RESERVE BANK OF MINNEAPOLIS

Evaluated and reported on the results of the survey.



RACIAL EQUITY IMPACT

While the GBI pilot did not specifically focus on individuals by race or ethnicity, 80.5% of participants were Black, Indigenous, and People of Color (BIPOC). The racial breakdown of the GBI pilot is consistent with other assistive services provided by the City, ultimately reflecting the patterns of historic and systemic barriers to financial stability that BIPOC face. The positive outcomes from the GBI pilot support new avenues of providing impactful direct support to those who are most financially burdened due to a legacy of exclusion in Minneapolis.

LESSONS LEARNED

MEET PEOPLE WHERE THEY ARE

Not all participants had access to direct deposit to receive their monthly payments, but the City was able to accommodate their needs due to the small scale of the pilot. While this approach may be harder to implement in a larger scale program, it's important to ensure that individuals of different lived experiences are supported and provided additional tools and assistance that can lead to similar outcomes. Additional language support would be helpful for programs such as this to better assist participants on a more real-time basis through direct interactions or ongoing communications.

BUILD CONFIDENCE THROUGH INDEPENDENT EVALUATION

Some programs, like GBI, may come with preconceived ideas about their effectiveness. By partnering with a third-party evaluator, the City enhanced confidence in the pilot outcomes and ensured objective analysis. Independent assessments can strengthen trust, ultimately communicating the impact of work more effectively by supporting confidence in the results.

DESIGNING SAFER STREETS FOR EVERYONE

In large metro areas, effectively managing the movement of people is a vital public safety service. Multiple departments in the City of Minneapolis play a role in managing the transportation system. The Public Works department contributes by designing infrastructure to ensure safe and efficient transportation for all users and monitoring the performance of those systems. The City's adopted transportation policy supports cyclist and pedestrian safety as a top priority.

Risky driving behavior, especially speeding, significantly increases both the likelihood of crashes and the severity of injuries. Crashes involving cyclists and pedestrians are more likely to result in injuries. Although cyclists and pedestrians are a smaller share of total commuters, they represent a larger portion of those injured or killed in traffic accidents. Reducing traffic speeds is a crucial step toward creating safer streets for everyone.

The City's Neighborhood Traffic Calming program aims to reduce vehicle speeds and encourage safer behavior on neighborhood streets. This initiative includes adding various traffic calming treatments to streets, such as:

- Speed humps
- Curb extensions
- Traffic calming circles
- Medians

Community members, business owners, and local organizations are encouraged to report areas of high speeds or unsafe driving to the City by submitting information via the City's website. Public reporting enables the City to proactively address locations which can benefit from traffic calming treatments.



Traffic Calming Circle



USING TRAFFIC CALMING CIRCLES AS A LONG-TERM SOLUTION

As demand from community reports exceeds limited resources and capacity, not all areas are able to receive immediate improvements. Funding from the American Rescue Plan Act (ARPA) provided a critical boost to the Neighborhood Traffic Calming program, expanding the City's capacity to make streets safer by constructing traffic calming circles—intersections designed to reduce risky driving by encouraging drivers to slow down as they navigate around a central island. Unlike traditional intersections, vehicles in a traffic calming circle all move in the same direction. This design reduces the likelihood of head-on and right-angle collisions as well as requiring drivers to slow down. With this ARPA support, the City has installed additional traffic calming circles at neighborhood intersections, increasing the number of areas receiving a traffic calming treatment. The ARPA-funded traffic calming circles are constructed from concrete and enhanced with landscaping to improve the aesthetic of the installations.

Construction has taken place at intersections primarily in the Near North and Camden communities of Minneapolis. These sites were chosen based on the feasibility of building a traffic calming circle, potential history of crashes, and considerations of transportation equity—ensuring safe and reliable transportation for historically marginalized communities. Construction at each site takes about two weeks, and the City conducted an engagement process to inform community members and business owners about the proposed treatments and the construction process.

CHANGING BEHAVIOR THROUGH PURPOSEFUL DESIGN

Traffic calming circles act as obstacles that encourage drivers to slow down, improving safety for cyclists and pedestrians. Reducing driver speeds significantly lowers the risk of severe or fatal injuries for cyclists and pedestrians. For instance, lowering a car's speed from 40 to 20 miles per hour reduces the likelihood of a cyclist or pedestrian experiencing a severe or fatal injury by 60%. A safer environment can make cycling and walking more appealing, potentially reducing the number of people who commute by car. Those who opt for alternative transportation may see lower commuting costs, while fewer drivers on the road could help alleviate traffic for those who choose to drive.

RACIAL EQUITY IMPACT

Due to the historical marginalization of Black, Indigenous, and People of Color (BIPOC), neighborhoods with a higher population of BIPOC individuals have traditionally experienced disinvestment through unequitable traffic design. This translates into BIPOC individuals experiencing severe or fatal traffic-related injuries at disproportionate rates. By prioritizing traffic calming treatments in communities of color, the City aims to address the disproportionate impact of traffic-related injuries and fatalities on BIPOC individuals. As a result, all ARPA-funded traffic calming circles are in transportation equity priority areas—neighborhoods in need of prioritization based on various factors such as demographics, income, and vehicle availability.

Curb extensions



Traffic calming circle



Speed hump



LESSONS LEARNED

INVOLVE THE COMMUNITY

In a large metro area, involving communities is crucial for identifying locations with unsafe driving behaviors. The public reporting system empowers community members to alert the City about locations where risky driving occurs, allowing for intervention before serious injuries happen. Engaging with the community not only fosters trust but also provides valuable insights that can enhance decision-making.

PURSUE PERMANENT SOLUTIONS

ARPA funding provided the City the unique opportunity to install permanent concrete traffic calming circles rather than relying on temporary traffic calming treatments. This investment highlights the City's commitment to long-term traffic safety. By implementing durable solutions, the City fosters sustainable changes that enhance community safety year after year.

OVERCOMING LEAD HAZARDS IN AN OLDER HOUSING STOCK

The use of lead-based paint in homes was federally banned in 1978 due to the multitude of severe health problems that lead poisoning can cause. For cities with an older housing stock, like Minneapolis, lead poisoning in children remains a public health concern. The City of Minneapolis' Health department addresses childhood lead poisoning through its Healthy Homes program. The Healthy Homes program focuses on addressing hazards identified during inspections, raising public awareness about the dangers of exposure, and providing resources to families affected by various public health hazards in their homes.

Traditionally, a lead inspection is triggered by a medical report of a child with lead poisoning. In these inspections, City inspectors identify lead hazards in the home and provide a report to the property owner. Property owners receive notices to address lead hazards and are encouraged to access potential avenues of funding that are managed by the City's Health department.

However, rising inflation in recent years has impacted the ability of both property owners and the City to remediate lead hazards in homes. Rising construction costs have made it difficult for many property owners to start renovations even with available financial support from the City's grant programs. Additionally, of the older housing stock in Minneapolis that is most likely to contain significant lead hazards, about 65% are rental properties. Since renovations require the property owner's approval and investment, it can be challenging to incentivize rental property owners to carry out this work.

RENTAL PROPERTIES COMPRISE MORE THAN HALF OF LEAD POISONING CASES

65%

of lead poisoning cases occur in rental properties



FINDING PRACTICAL SOLUTIONS TO BE PROACTIVE

To support both renters in accessing a healthier home and property owners in financing renovations, the City expanded available funding through the American Rescue Plan Act (ARPA). Since the only requirement for gaining access to ARPA funding is the home being built prior to 1978, this funding allows more flexibility compared to other grants that have multiple requirements for eligibility.

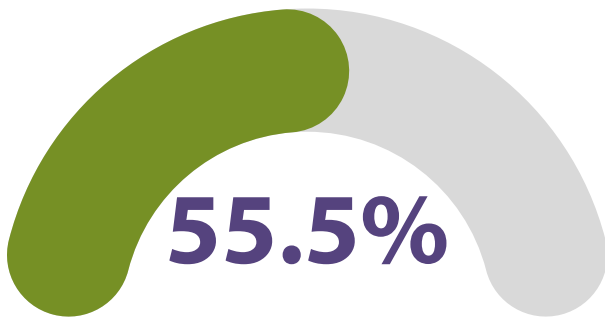
In addition to remediation efforts, ARPA funding granted the City an opportunity to be more proactive in addressing lead hazards in homes. One way of preventing childhood lead poisoning includes looking for lead hazards during the routine rental inspection process. Traditionally these inspections focus on identifying code violations in rental properties and do not specifically look for lead hazards. Incorporating the identification of potential lead hazards during rental inspections allowed the City to begin addressing hazards prior to reports of children with lead poisoning. This change also increased public awareness of the dangers of lead exposure by expanding education beyond the Healthy Homes program. Increased awareness helps build a stronger bridge between vulnerable families and City resources for addressing lead poisoning.

MAKING HOMES HEALTHIER AND SAFER

Remediation work addresses a critical public health concern for renters and property owners, especially for homes with children, who are particularly vulnerable to lead exposure. Once lead hazard remediation is completed, renters and property owners can feel more confident about the safety of their homes. Furthermore, the improvements made during this process can increase property values through improving the safety of a home and enhancing its overall appeal.

Since receiving funding from ARPA, the Healthy Homes program has been hard at work. Over 750 homes in high-risk neighborhoods have been inspected for lead hazards, a critical step in protecting the health of children and families. Of these inspections, over 600 homes were found to have lead paint or other lead hazards. Thanks to ARPA funded grants, approximately 350 more homes have received financial support for remediation. For remaining homes, notices have been issued to property owners, urging them to act on making those repairs.

PROGRESS IN LEAD SAFETY INSPECTIONS AND REMEDIATING HOMES



of homes with lead hazards received ARPA grants



RACIAL EQUITY IMPACT

Work of the Healthy Homes program primarily operates in Green Zones—areas of Minneapolis that experience higher rates of pollution along with racial, political, and economic marginalization. Several neighborhoods in Northside and Southside Minneapolis where historical housing discrimination has led to a higher concentration of Black, Indigenous, and People of Color (BIPOC) are designated as Green Zones. This history has intensified the burden of marginalization on these communities, highlighting the urgent need for intervention. By prioritizing remediation efforts in these neighborhoods, the Healthy Homes program aims to create safer and healthier living environments for all Minneapolis residents.

LESSONS LEARNED

BUILD ON EXISTING PROCESSES

By including lead hazard checks into the existing rental inspection process, the City has taken a more proactive approach to combat childhood lead poisoning. Catching potential hazards before a child is diagnosed with lead poisoning not only lowers health risks but creates safer living environments for families. This change highlights how using existing processes can help to proactively monitor for issues before they create long-term negative impacts on people.

EXPAND COMMUNICATION ON AVAILABLE RESOURCES

The City offers multiple resources for families affected by childhood lead poisoning and recognizes the opportunity to enhance their visibility. Continuing to broaden communications helps ensure that the public is aware of resources available to them, ultimately helping people access the support they need to keep their homes and families safe.

RENOVATING HOUSING FOR ENHANCED WEATHER RESILIENCY

Aging housing stock presents many opportunities to improve the overall quality of homes and the lives of those who inhabit them. Many older buildings lack proper insulation and have outdated heating systems, leading to high energy costs and uncomfortable living conditions. Nationwide, several initiatives exist geared specifically toward increasing energy efficiency and improving living conditions for households with lower incomes. In Minneapolis, the City's Health department addresses these issues through weatherization—renovations aimed at making homes more resistant to the elements, and energy efficiency – renovations aimed at reducing energy bills. The City matches financial investments in properties identified for weatherization and energy efficiency in Green Zones—areas identified as experiencing higher pollution levels and significant historical racial, political, and economic marginalization, and low-income housing.

Through housing-based community partnerships, the City identifies properties that would benefit from weatherization and energy efficiency. When a home is identified for potential support, the Center for Energy and Environment (CEE) conducts an energy audit, assessing both the physical condition of the home and the energy cost burden on the household. Based on the assessment, CEE provides recommendations for potential weatherization upgrades, which the City uses to guide renovations in collaboration with property owners.

However, rising inflation in recent years has impacted the ability of both property owners and the City to pay the higher costs of weatherizing homes. Increased renovation costs make it challenging for property owners to complete necessary upgrades, even with the City's financial support. Additionally, each home requires a unique set of renovations—some may need only a water heater replacement, while others require extensive structural changes. Given that weatherization efforts focus on Green Zones, alleviating the financial burden on households for both initial renovation costs and long-term energy savings is crucial for effectively serving communities with lower incomes.



MAKING WEATHERIZATION MORE AFFORDABLE

The American Rescue Plan Act (ARPA) expanded the City's funding options for properties in critical need of financial support. With an existing list of homes ready for weatherization, the secured ARPA funding allowed the City to work with identified property owners and begin renovations right away.

The additional funding also presented the City an opportunity to explore expanding existing programs while considering long-term impacts on lower income households. For example, renovations could potentially increase property values, which can lead to gentrification and the eventual displacement of renters. To mitigate this risk, many projects on the existing list are committed to maintaining certain levels of affordability through the City's various affordable housing programs. This allows households with lower incomes to gain the benefits of a more energy efficient home without being displaced by an increase in rent. Ongoing efforts are needed to ensure that initiatives do not inadvertently exclude those with lower incomes due to insufficient initial funding or rising costs later pushing them out of their neighborhoods.

PROJECT COLLABORATORS

CENTER FOR ENERGY AND ENVIRONMENT (CEE)

Performing energy audits and providing recommended improvements

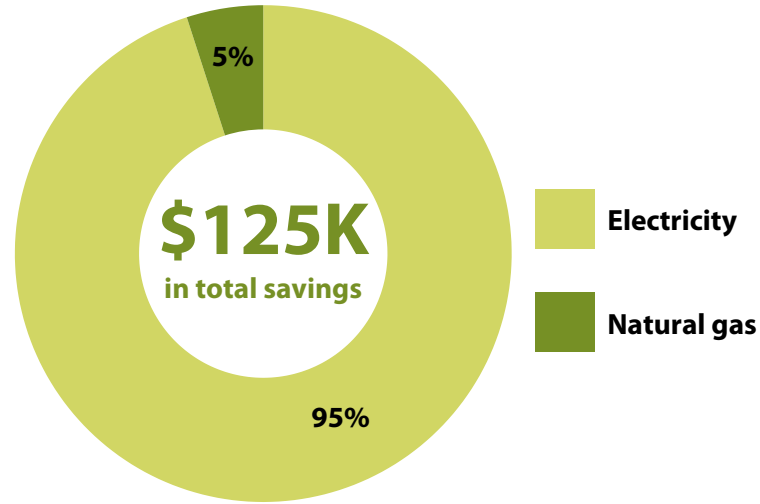
CITY OF MINNEAPOLIS

Supporting property owners with financing home weatherization

LONG-TERM ENERGY SAVINGS PUTS MONEY BACK INTO A HOUSEHOLD'S POCKET

Weatherization and energy efficiency work improves the quality of a home but also directly creates long-term savings on utility bills for households. A total of 58 projects have been awarded funds from ARPA, resulting in nearly 700,000 units of electricity and 26,000 units of natural gas saved. With a December 2023 average rate of 17 cents per unit of electricity and 24 cents per unit of natural gas, families across all projects have saved approximately \$125,000 on their utility bills as of fall 2024, averaging \$2,000 in savings per project. These savings not only lower a household's utility bills, making housing more affordable, but also enhance the overall comfort. Families can feel more at ease and put their savings toward other essential needs, such as food, healthcare, or education, ultimately improving their quality of life and financial stability.

HOUSEHOLDS SAVE ON THEIR UTILITY COSTS



RACIAL EQUITY IMPACT

Weatherization efforts primarily take place in Green Zones in Northside and Southside Minneapolis, where pollution levels are higher and communities face the impacts of historical racial, political, and economic marginalization. Historical housing discrimination has resulted in Black, Indigenous, and People of Color (BIPOC) being more likely to live in these neighborhoods and as such shouldering the overburden of negative impacts of an aging housing stock. By focusing weatherization efforts in these communities, the City aims to alleviate some of this burden by improving homes to better withstand changing weather conditions and lowering costs for property owners and renters alike.

LESSONS LEARNED

CONSIDER POTENTIAL IMPACTS

While the completion of weatherization projects is an important achievement, the City emphasizes the need to remain committed to the broader mission of supporting households with lower incomes. This focus will help the City proactively address potential consequences of weatherization, such as displacement of households due to increased property values. By prioritizing long-term sustainability, the City can ensure that weatherization efforts benefit the most vulnerable communities.

ADAPT AND EVOLVE

The existing list of homes in need of weatherization serves as a valuable foundation for the City's program. In addition, to maximize its effectiveness, the City continually strives to explore new approaches and technologies. Regular evaluation and adjustment of methods are essential to keep pace with a changing climate and evolving community needs. This adaptability will help the City remain responsive and effective in efforts to improve housing quality.

ADDRESSING STAFFING SHORTAGES IN PUBLIC SAFETY SERVICES

Many factors can influence employers' recruitment, hiring, and retention of employees, including the employer's reputation and broader economic shifts. During the COVID-19 pandemic, these challenges became even more pronounced across all employers, particularly for critical service areas. The subsequent economic shift led to budget cuts, early retirements, and hiring freezes, resulting in widespread staffing shortages.

Prior to the pandemic, the City of Minneapolis' average position vacancy rate—the percentage of unfilled positions compared to the total number of positions—across three years had been 8.5%. The pandemic and the damage to the City's reputation following the murder of George Floyd led to staffing shortages across all departments. By 2022, the average position vacancy rate reached 19%. Although the City historically had large applicant pools, a 70% decrease in applications meant high vacancy numbers were set to persist.

While the shortages were felt across the City, essential public safety services were impacted the most, particularly in 911 and the Minneapolis Police Department (MPD). This challenge created an opportunity to rethink how the City recruits, hires, and retains its employees. However, with staffing shortages also felt in the City's Human Resources (HR) department, additional funding was crucial to build capacity and better understand opportunities in the hiring process.

STRENGTHENING THE WORKFORCE WITH IMPACTFUL WORK AND COMPETITIVE PAY

The initial capacity building needed to drive this work in HR came from a portion of the American Rescue Plan Act (ARPA) funding. HR created temporary positions to fill capacity gaps, ensuring that the City remained in compliance with all employment standards. After these efforts to keep HR fully operational, the remaining ARPA funding was then directed to enhancing the City's recruitment, hiring, and retention efforts.



**“Imagine Yourself”
campaign attracted job
seekers aged 18-44,
particularly for MPD
and 911 positions**

To increase recruitment rates, the City contracted a professional services firm to develop a multi-year strategy and paid-media campaign specifically for key positions in 911 and MPD. The “Imagine Yourself” campaign was designed to attract jobseekers aged 18 to 44 within a 300-mile radius of Minneapolis. To effectively reach this audience, the campaign employed a multi-faceted strategy that combined social media platforms such as YouTube, Instagram, and Facebook with community engagement efforts, including job fairs and collaborations with local organizations. This targeted approach enabled the City to deliver personalized messaging that resonated with a diverse range of demographics, showcasing the meaningful impact employees feel when serving their community.

The City identified opportunities of improvement in retention rates through conducting a pay study. The results highlighted that the City served as one of the largest government employers in the state, alongside the State of Minnesota, but had not remained competitive compared to the larger employment market. To address this discrepancy, the City reclassified jobs to align with current market rates and offered a retention incentive to employees who remained with the City for the next twelve months. The City used the additional compensation as a means of recognizing the hard-working employees continuing to provide essential services to communities.

EXPANDING BENEFITS ACROSS THE CITY

While many organizations still face post-pandemic vacancies, the City has made significant progress in closing the gap, especially in critical public safety roles. Across the City, application rates have doubled since initiation of the “Imagine Yourself” campaign. Compared to the previous year, the first quarter of 2024 saw a 26% increase in the number of hires. These increases highlight a rapidly growing interest in public service. Given the high costs associated with advertising, ARPA funds played a crucial role in supporting the “Imagine Yourself” campaign's advertising efforts, effectively raising awareness and generating interest in these essential careers.



The work accomplished through the ARPA-funded Recruitment, Retention, and Hiring Support project also identified future strategies the City can build upon. Critical services, like those provided by staff in public safety departments, operate in a high-pressure environment. When asked, many employees expressed that the alleviation of some of these pressures such as turnover would improve employee well-being and influence their decision to stay. Seeing such positive results from HR-led recruitment and retention efforts, HR is now focused on identifying other ways to support retention and strengthen workplace environments across the City.



RACIAL EQUITY IMPACT

For this work, recruitment strategies emphasized the importance of increasing hiring rates in a racially diverse and equitable manner to better reflect the demographics of Minneapolis. Community engagement played a key role, with activities ranging from representation at job fairs to hosting career development workshops, including resume writing and mock interviews. These sessions brought resources directly to communities throughout Minneapolis. This approach shows signs of combatting the historical low numbers of women and Black, Indigenous, and People of Color (BIPOC) hired at the City with increases in hiring rates across several racial groups compared to the previous year.

LESSONS LEARNED

A COMPELLING MESSAGE MATTERS

The City effectively utilized the “Imagine Yourself” campaign to create a strong, resonant message that appealed to jobseekers. By highlighting the meaningful impact of public service and tailoring outreach to diverse demographics, the campaign significantly increased interest in employment at the City. A clear and engaging message that centers the people doing the work helps jobseekers envision themselves in similar roles.

INVESTING IN LONG-TERM SUCCESS

The City's commitment to and investment in capacity building and effective new practices reflects the importance of a long-term approach to workforce development. Each employee contributes unique skills, knowledge, and insights, making retention essential for a sustainable workforce. Focusing on competitive pay and working to foster supportive workplace environments positions the City for long-term stability.