

CDA TODAY

Dakota County Community Development Agency

CDA Awards Over \$1 million for Redevelopment Projects

The CDA Board of Commissioners recently awarded \$1,164,732 in grants to seven cities to help with redevelopment efforts. The grants are made possible through the CDA's Redevelopment Incentive Grant Program, which was created in 2006 to encourage community revitalization and assists Dakota County cities with redevelopment goals. Each year, cities in Dakota County can apply for these competitive redevelopment grants. Up to \$250,000 for redevelopment project grants and a maximum of \$15,000 for planning grants can be awarded.

Cities receiving project grants include:

Apple Valley – \$250,000 to assist with the construction of a roundabout intersection on the Flagstaff Avenue right-of-way, just south of County Road 42. The roundabout will support the projected traffic volumes with the anticipated retail development along this corridor.

Burnsville – \$250,000 to assist with the expansion of the Heart of the City Parking Deck. The anticipated addition of a hotel, along with the increase in participation at concerts and other events in the vicinity, has created the need to expand the parking deck.

Eagan – \$250,000 to assist with the construction of an EDA-owned parking structure for the Cedar Grove Redevelopment Area. This parking structure will support the parking needs of the proposed Paragon Outlet Center and will encourage other development in the area.

Hastings – \$238,865 to assist in the environmental cleanup of the H.D. Hudson Manufacturing Redevelopment site. The environmental investigations have already been completed.

Rosemount – \$45,000 to assist with the replacement of a sanitary sewer line on the former Genz-Ryan industrial property. Installing a new sewer line will bring the property to current standards for future redevelopment.

West St. Paul – \$86,667 to assist with the acquisition of a property located on South Robert Street. The property will be acquired and demolished for the City's transportation improvement project to realign Haskell Street to provide direct access to and additional parking for commercial development to the south.

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The CDA has been a partner in the redevelopment process for the Cedar Grove Redevelopment Area, a 65-acre site at the intersection of Highway 13 and Cedar Avenue in Eagan. The City of Eagan has received five RIG awards since 2009 to assist with:

- Acquisition, relocation, abatement and demolition of 13 properties
- Pedestrian improvements within the development, including connection to transit station
- Construction of parking structure



The Paragon Outlet Center will officially break ground at the Cedar Grove Redevelopment Area in June.



VIEWPOINT

MARK S. ULFERS, EXECUTIVE DIRECTOR



Perspectives on the Federal Budget and Sequestration

The CDA administers over 2,300 Housing Choice Vouchers and owns and manages 243 units of scattered site Public Housing and one 80-unit apartment building. In addition, the CDA also administers the Community Development Block Grant (CDBG) Program, HOME Investment Partnership Program and the Weatherization Program. Funding for these programs is provided by the federal government through the Department of Housing and Urban Development (HUD) and Department of Energy (as is the case for the Weatherization Program) and subject to the federal budget process including sequestration.

The past few years have brought significant funding cuts to the majority of federal programs administered by the CDA. While at the same time, the demand for services and programs has continued to increase. The CDA, like other public agencies, is being mandated to do the same or more with less.

Fiscal Year 2013 Budget and Sequestration

The FY2013 budget process, sequestration and the lack of meaningful program reform in some of our largest federal programs has been frustrating. Some six months after the beginning of the federal budget year, Congress enacted a Continuing Resolution (CR) funding programs for the remainder of the budget year (through September 30). Final funding levels reflect FY2012 enacted amounts minus sequestration deductions which took effect March 1. Sequestration brought an automatic five percent cut totaling \$25.8 billion to domestic discretionary programs. Included in this category are housing and community development programs such as those administered by the CDA.

Housing Choice Voucher — Housing Assistance Payment and Administrative Fees

The Housing Choice Voucher Program is the federal government's major program for assisting very low-income families, the elderly and disabled with decent and safe housing in the private market. Housing Choice Vouchers are administered by Public Housing Agencies (PHAs) like the CDA who receive federal funds to administer monthly Housing Assistance Payments (HAPs) and administrative fees to operate the program.

With sequestration factored in, the CR provides for \$16.3 billion in HAP funding, down from \$17.2 billion in 2012. At this level, it is estimated that the annual proration amount will be around 93 percent. The CR provides an increase in administrative fee funding of \$25 million over 2012 enacted levels. With sequestration deductions factored in, funding will be \$40 million less than what was appropriated in 2012 and result in a proration amount of approximately 69 percent. This amount represents the lowest proration in the history of the program as administrative fees have not been fully funded for years. We estimate that we will be serving 100 less households in this program by the end of the calendar year. This comes at a time when our waiting list has been closed for three years and we have 2,400 households still on the waiting list. This is a critical cut to the program as many key activities, which are statutorily mandated and essential to the success of the Housing Choice Voucher program are paid for through the receipt of administrative fees.

Public Housing — Operating and Capital Fund

For the past several years, chronic underfunding of the Public Housing Operating Fund, the fund that subsidizes operating costs including program administration and property maintenance has placed this valuable resource

Impacts

at risk. For FY2013, just over \$4 billion in funds was appropriated to the Public Housing Operating Fund.

The Public Housing Capital Fund is a dedicated source of annual funding available to PHAs to make capital improvements-repairs and replacements beyond ordinary maintenance to public housing. For 2012, the Public Housing Capital Fund was at the lowest funding level in the history of the program. Including sequestration, the Capital Fund was funded at \$1.781 billion for FY2013. At this level about half of the \$3.4 billion in annually accruing capital needs nationally will be met.

CDBG and HOME Investment Partnerships Program

CDBG is funded at \$3.08 billion under the CR which includes the five percent sequester cut. The CDBG Program assists urban, suburban and rural communities in improving housing and living conditions and in expanding economic opportunities for low and moderate income persons. Funding for the CDBG Program has dropped dramatically in recent years, sustaining cuts of nearly 25 percent or \$1 billion since FY2010.

The CR funds the HOME Investment Partnerships Program at \$950 million with the sequestration cut, down from \$1 billion in FY2012. The HOME Program has been cut by over 40 percent since FY2010. HOME funding helps local governments provide affordable housing to low income families. With these cuts the HOME program is quickly reaching the funding level at which it is not a viable program to be administered at the national level.

Weatherization Program

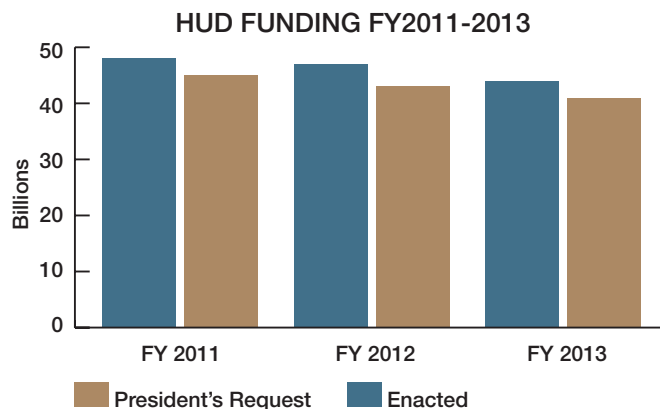
The Weatherization Program is funded through the Department of Energy and under the CR received \$68 million. This was the same amount that was allocated in FY12 which was reduced at the time to reflect unspent Recovery Act and program funding. In 2012, the

Department of Energy determined that this level of appropriation could not sustain an effective national weatherization program and exercised authority granted by Congress to waive the allocation formula established in program regulations. As a result, Minnesota received no new Weatherization funding in FY12.

FY2014 Budget

Budgeting for fiscal year 2014 federal programs will continue to be a challenge. Due to the delay in the fiscal year 2013 budget process and sequestration, President Obama released his budget proposal nearly two months late. The President's FY2014 budget proposes a total of \$47.6 billion in direct appropriations for the Department of Housing and Urban Development (HUD). This amount represents a 10 percent increase over the FY2012 enacted level.

This is not the first time the CDA has been challenged by difficult federal funding cuts. As in the past the CDA will make the necessary adjustments to our efforts to ensure we can provide the best level of service possible under the circumstances. Unfortunately, in this instance the impact on our ability to serve affordable housing and community development needs will not be inconsequential.



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Cities receiving planning grants include:

Apple Valley – \$15,000 to complete and adopt the design guidelines for the METRO Red Line (Cedar Avenue Bus Rapid Transit). This planning grant will assist in completing the City's land use regulations to guide development within ½ miles of the Apple Valley BRT transit stations along Cedar Avenue and create the ordinance that will regulate development in the station areas.

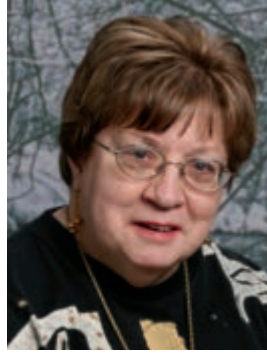
Hastings – \$4,200 to assist with the Full Market Feasibility Study, an expansion of the initial assessment of the H.D. Hudson Manufacturing facility, to more accurately define potential uses for the Hudson Redevelopment Site that were identified in the previous study.

Mendota Heights – \$10,000 to create a development plan for the former Fischerville site and Old Fire Hall site.

Rosemount – \$15,000 to create the development framework for the South Gateway District including a market and feasibility study, design guidelines, and the zoning code revisions required to implement the development framework.



The City of Hastings was awarded RIG Project and Planning Grants to assist in the environmental cleanup and to conduct a full market feasibility study for the H.D. Hudson Manufacturing Redevelopment site.



Joan Maze is a local author and resident of Cahill Commons.

Resident Profile: Joan Maze – *The Hierophant*

Walking into Joan Maze's apartment at Cahill Commons, a CDA senior housing development in Inver Grove Heights, is walking into true writer's territory. Surrounded by stacks of books and newspapers, Maze lights up when asked about her writing. After Joan points out her mountain of more than a thousand books stacked up to the ceiling, it is clear that she devours literature. Joan began writing 20 years ago while she was still working full-time. She is now retired and

has been working on her writing more seriously since. Her most recent novel, *The Hierophant*, has recently gained local recognition and has been featured in many local newspapers including the Star Tribune.

The Hierophant follows an investigator who works at the Inver Grove Heights Police Department while he investigates a string of Greek Mythology based murders. The "bad-guy" is obsessed with Greek Mythology. The success and promotion of the book has encouraged Joan to write a sequel. She is currently working on the sequel, as well as multiple other stories.

"I always work on more than one book at the same time," said Joan. "I've never had writer's block. It probably would help me if I did."

The Hierophant was the first book Joan ever started. When she first began writing the story it never worked out. The story lines and the fictional places were not playing out how she wanted. She picked up the story again in 2008 and decided to set the story locally in Inver Grove Heights. She anxiously called the Inver Grove Police Department where many hours of research began.

To Joan, research is important depending on what kind of story she's writing. She enrolled in the Inver Grove Heights Police Department's Citizen Academy in order to gain insight into the world of police work.

"Oh, that was fun! I got to shoot a real gun!"

Joan has also taken classes on how to write like a man, weapons technology writing, courtroom writing and will be working with her church minister on research for her next time-travel police detective thriller. Once she gets an idea, it's hard for her to give it up. Her favorite part of writing is by far her characters.

"I get very fond of my characters," Joan said. "If I ever start losing my mind I'll be out at Cahill looking for them."

Maze has lived in Cahill Commons for 10 years. She is thankful for the help the CDA has given her over the years, and hopes to someday make enough money through her writing where she will not need the CDA's assistance. In the meantime, she's happy where she is and there is no doubt that she'll keep on writing.



Twin Cities Habitat for Humanity Women Build program built this home. A similar home will be constructed on the site in West St. Paul.

Habitat for Humanity — Women Build!

The CDA will partner with Twin Cities Habitat for Humanity to redevelop a single family home site in West St. Paul. The site — acquired by the CDA under the Neighborhood Stabilization Program (NSP) — was a vacant, foreclosed, single-family home that was structurally substandard. The NSP Program was established under the Housing and Economic Recovery Act (HERA) of 2008, with the goal of stabilizing communities affected by foreclosure.

The CDA will be seeking approval from the CDA Board of Commissioners in early summer to convey this site to Twin Cities Habitat for Humanity. Once approved, this

The Women Build program was established in 1998 to empower women and to shift perceptions about women’s capabilities, roles, careers and their contributions to community.

specific site will be part of the Women Build program through Habitat for Humanity. The Women Build program was established in 1998 to empower women and to shift perceptions about women’s capabilities, roles, careers and their contributions to community. Through this home building program, women provide the funding and volunteer labor for the entire home construction. Since its inception in 1998, the popularity of this program has grown substantially. The home builds are managed by experienced women site supervisors and this year the program will have its first woman Project Manager.

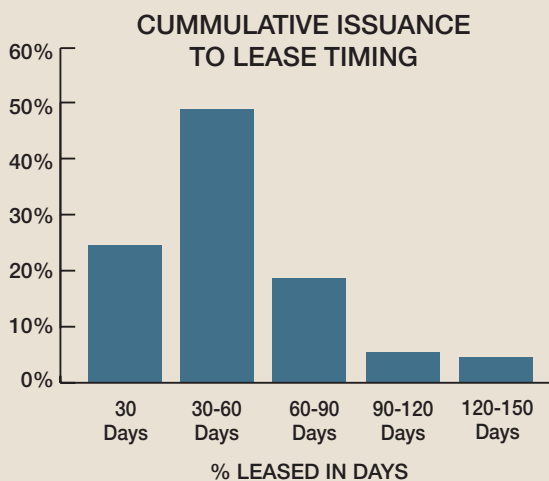
This site in West St. Paul will be the CDA’s sixth NSP partnership with Twin Cities Habitat for Humanity and the second property through the Women Build Program. The CDA first began working with Habitat for Humanity in the early 1990’s and has completed construction on homes in multiple cities throughout Dakota County. Since the inception of the NSP program in 2008, the CDA has partnered with Habitat for Humanity on five NSP homes in West St. Paul.

Success in a Competitive Rental Market

During a period of time when the rental housing market is experiencing low vacancy rates and increased rents, new applicants of the Housing Choice Voucher Program are having success in finding an affordable unit to rent and utilize their Housing Choice Voucher (HCV).

Each month, vouchers are issued to applicants coming off of the HCV waiting list for a period of 60 days in order to secure housing using their newly issued voucher. Applicants unable to find housing within this period of time, can request up to two 30-day extensions, totaling their search time to 120 days. Applicants with a disabled household member are also eligible for an additional 60 days beyond the 120 days as a reasonable accommodation, totaling 180 days of search time to find housing.

Of the 433 new applicants issued vouchers since July 2011, 24% found a unit to lease in less than 30 days, 49% found a unit to lease within 30 to 60 days, and a small percentage required more than 90 days. Of these new applicants, 73% have been successful in finding an affordable unit to rent. During economically challenging times, the rental market generally sees an influx of renters. The CDA believes the positive relationships that have been established with landlords will continue to keep occupancy levels at a fairly high success rate.



Portland Townhomes (top) and Glazier Townhomes (bottom), developments in the scattered site public housing program, received exterior remodels this year and were made more energy efficient.

Exterior Renovations Completed at Public Housing Sites

The CDA has been busy with exterior transformations and energy efficiency improvements at three of its developments. These developments are part of the CDA's Scattered Site Public Housing Program. The CDA currently owns and manages 243 units including single family homes, duplexes, townhomes and one 80-unit apartment building under this program. Most of the housing in the Scattered Site Public Housing Program has been owned by the CDA since the early 80's and provides housing to families with low and moderate incomes.

Similarly designed, Portland Townhomes, a 32-unit development in Burnsville, and Glazier Townhomes, a 15-unit development in Apple Valley, received upgrades and improvements that included roof replacement, replacement of steel siding with Hardie fiber cement board siding, water heater replacements, landscape upgrades, installation of cement slabs for satellite dishes, energy efficient LED exterior lighting, and replacement of garage doors. In addition, Glazier Townhome units received new furnaces, upgrade of internal TV cabling as well as new gutters and gutter guards.

The cost to complete the capital improvements at these developments will be approximately \$850,000 and will be paid for by various funding sources including Community Development Block Grant (CDBG) funds, Public Housing Operating and Capital Funds, and local resources.

A third development, Ideal Way Townhomes, an eight-unit development in Lakeville, will undergo a transformation this summer. Proposed improvements to this development include exterior renovations like replacement of siding with Hardie fiber cement board siding, roof replacement, replacement of garage doors and unit windows as well as landscape upgrades.

Open To Business Dakota County

After community and economic development staff from multiple cities identified the need for a tool to address small business and entrepreneur needs in Dakota County, the CDA Board of Commissioners approved participation in the Open To Business program through the Metropolitan Consortium of Community Developers (MCCD).

Open To Business Dakota County is an exciting new resource for small businesses and those interested in starting a new business in Dakota County. Through the CDA's partnership with the MCCD, Open To Business brings business advisory services and access to capital to entrepreneurs and small businesses.

Open To Business Dakota County is a partnership among the CDA, MCCD, and the cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Rosemount, South St. Paul, and West St. Paul. In addition, the Apple Valley, Burnsville, Lakeville, River Heights, Hastings, and Dakota County Regional Chambers of Commerce are also partners in the initiative.

Laurie Crow, Business Advisor with the MCCD and an expert on Open To Business, began offering free consulting services in each participating community. The public response to this program has been overwhelmingly positive. According to Crow, the program's popularity has been wonderful. "The cities have shown so much support," said Crow. "I have met with prospective and current business owners in all ten cities. The program has spread like wildfire through the County, which is great."

At the end of February, the CDA — in partnership with the MCCD, the Dakota County Regional Chamber of Commerce, US Bank and Frontier Communications — hosted the launch of Open To Business Dakota County. The kick-off was a chance for small business owners, residents and any interested parties to hear more about the program and ask questions.

Burnsville City Councilmember Dan Kealey and Dakota County Commissioner Thomas Egan welcomed those in attendance, which was followed by an overview of Open To Business from Laurie Crow. Crow spoke about the early successes she has seen since the inauguration of the program in January 2013. Rob Smoland and Lee Hall, both of MCCD, concluded the presentation by showing multiple examples of ways that Open To Business has helped local business owners throughout the county and state.

With the official launch of Open To Business Dakota County complete and the overwhelming early success of the program, the CDA is looking forward to what the future of the program will bring to Dakota County's community and economic business development.

"We definitely hit the ground running with the full county," said Crow. "We are very, very excited about it."

Laurie Crow,
Business
Advisor for
Open To
Business
Dakota County.



OPEN TO BUSINESS

Contact Laurie Crow
at 952-484-3107 or
lcrow@mccdmn.org

CDA Board of Commissioners

Thomas A. Egan, *Chair*
District 4

Liz Workman, *Vice Chair*
District 5

Mike Slavik, *Secretary*
District 1

Kathleen Gaylord
District 2

Chris Gerlach
District 7

Paul J. Krause
District 6

Nancy Schouweiler
District 3



1228 Town Centre Drive
Eagan, MN 55123

MISSION

To improve the lives of Dakota County residents through affordable housing and community development.

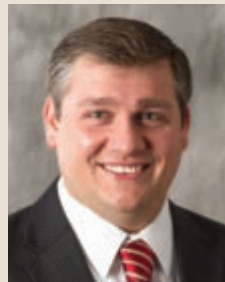
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CDA Board of Commissioners

The CDA Board of Commissioners directs and sets policies for programs that provide affordable housing opportunities to low- and moderate-income families and seniors. The board also approves community development grants for revitalizing Dakota County communities and financing for development and preservation of affordable housing. Dakota County Board of Commissioners serve as members of the CDA Board of Commissioners, representing the seven districts of Dakota County.

With the retirement of Commissioner Joe Harris (District 1) and Commissioner Willis Branning (District 7) from the Dakota County Board of Commissioners, the CDA welcomed two new commissioners this past January — Commissioner Mike Slavik (District 1) and Commissioner Chris Gerlach (District 7).

The 2013 CDA Board officers are Chair — Commissioner Thomas Egan, Vice Chair-Commissioner Liz Workman and Secretary — Commissioner Mike Slavik. The CDA Board meets monthly and meetings begin at 3:30. The meeting schedule is available on the CDA's website at: www.dakotacda.org



Commissioner Mike Slavik
District 1

District 1 communities include the cities of Coates, Farmington, Hampton, Hastings, Miesville, New Trier, Randolph, Vermillion, and Northfield Precinct 2 as well as the townships of Castle Rock, Douglas, Empire, Eureka, Greenvale, Hampton, Marshan, Nininger, Randolph, Ravenna, Sciota, Vermillion and Waterford.



Commissioner Chris Gerlach
District 7

District 7 communities include the cities of Rosemount precincts 3 and 5 and Apple Valley