



# Fourth Program Year Action Plan

The CPMP Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan 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.

## Narrative Responses

### GENERAL

#### Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 4 Action Plan Executive Summary:

The Dakota County Community Development Agency (CDA) will again utilize CDBG, HOME and ADDI funds to provide affordable housing opportunities to low income residents of Dakota County. In addition to these funding sources, the CDA also administers the Public Housing and Section 8 Programs. CDBG funds also assist with redevelopment, public services, and public facility improvements.

Specific objectives over the next year include:

- Increase the number of affordable rental housing units through construction and rehabilitation.
- Increase the number of affordable owner units through financial assistance and new construction.
- Increase the number of homeowners through first mortgage and down payment assistance programs.
- Encourage redevelopment through acquisition and clearance of blighted properties.
- Improve existing public facilities.
- Provide needed services to low income residents of Dakota County.

The funding levels of the federal programs covered by the 2005 Consolidated Plan and subsequently by this Action Plan have decreased significantly since 2005. CDBG funding decreased by more than 13 percent (13.4%) since 2005, HOME funding by more than ten percent (10.8%), and ADDI funding decreased by eighty percent (80%). In 2008, Dakota County ADDI funding decreased by more than sixty percent (63%) from 2007 funding. These cuts make it difficult for the CDA to achieve the goals it stated three years ago. The CDA continues to, at a minimum, maintain current levels of service with fewer and fewer resources.

#### Summary of Objectives and Outcomes

##### Decent Housing Objective with Availability/Accessibility Outcome (DH-1)

Each Consortium member receives ADDI funds and will utilize those funds for First Time Homebuyers. Two Consortium members are allocating more than \$268,000 for down payment assistance that will assist approximately 14 households purchase first homes.

**Decent Housing Objective with Affordability Outcome (DH-2)**

There are six HOME funded activities totaling more than \$835,000 that will achieve this objective and affordability outcome by creating or assisting approximately 155 affordable units through acquisition, new construction and tenant based rent assistance.

**Decent Housing Objective with Sustainability Outcome (DH-3)**

Nine cities in Dakota County propose to use more than \$640,570 of CDBG to provide approximately 25 rehabilitation loans to achieve this objective and outcome combination. The County Wide Rehabilitation program will provide more than \$143,000 of CDBG for approximately five rehabilitation loans.

Because of the dramatic reduction of CDBG funding, the County authorized using \$325,000 of local HOPE funds to supplement the home improvement program. Because local HOPE funds require a 2/3 match, the additional HOPE funds increases the CDA's ability to serve additional households.

Three consortium counties are contributing more than \$436,000 to sustain approximately 7 homeowner units and 56 rental units through rehabilitation, and acquisition/rehab programs.

**Suitable Living Environment Objective with Availability/Accessibility Outcome (SL-1)**

Three cities in Dakota County propose to use \$164,980 of CDBG funds to meet this objective and outcome combination. Burnsville, Eagan and Northfield plan to assist approximately 3,090 low/moderate income people with public services.

There are no proposed HOME activities that meet this objective and outcome combination.

**Suitable Living Environment Objective with Affordability Outcome (SL-2)**

There are no proposed projects funded with CDBG or HOME that meet this objective and outcome combination.

**Suitable Living Environment Objective with Sustainability Outcome (SL-3)**

There are six proposed projects in Dakota County that meet this objective and outcome combination totaling \$320,750 of CDBG funding. Combined, these projects will assist or improve approximately five businesses and 3 housing units in the cities of Eagan, Farmington, Inver Grove Heights, Lakeville, and South St. Paul.

There are no proposed HOME activities that meet this objective and outcome combination.

**Economic Opportunity Objective (EO)**

There are no proposed projects funded with CDBG or HOME that meet this objective and/or any of the outcome combinations.

**Summary of Accomplishments**

Goals of the Dakota County Community Development Agency include utilizing available resources to improve and maintain the existing housing stock, encourage creation of affordable housing units through new construction and first time homebuyer opportunities, and to improve Dakota County communities through community development and revitalization activities. Since the beginning of the most recent Consolidated Plan in 2005, the CDA has offered and administered a number of programs and assisted with activities that help achieve these goals.

Since the 2005 program year, the CDA provided almost \$3.5 million to improve or maintain over 300 housing units, provided over \$1 million to more than 110 homebuyers to assist with buying their first homes, and more than \$2.2 million for the construction of more than 132 affordable housing units. More than 130 households received rent assistance totaling over \$281,000.

Over the last couple of years, funding levels for HOME and especially CDBG have seen dramatic reductions. In addition to cuts in funding levels, Dakota County is experiencing a significant rise in foreclosures. A weaker economy results in fewer loan payoffs, which results in less revolving loan funds. Funding cuts at the federal level results in reduced budgets at the local level. For homeowner rehab programs, these factors mean the CDA is not able to issue as

many homeowner rehab loans. However, the reduction in rehab loans does not mean less work for CDA staff. The one area in which the CDA is seeing an increase in funding is for foreclosure counseling. Less rehab work means more staff time to devote to providing foreclosure counseling.

The weaker economy also means that it is harder for the CDA to obtain a favorable interest rate to issue mortgage revenue bonds for first time homebuyer funding. This resulted in the CDA not providing a First Time Homebuyer program in the spring of 2008.

### General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.

Over the next two decades, the majority of the County's population will grow older as the baby boomers age. The geographic distribution of different age groups is also changing. West St Paul and South St Paul continue to have higher concentrations of senior citizens, while the rapidly growing communities of Farmington, Lakeville, and Rosemount are experiencing an increase in the number of school age children. A new trend is the aging population of Burnsville and Eagan. Dakota County does not have any areas that meet the definition of low income or minority concentration (an area with 10% more low income or minority population than of the County as a whole).

Districts within Dakota County decide the use of CDBG funds within their jurisdictions. A portion of CDBG funding is reserved for county wide activities such as the home improvement loan program and well sealing. The Dakota County CDA, the administering agency on behalf of Dakota County, uses HOME funds for CDA administered programs such as down payment assistance for eligible participants of the First Time Homebuyer First Mortgage Program and the home improvement loan program, both of which are available countywide. The CDA does use market information when deciding where to site new buildings, but other factors such as land availability and affordability come into play as well.

2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.

Dakota County is an entitlement county for the CDBG program. Within the county, there are two cities that qualify as entitlements but have elected to defer their entitlement status and participate as members of the entitlement county.

In 1984, Dakota County adopted an Entitlement Implementation Plan for the CDBG program. The plan provides the framework for distributing funds throughout Dakota County. The following recommendations made by the Community Development Task Force are included in the Implementation Plan:

- CDBG funds will be divided into two pools, one for community projects (about 75-80%), and one for county wide projects and general program administration (about 20-25%).
- Four districts allocate the community pool based on HUD's formula (proportion of funds each community contributes to the county's total entitlement allocation).
- Each district will form a committee to review and rank project proposals, based on rules and guidelines established by the committee.
- Only cities and townships can submit applications for CDBG funding. Non-profits and other units of local government may submit a proposal to a city or township for consideration.

Dakota County is also the lead agency for the Dakota County Consortium. In 1992, elected officials from Anoka, Dakota, Ramsey and Washington counties decided to join together and form a consortium for the purpose of receiving HOME Investment Partnership (HOME) Program funds. Alone, none of the counties

qualified for a HOME allocation. By combining the four counties, the HUD formula used to determine HOME allocations provides the consortium with just over \$2 million in HOME funds annually.

Similar to the distribution of CDBG funds to the four districts in Dakota County, Consortium members distribute the HOME funds based on a HUD formula and the contribution a county brings to the consortium's allocation. In 2006, the result of the HUD formula showed a shift in percent contributions of each county and was adjusted accordingly. Anoka and Ramsey counties showed a slight gain while Dakota and Washington counties showed a slight loss. Each consortium county decides how to distribute HOME funds within its jurisdiction.

Dakota County has designated the CDA as the administering agency for the HOME Program. The CDA administers a number of housing programs and undertakes a number of housing activities each year. The Dakota County HOME funds support the efforts of the CDA and other housing developers.

3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

A reduction in federal funding and the uncertain future of funding programs does and will affect the ability to meet underserved needs. Local issues such as zoning, NIMBYism, availability of land, the high cost of land and housing, and building costs affect the ability to meet needs, but not to the same extent.

In response to these obstacles, the CDA will work with cities and non-profits to combat the effects of NIMBYism by educating residents in areas of proposed developments. If market conditions warrant the need, the CDA will offer zero interest deferred loan for downpayment assistance as well as low interest first mortgages to help make buying a home more affordable. The CDA did not come out with a FTHB program in early 2008 because market conditions were not favorable for the CDA. For Section 8 participants, the CDA established a two-year pilot Section 8 First Time Homebuyer program where Section 8 funds normally paid to a landlord for rent will go towards a mortgage payment for a certain period of time. While the pilot program ended in April 2007, the CDA is continuing the program by serving one to two Section 8 participants during the program year. Homebuyer counseling, pre and post purchase counseling, and mortgage foreclosure prevention counseling, are available to all Dakota County homebuyers/owners. These programs will prepare buyers for their first home purchase, help current homeowners with budgeting, and counsel owners experiencing foreclosure.

Because developable land is limited in Dakota County, existing structures need to be preserved. The CDA offers low interest deferred loans to low income homeowners. By maintaining their homes, owners are preserving existing housing stock. The CDA operates a rental rehabilitation loan program with a combination of HOME and local funds. The loans are provided to owners of rental housing interested in maintaining the units and willing to restrict rent and income eligibility. This will preserve existing rental housing and due to program requirements, will also create more affordable units.

4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

In addition to CDBG, HOME and ADDI, the CDA receives funding from the Capital Fund Program and the Section 8 Housing Choice Voucher Program. Capital Funds are used to address the operational and physical needs of the 324 units of public housing owned by the CDA. The Section 8 HCV Program provides funding for more than 2,000 households. The chart below summarizes the CDA financial resources.

The County’s Housing Opportunities Enhancement fund will provide a significant source of match for Dakota County this funding year.

| <b>Financial Resources: Planned Sources and Uses</b>           |                      |   |
|--|----------------------|---|
| <b>Sources</b>   | <b>Planned \$</b>    | <b>Planned Uses</b>                         |
| Public Housing Operating Fund                                  | 316,282.00           | Public Housing Operations                   |
| Public Housing Capital Fund                                    | 612,000.00           | Public Housing Improvements                 |
| Annual Contributions for Section 8 Tenant-Based Assistance     | 14,472,724.00        | Housing Assistance Payments                 |
| Resident Opportunity and Self-Sufficiency Grants               | 23,435.00            | Self-Sufficiency Admin                      |
| Shelter + Care Grant   | 169,540.00           | Housing Assistance Payments                 |
| HUD Counseling Grant   | 94,500.00            | Homeowner Counseling (Inc S8 homeownership) |
| MHFA Counseling Grant (HECAT)                                  | 70,000.00            | Homeowner Counseling                        |
| HUD Service Coordinator Grant (Colleen Loney Manor)            | 9,750.00             | Public Housing supportive services          |
| Public Housing Dwelling Rental Income                          | 1,365,600.00         | Public Housing Operations                   |
| Public Housing late fees, excess utilities, laundry coin, etc. | 119,500.00           | Public Housing Operations                   |
| Interest income  | 45,000.00            | Public Housing Operations                   |
| Tax Credit Allocation Authority                                | 834,986.00           | Housing Development                         |
| Housing Opportunities Enhancement (HOPE)                       | 2,248,000.00         | Housing Activities                          |
| Tax Exempt Bonds   | 0.00                 | Housing Activities                          |
| <b>Total resources</b>   | <b>20,381,317.00</b> |   |

## Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.

Dakota County has designated the CDA as the administering agency for the CDBG Program and as the lead agency for the Dakota County HOME Consortium.

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

The CDA developed the Strategic Plan using information collected during the consultation process. Dakota County cities and townships, the Affordable Housing Coalition, County departments, and departments within the CDA contributed to the process. The annual action plans follow a similar process.

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

The CDA surveyed the cities and townships participating in the CDBG program for input regarding the Consolidated Plan. Information collected from the Dakota County Affordable Housing Coalition (AHC), which also acts as the advisory committee for the Continuum of Care, was very useful in the development of the Homeless Needs section. Members of the AHC include staff from the county departments of employment and economic assistance, community services, and planning, faith based organizations, Veteran’s Administration, and representatives from homeless organizations. Consultation with the Public Housing and Rent Assistance departments within the CDA will continue throughout the year.

## Citizen Participation

1. Provide a summary of the citizen participation process.

The Consortium held a joint public hearing on March 13, 2008. The hearing opened at 5:00 p.m. and closed at 6:05 p.m. During that time, no citizens appeared at the hearing to submit comments or testify. The agenda for the hearing is attached (attachment A). March 13, 2008 was also the beginning of a thirty (30) day public comment period that ran through April 14, 2008. The Dakota County Board of Commissioners held a public hearing on May 6, 2008. No citizens appeared at the hearing to submit comments or to testify.

Since the Plan also addressed the needs of public housing and Section 8 residents, the CDA considered comments submitted by public housing and section 8 residents during the forty-five (45) day comment period for the PHA Agency Plan.

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

Twenty-three residents attended a resident meeting at Colleen Loney Manor on February 5, 2008. The meeting informed residents of planned improvements for the building. The residents that attended that meeting had no additional suggestions or comments.

No citizens submitted comments or testified at the Consortium's joint public hearing on March 13, 2008, or at the May 6, 2008 public hearing held by the Dakota County Board of Commissioners. No comments were received during the comment period for the Consolidated Plan.

3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.

An executive summary of the Plan was available on the CDA website. The public comment notice informed the public of this option for reviewing the Plan. The executive summary was also available in the CDA office. The CDA will make every attempt to provide the Consolidated Plan in alternative formats if requested. The CDA did not receive any requests for alternative formats.

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

The comment period for the Consolidated Plan did not generate any comments.

## **Institutional Structure**

1. Describe actions that will take place during the next year to develop institutional structure.

Established in 1971 pursuant to special Minnesota legislation, the Dakota County Community Development Agency's (CDA) purpose is to serve the cities and residents of Dakota County. The CDA operates under a 7-member Board of Commissioners each representing a separate district. The CDA is a discretely presented component unit of Dakota County, as the CDA Commissioners are appointed by the Dakota County Board of Commissioners and Dakota County has pledged its general obligation to certain housing bonds issued by the CDA. The Dakota County Board has given the CDA administrative authority related to CDBG and HOME programs, in addition to other affordable housing programs. This coordinated delivery system works extremely well as an efficient and effective way to centralize public services for Dakota County.

## **Monitoring**

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

The CDA follows an established monitoring process for CDBG and HOME. Oversight of 34 cities and townships and a growing portfolio of HOME units with limited resources requires a well defined process. The process includes assessing level of risk, frequency of monitoring, level of review, and follow through components. CDA staff will apply this process to determine the risk level of each recipient and/or project. Those with a high level of risk will undergo on-site monitoring in the program year.

Each year, the CDA identifies two to four CDBG subrecipients for on-site monitoring. After the site visit, the CDA sends a compliance letter with follow up requirements for the subrecipient.

In May, each consortium member receives a reminder to send out HOME Compliance Reports to the owners/managers of HOME assisted properties within their respective counties. When consortium members receive the completed reports, each member will review and summarize the reports of its HOME units and forward them to the CDA for review. Based in part on a monitoring schedule and information gathered via the HOME Compliance Reports, each consortium member will select several HOME projects for on-site reviews and inspections. Each member will then forward the results of the on-site reviews to the CDA. The CDA will review this information and conduct an on-site review with each consortium member. This process will continue through the end of each calendar year.

## Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

The CDA will continue to offer lead reduction grants to qualifying homeowners. Information about lead based paint is available and provided to all public housing residents and participants of the Section 8 program, as well as first time homebuyers. CDA inspectors fail any unit that has peeling paint, regardless of the age of the housing. If the housing was built prior to 1978, samples of paint undergo testing for lead. If lead is present, corrective measures must use lead safe work practices.

All public housing units owned by the CDA have undergone lead based paint reduction. Lead based paint exists in 8 of the 324 public housing units. The paint in these units is in tact and encapsulated. The CDA addresses lead based paint issues on a case by case basis within these public housing units through careful monitoring.

## HOUSING

### Specific Housing Objectives

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

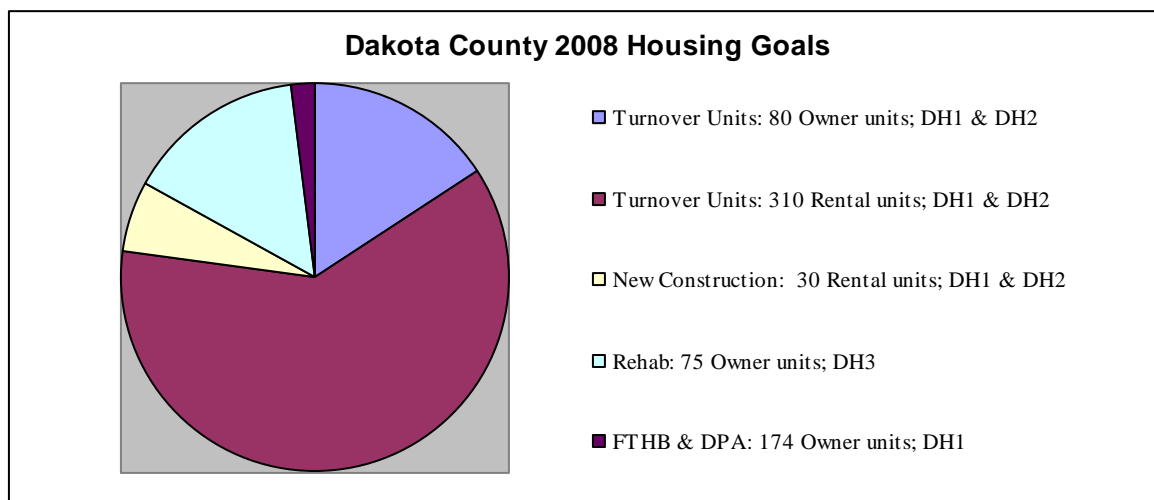
1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

| Priority | Year 4 Objective   |
|----------|--|
| DH1(1)   | Use bond proceeds and Section 8 funding for mortgages, in conjunction with |

|   |  |
|---|--|
| Availability/Accessibility of Decent Housing:<br>Increase homeownership rates among low income households.              | Federal and State resources for down payment assistance, for eligible first time homebuyers. Offer homeownership education and pre-purchase counseling to better prepare new buyers.   |
| DH2(1) Affordability of Decent Housing:<br>Address the shortage of rental units affordable to very low income families. | Increase the number of affordable rental units by supporting and encouraging developments that include affordable rental housing, fully utilizing Section 8 Housing Choice Vouchers and other rent assistance programs, decreasing the length of time CDA owned units are off line due to turnover, and continuing the development of CDA owned projects funded with LIHTCs and local funds. |
| DH2(2) Affordability of Decent Housing:<br>Housing for the elderly  | Use local funds for the creation and operation of buildings specifically for elderly households, primarily rental units for 55+ age with incomes below 80% MFI.  |
| DH3(1) Sustainability of Decent Housing:<br>Preserve the existing housing stock.  | Use Federal, State, and Local resources to provide affordable rehabilitation loans to improve both owner and rental housing. Offer mortgage foreclosure counseling through case management and limited financial assistance.   |

- Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

The CDA utilizes Federal, State, and Local resources to provide affordable housing in Dakota County. Federal resources include CDBG, HOME, Capital Fund Program, and Section 8. Cities and Townships in Dakota County use CDBG funds for housing, redevelopment, public services, and public facility improvements. Many affordable housing projects developed in Dakota County use HOME funds as gap financing. The Capital Fund Program provides operating funds for the Public Housing Program and also funds public housing improvements. The Section 8 Program provides rent assistance to low income households. The housing assistance payment, or HAP, is the difference between a household’s rent and 30% of their monthly adjusted income. The Public Housing Program integrates subsidized housing into neighborhoods throughout Dakota County. This important program not only provides affordable housing to very low income households but also provides the households with the benefits and amenities of a neighborhood setting.



This chart shows the tenure (owner vs. rental) and number of housing goals by strategy or program the CDA anticipates meeting over the year.

## Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

The CDA's public housing program receives funds from the Capital Fund Program, which provides funds for ongoing maintenance and operation of public housing units. On occasion, and with permission of the participating city, CDBG funds can cover the cost to improve public housing units.

The consultation process for the PHA Plan is extensive and involves mailing letters to each public housing resident and Section 8 participant. CDA staff meets with various groups of public housing residents and a forty-five day comment period is also required. The CDA public housing program is primarily a scattered site program. The CDA tried to organize a resident advisory board but the nature of scattered sites makes it difficult for residents living across the County to come together, meet and discuss issues.

A pilot program last year, Home Steps is again available to participants of the CDA's Section 8 and Low Rent Scattered Site Housing Programs. Eligible participants whose adjusted gross income does not exceed 80% of MFI and who are first time buyers in good standing with the CDA may participate.

The Home Steps Program offers eligible households a combination of pre-purchase home ownership education and individual counseling and up to \$30,000 in secondary loan financing for entry costs, equity contribution, and/or home improvement assistance. The secondary loan financing is a zero interest deferred mortgage and is due when the first mortgage is paid off or at the time of sale.

2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

The CDA is a High Performing PHA. It is not a "troubled" agency.

## Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Each unit of government within Dakota County establishes its own policies and controls regarding development within the growth controls (sewer urban service boundary) of the Metropolitan Council, a regional governmental agency. Local governments have the option of participating in the Metropolitan Livable Communities Program. Each community then negotiates affordable housing goals. Some policies affect the cost of housing while others do not.

The CDA continually works with cities to promote development of affordable housing. Without this cooperation and support, developments, affordable or not, do not get approved. Keeping cities involved and aware of proposed developments shows mutual respect and appreciation of city involvement. Non-profit agencies are also important in gaining acceptance from residents by promoting the positive aspects and benefits of affordable housing.

## HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).

Dakota County is not proposing any other forms of investment.

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.

CDA will provide ADDI and HOME funds for downpayment assistance in the form of zero interest, deferred loans. The downpayment loans vary from \$7,500 to \$10,000 depending on the buyer's income. These funds are subject to recapture if the buyer of the property sells the property, refinances, pays off the first mortgage, or fails to occupy the property as the primary residence. The amount recaptured cannot exceed net proceeds. If the home is lost to foreclosure, the CDA has no recourse and will not recapture the assistance.

HOME and ADDI funds will provide second or third zero interest deferred mortgages for one to two qualified Section 8 HCV holders participating in the Home Steps program. The assistance of up to \$20,000 will help these very low income buyers purchase a home. These funds are also subject to recapture if the buyer of the property sells the property, refinances, pays off the first mortgage, fails to occupy the property as the principal place of residence, or fails to follow the Section 8 Homeownership guidelines.

3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
  - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
  - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
  - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
  - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
  - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

Dakota County will not use HOME funds to refinance existing debt.

4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
  - a. Describe the planned use of the ADDI funds.

Dakota County will use ADDI funds to supplement its existing down payment assistance loan program. Zero interest deferred loans are available to income eligible first time homebuyers participating in Dakota County's First Time Homebuyer First Mortgage program.

- b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.

All residents of Dakota County's public housing units and participants in Dakota County's Section 8 rent assistance programs receive information about available homeownership opportunities.

Marketing the Dakota County First Time Homebuyer and Downpayment Assistance Program to owners of manufactured housing parks in Dakota County has not been successful. Park owners generally like to retain their occupants rather than offer opportunities to move out. However, information about the First Time Homebuyer and Downpayment Assistance Program are on our website at [www.dakotacda.org](http://www.dakotacda.org). CDA also maintains a first time homebuyer information line (651-675-4442) and first time homebuyer brochures.

- c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

The CDA received certification as a homeownership counseling agency in 2004. The Certified Homeownership Coordinator provides pre-purchase counseling and mortgage foreclosure prevention services. The CDA also offers the Home Stretch Homebuyer Education course.

Last year, the CDA unveiled its Home Ownership Connection. The CDA combined its homebuyer and homeowner programs into the Home Ownership Connection as a way to provide homebuyers with one-stop access to the CDA's homebuyer education classes, pre-purchase counseling, mortgage loans and downpayment assistance for first-time homebuyers, as well as offer Dakota County homeowners information about low-interest home improvement loans, weatherization grants and mortgage foreclosure counseling. The CDA's Homeownership Connection provides potential homebuyers and existing homeowners with tools and resources to succeed as homeowners.

## HOMELESS

### Specific Homeless Prevention Elements

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

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.

The following information is from Dakota County's 2007 Continuum of Care Exhibit 1:

| Source or Provider           | Type of Contribution                  | Written Commitment |
|------------------------------|---------------------------------------|--------------------|
| Supportive Housing Unit      | Transitional Supportive Housing (SHP) | 395,767.00         |
| Mental Health Resources, Inc | Permanent Supportive Housing (SHP)    | 169,931.00         |

Dakota County

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|                             |                              |            |
|-----------------------------|------------------------------|------------|
| Dakota County CDA           | 13 units (Shelter+Care)      | 113,580.00 |
| Hearth Connection           | Supporting Housing – Leasing | 33,012.00  |
| Amherst H Wilder Foundation | HMIS                         | 49,999.00  |

2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.

The overall goal of Dakota County is ending homelessness and chronic homelessness and the strategies and resources used to meet this goal remain essentially unchanged. To achieve this goal, Dakota County Community Services departments (Employment and Economic Assistance, Social Services, Public Health, Corrections, Veterans, Planning and Extension) along with the local housing authorities (CDA and South St Paul HRA) and service providers (CAP Agency, Dakota Woodlands, Neighbors, Mental Health Resources, Inc.) meet each month to discuss how to better serve Dakota County residents experiencing homelessness, how to coordinate services and to implement uniform discharge protocols.

The following chart shows the 5 main goals of ending homelessness and the steps the County will take towards achieving the goals.

| Homelessness Goal   | Action Steps   |
|---|--|
| Goal 1: Prevent homelessness for at risk families, young adults, singles and military veterans. | <ul style="list-style-type: none"> <li>• Continue to administer State of MN homeless prevention/assistance funds (FHPAP).</li> <li>• Submitted proposal for FHPAP funds from state to expand services to young adults, families and military veterans.</li> <li>• County funds available for disabled adults experiencing a housing crisis.</li> </ul>         |
| Goal 2: Establish new permanent supportive housing (PSH) for young adults and families.         | <ul style="list-style-type: none"> <li>• Identify service providers, access development funding and obtain site.</li> </ul>  |
| Goal 3: Invite more participants/homeless consumers to the Continuum of Care.                   | <ul style="list-style-type: none"> <li>• Identify consumers.</li> <li>• Invite consumers using incentives.</li> <li>• Hold meetings off site to make for easier access.</li> <li>• Conduct focus groups with target populations.</li> </ul>  |
| Goal 4: Develop metro regional CoC strategy to end homelessness.                                | <ul style="list-style-type: none"> <li>• Obtain technical assistance from HUD relating to suburban county merger.</li> <li>• CoC Coordinators and committee co-chairs will plan a community input meeting to present strengths and challenges with CoC consolidation, and to invite greater support and participation in a regional planning group.</li> </ul> |

The main barrier to achieving these goals and meeting the needs of the homeless is lack of available funding.

3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.

The following chart shows the 5 main goals of ending chronic homelessness and the steps the County will take towards achieving the goals.

| Chronic Homelessness Goals | Action Steps |
|----------------------------|--------------|
|----------------------------|--------------|

|  |   |
|--|---|
| <p>Goal 1: Create new permanent beds for chronically homeless people.</p>  | <ul style="list-style-type: none"> <li>• Open Guild’s new permanent supportive housing (PSH) site with 4 beds.</li> <li>• Develop a PSH project for young adults. Target 4 units for the chronically homeless.</li> <li>• Hearth Connection will provide PSH to 2 chronically homeless individuals.</li> <li>• Implement People, Inc. grant.</li> </ul> |
| <p>Goal 2: Increase percentage of homeless people staying in PSH more than 6 months to at least 71%.</p>                       | <ul style="list-style-type: none"> <li>• Assess each client entering a permanent housing program and offer supportive services to meet individual needs.</li> <li>• The Metro Supportive Services Project will provide eligible households with increased services to obtain and remain connected to housing throughout the metro area.</li> </ul>      |
| <p>Goal 3: Increase percentage of homeless people moving from transitional housing to permanent housing to at least 61.5%.</p> | <ul style="list-style-type: none"> <li>• Area CoC organizations will apply for permanent housing rent subsidies.</li> <li>• Develop PSH for youth and families.</li> <li>• Maintain email notification of PH/PSH openings to social service agencies and clients.</li> </ul>  |
| <p>Goal 4: Increase percentage of homeless people employed when exiting program to at least 18%.</p>                           | <ul style="list-style-type: none"> <li>• Work with new MFIP provider to implement client supports and eliminate barriers to workforce participation.</li> <li>• Identify supported employment opportunities for clients in PSH.</li> </ul>  |
| <p>Goal 5: Ensure the Co C has a functional HMIS system.</p>   | <ul style="list-style-type: none"> <li>• Continue leadership on HMIS Governing Group to assist in enhancing HMIS on behalf of CoC.</li> <li>• Provide HMIS training to community agencies.</li> <li>• Improve functionality by gathering feedback on HMIS from user’s perspective.</li> </ul>   |

4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

Prevention is the preferred method of addressing a housing crisis. Dakota County has resources to prevent homelessness for families, youth and single adults. These resources include federal, state and local dollars. However, prevention is only effective if providers and community agencies are aware of the services and resources that are available to assist families and individuals experiencing a housing crisis. Outreach and supportive services are two components of preventing homelessness.

Outreach services are available through Dakota County Community Services, other community agencies, and the faith-based community. Outreach services are provided to people living on the street and to people who are otherwise homeless or at risk of becoming homeless.

Supportive services offered by a wide variety of agencies include case management, life skills training, alcohol and drug abuse counseling, mental health assessment and treatment, education and employment training, child care assistance, transportation, psychosocial rehabilitation, and transitional living programs.

Many of the action steps stated in the Homelessness chart above are implemented to prevent homelessness.

5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Dakota County implemented discharge policies and protocols for adult foster care, health care, mental health and juvenile corrections. A formal policy is being finalized for child foster care and a policy for adult corrections is being developed.

- Health care facilities – All persons leaving health care facilities including state hospitals have discharge plans that outline where the person will live upon discharge, mainstream resources that are available, how to access these resources and services needed to be successful living in the community.
- Foster care and other youth facilities – The juvenile foster care discharge protocol includes a safe housing plan at discharge, case management, and employment. A county transition team connects youth to adult services to ensure successful transition to community or adult service systems.
- Correction programs and institutions – Any youth placed in a residential facility for over 30 days has a comprehensive transition plan in place at least two weeks before discharge. Most facilities begin transition plans when a youth enters a program. Adults in state correctional institutions receive discharge planning before release.

## COMMUNITY DEVELOPMENT

### Community Development

\*Please also refer to the Community Development Table in the Needs.xls workbook.

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

|                      |   |
|----------------------|---|
| <b>Priority Rank</b> | <b>General Community Development</b>  |
| HIGH:                | Acquisition of Real Property; Disposition; Clearance and Demolition; Clean-up of Contaminated Sites; Relocation; Code Enforcement; Construction of Housing; Direct Homeownership Assistance |
| MEDIUM:              | Non-Residential Historic Preservation; Residential Historic Preservation  |
| LOW:                 | Privately Owned Utilities   |
| <b>Priority Rank</b> | <b>Rehabilitation</b>   |
| HIGH:                | Single Unit Residential; Multi-Unit Residential; Commercial/Industrial  |
| MEDIUM:              | Public Housing Modernization; Other Publicly Owned Residential Buildings  |
| <b>Priority Rank</b> | <b>Public Facilities and Improvements</b>   |
| HIGH:                | Parks and Recreational Facilities; Water/Sewer Improvements; Street/Sidewalk Improvements   |
| MEDIUM:              | Senior Centers; Homeless Facilities; Youth Centers; Flood Drain Improvements; Solid Waste Disposal Improvements   |
| LOW:                 | Handicapped Centers; Child Care Facilities; Health Facilities; Neighborhood Facilities  |
| <b>Priority Rank</b> | <b>Public Services</b>  |
| HIGH:                | Senior Services; Youth Services; Rental Housing Subsidies   |
| MEDIUM:              | Handicapped Services; Transportation Services; Services for Abused Spouses and/or Children; Crime Awareness; Fair Housing Activities  |
| LOW:                 | Child Care Services; Substance Abuse Services; Employment Training; Health/Mental Health Services   |
| <b>Priority Rank</b> | <b>Economic Development</b>   |

|                      |   |
|----------------------|---|
| HIGH:                | Commercial/Industrial Land Acquisition/Disposition; Commercial/Industrial Infrastructure Development; Commercial/Industrial Building Acquisition, Construction, Rehab |
| MEDIUM:              | Other Commercial/Industrial Improvements; ED Direct Financial Assistance to For Profits; ED Technical Assistance; Micro-Enterprise Assistance                         |
| <b>Priority Rank</b> | <b>Planning</b>   |
| HIGH:                | Planning  |
| MEDIUM:              | Fair Housing Activities   |

2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

\*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

In 2006, Dakota County surveyed its residents to measure their satisfaction with Dakota County. Ninety-two percent of the respondents said the quality of life in Dakota County is good or excellent. The survey also indicated that residents were very satisfied with services such as libraries, parks and recreation, trail and bikeway systems, and Sheriff services. Many of these services are not County provided, but provided by the cities within the County. The respondents indicated growth and development and affordable housing as some of the most serious issues facing the County. In many cases, CDBG funds help support these and other services Dakota County valued by its residents.

| <b>Primary Objective</b>  | <b>Short Term Goal</b>   | <b>Long Term Goal</b>  |
|---|--|--|
| <b>SL3 Sustainability of Suitable Living Environment: General Community Development</b>                               | Acquire and clear blighted properties in cities including Inver Grove Heights, Eagan, and South St Paul.<br>Assist with public improvements in Randolph, Rosemount, and Hastings.                              | <ul style="list-style-type: none"> <li>Enhance the living environment in Dakota County by removing blight and/or structures no longer suitable or able to promote economic growth and development.</li> <li>Increase the housing stock by acquiring lots and/or property for the construction of new units.</li> </ul> |
| <b>DH3 &amp; SL3 Sustainability of Decent Housing &amp; Suitable Living Environment: Preserve Existing Structures</b> | Complete rehabilitation on approximately 75 owner occupied homes, issue approximately 65 new loans.<br>Rehabilitate 2 businesses in Farmington and Lakeville.<br>Rehabilitate 1 rental property in Northfield. | <ul style="list-style-type: none"> <li>Enhance the living environment and housing opportunities in Dakota County by improving commercial and retail businesses and by preserving and improving the existing housing stock. Improvements include increased accessibility and code compliance.</li> </ul>                |
| <b>SL1 Availability/Accessibility of Suitable Living Environment: Public Services</b>                                 | Provide services and opportunities to approximately 3,090 low income residents of Dakota County.   | <ul style="list-style-type: none"> <li>Enhance the living environment of Dakota County by increasing access to programs and services</li> </ul>  |

|  |  |   |
|--|--|---|
|  |  | that benefit low-mod income residents.  |
| <b>SL3 Sustainability of Suitable Living Environment: Economic Development</b> | Acquisition, clearance, and relocation of blighted commercial sites. Replace with more suitable business or mixed use opportunity. | <ul style="list-style-type: none"> <li>Expand economic development opportunities by encouraging new development.</li> </ul> |

## Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Dakota County is the main provider of services that address the needs of those in poverty. The CDA offers housing assistance and affordable housing opportunities to help those in poverty reduce their housing expenses so that they are able to use their limited resources for other living expenses.

Many economic assistance programs have changed their policies to promote self sufficiency. Education and work requirements as well as limitations on receiving benefits are in place to discourage dependency on welfare. Having supportive services available while gaining or improving skills and education provides a sense of security and support to those hoping to better themselves and work their way out of poverty and become financially self sufficient.

## NON-HOMELESS SPECIAL NEEDS HOUSING

### Non-homeless Special Needs (91.220 (c) and (e))

\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

The CDA developed priorities and objectives based on information provided by cities, townships and other agencies in Dakota County. Specific information or requests to pay special attention to populations with special needs (homeless or not) were not provided. While recognizing that some populations experience greater need than others, it has long been CDA policy to not prioritize based on a particular need (i.e. prioritize disabled over abused or mental illness over homeless) unless that need is a requirement of a program or funding source.

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Dakota County uses rent assistance programs and new construction of affordable housing units to meet the housing needs of people with special needs. Supportive housing is critical to populations with physical disabilities, mental illness, and/or poor rental histories. With the assurance of guaranteed rent and intervention of supportive services, an owner is more likely to give this population a chance at building a stable rental history.

Another way to meet these needs is by providing resources for non-profit agencies in Dakota County to acquire small multi-unit properties for transitional supportive housing. Having a manageable number of

units in one area is a cost effective and efficient way for non-profits and case managers to serve their clients.

## Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.

### **Affirmatively Furthering Fair Housing**

#### **Analysis of Impediments**

Dakota County along with other Metro entitlement jurisdictions prepared a Regional Analysis of Impediments to Fair Housing (AI) in 2001. Using this document the same group prepared a Fair Housing Action Guide in 2002. The Action Guide is the primary instrument for implementing recommended actions from the AI. For each barrier identified; the Action Guide identifies a specific action, the action level, or entity with primary responsibility to implement the action, and priority level (high, medium, or low).

For purposes of the 2005 Consolidated Plan, members of the Fair Housing Implementation Council (FHIC) determined a new Analysis of Impediments (AI) or substantial updating of the current AI is unnecessary at this time. Using the current AI, Dakota County will continue to support implementation of previously identified actions, implement fair housing strategies and goals identified in the AI, support and actively participate in the Fair Housing Implementation Council.

#### **Analysis of Impediments Action Steps**

The AI found thirty-six major impediments to fair housing within three categories: public sector, private sector lenders (homeownership), and private sector rental market. Dakota County, in conjunction with the FHIC, will address the following action steps during the program year:

Impediment #20: People of color encounter discrimination in the home buying process.

Impediment #23: Non-English speaking populations are often unable to access services and information in their primary language during the home buying process.

Impediment #26: The highly segregated residential patterns that exist throughout the Twin Cities region continue to limit or restrict housing choices for protected class members.

Action Step: Fostering Inclusive Communities Initiative addressing Impediments #20 and #23

The FHIC continues work on “Fostering Inclusive Communities” efforts that will include providing fair housing education, training and other actions to enhance relationships between communities including, but not limited to, sponsoring a regional conference and other actions to promote “best practice” examples of inclusive communities. The FHIC will also support the “At Home With Diversity” program of the National Association of Realtors, support the Minnesota Housing Finance Agency’s “Emerging Markets Housing Initiative”, support recommendations in the League of Minnesota Cities “Building Inclusive Communities” report, and support HUD’s “Overcoming Regulatory Barriers Initiative”.

Work also includes follow up to a survey of housing agencies receiving federal funding, developing web-based access for translated materials, and sponsoring a public forum to respond to issues confronted by LEP populations as part of the “Fostering Inclusive Communities” action.

Action Step: Fair Housing Enforcement addressing Impediment #26

The FHIC will continue to provide funding to provide access to legal assistance by low-income people experiencing housing discrimination and facilitate enforcement of fair housing complaints.

Dakota County CDA's role, as a member of the FHIC, provides financial and limited staff support to these actions that address the impediments. Within its agency, the CDA publishes fair housing print ads in community and minority news publications during the month of April, posts fair housing information on its web site, and provides education and counseling about fair housing issues during its Home Stretch Homebuyer Education classes to homebuyers in Dakota County.

### **Performance Measurements**

The CDA incorporated the performance measurement outcome system recently approved by HUD. An objective and outcome statement for all active projects and activities funded through CDBG and HOME has been determined. Quarterly, the cities provide the CDA with reports that show outcome accomplishments of active projects. The CDA enters this information into the IDIS.