



First Program Year CAPER

The CPMP First Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

In its 2005 Action Plan the Dakota County CDA proposed how it will utilize CDBG, HOME, ADDI as well as funds from Public Housing and Section 8 programs, to provide affordable housing opportunities to low income residents of Dakota County. CDBG funds also assist with redevelopment, public services, and public facility improvements.

Specific objectives over the past year included:

- Increasing the number of affordable rental housing units through construction and rehabilitation.
- Increasing the number of affordable owner units through financial assistance and new construction.
- Increasing the number of homeowners through first mortgage and downpayment assistance programs.
- Encouraging redevelopment through acquisition and clearance of blighted properties.
- Improving existing public facilities.
- Providing needed services to low income residents of Dakota County.

The results of Dakota County CDA's efforts to achieve these objectives are reported throughout the CAPER and in the CAPER tables.

General Questions

1. Assessment of the one-year goals and objectives:
 - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
 - b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.
 - c. If applicable, explain why progress was not made towards meeting the goals and objectives.

Information regarding the above is in the additional files, IDIS reports and DC 2005 CAPER tables.

2. Describe the manner in which the recipient changed its program because of its experiences.

Last year, the CDA changed its rehab policy from providing low interest installment loans to households above 50% of median to providing only zero interest deferred loans to all income eligible households. Because of this change, more households applied for rehab loans that might not have if previously qualified for a low interest installment loan.

The CDA found that many lenders participating in the CDA's FTHB Program have difficulty with determining buyer's incomes for eligibility for the CDA's downpayment assistance (DPA) program. Because of this, the CDA reformatted its DPA reservation form with the hope of making it easier for lenders to collect the required information.

Based on recommendations from lead based paint experts, the CDA also decided to exclude pre-1978 structures that fail the HQS inspection due to deteriorated paint from participating in the DPA program. The CDA found that scheduling the required tests and coordinating appointments and inspections with realtors and/or sellers became administratively burdensome. Lenders learned of this change at the annual lender training. The CDA hopes that a by-product of this is that lenders will educate their buyers about deteriorated paint older homes and buyers will urge sellers to repair the paint prior to the CDA inspection.

3. Affirmatively Furthering Fair Housing:

a. Provide a summary of impediments to fair housing choice.

Several years ago, the metro area entitlement jurisdictions formed the Fair Housing Implementation Council (FHIC). The purpose of the FHIC is to develop the Analysis of Impediments and design actions to address the identified impediments.

Identified impediments are categorized into three groups; Government/Public Sector, Homeownership Market, and Private Rental Market.

Impediments identified in the Government/Public Sector:

Exclusionary land use policies

Lack of housing policies that establish a minimum threshold of affordable housing

Demolition/Redevelopment activities that result in displacement

Disconnect between owners of accessible rental units and the people who need them

Difficulties in obtaining information for LEP populations

Loss of federally assisted rental housing

Impediments identified in the Homeownership Market:

Limited access to prime loan rates for protected classes

Difficulties in accessing and retaining homeowners insurance by protected classes

Predatory lending

Discrimination in home buying process

Lack of homeownership knowledge

Restriction of housing choices

Impediments identified in the Private Rental Market:

Fewer ads and greater reliance on vacancy signs – lack of information available

Restrictive occupancy standards

Refusal to accept rent subsidies

Use of minimum income requirements

Reliance on tenant screening reports

Application fees

Lack of fair housing knowledge

b. Identify actions taken to overcome effects of impediments identified.

Every year the Dakota County CDA's Rent Assistance Department hosts a landlord conference. Area landlords and property owners are invited to discuss a variety of issues relating to rental housing and the Section 8 program. Fair housing and equal access to housing are covered in the conference.

Every April, the CDA publishes fair housing print ads in local newspapers, some of which are targeted to African Americans (Insight News), Asians (Asian American Press) and Hispanics (La Prensa). This year, fair housing ads appeared twice in each publication.

The HomeStretch curriculum for first time homebuyers now includes a section on fair lending. Door hangers on how to spot a predatory lender go out with every mailing to people that request first time homebuyer information. The Dakota County CDA is also a partner in the Don't Borrow Trouble campaign.

Dakota County does not have the authority to enforce fair housing laws. However, if a fair housing complaint is received, the person reporting the complaint is instructed to call HUD's Fair Housing Enforcement Center, the Minnesota Department of Human Rights, the Minneapolis Department of Civil Rights or the St. Paul Department of Human Rights. Persons that feel they have been discriminated against can also file a complaint on line via the HUD web site at www.hud.gov.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

In the Con Plan, households in need of affordable housing are identified as being underserved. Dakota County addresses this need each year by developing affordable rental townhomes for families, affordable rental apartments for seniors, and by continually applying for Section 8 and other rent assistance funding.

Developing affordable rental units has never been easy. Neighborhood opposition is the obstacle most frequently encountered. To overcome this opposition, the CDA makes every effort to educate and inform the neighboring residents about CDA owned and managed properties. The CDA also makes changes to building designs and layouts, like reducing the number of units or bedrooms, or increasing setbacks, in an effort to address neighbor's concerns.

Each community is different and each community has their own concerns. It does seem as though once a community has a CDA development within its jurisdiction, it is more receptive to additional developments.

The decline in HUD funding over the years, especially the drastic decline recently, is an obstacle to meeting needs as well, underserved or not. A decrease in funding can, and does result in staff reductions, fewer projects, activities and services.

5. Leveraging Resources

- a. Identify progress in obtaining "other" public and private resources to address needs.

When other funding sources become available the CDA reviews the funding criteria to determine if it should apply for the funds. During the program year, the CDA applied to the State and Met Council for contamination clean up funds for the Meadowlark site in Lakeville and for gap financing for the GMHC houses. These attempts were not successful. However, the CDA successfully applied for and received over \$90,000 from the DNR and over \$70,000 from the MPCA for acquisition and site clearance activities.

Successfully obtained leverage funds include over \$1.5 million in local and state funding for rental rehab activities that will also involve HOME funds, \$1 million for redevelopment grants to cities for a CDA pilot program that will begin in 2007, and \$110,900 for homeownership counseling and education. The CDA also issued bonds for over \$65 million for FTHB financing.

- b. How Federal resources from HUD leveraged other public and private resources.

The Dakota County CDA tries to leverage other private and public funds whenever possible. Acquisition and clearance activities were performed using CDBG funds paired with Minnesota Department of Natural Resources and Pollution Control Agency funds in the City of Inver Grove Heights. Acquisition and relocation of a commercial property in the city of Eagan were coupled with other City funds. Land

acquisition for the purpose of new construction of affordable rental housing in the cities of South St. Paul and Rosemount was funded from CDBG, HOME, and other CDA local funds. A senior rental apartment building is under construction on the South St. Paul site, the construction funds (not included above) of housing revenue bonds, CDA special benefit tax levy, and other CDA local funds have been obtained. A family rental townhome development will take place on the Rosemount site in 2007. A commitment of low income housing tax credits and CDA local funds has been obtained. Applications for funds from state housing programs, philanthropic organization funds, and local government funds have been submitted.

c. How matching requirements were satisfied.

Twenty-five percent of each first mortgage funded with revenue bonds that also received downpayment assistance counts as match for Dakota County. Contributions to eligible projects from foundations, cities, waived fees, and the locally funded HOPE program also provide match for Dakota County.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Dakota County ensures compliance with program requirements and planning goals by carefully reviewing proposed projects and activities and by providing technical assistance.

All of the activities that received funding during the reporting period are consistent with the 2005 Dakota County Consortium Consolidated Plan. The Dakota County CDA, as lead agency for the Consortium also issues Certificates of Consistency with the Consolidated Plan when requested. Requests first go to the County in which the proposed activity is taking place. If the County member feels the proposed activity addresses a need as identified in the Consolidated Plan, the request is forwarded to the Dakota County CDA and a Certification of Consistency is issued.

Citizen Participation

1. Provide a summary of citizen comments.

The Dakota County Consortium held a public hearing on Thursday, September 7, 2006 at the Roseville City Hall. All members of the Consortium attended the hearing however, no comments were received. A 15 day comment period was also offered, with no comments.

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

Please see the additional files, IDIS reports and DC 2005 CAPER tables, for information about expenditures, locations and accomplishments.

There are no specific target areas for investment with CDBG and/or HOME funds in Dakota County. The CDA does not (and cannot) specify where funds allocated for county-wide activities such as homeowner rehab, downpayment assistance, and tenant based rent assistance are spent.

The cities of Egan, Hastings, Inver Grove Heights, and Lakeville concentrate a portion of their funding to specific areas for the purpose of redevelopment or removal of slum and blight. The CDA cannot dictate where a city decides to allocate its funding.

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

Dakota County CDA has maintained a good relationship with County departments, cities and other agencies (private and non-profit) throughout County. In addition to the relationships within the County, Dakota County CDA is the lead for the Dakota County Consortium and works with staff from Anoka, Ramsey and Washington counties. In an effort to strengthen communication between the CDA as the administrator of the CDBG program for the County and the participating cities, the CDA offers technical assistance training and works one on one with a city if requested. To help cities understand the CDBG program better, the CDA developed a CDBG manual that details program requirements and the process for allocating and awarding funds. CDA staff updates this manual each year.

Dakota County CDA is also involved with the Dakota County Workforce Council, which is a key part of the state's workforce development system. Dakota County's council provides all coordinating services through its workforce centers and client contractors.

The CDA is also a member of the Dakota County Economic Development Partnership that has a mission "to promote expansion and diversification of the Dakota County economy". The partnership's board and numerous committees work on various activities to achieve this mission.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

The Dakota County CDA conducts on-going desk monitoring of its activities and subrecipients. This monitoring includes review of reimbursement requests and quarterly reports. The Dakota County CDA also conducts on-site monitoring of its subrecipients on an annual basis. Based on a risk assessment, the CDA selects certain subrecipients to monitor each year. The risk assessment uses criteria similar to HUD risk assessment criteria. The on-site monitoring uses checklists to evaluate the compliance of the projects/activities with all aspects of the CDBG program.

2. Describe the results of your monitoring including any improvements.

Through the desk monitoring, the CDA has been able to ensure all regulations and procedures are being followed. The reimbursement review has found some subrecipients incorrectly reporting beneficiary date. This type of monitoring has resulted in better documentation, accurate reporting, and an increased awareness of compliance issues. In FY2005, the CDA monitored four subrecipients. Through the on-site monitoring, the CDA found more training was needed on income verifications and guidance on procurement procedures was required for one Subrecipient. In addition to identifying compliance issues, the on-site monitoring has improved the CDA's relationship with its subrecipients and identified training needs.

3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.

The CDBG and HOME programs have allowed the CDA and its subrecipients address housing and redevelopment problems. The program funds have been used to rehabilitate dilapidated properties both residential and commercial, acquire land for the new construction of quality affordable rental housing for seniors and families, construct necessary infrastructure, preserve historically significant properties, and acquire and remediate brownfields for profitable redevelopment.

- b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

The Dakota County Consolidated Plan for 2005-2009 identified high, medium, and low priority needs within housing and community development areas. Progress in meeting these goals was made during the FY2005. The CDBG and HOME programs assisted home owners with incomes at or below 80% of area medium income through low interest and deferred loans to make necessary improvements in order to remain in their homes. The CDA established a pilot program for rental rehabilitation and approved four properties for loans to make improvements to properties occupied by renters within incomes at or below 50% of area median income. Completion of these improvements is expected to be completed in FY2006 and new applications are being taken. CDBG and HOME funds were coupled with other local funds to purchase property for the new construction of affordable rental housing for low income seniors and families. Progress was made toward the community development goals as well with the acquisition of property for commercial redevelopment, clearance of blighted properties, clean-up of contaminated site, sidewalk construction, street improvements, relocation of businesses for commercial redevelopment, planning, youth and senior services, and historic preservation.

- c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

Decent housing is created or maintained by constructing high quality housing units, by providing low cost financing for rehab and by offering homebuyer assistance programs. A suitable living environment is created by providing high quality services and amenities such as after school programs for children and safe, appropriate park and play equipment. Dakota County cities create economic opportunity not directly through employment programs but rather by investing in redevelopment activities that attract new business opportunities.

- d. Indicate any activities falling behind schedule.

The CDA has made great strides within the last two years to ensure timely expenditures by its subrecipients. There are also some very valuable activities, such as redevelopment, that by nature take more than twelve months to assemble and complete. While they are not falling behind schedule, the final outcome of these activities is not realized for a couple years.

- e. Describe how activities and strategies made an impact on identified needs.

Proposed activities must meet one or more of the identified needs to be funded by the CDBG or HOME program. Although some activities have larger impacts than others, each activity contributes to meeting the housing or community development needs identified in the Consolidated Plan. This is addressed in (b) above.

- f. Identify indicators that would best describe the results.

Indicators of these results include the number of housing units sustained by the rehabilitation programs; the number of newly constructed units; the number of properties demolished for redevelopment; and the number of low income households assisted by the various public service activities.

- g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

The decrease in program funds coupled with the decrease in state and local funds available for housing development residential and commercial redevelopment has had a negative impact on fully addressing all needs.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.

Dakota County continues to be on track to achieve the major goals of addressing housing and community development needs.

- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

With decreasing funds it is imperative to effectively utilize staff and other available resources. Implementing procedures and schedules that are easy to follow is essential. The CDA provides all cities that receive CDBG funds with a manual that clearly describes the program and the procedures the CDA follows as well as annual training. Many forms used for reporting or for requesting program changes are available on-line, saving time for the subrecipients.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Lead based paint is handled on a case-by-case basis in the Homeowner Rehab program funded with HOME and CDBG. Most of the CDA public housing units have gone through lead based paint abatement.

During the program year, the CDA implemented a new policy for its Downpayment Assistance program whereby any pre-1978 unit being purchased with assistance from HOME, ADDI or CDBG with deteriorated paint as a failing item on the CDA conducted inspection, is not eligible for participation in the program.

HOUSING

Housing Needs

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe Actions taken during the last year to foster and maintain affordable housing.

The main mission of the Dakota County CDA is to provide decent, safe and affordable housing to low income residents of Dakota County. To achieve this, the CDA works with cities to develop affordable senior and family housing options, the CDA provides mortgage revenue bonds to offer competitive first mortgages and down payment assistance for first time buyers, the CDA also provides zero interest deferred rehab loans to low income owners whose homes are in need of repairs or upgrades.

In addition to CDBG and HOME funding, the CDA also administers the Public Housing and Section 8 Programs. The CDA owns and manages 324 scattered site public housing units located throughout Dakota County. The CDA currently administers over 2000 Housing Choice Vouchers. Both the public housing units and HCVs provide very low income residents with affordable housing options.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

Please see DC 2005 CAPER tables for progress towards Specific Housing Objectives.

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

Please see DC 2005 CAPER tables for progress towards Section 215 housing.

3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

It is the CDA’s policy to not give preference to “worst-case” housing needs or to a particular population identified as having special needs. The CDA does not prioritize based on a specific need. Doing so leads to one preference group competing with another preference group. The CDA provides assistance based on eligibility and is first come, first served. The CDA develops its strategies and objectives based on the market and on research.

Occasionally, funding opportunities that target specific populations becomes available. If the CDA applies for and receives targeted funds, the CDA will administer that program according to its rules and regulations.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

The CDA has a policy regarding resident involvement in housing planning, policy development, and program implementation. Whenever possible, the CDA will provide technical assistance and other resources to educate, coach, mentor, and otherwise support resident involvement. CDA staff attends monthly resident council meetings and conducts presentations on special topics and policy issues. Resident comments are solicited and incorporated into federal and other funding applications. A bi-annual newsletter that informs residents of programs, policies, and other information is distributed.

The CDA helps residents reach the goal of homeownership by offering the Home Stretch Homebuyer Education program and free credit counseling.

The Section 8 Homeownership program was introduced during the reporting period to Dakota County residents receiving Section 8 rent assistance. The program allows a HCV holder to purchase a home using the Section 8 assistance to help pay the monthly mortgage.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Local requirements and NIMBYism are the main barriers the CDA faces when proposing new developments. The CDA does not have any authority to change the local requirements of a city, but it can work with city staff to come to an acceptable arrangement.

To combat NIMBYism, the CDA educates concerned residents about its affordable housing program and often sponsors bus tours so that residents can see what a CDA development looks like and how they are managed. Every attempt is made to address concerns of residents. This was clearly demonstrated when the CDA redesigned the layout and placement of a proposed development in South St Paul in response to resident’s concerns.

HOME/American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

Please see the attached file, DC 2005 CAPER Tables for this information.

2. HOME Match Report

- a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

Please see the DC Match Report in the DC 2005 CAPER Tables file.

3. HOME MBE and WBE Report

- a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

Please see the DC WMBE Report in the 2005 DC CAPER Tables file.

4. Assessments

- a. Detail results of on-site inspections of rental housing.

Owners of HOME units throughout the Consortium submit reports annually for compliance with rent and occupancy requirements. Depending on the number of units within a development assisted with HOME funds, on site file reviews and HQS inspections of HOME units are annual, every two years or every three years.

Last year was the first year of implementing a scheduled monitoring process for HOME. Having a pre-determined schedule helped Consortium members with requesting and receiving compliance reports and scheduling site visits for file reviews and HQS inspections. During the reporting period, Consortium members received compliance reports for over 300 HOME units and completed over 160 file reviews and HQS inspections.

Overall, HOME units throughout the Consortium are in compliance and meet HQS standards.

- b. Describe the HOME jurisdiction's affirmative marketing actions.

During the reporting period, the CDA did not undertake any active marketing of HOME units. Vacant units are quickly rented to the next eligible applicant on the waiting list. When new units are ready for occupancy, a published notice announces the acceptance of applications. Applications go through an initial eligibility screening and then ranked using a lottery system. After the lottery, applications are ranked by date and time received.

- c. Describe outreach to minority and women owned businesses.

The CDA does not have staff or resources available to conduct specific outreach to minority and women owned businesses. The CDA follows the public bidding process and posts all contracting opportunities with the Builders Exchange, a clearinghouse for contracts out for bid. This is open and available to any contractor in the area.

HOMELESS

Homeless Needs

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Identify actions taken to address needs of homeless persons.

The Dakota County Community Services Department provides most of the resources and case management for the homeless and for those with special needs living in Dakota County. CDBG and HOME funds are generally not used to address these specific groups. However, the City of Apple Valley did allocate their CDBG funds to acquire land for a development that includes several units of permanent supportive housing for homeless. This development, Haralson Apartments opened for occupancy in August 2006.

2. Identify actions to help homeless persons make the transition to permanent housing and independent living.

Community Services provides case management and supportive services to all residents of transitional housing. County staff works closely with clients to provide intensive case management, and to identify issues that caused the episode of homelessness and to address those issues with available resources. After identifying and addressing the issues and providing the necessary support services, many individuals and families successfully move on to independent living.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

Agency/Organization	Program	Award
People, Inc.	SHP	52,804.00
Mental Health Resources, Inc	SHPR	169,931.00
Dakota County Community Services	SHPR	395,767.00
MN HMIS	SHPR	49,999.00
Dakota County CDA	SPCR	116,868.00

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Dakota County Community Services coordinates and administers funds received from the HUD Homeless SuperNOFA. The Supportive Housing Unit within Community Services uses Supportive Housing Program funds to provide case management and housing services for Dakota County residents on the brink of homelessness. Some only need financial assistance to retain their existing housing that is in jeopardy due to a minor set back such as an expensive, unexpected car repair, while others require more intensive case management because of mental health or chemical dependency issues that greatly affect housing status.

The CDA's Homeownership Coordinator provides foreclosure prevention counseling for those that are either about to have their home foreclosed or are experiencing foreclosure. Some funds are available to cover back mortgage payments and the Homeownership Coordinator works with the owner to address the underlying issues that caused foreclosure.

Emergency Shelter Grants (ESG) – Dakota County does not receive ESG.

COMMUNITY DEVELOPMENT

Community Development

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
 - a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.
 - b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
 - c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons. Please see the file, IDIS Reports for the above information.
2. Changes in Program Objectives

- a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

No changes in program objectives have occurred.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan. The Dakota County CDA committed all CDBG, HOME, Capital Fund and Section 8 funds to activities laid out in the Annual Action Plan. The CDA pursued other funding resources for applicable activities. It made use of Minnesota Department of Natural Resources and Pollution Control Agency funds for the clearance activities in the Mississippi River floodplain. It made use of local funds for the acquisition of affordable housing development sites and commercial redevelopment acquisitions. Low income housing tax credits were applied for and awarded for a new family rental development.

- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

Dakota County approved and issued all requests for Certification of Consistency with the Consolidated Plan.

- c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

Dakota County did not hinder the implementation of the Consolidated Plan by action or willful inaction.

4. For Funds Not Used for National Objectives

- a. Indicate how use of CDBG funds did not meet national objectives.

All CDBG funds except those used for administrative and planning activities met one of the three National Objectives; Low/Mod, Slum/Blight, or Urgent Need. Dakota County did not fund any activities under Urgent Need.

- b. Indicate how did not comply with overall benefit certification.

Dakota County complies with the overall benefit certification.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property

- a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

In accordance with our anti-displacement plan, no rehabilitation activities were pursued that would result in displacement. Only voluntary sale purchases were made of owner-occupied houses as well to minimize relocation.

- b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

One business was assisted with relocation benefits. The business sold voluntarily to a city for future redevelopment of the site. A relocation consultant was hired to ensure compliance with URA regulations. One household was identified as potentially being displaced by the purchase of their home. Again, a relocation consultant was hired and explained the process in compliance with URA requirements.

- c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

Proper general information notices are sent to all tenants, owners, or businesses at the time the potential use of federal or other governmental funds is identified. All such persons or organizations are identified and

notices sent. If the project does not move forward, the persons or organizations are then notified of that result. If the project does move forward, all appropriate notices, correspondence, and meetings are sent or performed in accordance with URA.

6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
Dakota County and participating cities did not use CDBG to fund low/mod job activities.

7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit
a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

Cities that fund public service activities where at least 51% of the clientele must be of low/moderate income are required to collect income and demographic information of the participants. The cities report participation or use of public services quarterly to the CDA and that information is entered into IDIS.

8. Program income received

- a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.
- b. Detail the amount repaid on each float-funded activity.
- c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.
- d. Detail the amount of income received from the sale of property by parcel.

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:

- a. The activity name and number as shown in IDIS;
- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;
- c. The amount returned to line-of-credit or program account; and
- d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

Please see the Financial Summary Report (PR26) for information relating to items 8 and 9.

10. Loans and other receivables

- a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.

Dakota County has no float funded activities.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.

See table below.

- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

See table below.

- d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period. See table below.

Funding Source	Type of Loan	Number Outstanding	Amount	Terms
CDBG	Deferred Downpayment	13	43,803.50	Due on sale, transfer, conveyance or property ceases to be borrower's principal residence.
CDBG	Installment Rehab	83	827,617.59	
CDBG	Deferred Rehab	544	6,342,708.64	
HOME	Deferred Downpayment	104	325,446.68	
HOME	Section 8 Downpayment	5	100,000.00	
HOME	Installment Rehab	1	3,089.99	
HOME	Deferred Rehab	11	89,466.47	
CDBG	Write Offs	3	33,349.41	

- e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.
South St Paul had one property available at the end of the reporting period.

11. Lump sum agreements
Dakota County has no lump sum agreements.

- 12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year
 - a. Identify the type of program and number of projects/units completed for each program.
 - b. Provide the total CDBG funds involved in the program.
 - c. Detail other public and private funds involved in the project.
 Please see the attached Rehab Completions Table.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies
Dakota County does not have a Neighborhood Revitalization Strategy.

Antipoverty Strategy

- 1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.
Dakota County participates in anti-poverty strategies through the affordable housing, public services and economic and community development activities that receive funding. Other county, state and private agencies also operate anti-poverty programs. These programs include welfare to work programs, jobs and training programs, and self-sufficiency programs.

Dakota County is a member of a housing collaborative and a number of advisory groups to determine how to address the changes brought on by Welfare Reform. County Departments, non-profit agencies and foundations have come forward by offering new funds or by reallocating existing funds for programs and activities that will assist families that have experienced problems making the transition from AFDC to Minnesota’s version of welfare reform, the Minnesota Family Investment Program-Statewide (MFIP-S).

The Dakota County CDA also offers the Family Self-Sufficiency Program (FSS) to all families and individuals receiving rental assistance through the Section 8 or Public Housing Programs. Participants are motivated to become free of welfare and to maintain suitable employment to achieve economic self-sufficiency.

FSS offers a financial incentive to participants who successfully complete their goals. There are typically 136 participating families. Eighteen families successfully completed their goals in the last fiscal period, enabling many of them to move into home ownership.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

During the last reporting period, the City of Apple Valley spent CDBG funds to acquire land for the construction of 36 units of affordable supportive housing. The construction of Haralson Apartments wrapped up during the program year and opened for occupancy in August 2006. In addition to several units set aside for those that meet the definition of chronically homeless, some units are specifically for those that require supportive services due to mental illness, chemical dependency, or are simply hard to house because of bad credit, poor or no rental history, or lack of life skills.

The Dakota County Supportive Housing Unit (SHU) uses HOME funds to provide rent subsidies for families experiencing a housing crisis. Many of the families that the SHU works with face multiple issues that affect their housing situation and without consistent case management and financial assistance, these families will likely lose their housing. The rent subsidies ease financial strain with the hopes that families can focus their efforts on addressing the issues that brought on the housing crisis.

Specific HOPWA Objectives - Dakota County does not receive HOPWA funding.