



# Fourth Program Year CAPER

The CPMP 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

In its 2008 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:

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

With the passage of stimulus acts during the program year, the CDA amended its 2008 Action Plan to account for funds received through CDBG-R. The CDA also implemented new activities after receiving funding through the Neighborhood Stabilization Program (NSP).

As for reporting, CDBG-R activities are just getting underway at this time and NSP activities are reported under the HUD DRGR system.

### 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.  
Please see the CPMP reports and the "Year4 Additional Files" folder for this information.

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

Please see the CPMP and IDIS reports and the "Year4 Additional Files" folder for this information.

- c. If applicable, explain why progress was not made towards meeting the goals and objectives.

Dakota County is doing well towards meeting established goals. Two new construction projects that were underway during the last reporting period were completed during the program year, but occupancy didn't occur until after the beginning of the 2009 program year. Accomplishment data for these will appear in the 2009 CAPER.

Construction of townhome style family rental units in Lakeville is scheduled to break ground in September 2009. This project started several years ago with acquisition of a contaminated site. The contamination clean up is complete as is all underground utility work.

The CDA also acquired two lots for affordable rental housing during the program year; one for senior housing and one for workforce family housing. The senior housing development is currently underway. Groundbreaking for the workforce family housing development is expected next year.

- 2. Describe the manner in which the recipient would change its program as a result of its experiences.

The CDA continually evaluates its programs to ensure the outcomes match the goals. When those evaluations show a discrepancy or some part of the program is creating an unwanted result, the CDA reviews the policy and/or process and makes modifications if necessary. If a subrecipient's program is an issue, the CDA will work with the subrecipient to make or suggest changes.

With the passage of the Housing and Economic Recovery Act (HERA) in October 2008, the CDA shifted focus from entitlement programs to new funds received from the Neighborhood Stabilization Program (NSP). Dakota County received nearly \$2.8 million in NSP funding to address issues created as a result of the foreclosure crisis.

- 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. The AI found fifteen major impediments to fair housing within three categories: public sector, private sector lenders, and private sector rental market. These impediments are summarized in the 2005-2009 Strategic Plan.

See the following section for updated Analysis of Impediments information.

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

During the program year, the FHIC's main focus was completing a new Analysis of Impediments for the upcoming 2010 Consolidated Plan. Discussions began early in

2008 about whether or not metro jurisdictions wanted to update the existing Analysis of Impediments or hire a consultant to develop a new one.

The decision was made to develop a new metro wide Analysis of Impediments to coincide with the 2010 Consolidated Plans and FHIC members began working on a Scope of Work and a Request for Proposals.

Three companies submitted responses to the RFP; Western Economic Services (WES), Mullin & Lonergan Associates, and Carras Community Investment. Based on qualifications, previous experiences, price, and references, the FHIC voted to award the AI contract to Western Economic Services in early 2009.

Between contract award and the end of the reporting period, WES worked with the FHIC to design a fair housing survey to send to housing industry stakeholders, conducted research, collected data, and held fair housing focus groups. After the data collection phase, WES analyzed all the information collected and prepared a draft Analysis of Impediments for the FHIC to review.

The FHIC is now in the process of reviewing the draft AI and putting it out for public comment. A final Analysis of Impediments is expected to be available in November. Each entitlement jurisdiction will submit the new AI with its 2010 Consolidated Plan.

Southern Minnesota Regional Legal Services, the Legal Aid Society of Minneapolis, the Housing Equity Law Project (HELP), and the Housing Discrimination Law Project (HDLP) continued metro wide fair housing and enforcement testing, funded by the FHIC, during the program year. Staff received almost 200 new cases during this time with favorable outcomes in all cases but two. The majority were resolved through negotiations with demonstrable benefits such as keeping or obtaining housing and property owners complying with requests for reasonable accommodations.

The CDA contributes funding to support ongoing complaint based testing efforts. The jurisdictions also requested that these agencies conduct compliance testing on developments that received CDBG and/or HOME funding.

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

The Dakota County Consortium's 2005-2009 Consolidated Plan identifies lack of affordable housing as an obstacle to meeting underserved needs. To address this, Dakota County develops affordable rental townhomes for working families, affordable rental apartments for seniors, and by utilizing the Federal Section 8 Housing Choice Voucher program as well as other available rent assistance programs.

Neighborhood opposition is a common obstacle to developing new housing. To overcome this type of opposition, the CDA makes every effort to educate and inform neighboring residents about CDA owned and managed housing. The CDA also works with city councils to get approval on develops. By incorporating suggestions and addressing concerns of local residents, CDA developments are more likely to go through a city's approval process successfully.

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 criteria to determine if it should apply for the funds. The CDA received additional funds for its Residential Rehabilitation Loan program from the CDA's General Fund and local HOPE funds. The CDA is also utilizing CDBG-R funds to fund its Residential Rehabilitation program.

Successfully obtained leverage funds include over \$1.5 million in local and state funding for rental rehabilitation activities that are funded with HOME and CDBG funds, \$1 million for redevelopment grants to cities, and \$290,000 for homeownership counseling and education.

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

The CDA leverages other private and public funds whenever possible. CDBG funds for the acquisition of commercial property in the city of Eagan leveraged Eagan's city funds. City funds, MN DNR and MPCA funds leverage the acquisition of residential and commercial properties in the floodplain area of Inver Grove Heights. Housing revenue bonds, CDA special benefit tax levy and other CDA local funds provide construction financing. CDBG and HOME funds purchased the lots for two new affordable rental developments in Apple Valley; one for seniors and one for families. Low income housing tax credits, state funding, philanthropic funds and other local funds for construction financing will leverage the CDBG and HOME funds used for the lot acquisitions.

- c. How matching requirements were satisfied.

The sources leveraged by the CDA often fulfill the match requirements incurred by the HOME Program. Contributions to eligible projects from foundations, cities, through 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 CDA ensures compliance with program requirements and planning goals by carefully reviewing proposed projects and activities and by providing technical assistance. CDA staff involved with the daily operations of the CDBG and HOME programs continually attends advanced training on implementation of the programs. This training improves the ongoing program and planning compliance of the agency.

All of the activities that received funding during the reporting period are consistent with the 2005 Dakota County Consortium Consolidated Plan. The 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 takes place. If the proposed activity meets an identified need of the county, the county forwards the request to the Dakota County CDA to issue a Certification of Consistency.

## Citizen Participation

1. Provide a summary of citizen comments.

The Dakota County Consortium held a public hearing on Thursday, September 10, 2009 at the Roseville City Hall. All members of the Consortium attended. 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.

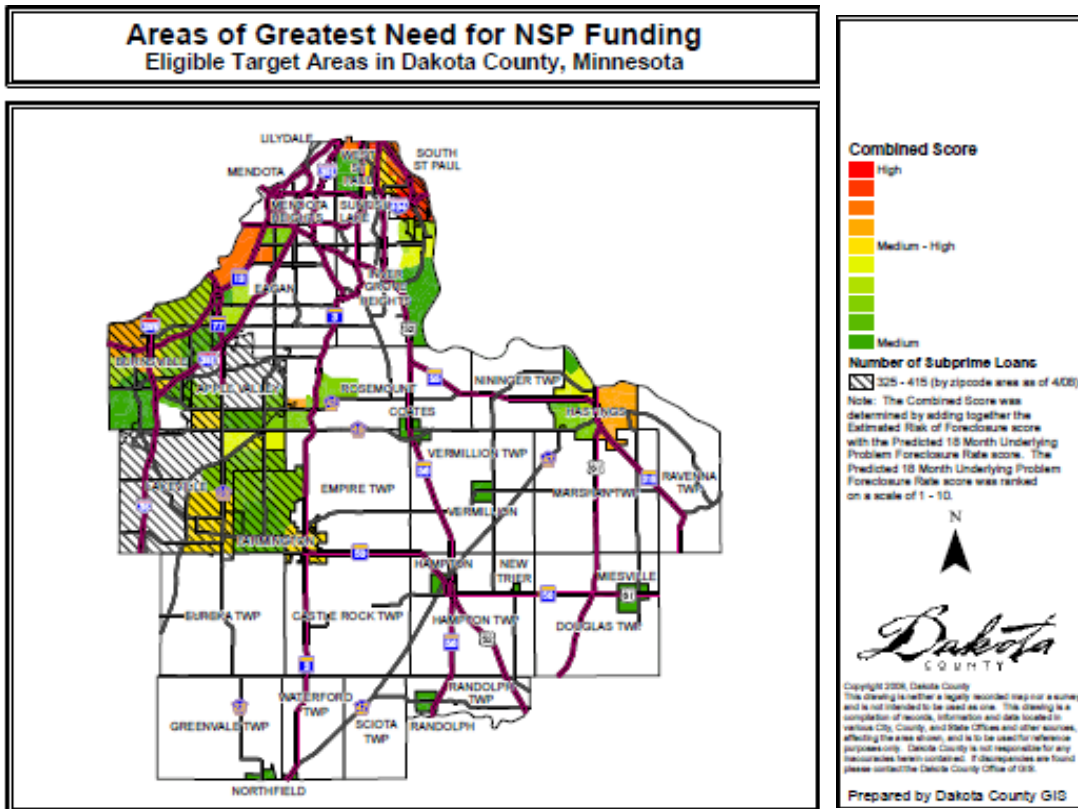
\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Please see the "Year4 Additional Files" folders 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 countywide activities such as residential rehabilitation, down payment assistance, and tenant based rent assistance are spent.

The cities of Eagan, 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 allows a city to decide where to allocate its funding.

The NSP funds received by the CDA did require that the CDA invest the NSP funds in areas hardest hit by the foreclosure crisis, as identified by HUD. The following map shows the areas of NSP eligibility.



## Institutional Structure

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

Dakota County maintains a good working relationship with other County departments, cities and other agencies (private and non-profit) throughout the County and metro area. In addition to the relationships within the County, Dakota County CDA is the lead agency 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, as requested. To help city staff understand the CDBG program, the CDA developed a CDBG manual that details program requirements and the process for allocating and awarding funds. CDA staff updates this manual as needed and hosts CDBG training annually. If a city is lacking capacity, the CDA will administer programs or activities at their request.

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.

## 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's risk assessment criteria. The on-site monitoring uses checklists to evaluate the compliance of the project/activities with all aspects of the CDBG program.

Members of the Dakota County Consortium also conduct annual on-site monitoring of HOME assisted activities based on an annual monitoring schedule. Every HOME assisted rental development submits an annual compliance report. This report conveys information about current occupants of HOME assisted units. Using the annual compliance report and the monitoring schedule, consortium members select specific HOME units to monitor. On-site monitoring includes reviewing tenant files and a physical inspection of the HOME assisted unit.

2. Describe the results of your monitoring including any improvements. The 2008 CDBG monitoring was delayed to ensure timely implementation of the Recovery Act (both HERA and ARRA) programs. However, the CDA did conduct a risk assessment and identified two subrecipients to monitor. On-site monitoring visits are planned for October 2009.

As of this writing, the 2008-2009 HOME monitoring is close, but not entirely complete. Consortium members have until the last working day in September to submit their annual compliance reports and the results of their on-site monitoring visits to the CDA.

Please see "Year4 Additional Files" folder for results of the most recent HOME monitoring efforts.

### 3. Self Evaluation

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

The CDBG and HOME programs allow the CDA and its subrecipients to address housing and redevelopment problems in Dakota County. The CDA and the cities use program funds to rehabilitate dilapidated properties, both homeowner, rental, and commercial, acquire land for new construction of quality affordable rental housing for seniors and families, construct necessary infrastructure, preserve historically significant properties, and to acquire and remediate brownfields for profitable development.

The NSP funding is having an impact on addressing the foreclosure issue by acquiring vacant, foreclosed properties through two new programs created by the CDA specifically for NSP funding.

The CDA acquired and demolished 11 properties through its Acquisition for Land Banking activity using NSP funds. The acquired properties were demolished due to their very poor conditions. Many properties were stripped of wiring and piping, appliances, siding, flooring and mechanical systems. The CDA will sell the vacant lots for construction of new single family housing. The buyer of the lot and/or

the newly constructed unit must meet NSP income eligibility criteria and the property's value cannot exceed the FHA 203(b) limits.

As an incentive to get the foreclosed, vacant, bank owned properties back into owner occupancy, the CDA offered NSP funds through its Homebuyer Financing activity; the Silver Lining Program. This program offered \$15,000 in the form of a zero interest deferred loan to qualified buyers of properties meeting the NSP criteria. Three buyers received Silver Lining loans during the program year and as of this writing all funds budgeted to Silver Lining are reserved.

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

The Dakota County Consortium's Consolidated Plan for 2005-2009 identified high, medium, and low priority housing and community development needs. During the reporting period, the CDA and cities continued making progress towards meeting the identified needs.

Through the Homeowner Rehab Program, 83 income eligible homeowners completed rehab projects that improved the safety and condition of their homes.

The City of Northfield improved one mobile home and through its Rental Rehab Program, work is underway on two other rental properties.

Progress was also made toward the community development needs with the clearance of blighted properties, street improvements, planning, and youth and senior services.

For more details about accomplishments, please see the "Year4 Additional Files" folder and IDIS reports.

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

The Dakota County CDA creates decent housing by constructing high quality housing units. To maintain decent housing, the CDA provides low cost financing for home improvement loans. To make housing affordable to low income buyers, the CDA provides zero interest deferred loans for down payment and closing cost assistance.

High quality services and amenities, such as after school programs for children, activities geared towards senior citizens, and safe and appropriate park and play equipment provide a suitable living environment for Dakota County residents.

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 past several 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

outcomes of redevelopment activities are realized incrementally over a longer period of time.

There are two activities that are behind schedule; however the delays are due to issues beyond the control of the cities. Randolph's storage shed encountered site issues and Mendota's park improvements lacked necessary funding.

With the tight timeframe in which to use HERA and ARRA funds, some activities were forced to take a back seat as a result of staff time being primarily focused on the expedient implementation and expenditure of Recovery Act funds. Once the activities from these programs are underway, staff will focus on getting other activities back on track.

e. Describe how activities and strategies made an impact on identified needs. Proposed activities must meet one or more of the identified needs to receive funding from 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 home improvement loan programs, the number of newly constructed units, the number of blighted properties demolished for redevelopment, and the number of low-income households and/or people assisted by the various public service activities.

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

Dakota County saw an increase in funding during the program year largely due to funds received from recovery acts. While the funds are a welcome addition, the programs essentially came with pre-determined objectives, with the flexibility for jurisdictions to develop the strategies to meet the intended objectives. The shift in focus from Consolidated Plan activities to recovery act activities does impact the strategies identified in the Consolidate Plan, but only temporarily.

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.

Out of necessity, CDA staff shifted focus from entitlement programs to recovery act programs. While somewhat similar to the rules and regulations of the entitlement programs, CDA staff ramped up quickly to learn the new programs and develop a strategy for implementation.

## **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 Home Improvement Loan Program funded with CDBG and HOME. Most of the CDA public housing units have gone through lead based paint abatement.

Prior to all demolition activities, an assessment of hazardous materials, including lead based paint, is performed to ensure these materials are properly disposed.

## 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 mission of the Dakota County CDA is to improve the lives of Dakota County residents through affordable housing and community development. To achieve this, the CDA works with cities to develop affordable senior and family housing options.

This year, the CDA provided a mortgage credit certificate (MCC) program, along with down payment assistance, to first time homebuyers. A buyer with an MCC can take up to 20% of the interest paid on his or her first mortgage as a tax credit rather than a tax deduction, thus reducing the buyer's tax liability. The remaining 80% of the interest paid can still be taken as a tax deduction.

If a first time buyer is purchasing a property that meets the Silver Lining program guidelines, the MCC and down payment assistance programs can be layered with the Silver Lining program. Since the Silver Lining program limits the amount of funds for down payment to 50%, and if the buyer qualifies for the MCC down payment assistance, the remaining amount of the Silver Lining loan is available to use for closing costs and to buy down the first mortgage, thereby reducing the buyer's housing costs even further.

The CDA continues to provide zero and low interest deferred home improvement loans to income eligible 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 322 scattered site public housing units located throughout Dakota County, and administers over 2000 Housing Choice Vouchers. Both the public housing units and housing choice vouchers 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 the CPMP tables and the tables in the "Year4 Additional Files" folder 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 the CPMP tables and the tables in the "Year4 Additional Files" folder for progress towards Section 215 housing.

The CDA had three new affordable rental housing developments under construction during the program year; an 87 unit senior development in Lakeville, a 25 unit family development in Farmington and a 24 unit development in Eagan for homeless young adults. Two sites were acquired for seniors and families in Apple Valley, and four additional site acquisitions in Eagan, Farmington, Lakeville and South St Paul are pending.

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

The CDA does not give preference to worst-case housing needs or to a particular population identified as having special needs, and it 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 only preference the CDA utilizes for its programs is a residency preference. Dakota County residents have priority over applicants living in other counties. The CDA follows this policy because much of the federal funds that come to Dakota County are based on the housing and economic conditions and needs of Dakota County residents.

Occasionally, funding opportunities that target specific populations does become 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. A biannual newsletter that informs residents of programs, policies, and other information is distributed. Public hearings and comment periods solicit feedback from residents. The CDA incorporates any comments received into federal and other funding applications.

The CDA helps public housing residents and Section 8 HCV holders reach the goal of homeownership by offering the Home Stretch Homebuyer Education Program, as well as one-on-one pre and post-purchase counseling. These services are available to all interested homebuyers. The CDA also offers the Section 8 Homeownership Program.

Section 8 Homeownership gives HCV holders an opportunity for homeownership by using the HAP as a payment towards the mortgage rather than rent.

## **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 the 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. Fortunately, this does not occur very often. When it does, the CDA listens to citizen's concerns and if appropriate and applicable will work with city staff to address and appease those 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 CPMP tables and the "Year4 Additional Files" folder for information about the use of HOME funds meeting goals and objectives.

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 "Year4 Additional Files" folder for this information.

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 "Year4 Additional Files" folder for this information.

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.

During the reporting period, Consortium members sent out compliance reports for over 380 HOME units and began working on file reviews of more than 290 HOME units.

Please see the monitoring files in the "Year4 Additional Files" folder for this information.

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

The CDA marketed and accepted applications for one new housing development during the program year; Twin Ponds Family Housing, a family townhome development in Farmington. Applications go through an initial eligibility screening process and are 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 contract 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. Unless specifically requested, cities and the CDA generally do not use CDBG and HOME funds to address these specific groups.

The CDA is however, overseeing the construction of a 24-unit apartment building called Lincoln Place that will provide affordable rental housing with supportive services to young adults ages 18 to 24. Dakota County Community Services and the CDA will coordinate resident referrals and the CDA will own, manage and maintain the property.

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.

Lincoln Place will provide young adults transitioning out of the foster care system stable supportive housing while they learn independent living skills, budgeting, work readiness, social/relationship building skills and other topics as needed to prepare them to live on their own and to be a productive addition to the community.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

Sponsor Name	Program	Amount
Dakota County SHP	SHPR	23,230
MHIS Anoka/Dakota County	SHPR	62,069
Metro Project to End Long Term Homelessness	SHPR	17,166
Project Restore SHP	SHPR	173,315
Shelter + Care II	S+CR	115,860
Shelter + Care III	S+CR	104,304
Supportive Housing Program	SHPR	410,844

## Specific Homeless Prevention Elements

### 1. Identify actions taken to prevent homelessness.

Dakota County Community Services coordinates and administers funds received from the HUD Homeless Super NOFA. The Supportive Housing Unit (SHU) within Community Services uses Supportive Housing Program funds to provide case management and housing services for Dakota County residents on the verge 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 due to mental health or chemical dependency issues that greatly affect housing status.

The CDA 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 CDA works with the homeowner to address the underlying issues that caused the default.

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

## COMMUNITY DEVELOPMENT

### Community Development

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

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 CPMP tables and the "Year4 Additional Files" folder 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.

The CDA expanded the program objectives to address the destabilization of neighborhoods due to wide spread foreclosures. The CDA received NSP funds as an amendment to its 2008 CDBG program and began emphasizing purchase assistance, residential acquisition and land banking objectives. The CDA will change its program to continue addressing neighborhood stabilization efforts as needed.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan. Federal funds received by Dakota County include CDBG, HOME, Capital Fund, Section 8, NSP and CDBG-R. The Annual Action Plan outlines the use of these funding sources. In addition to Federal funds, the CDA pursues other funding sources to support Dakota County's community development and housing activities. The CDA used local funds to acquire sites for affordable senior and family housing, commercial redevelopment, and clearance activities. The CDA used low income housing tax credits and TCAP for a new affordable family development. The CDA offers Redevelopment Incentive Grants to its cities to complete redevelopment projects.

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

Dakota County approved and issued all requests for Certifications 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 the CDA's anti-displacement plan, the CDA does not pursue rehabilitation activities that will result in displacement. Only voluntary sale purchases were made of owner occupied houses as well to minimize relocation. All properties acquired using NSP funds are vacant, foreclosed and owned by a financial institution.

- 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.

The CDA acquired two properties in Inver Grove Heights through voluntary acquisition; one business and one residence. The CDA provided proper notices and counseling services in compliance with URA requirements. The CDA is also collecting tenant protection information from the sellers of NSP acquired properties.

For buyers using NSP funded Silver Lining, each seller (financial institution) is provided with a Notice to Seller that informs the seller of the Fair Market Value of the property and that the CDA will not acquire the property should negotiations fail. By signing the form, the seller is certifying that the property is vacant and not being rented.

- 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 notified of that result. If the project does move forward, all appropriate notices, correspondence, and meetings are sent or performed in accordance with URA requirements.

- 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 the CDA enters that information 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.

Revolving Account	Amount Received
Apple Valley Rehab	31,679.05
Burnsville Rehab	29,255.86
County Wide Rehab	104,847.51
Eagan Rehab	3,739.97
Farmington Rehab	580.00
Hastings Rehab	0.00
Inver Grove Hts Rehab	1,580.00
Mendota Hts Rehab	557.51
Northfield Rehab	0.00

South St Paul Rehab	24,131.50
West St Paul Rehab	49,611.56
County Wide Rehab Project Admin	109,329.86
Eagan Revolving DPA	0.00
South St Paul Rediscover Program	0.00
Interest Earned (including SSP)	2,449.86
Interest Remitted to HUD	2,349.86

b. Detail the amount repaid on each float-funded activity.  
 Dakota County has no float-funded activities.

c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.  
 See table below for loan information.

d. Detail the amount of income received from the sale of property by parcel.  
 No parcels were sold during the program year.

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.

There were no disallowed expenditures during the reporting period.

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 Down payment	16	77,715.00	Due on sale, transfer, conveyance or property ceases to be borrower's principal residence.
CDBG	Installment Rehab	50	416,564.00	
CDBG	Deferred Rehab	521	6,862,352.37	
HOME	Deferred Down payment	109	503,931.66	
HOME	Section 8 Down payment	8	160,000.00	
HOME	Installment Rehab	1	25.51	
HOME	Deferred Rehab	19	274,244.47	
CDBG	Write Offs	11	134,906.28	
HOME	Write Offs	2	5,082.41	
CDBG	Deferred 1.5%	41	565,163.05	
CDBG	Deferred 3%	17	242,299.87	
HOME	Deferred 1.5%	8	160,696.44	
NSP	Deferred Silver Lining	3	45,000.00	

- 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 reported having twelve parcels for sale at the end of the reporting period:

120 E Frost	154 13 <sup>th</sup> Ave	315 12 <sup>th</sup> Ave	115 Dale St
1033 Dwane	107 W Dale St	245 Park	1041 Dwane
215 8 <sup>th</sup> Ave So	300 13 <sup>th</sup> Ave So	108 4 <sup>th</sup> Ave	657 1 <sup>st</sup> Ave

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 file "Rehab Completions" in the "Year4 Additional Files" folder.

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, also known as MFIP.

The CDA offers the Family Self Sufficiency (FSS) Program 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 that successfully complete their goals. The CDA has an average of 28 participating families.

## NON-HOMELESS SPECIAL NEEDS

### Non-homeless Special Needs

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

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).

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

When complete, Lincoln Place will provide a supportive environment for young adults transitioning out of the foster care system. While living at Lincoln Place, the young adults will learn valuable life skills that will help them to succeed on their own.

### **Specific HOPWA Objectives – Dakota County does not receive HOPWA funding.**

## OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

### Affirmative Marketing

During the reporting period, the CDA advertised for two new buildings, Twin Ponds in Farmington and Carbury Townhomes in Rosemount. Prior to completion of the buildings, published notices announce the acceptance of applications.

Announcements such as this are also posted on the CDA website.

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.

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.