

Grantee: Dakota County, MN

Grant: B-08-UN-27-0002

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-UN-27-0002

Obligation Date:**Grantee Name:**

Dakota County, MN

Award Date:**Grant Amount:**

\$2,765,991.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Original - In Progress

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

Dakota County is situated in the southeast corner of the Twin Cities Metropolitan area, it is the third most populous county in the state of Minnesota, at approximately 400,000 persons. Dakota County maintains a land use mixture of 1/3 urban, 1/3 suburban, and 1/3 rural. The median home price in Dakota County has increased 21.7% over a five year period from \$192,000 (2002) to \$233,650 (2006). Dakota County has the second highest number of foreclosures among Minnesota counties. Foreclosure sales have alarmingly increased in the past five years, highlighting the increase in need for mortgage delinquency counseling. There were 222 foreclosure sales in 2002, and the number dramatically increased to 1,610 sales in 2007; a 725% increase in five years. Dakota County is projecting 2,200 foreclosure sales in 2008. Dakota County also has a high number of subprime mortgages. In addition, the FBI has identified the Twin Cities as one of the 10 worst areas of the United States for mortgage fraud and has a number of current investigations underway. In 2007 and 2008, the U.S. Attorneys office charged 23 defendants who have either pleaded guilty or have been sentenced for mortgage fraud and related crimes. Ten percent of homes currently listed for sale in Dakota County are bank owned. While foreclosures have occurred throughout all parts of the county, there are areas with greater concentrations of foreclosed, bankowned homes. Dakota County has delineated areas of greatest need of stabilization activities, also referred to as target areas, on the map in Exhibit A. This data is set across census tract block groups and zip code areas. In determining the areas of greatest need, Dakota County CDA used data provided by HUD. The CDA mapped the census tract blocks where the foreclosure and abandonment risk score was 6 or greater. The CDA also mapped the census tract block groups where the underlying 18-month predicted foreclosure problem rate was higher than 4%. Since the predicted 18-month values were given by HUD as a percentage, the percentages were divided into ranges (1-10) based on Natural Breaks (Jenks Optimization) method. This gave a single score for each percentage range for the risk score and the problem rate, allowing both data sets to match. The two fields were then added together to get the combined risk score, the 1-10 value from each field, for a total possible score of 20. The areas of highest priority include portions of South St. Paul, Eagan, Burnsville, and Hastings. Areas of medium high priority are portions of Farmington, Lakeville, Apple Valley, and West St. Paul. Portions of Inver Grove Heights, Rosemount, Northfield and small cities in the County have been identified as areas of medium priority. All census tracts which did not meet the criteria set by the Dakota County CDA will not be eligible for Neighborhood Stabilization Funding. All funds have been budgeted for eligible uses and activities as identified in the Activity Type section. Activities will occur from January 1, 2009 to June 30, 2011. The Dakota County CDA will be sole responsible organization in carrying out all activities within the NSP program.

Recovery Needs:

The funds will be used in five primary activities, plus administration:

1. Homeownership assistance for low-, moderate-, and middle-income (120% of area median income, or AMI) households purchasing foreclosed upon homes totalling \$525,000. Twenty-seven home purchases will be assisted for homebuyers at or below 120% AMI.
2. Acquisition of foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$462,000. Five homes will be purchased for households at or below

50% AMI.

3. Rehabilitation of acquired foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$230,000. Five homes will be rehabbed for occupancy by households at or below 50% AMI.

4. Acquisition of foreclosed and/or abandoned homes and residential properties for the purpose of establishing a land bank totalling \$1,051,250. Ten foreclosed properties will be acquired and land-banked.

5. Demolition of blighted structures totalling \$226,750. Twelve blighted homes will be cleared.

6. Administration of the program will not exceed 10% of the NSP grant and 10% of any program income.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,765,991.00
Total CDBG Program Funds Budgeted	N/A	\$2,765,991.00
Program Funds Drawdown	\$848,065.98	\$848,065.98
Obligated CDBG DR Funds	\$0.00	\$2,765,991.00
Expended CDBG DR Funds	\$867,381.19	\$867,381.19
Match Contributed	\$6,440.00	\$6,440.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$17.65
Minimum Non-Federal Match	\$0.00	\$6,440.00
Limit on Public Services	\$414,898.65	\$0.00
Limit on Admin/Planning	\$276,599.10	\$73,024.24
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

As of June 30, 2009 the Dakota County CDA drew down 31% of its NSP funding for acquisitions, homebuyer assistance, and demolition of foreclosed properties. Project related soft costs such as inspections, appraisals and hazardous materials testing also contributed to NSP expenses.

Since program inception, several changes were made at the federal level that allowed for easier use of NSP funds. The most significant change was the reduction of the purchase discount from 15% to 1% of appraised value. The deep purchase price discount previously required made it very difficult, particularly for the homeownership assistance, for properties to qualify for NSP funding. Now that the discount is down to 1%, we are seeing more properties qualifying for NSP assistance. This is key to the success of the homeownership assistance activity as we are also seeing multiple offers coming in on foreclosed properties.

The most successful activity has been the acquisition of foreclosed properties for the purpose of demolition. The CDA acquired eleven properties during this quarter and three of those eleven have since been demolished. Two more will be demolished by July 31, 2009.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$0.00	\$848,065.98	\$2,765,991.00	\$848,065.98

Activities

Grantee Activity Number: NSP-1

Activity Title: NSP-1

Activity Category:

Homeownership assistance to low- and moderate-income

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$525,000.00
Total CDBG Program Funds Budgeted	N/A	\$525,000.00
Program Funds Drawdown	\$34,295.00	\$34,295.00
Obligated CDBG DR Funds	\$0.00	\$525,000.00
Expended CDBG DR Funds	\$49,995.00	\$49,995.00
Match Contributed	\$6,440.00	\$6,440.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Financing mechanisms (zero interest deferred loan) for homebuyers at or below 120% AMI to acquire vacant foreclosed upon homes and residential property.

Location Description:

NSP targeted areas

Activity Progress Narrative:

Three households received \$15000 zero interest deferred loans to acquire foreclosed properties. One household also participated in the Dakota County CDA MCC program, Give Yourself Credit and received an additional down payment assistance loan of \$6440.

A total of 16 properties were appraised for this program from April 1, 2009 through June 30, 2009.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	1	2	3	1/0	2/0	3/25

Activity Locations

Address	City	State	Zip
521 Wood Way	Burnsville	NA	55337
2201 123rd St East	Burnsville	NA	55337
20534 Erin Ct	Farmington	NA	55024

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-2

Activity Title: NSP-2

Activity Category:

Acquisition - buyout of residential properties

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$462,000.00
Total CDBG Program Funds Budgeted	N/A	\$462,000.00
Program Funds Drawdown	\$450.00	\$450.00
Obligated CDBG DR Funds	\$0.00	\$462,000.00
Expended CDBG DR Funds	\$450.00	\$450.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Purchase vacant, foreclosed homes and/or small apartment building to use as rental or owner occupied property. If an acquired property is used as rental, the Dakota County CDA will act as owner and property manager. Tenants of rental units must income qualify at or below 50% AMI based on family size. If an acquired property is used as owner occupied housing, a non-profit may act as the initial owner/developer. Buyers of these properties must also income qualify at or below 50% of AMI based on family size and must occupy the home as their principal residence. Project soft costs are included in the budget.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

One appraisal conducted on a twin home for possible acquisition/rehab for rental. Negotiations did not move forward.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/4

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-3

Activity Title: NSP-3

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$230,000.00
Total CDBG Program Funds Budgeted	N/A	\$230,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$230,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Rehabilitation of the vacant, foreclosed properties acquired with NSP funding. The Dakota County CDA will coordinate all rehabilitation activities. Once rehabilitated, the properties will be used either to provide rental housing to households at or below 50% AMI based on family size, or will be sold to income eligible buyers (at or below 50% AMI based on family size). For properties that may be sold as owner occupied, a non-profit may act as owner/developer. Project soft costs are included in budget.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

No activity to date.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-4

Activity Title: NSP-4

Activity Category:

Acquisition - buyout of residential properties

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,051,250.00
Total CDBG Program Funds Budgeted	N/A	\$1,051,250.00
Program Funds Drawdown	\$702,104.45	\$702,104.45
Obligated CDBG DR Funds	\$0.00	\$1,051,250.00
Expended CDBG DR Funds	\$697,421.00	\$697,421.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition of vacant, foreclosed properties for the purpose of establishing a land bank.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

Eleven properties acquired to date for land banking activity. A total of 21 appraisals were done during the quarter.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	11	0/0	0/0	11/10

Activity Locations

Address	City	State	Zip
617 3rd	Farmington	NA	55024
415 5th	Hastings	NA	55033
135 9th	South St Paul	NA	55075
966 Gorman	West St Paul	NA	55118
745 5th	South St Paul	NA	55075
401 Main St	Farmington	NA	55024
214 Winona	West St Paul	NA	55118
1065 Gorman	West St Paul	NA	55118

145 Macarthur	South St Paul	NA	55075
431 7th	South St Paul	NA	55075
805 1st	Northfield	NA	55057

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: NSP-5

Activity Title: NSP-5

Activity Category:

Clearance and Demolition

Project Number:

BCKT

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Bucket Project

Projected End Date:

06/30/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$226,750.00
Total CDBG Program Funds Budgeted	N/A	\$226,750.00
Program Funds Drawdown	\$46,490.95	\$46,490.95
Obligated CDBG DR Funds	\$0.00	\$226,750.00
Expended CDBG DR Funds	\$46,490.95	\$46,490.95
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Demolish vacant, foreclosed properties acquired by the CDA as well as other properties deemed appropriate as a way to stabilize a neighborhood. The cleared land will become land bank inventory.

Location Description:

NSP identified target areas.

Activity Progress Narrative:

Three properties acquired with NSP funds demolished during the quarter. Hazardous material testing completed on seven properties acquired with NSP. Abatement and demolition contract executed for two additional homes. Demolition to be completed by July 31, 2009.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	3	0/0	0/0	3/12

Activity Locations

Address	City	State	Zip
431 7th	South St Paul	NA	55075
745 5th	South St Paul	NA	55075
145 Macarthur	South St Paul	NA	55075

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: NSP-6

Activity Title: NSP-6

Activity Category:

Administration

Project Number:

BCKT

Projected Start Date:

10/01/2008

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Bucket Project

Projected End Date:

12/31/2011

Responsible Organization:

Dakota County CDA

Overall

Apr 1 thru Jun 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$270,991.00
Total CDBG Program Funds Budgeted	N/A	\$270,991.00
Program Funds Drawdown	\$64,725.58	\$64,725.58
Obligated CDBG DR Funds	\$0.00	\$270,991.00
Expended CDBG DR Funds	\$73,024.24	\$73,024.24
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

General program administration of Dakota County's allocation of NSP funding.

Location Description:

Dakota County, Minnesota

Activity Progress Narrative:

NSP administrative expenses through June 30, 2009.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
