Board of Commissioners Packet

March 22, 2016
3:30 p.m. - Regular Meeting
CDA Office, 1228 Town Centre Drive, Eagan

NAHRO Poster Contest Fun!
March 12, 2016
See page 4 of the Activity Report for details!
Executive Director Update

The CDA has been notified by HUD that we ranked in Tier 1 for the funding requests for the Continuum of Care grant. All Tier 1 requests have received funding. The CDA requested $212,748 and was awarded slightly more than that, $219,180. This grant provides rent assistance, in connection with supportive services, to homeless persons with disabilities. The CDA works collaboratively with Dakota County Community Services on this program.

On the Legislative front, over the past couple of weeks I’ve spent some time meeting with Dakota County legislators and have testified in both the Housing and Senate on the CDA Statute change bill. The bill is moving along without issue.

Pre-leasing for Cambrian Commons is going extremely well. So far, 56 out of the 60 units are reserved.

Next month is National Fair Housing month. The Fair Housing Implementation Council (FHIC), that the CDA participates on, is continuing discussions on an addendum to the Analysis of Impediments to address segregation, review of housing policies, and community engagement. HUD Secretary Julian Castro visited earlier this month to have a conversation with local leaders on HUD’s “Prosperity Playbook.” Thank you to Commissioner Slavik for attending that meeting. CDA staff that attended found the dialogue a good start to exploring regional challenges and strategies for affordable housing.

- Tony Schertler, Executive Director

Coffee with the Cops at Cortland and Orchard Square

As part of the CDA’s partnership with the Apple Valley Police Department and other multi-housing properties in Apple Valley, the Apple Valley Police Department hosted a “Coffee with the Cops” on March 15 for Cortland and Orchard Square residents. The discussion topics covered safety and security including: proper disposal of medication, proper use of calling 911, identity theft, theft of purses in shopping carts, and phone scams.

The Dakotah Hosts ROMA Meeting

March’s Responsible Owners and Managers Association (ROMA) meeting was held at The Dakotah in West St. Paul. ROMA membership is part of the CDA’s rental licensing requirements in West St. Paul. The group gathers regularly to discuss and act on problems and issues concerning property management and collaborates on solutions. The West St. Paul Police Department and owners of rental units in West St. Paul attended the meeting.
### HOUSING OCCUPANCY

<table>
<thead>
<tr>
<th></th>
<th>Public Housing Scattered Site and CLM</th>
<th>NSP Units</th>
<th>Senior</th>
<th>Senior Premium</th>
<th>Workforce</th>
<th>Lincoln Place</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td># Units</td>
<td>323</td>
<td>5</td>
<td>1,457</td>
<td>72</td>
<td>772</td>
<td>25</td>
<td>2,654</td>
</tr>
<tr>
<td># Occupied</td>
<td>318</td>
<td>5</td>
<td>1,448</td>
<td>71</td>
<td>767</td>
<td>23</td>
<td>2,632</td>
</tr>
<tr>
<td># Units Held for Capital Improvements</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Occupancy Rate (Less Units Held for Capital Improvements)</td>
<td>98.5%</td>
<td>100%</td>
<td>99.4%</td>
<td>98.6%</td>
<td>99.4%</td>
<td>92%</td>
<td>99.2%</td>
</tr>
<tr>
<td>Waiting Lists (# households)</td>
<td>3,270</td>
<td>2,041</td>
<td>312</td>
<td>2,550</td>
<td>N/A</td>
<td>8,173</td>
<td></td>
</tr>
</tbody>
</table>

### FIRST TIME HOMEBUYER PROGRAM

First Time Homebuyer Activity from January 1, 2013 - February 29, 2016

<table>
<thead>
<tr>
<th></th>
<th># Reserved</th>
<th># Closed</th>
<th>Total $ Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans</td>
<td>229</td>
<td>212</td>
<td>$35,176,836</td>
</tr>
<tr>
<td>Downpayment Assistance Loans</td>
<td>227</td>
<td>212</td>
<td>$1,268,802</td>
</tr>
<tr>
<td>Mortgage Credit Certificates Requested</td>
<td>125</td>
<td>115</td>
<td>$6,440,797</td>
</tr>
</tbody>
</table>

### WEATHERIZATION

<table>
<thead>
<tr>
<th></th>
<th>Feb.</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization Jobs Completed</td>
<td>6</td>
<td>37</td>
<td>70</td>
</tr>
<tr>
<td>Stand-alone Jobs Completed</td>
<td>0</td>
<td>9</td>
<td>33</td>
</tr>
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</table>

### HOME IMPROVEMENT LOANS

<table>
<thead>
<tr>
<th></th>
<th>Feb.</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Files Issued</td>
<td>6</td>
<td>55</td>
<td>82</td>
</tr>
<tr>
<td>Projects Completed</td>
<td>4</td>
<td>40</td>
<td>93</td>
</tr>
<tr>
<td>Funds Spent</td>
<td>$64,702</td>
<td>$861,527</td>
<td>$1,804,955</td>
</tr>
</tbody>
</table>

### HOMEOWNERSHIP PROGRAMS

<table>
<thead>
<tr>
<th></th>
<th>Feb.</th>
<th>FY16</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosure Intake Calls</td>
<td>0</td>
<td>6</td>
<td>28</td>
</tr>
<tr>
<td>Foreclosure Applications</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Pre-Purchase Appointments</td>
<td>14</td>
<td>77</td>
<td>100</td>
</tr>
<tr>
<td>Home Stretch (households)</td>
<td>20</td>
<td>172</td>
<td>247</td>
</tr>
<tr>
<td>Framework (households)</td>
<td>9</td>
<td>28</td>
<td>32</td>
</tr>
</tbody>
</table>
HUD Publishes Final Rule on Streamlined Admin Regulations

HUD has published their Final Rule on Streamlining Administrative Regulations which could impact administrative tasks for Public Housing and Housing Choice Voucher programs. Below is a brief summary of some of the changes:

1. **Streamlined Annual Reexamination for Fixed Income.** Once every 3 years (instead of annually) a family with fixed sourced incomes will be certified.

2. **Earned Income Disregard (EID).** This benefit now applies for a straight 24-month period, with a clear start date and end date, irrespective of whether a family maintains continual employment during the 24-month period. PHAs and grantees are no longer obliged to track employment starts and stops, but only the start date, the 12-month date (on which the amount of the disregard may changes from 100% to not less than 50% of earned income), and the 24-month (end) date. For families enrolled and participating in EID prior to the effective date of this regulation, the previous requirements will continue to apply.

3. **Family Declaration of Assets Under $5,000.** A PHA must obtain third-party documentation of assets every three years, not annually.

4. **Utility Reimbursements.** The PHA now has the option of making utility reimbursements totaling $45 of less per quarter (not monthly). The PHA must institute a financial hardship policy for residents if such payments would create a financial hardship.

5. **Tenant Self-Certifications for Community Service Requirements (CSSR).** The final rule continues to permit PHAs to accept a residents signed self-certification of compliance with the community service requirement. However, HUD is also requiring PHAs to review a sample of self-certifications and validate their accuracy with the third-party verifications procedures currently in place. The PHA will also need to notify residents that any self-certifications may be subject to such validation.

### HOUSING CHOICE VOUCHERS (SECTION 8)

#### Utilization

<table>
<thead>
<tr>
<th>Vouchers</th>
<th># of Units Under Contract</th>
<th>% of baseline units authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Choice Vouchers</td>
<td>2,463</td>
<td>98.2%</td>
</tr>
<tr>
<td>Family Unification Vouchers</td>
<td>91</td>
<td>91%</td>
</tr>
<tr>
<td>VASH</td>
<td>19</td>
<td>76%</td>
</tr>
<tr>
<td>Combined</td>
<td>2,573</td>
<td>97.7%</td>
</tr>
</tbody>
</table>

#### Program Stats

- **HAP Expense**: $1,450,601
- **Monthly Funding Utilization**: 92.3%
- **Per Unit Cost**: $568
- **# Vouchers administered for other authorities by CDA**: 299
- **# Vouchers administered for CDA by other authorities**: 253

#### Small Programs

<table>
<thead>
<tr>
<th>Program</th>
<th># Units Under Contract</th>
<th>% Under Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuum of Care</td>
<td>32</td>
<td>130%</td>
</tr>
<tr>
<td>Bridges</td>
<td>35</td>
<td>78%</td>
</tr>
<tr>
<td>Bridges Levy</td>
<td>15</td>
<td>100%</td>
</tr>
<tr>
<td>Youth Housing</td>
<td>5</td>
<td>100%</td>
</tr>
</tbody>
</table>
House in West St. Paul Sold

In February, the CDA sold 144 Stanley St. E. in West St. Paul to a moderate-income family for $180,000. The disposition of the property was approved at the December 2015 Board meeting.

The CDA acquired the tax-forfeited property in 2014 through its Tax Forfeiture Development Program (TFDP) for the purpose of substantially rehabbing the property. The funds used to rehab the property came from the general fund, and the proceeds from the sale will be returned to the general fund.

The buyer of the 3-bedroom, one-bath home met the required moderate income guidelines. The current limit is $46,100 for a one-person household; $42,650 for a two-person household; $59,250 for a three-person household; and $65,800 for a four-person household.

The rehab effort was led by CDA Housing Rehab Specialist Duane Roman and CDA Real Estate Specialist Lori Zierden coordinated the sale of the house.

Photos of 144 Stanley Street before (above) and after (below) rehab.

 WHAT HOME MEANS TO ME
Poster Contest Fun!

Children (grades Kindergarten through 12th grade) residing in the CDA’s Family Townhome, Scattered Site Public Housing, or are household members of families assisted by the Housing Choice Voucher Program were invited to participate in the NAHRO “What Home Means to Me” Poster Contest.

An event was held on March 12 at the CDA’s office for kids who wanted to come to create their masterpiece at the office. Submissions were also accepted by mail or drop off at the CDA.

Entries will be judged by CDA staff and prizes will be awarded to the first, second, and third place winners in each age category. The CDA’s winning entries will be forwarded on to the regional competition. Regional winners will be forwarded on to the National NAHRO competition in Washington, DC.

March 2016
Area Employers to Vie for “Employers of Excellence” Awards

The below information is an excerpt of a full press release detailing the award with comments from Mark Lofthus.

With the unemployment rates in Dakota and Scott counties extremely low, employers are finding it difficult to create a workplace environment that will attract and retain good employees.

The Dakota-Scott Workforce Development Board (WDB) will be recruiting employers to participate in the “Employers of Excellence” Awards program. The program will recognize the best employers in the two-county area and overall provides an overview of employment data, and trends and practices on what employers are doing to maintain an engaged workforce. The program collects data from area employers and produces a 20-page report on employment trends and practices in Dakota and Scott counties. From the data received the WDB will recognize the businesses that are experiencing the best results in employee retention efforts and providing the best work environments in the area.

A total of 37 different measurements are analyzed. Every participating company will receive a personalized report detailing how they compared with other companies in the area and suggestions for improving the work environment. All costs are being covered by the WDB and area sponsors including Dakota County Technical College, Inver Hills Community College, Dakota County Community Development Agency (CDA) and Scott County CDA.

Winners will be announced May 25 at the Employers of Excellence Awards Banquet to be held at the Eagan Community Center.

The WDB is encouraging all employers to participate. Deadline for consideration for this program — available this year at no cost to employers — is April 1.

Dakota County’s Mortgage Foreclosures Drop by 18% in 2015

On March 1, the Hastings Star Gazette published an online article regarding foreclosure rates in Minnesota - which includes good news for Dakota County.

The original report on 2015 numbers analyzed sheriff’s sale data from all Minnesota counties. This report, titled “Foreclosures in Minnesota”, showed a statewide drop in foreclosures of more than 13% from 2014. Dakota County exceeded the state average at 18%.

In a quote in the Star Gazette Article, Ed Nelson of the Minnesota Homeownership Center stated, “We’re seeing a combination of events that are having a positive impact on the number of foreclosures. Foreclosure prevention efforts across the state, combined with improvements in how banks and servicers deal with struggling homeowners and slow improvements in the overall economy are allowing more homeowners to avoid losing their homes.”

The Dakota County CDA hosts foreclosure information sessions at the CDA office in addition to offering individual appointments with Homeownership Specialists. The information sessions include general information about the foreclosure process and possible loss mitigation options presented by certified housing counselors. The individual appointments includes an in-depth, personalized look at the homeowner’s finances to develop a budget for the future.

Applicants must be a resident of Dakota County and be committed to solving their financial problems with long-term solutions.
1. ROLL CALL

2. APPROVAL OF AGENDA

3. CONSENT
   A. Approval Of Minutes
      ➢ February 16, 2016 Regular Meeting Minutes
   B. Approve Records Of Disbursements – February
   C. Ratify Setting A Public Hearing To Receive Comments On The 2016 Public Housing Agency Plan
   D. Approve The Dakota County CDA 2016 Pay Equity Compliance Report
   E. Approve The 2016 Utility Allowance Schedule For The Housing Choice Voucher Program
   F. Set A Public Hearing For The Issuance Of The Amended And Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016

4. DISCUSSION
   A. Conduct A Public Hearing On The Adoption Of The 2016 Single Family Financing Program
   B. Adopt The 2016 Single Family Housing Finance Program And Authorize The Filing Of Mortgage Credit Certificate Elections
   C. Conduct And Close A Public Hearing To Receive Comments On The 2016 Public Housing Agency Annual Plan
   D. Approve The 2016 Public Housing Agency Annual Plan
   E. Approve A Joint Powers Agreement For The Preparation Of The Dakota County Broadband Systems Plan
   F. Authorize The Executive Director To Execute A Construction Contract As General Partner Of The Keystone Crossing Workforce Housing Limited Partnership (Keystone Crossing Townhomes)
   G. Adopt Revised Dakota County CDA Acquisition And Disposition Policy
   H. Housing Development Update – Informational Only
   I. Executive Director’s Update – Informational Only

5. OLD BUSINESS

6. NEW BUSINESS

7. INFORMATIONAL ITEMS
   A. Communications Report
   B. CDA Budgetary Reports – December 31, 2015

8. ADJOURNMENT
Future Board Meetings & Events

April 19, 2016
CDA Board of Commissioners Regular Meeting – 3:30 p.m.
Dakota County CDA Boardroom, 1228 Town Centre Drive, Eagan, MN 55123
Commissioner Slavik called the meeting to order at 3:30 p.m.

**COMMISSIONER ROLL CALL**

<table>
<thead>
<tr>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner Slavik, District 1</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Gaylord, District 2</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Egan, District 3</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Schouweiler, District 4</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Workman, District 5</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Holberg, District 6</td>
<td>X</td>
</tr>
<tr>
<td>Commissioner Gerlach, District 7</td>
<td>X – Arrived at 3:48 p.m.</td>
</tr>
</tbody>
</table>

CDA staff in attendance:

- Tony Schertler, Executive Director
- Kari Gill, Deputy Executive Director
- Sara Swenson, Director of Administration & Communications
- Kaili Braa, Administrative-Communications Specialist
- Maggie Dykes, Assistant Director of Community & Economic Development
- Karly Schoeman, Housing Finance Program Coordinator
- Kathy Kugel, Housing Finance Program Coordinator
- Lisa Hohenstein, Director of Housing Assistance
- Anna Judge, Director of Property Management
- Ashley Woodfin, Property Manager
- Ken Bauer, Director of Finance

Others in attendance:

- Jay Stassen, Dakota County Attorney’s Office
- Jeff Timmerman, Dakota County Attorney’s Office
- Erin Stwora, Dakota County
- Patrick Hynes, Messerli & Kramer
- Corey Topp, RSM US LLP
- Dayna Norvold, Rice County Habitat for Humanity
- Mike Nelson, Twin Cities Habitat for Humanity
- David White, Twin Cities Habitat for Humanity
- Emma Nelson, Star Tribune
- Chuck Knapp

**CDA STAFF INTRODUCTIONS**

*CDA Property Manager Ashley Woodfin was introduced to the Board by Director of Property Management Anna Judge.*

**APPROVAL OF AGENDA**

**16-5682 Approval of Agenda**

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the agenda for the February 16, 2016 Regular CDA Board meeting be approved as written.

**Motion:** Commissioner Gaylord    **Second:** Commissioner Holberg

Ayes: 6  Nays: 0  Abstentions: 0
CONSENT AGENDA

16-5683 Approval Of Minutes – January 19, 2016 Annual Meeting Minutes

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the minutes for the January 19, 2016 Annual CDA Board meeting be approved as written.

16-5684 Approval Of Minutes – January 19, 2016 Regular Meeting Minutes

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the minutes for the January 5, 2016 Special CDA Board meeting be approved as written.

16-5685 Approval Of Records Of Disbursements – January 2016

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the January 2016 Record of Disbursements is approved as written.

16-5686 Authorize The Deputy Executive Director To Execute A Construction Contract For Window Replacement At The Oakwoods of Eagan Senior Housing Development

WHEREAS, formal bids were received on February 1, 2016 for the window replacement project for the Oakwoods of Eagan Senior Housing Development in Eagan; and

WHEREAS, Maas Restoration, LLC submitted a low bid of $306,662.00; and

WHEREAS, the Dakota County CDA has approved Alternate #1 and Alternate #2; and,

WHEREAS, Maas Restoration, LLC meets the bidder qualifications in the specification; and

WHEREAS, the contractor is being recommended on both low bid results and their experience in window replacement; and

WHEREAS, the Dakota County CDA would be using budgeted fund dollars already approved to cover the cost of the project; and

NOW, THEREFORE, BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the Deputy Executive Director be authorized to sign a construction contract with low bidder Maas Restoration, LLC in an amount of $306,662.00; and

BE IT FURTHER RESOLVED, that the Deputy Executive Director be authorized to approve change orders in an amount not to exceed $30,666.20.

16-5687 Adoption Of 2016 CDA State Legislative Agenda

WHEREAS, the Minnesota Legislature will convene its 2016 session on March 8, 2016; and

WHEREAS, the interests of the Dakota County CDA and its clients and county residents will be directly affected by the decisions of the 2016 Legislature; and

WHEREAS, at its meeting on January 19, 2016, the CDA Board reviewed and discussed initiatives for inclusion in the 2016 CDA State Legislative Platform, and approved the inclusion of the following two...
 items:

1. Statute amendment for the CDA to be in compliance with the Federal Code of Regulations related to a requirement for a public housing resident to serve on the CDA’s Board.


WHEREAS, at its meeting on February 16, 2016, the CDA Board reviewed the following revised initiatives for inclusion in the 2016 CDA State Legislative Platform, as follows:

3. Monitor Serving Our Seniors legislation that was introduced in the 2015 Legislative Session and is being amended in 2016 to ensure 50/50 split of funding for metro versus greater Minnesota is maintained and that any other statutory funding criteria do not prevent potential projects within Dakota County from receiving funds.

4. Strongly oppose “Home Grown Housing Fund” legislation being proposed by Minnesota Housing Partnership.

5. Monitor any legislative proposals that would impact CDA programs or affordable housing, community development, economic development, and redevelopment, in general.

NOW, THEREFORE, BE IT RESOLVED, that the Dakota County Community Development Agency Board of Commissioners hereby approves initiatives as presented on February 16, 2016, for the inclusion in the 2016 Dakota County CDA legislative platform; and

BE IT FURTHER RESOLVED, that staff is directed to work with representatives from Messerli & Kramer to carry out the platform and to provide regular updates to the CDA Board on issues or opportunities that arise during the 2016 Legislative session.

Setting A Date For A Public Hearing Regarding A Housing Finance Program For The Issuance Of Mortgage Credit Certificates

WHEREAS, the Dakota County Community Development Agency (the “Agency”) has established a program of issuing Mortgage Credit Certificates (“MCCs”) pursuant to Minnesota Statutes, Chapter 462C and Section 25 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, the Agency proposes to continue the issuance of MCCs and, to that end, to adopt a 2016 Housing Finance Program (the “Program”) in the form on file with the Agency; and

WHEREAS, State and federal law require that the CDA hold a public hearing regarding the Program and the issuance of MCCs;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY:

1. That a public hearing regarding the adoption of the Program and the issuance of MCCs pursuant thereto will be held by the Agency on March 22, 2016, at or after 3:30 p.m.

2. That the Executive Director or his designee is hereby authorized and directed to cause notice of such public hearing in substantially the form attached hereto as Exhibit A to be published in a newspaper of general circulation in Dakota County, and to cause a copy of the Program to be submitted to the Metropolitan Council, not fewer than fifteen (15) days prior to such hearing.

3. That the Executive Director or his designee is further authorized and directed to cause the public notice in substantially the form attached hereto as Exhibit B, providing certain information regarding the issuance of MCCs, to be published as required by federal law as a condition to such issuance.

Motion: Commissioner Workman  Second: Commissioner Holberg

Ayes: 6  Nays: 0  Abstentions: 0

Yes  No  Absent  Abstain

Slavik  X
Gaylord  X
Egan  X
Schouweiler  X

March 2016  Board Packet Page 11
DISCUSSION ITEMS

16-5689 Conduct And Close A Public Hearing Regarding The Disposition Of Property Located At 145 MacArthur Street West In South St. Paul And 805 1st Street West In Northfield

Kathy Kugel presented and answered Board questions.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY that the public hearing is closed.

Motion: Commissioner Egan   Second: Commissioner Schouweiler

Ayes: 7  Nays: 0  Abstentions: 0

Slavik  X  Gaylord  X  Egan  X  Schouweiler  X  Workman  X  Holberg  X  Gerlach  X

16-5690 Approve The Disposition Of Property Located At 145 MacArthur Street West In South St. Paul And 805 1st Street West In Northfield

WHEREAS, the Dakota County Community Development Agency (CDA) purchased property at 145 MacArthur Street West in South St. Paul and 805 1st Street West in Northfield using federal Neighborhood Stabilization Program (NSP) funding from U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the CDA held a public hearing to consider the disposition of these properties by conveying the property at 145 MacArthur Street West in South St. Paul to the Twin Cities Habitat for Humanity, Inc. and conveying the property at 805 1st Street West in Northfield to the Rice County Habitat for Humanity as eligible NSP Activities (Acquisition and Rehab); and

WHEREAS, the disposition of property at 145 MacArthur Street West in South St. Paul and 805 1st Street West in Northfield meets certain provisions in the CDA’s Acquisition and Disposition Policy, including the sale of property at less than fair market value for affordable housing; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY that:

1. The CDA hereby approves the disposition of property at 145 MacArthur Street West in South St. Paul to the Twin Cities Habitat for Humanity, Inc. for one dollar ($1.00).
2. The CDA hereby approves the disposition of property at 805 1st Street West in Northfield to the Rice County Habitat for Humanity for one dollar ($1.00).
3. CDA staff are authorized to prepare, execute and deliver the corresponding purchase and development agreements between the CDA and the Twin Cities Habitat for Humanity, Inc. for 145 MacArthur Street West in South St. Paul and the CDA and the Rice County Habitat for Humanity for 805 1st Street West in Northfield. In addition, the CDA Executive Director is authorized to execute said agreements upon such approval.

Motion: Commissioner Schouweiler   Second: Commissioner Egan

Ayes: 5  Nays: 1  Abstentions: 1
Conduct And Close A Public Hearing On The 2017 Qualified Allocation Plan For The Allocation of Low-Income Housing Tax Credits Under Section 42 Of The Internal Revenue Code Of 1986, As Amended

Kathy Kugel presented.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY that the public hearing has been conducted in accordance with law and closed.

Motion: Commissioner Gaylord  Second: Commissioner Holberg

Ayes: 7  Nays: 0  Abstentions: 0

Adoption Of A Qualified Allocation Plan And Procedural Manual For 2017 Low-Income Housing Tax Credits

Kathy Kugel presented.

WHEREAS, pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”), and Minnesota Statutes Sections 462A.221 through 462A.225, the Dakota County Community Development Agency (the “CDA”) is authorized to allocate low income housing tax credits (“Tax Credits”); and

WHEREAS, in accordance with Section 42 of the Code, on the date hereof, the CDA held a public hearing regarding a Qualified Allocation Plan (the “Plan”) in the form presented to the CDA on the date hereof, which details the basis for allocating Tax Credits among applicants; and

WHEREAS, notice of the public hearing was published in a newspaper of general circulation in Dakota County at least 14 days prior to the date hereof; and

WHEREAS, the CDA is currently authorized to allocate approximately $880,186 of 2017 Tax Credits; and

WHEREAS, pursuant to Minnesota Statutes Section 462A.222, the CDA is authorized to make allocations in connection with the “first round” of allocations for 2017 Tax Credits by the Minnesota Housing Finance Agency (“MHFA”), which is expected to be Tuesday, June 16, 2016;

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Dakota County Community Development Agency, as follows:

1. That the Plan is hereby adopted in substantially the form on file with the CDA on the date hereof, and the staff of the CDA are hereby authorized to prepare a Procedural Manual and a Compliance Monitoring Manual consistent with the Plan, to notify prospective applicants.
availability of the Plan and Procedural Manual and to set the deadline for accepting applications for Tax Credits, consistent with MHFA’s first round deadline.

2. Because the members of the Dakota County Board of Commissioners are the ex-officio members of the Issuer, this approval constitutes approval of the Plan by the applicable elected representative of the CDA for purposes of Section 42 of the Code.

Motion: Commissioner Gaylord   Second: Commissioner Gerlach

Ayes: 7    Nays: 0    Abstentions: 0

Yes   No   Absent   Abstain

Slavik  X
Gaylord  X
Egan  X
Schouweiler  X
Workman  X
Holberg  X
Gerlach  X


Ken Bauer presented with Corey Topp of RSM US LLC.

WHEREAS, the Dakota County Community Development Agency (CDA) is required to have an annual audit of its financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and

WHEREAS, the audit must also meet the additional requirements imposed by the Single Audit Act, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations and the provisions of the Minnesota Legal Compliance Audit Guide for Local Government promulgated by the Legal Task Force pursuant to Minnesota Section 6.65; and

WHEREAS, the CDA has prepared a Comprehensive Annual Financial Report (CAFR) and Single Audit Report for the year ended June 30, 2015; and

WHEREAS, the public accounting firm of RSM US LLP (“Auditor”) has performed an audit of the financial statements of the CDA for the year ended June 30, 2015 in accordance with all applicable audit requirements; and

WHEREAS, the Auditor’s reports as a result of this audit are contained in the Comprehensive Annual Financial Report and Single Audit Report for the fiscal year ended June 30, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY that the Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2015 are hereby accepted.

Motion: Commissioner Gaylord   Second: Commissioner Schouweiler

Ayes: 7    Nays: 0    Abstentions: 0

Yes   No   Absent   Abstain

Slavik  X
Gaylord  X
Egan  X
Schouweiler  X
Workman  X
Holberg  X
Gerlach  X

March 2016
INFO  Housing Development Update – Informational Only

Kari Gill presented on the status of current and upcoming construction projects.

INFO  Executive Director’s Update – Informational Only

Tony Schertler presented.

16-5694  Closed Executive Session

Jay Stassen presented.

WHEREAS, the Dakota County Community Development Agency (CDA) Board previously terminated its former Executive Director, Mark Ulfers, and Mr. Ulfers and his legal counsel have presented claims related to this action by the CDA Board; and

WHEREAS, the CDA Board seeks legal advice from the County Attorney’s Office with respect to the strategy of defending the claims, the public disclosure of which would benefit the former Executive Director and his legal counsel to the detriment of the CDA Board’s position in this matter; and

WHEREAS, pursuant to Minn. Stat. § 13D.05, subd. 3(b), the CDA Board by resolution may close a meeting as permitted by the attorney-client privilege.

NOW, THEREFORE, BE IT RESOLVED, that the Dakota County CDA Board hereby closes its Board meeting on February 16, 2016, in order to discuss with the County Attorney’s Office the strategy of responding to the claims asserted by the former Executive Director of the CDA.

Motion: Commissioner Egan  Second: Commissioner Workman

Ayes: 7  Nays: 0  Abstentions: 0

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Absent</th>
<th>Abstain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slavik</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaylord</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egan</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schouweiler</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holberg</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gerlach</td>
<td>X</td>
<td></td>
<td></td>
</tr>
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</table>

ADJOURNMENT

16-5695  Adjournment

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners hereby adjourns until Tuesday, March 22, 2016.

Motion: Commissioner Egan  Second: Commissioner Holberg

Ayes: 6  Nays: 0  Absent: 1  Abstentions: 0

The CDA Board meeting adjourned at 5:23 p.m.

__________________________________________         __________________________________________
Board Chair, Mike Slavik                        Secretary, Mary Liz Holberg

March 2016
## Dakota County CDA
### Record of Disbursements
#### For the month of February 2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing Assistance</strong></td>
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<td></td>
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<tr>
<td>02/01/16</td>
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<tr>
<td>02/15/16</td>
<td>$46,923.00</td>
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<td>02/01/16</td>
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</tr>
<tr>
<td>02/04/16</td>
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<td>02/11/16</td>
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<td>02/15/16</td>
<td>$6,371.00</td>
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<td>02/18/16</td>
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<td>02/25/16</td>
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<td>02/23/16</td>
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<td>$31,000.00</td>
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<tr>
<td>02/18/16</td>
<td>$1,632.87</td>
<td>$18,961.97</td>
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<td><strong>Total February 2016 Disbursements</strong></td>
<td></td>
<td>$3,689,357.57</td>
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<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>February 2016 Payroll</strong></td>
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<tr>
<td>02/05/16</td>
<td>$168,642.31</td>
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<tr>
<td>01/22/16</td>
<td>$171,833.90</td>
<td>$340,476.21</td>
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</table>

Disbursement detail is available in the Finance Office.

Chairperson
Ratify Setting A Public Hearing To Receive Comments On The 2016 Public Housing Agency Annual Plan

Meeting Date: 3/22/2016
Department: Housing Assistance/Property Management
Prepared By: Lisa Hohenstein
Contact: Lisa Hohenstein/Anna Judge
Contact Phone: 651-675-4543/651-675-4501

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Ratify setting a public hearing to receive comments for the Dakota County CDA’s 2016 Public Housing Agency Annual Plan.

SUMMARY
In 2015, the Dakota County Community Development Agency (CDA) Board approved the Five Year Strategic Housing Agency Plan (PHA Plan). In the years following that approval, the CDA must prepare an Annual Update to the PHA Plan. This plan is a U.S. Department of Housing and Urban Development (HUD) requirement for agencies that administer the Housing Choice Voucher and Public Housing programs.

The 2016 PHA Plan Annual Update outlines updates to the goals and objectives for the Housing Choice Voucher and Public Housing programs.

HUD requires a 45-day public comment period and a public hearing. The public comment period notice was published in the Dakota County Tribune on January 7, 2016 and continued until February 20, 2016. Postcards notifying of the public comment period were sent to all Housing Choice Voucher and Public Housing participants. Open meetings were held on February 9 and 12 to also solicit comments from public housing residents. Additional feedback was solicited from Dakota County cities.

The public hearing notice was published on February 25, 2016 in the Dakota County Tribune and was posted on the CDA’s website.

RECOMMENDATION
Staff recommends holding the public hearing during the Discussion portion of the March 22, 2016 CDA Board of Commissioners Regular Meeting.

EXPLANATION OF FISCAL/FTE IMPACT
Programs described in the PHA Annual Plan are funded through HUD federal allocations.
Resolution No. 16-XXXX

Ratify Setting A Public Hearing To Receive Comments On The 2016 Public Housing Agency Annual Plan

WHEREAS, the U.S. Department of Housing and Urban Development requires public housing agencies with a Housing Choice Voucher and/or Public Housing Programs submit an Annual Agency Plan Update in accordance with the prescribed HUD template; and

WHEREAS, after a 45-day public comment period, the CDA Board of Commissioners shall conduct a public hearing for the purpose of receiving comments from citizens and residents.

NOW, THEREFORE, BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, That a public hearing will be conducted during the board’s regular meeting on March 22, 2016.
AFFIDAVIT OF PUBLICATION
STATE OF MINNESOTA
COUNTY OF DAKOTA
Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

Dakota County Tribune

with the known office of issue being located in the county of:

DAKOTA

with additional circulation in the counties of:

DAKOTA

and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualifications as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s), the first insertion being on 01/07/2016 and the last insertion being on 01/07/2016.

MORTGAGE FORECLOSURE NOTICES
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Charlene Vold
Designated Agent

Subscribed and sworn to or affirmed before me on 01/07/2016 by Charlene Vold.

MARY E. KNAPP
Notary Public

Rate Information:
(1) Lowest classified rate paid by commercial users for comparable space:
$27.40 per column inch

Ad ID 495347

DAKOTA COUNTY CDA
PUBLIC NOTICE-COMMENT PERIOD FOR DAKOTA COUNTY
CDA AGENCY PLAN
The Dakota County CDA's Agency Plan is available for public review and comment through 02/20/2019.

The plan outlines the CDA's mission, goals, objectives and administrative policy for the Housing Choice Voucher and Public Housing programs. The purpose of the public comment period is to receive comments from and pass information to the general public related to the CDA's long term plans and policies specific to, the Housing Choice Voucher (Section 8) and Public Housing Programs administered by the Dakota County CDA.

A draft of the 2016 PHA Plan is available for review on the Dakota County CDA's website at www.dakotacda.org and at the Dakota County CDA office at 1228 Town Centre Drive, Eagan, MN.

Written and/or oral comments may be submitted to the CDA to the attention of Sarah Rensingbrink, Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123.


Upon request, the Agency Plan can be made available in an alternative format by contacting the CDA.

Published in the Dakota County Tribune
January 7, 2016
495347
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA
COUNTY OF DAKOTA

Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

Dakota County Tribune

with the known office of issue being located in the county of:

DAKOTA

with additional circulation in the counties of:

DAKOTA

and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 02/25/2016 and the last insertion being on 02/25/2016.

MORTGAGE FORECLOURE NOTICES
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper’s known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper’s circulation is in the latter county.

By: Charlene Vold
Designated Agent

Subscribed and sworn to or affirmed before me on 02/25/2016 by Charlene Vold.

DAKOTA COUNTY
NOTICE OF
PUBLIC HEARING

As required by the Department of Housing and Urban Development (HUD), notice is hereby given that the Dakota County Commission's Board of Commissioners will hold a Public Hearing on Tuesday, March 22, 2016 at 3:30 p.m. at the Dakota County Community Development Agency’s office to afford an opportunity for the public to comment on updates to the Dakota County CDA’s Public Housing Agency Annual Plan, Capital Fund activities for 2016 and Amendments to the Housing Choice Voucher Administrative Plan and Public Housing Admission and Continued Occupancy Plan.

Persons who wish to testify are requested to contact Kali Braas at the Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123. Telephone: 651-675-4432; MN Relay Service: 1-800-627-3528; Fax: 651-675-4444, prior to 4:30 p.m. on Friday, March 18, 2016. If you require special accommodations, please contact the CDA.

Published in the
Dakota County Tribune
February 25, 2016
513323

Rate Information:
(I) Lowest classified rate paid by commercial users for comparable space:
$27.40 per column inch

DARLENE MARIE MACPHERSON
Notary Public
My Commission Expires Jan 31, 2019
Approve The Dakota County CDA 2016 Pay Equity Compliance Report

Meeting Date: 3/22/2016
Department: Administration
Prepared By: Karissa Goers
Contact: Sara Swenson
Contact Phone: 651-675-4433

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other

PURPOSE/ACTION REQUESTED
• Approve Dakota County CDA 2016 Pay Equity Compliance Report and authorize submission to the Minnesota Management & Budget office.

SUMMARY
As a government agency, the CDA is required to comply with the State of Minnesota’s Local Government Pay Equity Act of 1984 (“the Act”). The purpose of the Act is to ensure that male and female employees of local government employers have the opportunity to receive equal pay (compensation) for equal work (comparable worth). A report based on pay and job data must be submitted to show compliance, and the current schedule requires such agencies to file triennially. Copies of the Pay Equity Compliance Report (Attachment A) and Job Classification Data Entry Verification List (Attachment B) are included with this Request for Board Action.

The CDA’s Pay Equity report is due by May 2, 2016 and staff has prepared the report as required, using payroll data on file as of December 31, 2015. In order to avoid penalties for non-compliance, such as fees ($100 per day) or loss of funding (5% reduction in state aid payments), the completed report must be submitted by the due date and be approved by its governing body.

RECOMMENDATION
Staff recommends submission of the report. A preliminary review (Attachment C) showed the CDA was in compliance with pay equity.

EXPLANATION OF FISCAL/FTE IMPACT
None.
Resolution No. 16-XXXX

Approve The Dakota County CDA 2016 Pay Equity Compliance Report

WHEREAS, the CDA is required to comply with the Local Government Pay Equity Act of 1984; and

WHEREAS, the completed report requires authorization by the chief official of its governing body.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency, That the CDA’s 2016 Pay Equity Compliance Report is approved and the Human Resources Administrator is directed to submit the report on behalf of the CDA Board and Board Chair.

Executive Director’s Comments:

☐ Recommend Action ☑ Item Type-Consent
☐ Do Not Recommend Action ☐ Item Type-Discussion
☐ Reviewed-No Recommendation ☐ Item Type-Informational
☐ Reviewed-Information Only
☐ Submitted at Commissioner Request

Strategic Plan Goal:

☐ Housing and Livability
☐ Community Vitality
☐ Community Connections
☒ Organizational Culture
☐ Financial Management

Executive Director

Department Director

March 2016
The statistical analysis, salary range and exceptional service pay test results are shown below. Part I is general information from your pay equity report data. Parts II, III and IV give you the test results.

For more detail on each test, refer to the Guide to Pay Equity Compliance and Computer Reports.

I. GENERAL JOB CLASS INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Male Classes</th>
<th>Female Classes</th>
<th>Balanced Classes</th>
<th>All Job Classes</th>
</tr>
</thead>
<tbody>
<tr>
<td># Job Classes</td>
<td>21</td>
<td>24</td>
<td>1</td>
<td>46</td>
</tr>
<tr>
<td># Employees</td>
<td>32</td>
<td>52</td>
<td>25</td>
<td>109</td>
</tr>
<tr>
<td>Avg. Max Monthly Pay per employee</td>
<td>6,415.19</td>
<td>6,321.92</td>
<td>5,666.06</td>
<td></td>
</tr>
</tbody>
</table>

II. STATISTICAL ANALYSIS TEST

A. Underpayment Ratio = 70.33 *

<table>
<thead>
<tr>
<th></th>
<th>Male Classes</th>
<th>Female Classes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. # At or above Predicted Pay</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>b. # Below Predicted Pay</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>c. TOTAL</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>d. % Below Predicted Pay</td>
<td>38.10</td>
<td>54.17</td>
</tr>
</tbody>
</table>

(b divided by c = d)

*(Result is % of male classes below predicted pay divided by % of female classes below predicted pay.)

B. T-test Results

<table>
<thead>
<tr>
<th></th>
<th>Male Classes</th>
<th>Female Classes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degrees of Freedom (DF)</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Value of T</td>
<td>-1.914</td>
<td></td>
</tr>
<tr>
<td>a. Avg. diff. in pay from predicted pay for male jobs =</td>
<td>($21)</td>
<td></td>
</tr>
<tr>
<td>b. Avg. diff. in pay from predicted pay for female jobs =</td>
<td>$72</td>
<td></td>
</tr>
</tbody>
</table>

III. SALARY RANGE TEST = 0.00  (Result is A divided by B)

A. Avg. # of years to max salary for male jobs = 0.00
B. Avg. # of years to max salary for female jobs = 0.00

IV. EXCEPTIONAL SERVICE PAY TEST = 0.00  (Result is B divided by A)

A. % of male classes receiving ESP = 0.00 *
B. % of female classes receiving ESP = 0.00

*(If 20% or less, test result will be 0.00)
<table>
<thead>
<tr>
<th>Job Nbr</th>
<th>Class Title</th>
<th>Males</th>
<th>Females</th>
<th>Class Type</th>
<th>Jobs Points</th>
<th>Min Mo Salary</th>
<th>Max Mo Salary</th>
<th>Yrs to Max Salary</th>
<th>Yrs of Service</th>
<th>Exceptional Service Pay</th>
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<tr>
<td>1</td>
<td>Resident Caretaker</td>
<td>11</td>
<td>14</td>
<td>B</td>
<td>875</td>
<td>$2,139.00</td>
<td>$3,343.00</td>
<td>0.00</td>
<td>16.00</td>
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<tr>
<td>3</td>
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<td>4</td>
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<td>M</td>
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<td>$2,684.00</td>
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<td>5</td>
<td>Program Support Assistant</td>
<td>0</td>
<td>1</td>
<td>F</td>
<td>1,625</td>
<td>$2,724.00</td>
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<tr>
<td>12</td>
<td>Accounting Specialist</td>
<td>0</td>
<td>2</td>
<td>F</td>
<td>2,125</td>
<td>$2,631.00</td>
<td>$4,111.00</td>
<td>0.00</td>
<td>17.00</td>
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<td>13</td>
<td>Maintenance Technician I</td>
<td>9</td>
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<td>M</td>
<td>2,125</td>
<td>$3,006.00</td>
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<td>1</td>
<td>0</td>
<td>M</td>
<td>2,125</td>
<td>$3,006.00</td>
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<td>11</td>
<td>Operations Specialist</td>
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<td>F</td>
<td>2,125</td>
<td>$3,006.00</td>
<td>$4,697.00</td>
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<td>13.00</td>
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<td>14</td>
<td>Administrative Communication</td>
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<td>F</td>
<td>2,375</td>
<td>$3,300.00</td>
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<tr>
<td>15</td>
<td>Assistant Property Manager</td>
<td>1</td>
<td>5</td>
<td>F</td>
<td>2,375</td>
<td>$3,366.00</td>
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<td>35.00</td>
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<tr>
<td>17</td>
<td>Housing Information Speci</td>
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<td>2,375</td>
<td>$3,366.00</td>
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<td>1.00</td>
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<tr>
<td>19</td>
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<td>Senior Accounting Special</td>
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<td>20</td>
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<td>7.00</td>
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<td>Housing Rehab Coordinator</td>
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<td>M</td>
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<td>$4,223.00</td>
<td>$6,597.00</td>
<td>0.00</td>
<td>20.00</td>
<td></td>
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Job Number Count: 46
Date: March 15, 2016

To: Karissa Goers, HR Administrator
   Dakota County CDA

From: Cyndee Gmach, Pay Equity Coordinator

Re: Preliminary Review of Pay Equity Report

THIS IS NOT A COMPLIANCE NOTICE

We have completed the preliminary review of your jurisdiction’s 2016 Report, Case ID 1, described as 2016 Data, in a shared status and found the report would be in compliance. A copy of the JobClass List and Compliance Report are attached.

The Alternative Analysis Test was used to evaluate your report because the jurisdiction had at least six male classes, no classes with a salary range, an underpayment ratio below 80%, but no compensation disadvantage for at least 80% of female classes compared to male classes. The report passed the Alternative Analysis Test.

The Salary Range Test would pass as too few classes had an established number of years to move through a salary range.

The Exceptional Service Pay Test would pass as too few classes received exceptional service pay.

Additional information regarding the tests can be found in our Guide to Understanding Pay Equity Compliance and Computer Reports in the following link:

Should you have any questions or require assistance, please contact me.

Sincerely,

Cyndee Gmach
Pay Equity Coordinator
2A. Statistical Analysis Test
- Passed. Jurisdiction had more than three male classes and an underpayment ratio of 80% or more.
- Passed. Jurisdiction had at least six male classes, at least one class with a salary range, an underpayment ratio below 80% but a t-test that was not statistically significant.
- Passed by Exception. Request for Reconsideration approved.

2B. Alternative Analysis Test
- Passed. Jurisdiction had three of fewer male classes and there was no compensation disadvantage for at least 80% of female classes compared to male classes.
- Passed. Jurisdiction had four or five male classes, an underpayment ratio below 80%, but no compensation disadvantage for at least 80% of female classes compared to male classes. Jurisdictions in this category started in the statistical analysis but moved to the alternative analysis because of the combination of factors listed.
- Passed. Jurisdiction had at least six male classes, no classes with a salary range, an underpayment ratio below 80%, but no compensation disadvantage for at least 80% of female classes compared to male classes. Jurisdictions in this category started in the statistical analysis but moved to the alternative analysis because of the combination of factors listed.
- Passed by Exception. Request for Reconsideration approved.

3. Salary Range Test
- Passed. Too few classes had an established number of years to move through a salary range.
- Passed. Salary range test showed a score of 80% or more.
- Passed by Exception. Request for Reconsideration approved.

4. Exceptional Service Pay Test
- Passed. Too few classes received exceptional service pay.
- Passed. Exceptional service pay test showed a score of 80% or more.
- Passed by Exception. Request for Reconsideration approved.
Approve The 2016 Utility Allowance Schedule For The Housing Choice Voucher Program

Meeting Date: 3/22/2016
Department: Housing Assistance
Prepared By: Sarah Rensenbrink
Contact: Lisa Hohenstein
Contact Phone: 651-675-4543

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Approve 2016 Utility Allowance Schedule for the Housing Choice Voucher Program

SUMMARY
In accordance with Section 982.517 of Federal Regulations, the Dakota County Community Development Agency (CDA) is required to establish and maintain a utility allowance schedule for use in calculating estimated costs for tenant-furnished utilities and other services. The CDA is also required to review the schedule annually to determine if adjustments are necessary.

To update this year’s schedule (Attachment A), the CDA contracted with The Nelrod Company, an affordable housing and energy efficiency consulting firm that works with housing authorities throughout the country, including several in Minnesota.

The Nelrod Company uses an engineering method to calculate the utility allowances which is based on a reasonable consumption of an energy conservative family of modest circumstances and provides for the basic essentials needed for a living environment that is safe, sanitary and healthful. Characteristics considered in this method are construction type, location, size, heat source, utility rates, utility provider and consumption data for the “community as a whole.” This approach removes the variable of individual consumption habits from the equation and therefore more accurately reflects the costs of utilities for an energy conservative household.

The HUD Area Office will be provided a copy of the adjusted schedule to review and monitor the allowances for consistency and overall reasonableness with area schedules.

The new utility allowance schedule is effective April 1, 2016, with implementation as follows:

• May: News Admissions, Port-Ins and Moves
• June: Recertifications

RECOMMENDATION
Staff recommends approval of the 2016 Utility Allowance Schedule.

EXPLANATION OF FISCAL/FTE IMPACT
These costs are included in the Housing Choice Voucher budget. Impact will be dependent on bedroom sizes served by the program.
Resolution No. 16-XXXX

Approve The 2016 Utility Allowance Schedule For The Housing Choice Voucher Program

WHEREAS, the Dakota County Community Development Agency receives funding through the Department of Housing and Urban Development (HUD) to operate a Housing Choice Voucher Program; and

WHEREAS, in accordance with 24 CFR 982.517, Housing Authorities are required to establish and maintain allowance schedules for use in calculating estimated costs of tenant-furnished utilities and other services; and

WHEREAS, the allowance schedule for tenant paid utilities and other services be reviewed annually.

NOW, THEREFORE, BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, That Allowances for Tenant Furnished Utilities is adopted for use in the Housing Choice Voucher Program effective April 1, 2016.
## ATTACHMENT A

### ALLOWANCES FOR TENANT FURNISHED UTILITIES

**LOCALITY: DAKOTA COUNTY CDA**

**EFFECTIVE DATE:** April 2016

**MONTHLY DOLLAR ALLOWANCE**

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**March 2016**

**Board Packet Page 29**
Set A Public Hearing For The Issuance Of The Amended And Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016

Fiscal/FTE Impact:

- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE(s) requested
- Other:

PURPOSE/ACTION REQUESTED

- Set a public hearing for the issuance of an Amended and Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016 on April 19, 2016.

SUMMARY

In 2002, the Dakota County Community Development Agency (the “CDA”) issued revenue bonds and loaned the proceeds to Faithful Shepherd Catholic School (the “Borrower”) to finance the secular portions of the Faithful Shepherd School located in Eagan (the “School”). In 2012, at the request of the Borrower, the CDA issued its $5,995,000 Revenue Note (Faithful Shepherd Catholic School), Series 2012 (the “2012 Note”), to refund the 2002 bonds and refinance the School.

The 2012 Note was purchased by Bremer Bank, National Association (the “Bank”). The Borrower and the Bank have now agreed to a reduction in the interest rate on the 2012 Note and to the extension of certain payments. The changes needed to make the amendment of the 2012 Note constitute a technical refunding of the 2012 Note and requires approval of the CDA following a public hearing.

This resolution sets a public hearing regarding the reissuance of the 2012 Note as the Amended and Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016 at the meeting of April 19, 2016. A copy of the public notice to be published prior to the public hearing is attached.

RECOMMENDATION

Staff recommends setting the public hearing for the April 19, 2016 Regular CDA Board meeting.

EXPLANATION OF FISCAL/FTE IMPACT

None.
Resolution No. 16-XXXX

Set A Public Hearing For The Issuance Of The Amended And Restated Revenue Note
(Faithful Shepherd Catholic School), Series 2016

WHEREAS, in 2002, the Dakota County Community Development Agency (the “CDA”) issued tax-exempt revenue bonds (the “2002 Bonds”) and loaned the proceeds to Faithful Shepherd Catholic School (the “Borrower”) to finance the acquisition and construction of portions of the Faithful Shepherd Catholic School (the “School”) which are used solely for secular purposes; and

WHEREAS, in 2012, the CDA issued its Revenue Note (Faithful Shepherd Catholic School), Series 2012 (the “Prior Note”) and loaned the proceeds to the Board to repay the 2002 Bonds and refinance the School; and

WHEREAS, the Prior Note was purchased with Bremer Bank National Association (the “Bank”), which has agreed with the Borrower to the terms of an Amended and Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016 (the “Note”) to reduce the principal amount of the 2012 Note, extend certain payments and make certain other changes; and

WHEREAS, such changes constitute a reissuance or technical refunding of the Prior Note and require approval by the CDA following a public hearing;

NOW THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That:

1. The CDA will hold a public hearing regarding the issuance of the Amended and Restated Revenue Note (Faithful Shepherd Catholic School), Series 2016, at its meeting on April 19, 2016.

2. The Executive Director or his designee is directed to publish the hearing notice in a newspaper of general circulation within Dakota County not fewer than 15 days prior to April 19, 2016.

Executive Director’s Comments:

☑ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed-No Recommendation
☐ Reviewed-Information Only
☐ Submitted at Commissioner Request

Item Type:
☑ Item Type-Consent
☐ Item Type-Discussion
☐ Item Type-Informational

Strategic Plan Goal:
☑ Housing and Livability
☑ Community Vitality
☐ Community Connections
☐ Organizational Culture
☐ Financial Management

Executive Director
March 2016

Department Director
March 2016
NOTICE OF PUBLIC HEARING REGARDING THE ISSUANCE OF AN AMENDED AND
RESTATED REVENUE NOTE (FAITHFUL SHEPHERD CATHOLIC SCHOOL) SERIES 2016

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

NOTICE IS HEREBY GIVEN that the Board of Commissioners of the Dakota County Community Development Agency (the “CDA”) will meet on Tuesday, April 19, 2016, at or after 3:30 p.m. at the CDA’s offices as 1228 Town Centre Drive, Eagan, Minnesota, for the purpose of conducting a public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the issuance of its Amended and Restated Revenue Note (Faithful Shepherd Catholic School) Series 2016 (the “Note”), in a principal amount not to exceed $5,300,000. Proceeds of the Note will be deemed to refund the CDA’s Revenue Note (Faithful Shepherd Catholic School), Series 2012, and refinance certain portions of Faithful Shepherd Catholic School located at 3355 Columbia Drive in Eagan, Minnesota (the “Project”). The owner of the Project is Faithful Shepherd Catholic School, a Minnesota nonprofit corporation (the “Borrower”).

The Note will be a special, limited obligations of the CDA and the principal and interest thereon will be payable solely from the revenues pledged to the payment thereof and a mortgage granted by the Borrower on the Project. No holder of the Note shall ever have the right to compel the exercise of any taxing power of the CDA to pay the Bonds, or the interest thereon, or to enforce payment against any property of the CDA except any interest it may have in the Project.

All persons interested may appear and be heard at the time and place set forth above.

[Date of Publication]

BY ORDER OF THE BOARD OF COMMISSIONERS OF
THE DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY

By /s/ Tony Schertler
Executive Director
Conduct A Public Hearing On The Adoption Of The 2016 Single Family Financing Program

Meeting Date: 3/22/2016
Department: Community & Economic Development
Prepared By: Karly Schoeman
Contact: Lisa Alfson
Contact Phone: 651-675-4467

Fiscal/FTE Impact:
☒ None
☒ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Conduct a public hearing on the adoption of a single family financing program in 2016.

SUMMARY
The Dakota County Community Development Agency (the “CDA”) has established a mortgage credit certificate program pursuant to Minnesota Statutes, Chapter 462C (the “Act”) and Section 25 of the Internal Revenue Code to assist low and moderate income first time homebuyers to finance the acquisition of affordable homes in Dakota County.

In order to continue the program, the CDA must hold a public hearing pursuant to State and federal law regarding a housing finance program for 2016 (the “Program”). This public hearing was set by the CDA Board of Commissioners at its February 22, 2016 meeting and notice has been provided within the required timeframe, as evidenced by the Affidavits of Publication in Attachments A and B. The adoption of this single family program in 2016 would permit the issuance of Mortgage Credit Certificates in conjunction with the current First Time Homebuyer Program. Mortgage Credit Certificates have been issued in connection with the ongoing First Time Homebuyer Program since late 2012 and were last approved by the CDA Board of Commissioners in June 2015.

RECOMMENDATION
Staff recommends holding a public hearing to take comments on the adoptions of the 2016 Single Family Financing Program.

EXPLANATION OF FISCAL/FTE IMPACT
It is anticipated that the origination and servicing of loans pursuant to the Program will be managed primarily by third party servicers who are paid from revenues generated by the Program. Administrative expenditures for the CDA’s first time homebuyer program overall are included in the FY16 budget and are anticipated to be paid from revenues generated by the program.
Resolution No. 16-XXXX

Conduct A Public Hearing On The Adoption Of The 2016 Single Family Housing Finance Program

WHEREAS, the Dakota County Community Development Agency (the “CDA”) has established a program of issuing Mortgage Credit Certificates (“MCCs”) pursuant to Minnesota Statutes, Chapter 462C and Section 25 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the CDA proposes to continue the issuance of MCCs and to adopt a 2016 Housing Finance Program (the “Program”) in the form on file with the CDA; and

WHEREAS, as a condition of adoption of the Program, State law requires that the CDA hold a public hearing and publish notice of the public hearing at least 15 days in advance in a newspaper of general circulation in Dakota County (the “County”); and

WHEREAS, as a condition to the issuance of MCCs, Section 25 of the Code requires that the CDA hold a public hearing and publish notice of the public hearing at least 14 days in advance in a newspaper of general circulation in the County; and

WHEREAS, on February 25, 2016, notice of the public hearing to be held March 22, 2016, regarding the Program and the issuances of MCCs was published in the Dakota County Tribune in accordance with the State and federal law;

NOW THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners that a public hearing has been conducted in accordance with applicable law and closed.
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA ) ss
COUNTY OF DAKOTA

Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

Dakota County Tribune

with the known office of issue being located in the county of:
DAKOTA

with additional circulation in the counties of:
DAKOTA

and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 02/25/2016 and the last insertion being on 02/25/2016.

MORTGAGE FORECLOSURE NOTICES
Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Charlene Vold
Designated Agent

Subscribed and sworn to or affirmed before me on 02/25/2016 by Charlene Vold.

Dakota County Tribune

DAKOTA COUNTY
NOTICE OF PUBLIC
HEARING ON A 2016
HOUSING FINANCE
PROGRAM AND THE
ISSUANCE OF MORTGAGE
CREDIT CERTIFICATES

NOTICE IS HEREBY GIVEN that the Dakota County Community Development Agency (the "Agency") will meet on Tuesday, March 22, 2016 at or after 3:30 p.m. at its offices at 1228 Town Centre Drive, Eagan, Minnesota 55123, for the purposes of conducting a public hearing regarding (1) the adoption of a 2016 Housing Finance Program (the "Program Plan"), and (2) the issuance pursuant to the Program Plan of mortgage credit certificates ("MCCs") by the Agency. The Program Plan authorizes the Agency to continue its program (the "Program") of assisting low and moderate income first time homebuyers to finance the acquisition of affordable homes in Dakota County. MCCs may be issued in aggregate principal amounts not to exceed $14,387,098.

All persons interested may appear and be heard at the time and place set forth above.

Dated: February 25, 2016

By ORDER OF THE BOARD OF COMMISSIONERS OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

By: Tony Schertler
Executive Director

Published in the
Dakota County Tribune
February 25, 2016
511904

Rate Information:
(I) Lowest classified rate paid by commercial users for comparable space:
$27.40 per column inch

Ad ID 511904
March 2016
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY MORTGAGE CREDIT CERTIFICATE PROGRAM

NOTICE IS HEREBY GIVEN that the Dakota County Community Development Agency (the "CDA") intends to continue to make Mortgage Credit Certificates (MCCs) available to certain qualified persons purchasing eligible homes in Dakota County, Minnesota (the "County"), under its Mortgage Credit Certificate Program (the "Program").

An MCC is intended to reduce the amount of federal income tax a borrower must pay in order to free up income for the borrower to qualify for a mortgage loan. An MCC allows the borrower to take a nonrefundable credit against his or her federal income tax liability each year in an amount equal to between 20% or 30% (the specific rate is to be determined and may be changed from time to time) of the interest paid by the borrower on the mortgage identified in the MCC. The terms of the MCC and the Program will be subject to the provisions and limitations of Section 25 of the Internal Revenue Code and applicable Treasury Regulations.

ELIGIBILITY REQUIREMENTS
An MCC is issued to a borrower in connection with a specific mortgage loan on a qualifying home. The CDA anticipates that the requirements for a borrower to be eligible to receive an MCC will be as follows:

- Principal Residence Requirement. The borrower must occupy the financed home as his or her principal residence, beginning on a date that is within 60 days after the MCC is issued. In general, "principal residence" means an eligible home which the borrower will own and will occupy as his or her principal residence throughout the term of the MCC. If at any time the borrower who is the holder of an MCC ceases to occupy the home as his or her principal residence, the MCC may be revoked so that the tax credit it may no longer be taken and the borrower may be required to pay an additional tax intended to recapture a portion of the credit previously taken. There are exceptions to the recapture requirement where joint tenants are divorced and one of them moves out, or where a mortgagor dies.

- Income Limit. The maximum annual gross income for a borrower to qualify for an MCC under the Program is expected to be 100% of median income for the County for households of one- or two-persons (currently $86,600) and a higher limit not exceeding 115% of median income for households of three or more persons. In general, the combined gross income of: (i) all mortgagors; (ii) any mortgagor's spouse intending to permanently live in the home being financed; and (iii) any co-signer of the note (whether or not an owner of the home or a mortgagor) intending to permanently live in the home being financed; is used to determine income for purposes of this limit. In general, "gross income" means all income received on an annualized basis. The CDA may adjust the income limit during the Program to a figure or figures which do not exceed federal and state limits.

- First-Time Homebuyer Requirement. The borrower must be a first-time-homebuyer, defined as someone who has not had an ownership interest in his or her principal residence during the three-year period prior to the date the MCC is issued. Qualified veterans are exempt from the first-time homebuyer requirement.

- Purchase Price Limit. The purchase price of an eligible home cannot exceed limits established under federal and state law, which currently limit prices to $285,780 for a one-unit home and $327,085 for a duplex. For purposes of this limit, the purchase price includes amounts to be paid in cash or in kind for the home, as well as costs to complete an unfinished home and the capitalized value of ground rent (where applicable). The CDA may adjust the purchase price limits during the Program as required by federal and state law or in accordance with policy of the CDA.

- Eligible Home. Homes eligible for purchase under the Program generally include new or previously occupied townhomes, condominiums or detached single family homes or an existing duplex located in the County. Mobile homes, trailers, unimproved land, investment or rental property, and vacation homes are not eligible homes under the Program.

- New Mortgage Requirement. With certain exceptions, MCCs may only be issued in connection with new mortgage loans and not in connection with the refinancing of a home. This limitation does not apply to certain temporary financings.

METHODS BY WHICH MCCS ARE TO BE ISSUED
MCCs are expected to be issued by the CDA pursuant to one or more Programs on a date not earlier than ninety (90) days after publication of this notice and not later than December 31, 2018, or, if earlier, exhaustion of the Program's authority to close the Program. The CDA encourages interested lenders to participate in the Program. CONTACT INFORMATION
Further information regarding the Program and its requirements, for prospective borrowers as well as lenders, may be obtained by contacting the following person:

Karly Schoeman
Dakota County Community Development Agency
1228 Town Centre Drive
Eagan, MN 55123
Ph: 651-675-4486
Published in the Dakota County Tribune on February 25, 2016

Affidavit of Publication
STATE OF MINNESOTA ss
COUNTY OF DAKOTA
Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:
Dakota County Tribune
with the known office of issue being located in the county of:
DAKOTA
with additional circulation in the counties of:
DAKOTA
and has full knowledge of the facts stated below:
(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.
(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 02/22/2016 and the last insertion being on 02/22/2016.

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By: ______________________________
Designated Agent

Subscribed and sworn to or affirmed before me on 02/25/2016 by Charlene Vold.

Notary Public

DARLENE MARIE MACPHERSON
Notary Public-Minnesota
My Commission Expires Jan 31, 2019

Rate Information:
(1) Lowest classified rate paid by commercial users for comparable space: $27.40 per column inch

Ad ID 511911

March 2016
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

REQUEST FOR BOARD ACTION

Adopt The 2016 Single Family Housing Finance Program And Authorize The Filing Of Mortgage Credit Certificate Elections

Meeting Date: 3/22/2016
Department: Community & Economic Development
Prepared By: Karly Schoeman
Contact: Lisa Alfson
Contact Phone: 651-675-4467

Fiscal/FTE Impact:
☐ None
☒ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Adopt the 2016 single family financing program and authorize filing the documents necessary to provide Mortgage Credit Certificates to homebuyers using the CDA’s First Time Homebuyer Program.

SUMMARY
The CDA has provided a First Time Homebuyer Program since 1983 and has provided financing to over 6,000 households purchasing a home within the county in that time. Each First Time Homebuyer Program is financed separately and the current program began in late 2012.

Under the current program, the CDA provides up to $5 million to originate loans to finance affordable housing for first-time homebuyers. The loans are pooled into GNMA or Fannie Mae-secured mortgage backed securities which are sold to RBC Capital Markets. Proceeds of the sale of such securities are then “recycled” to originate additional mortgage loans. The current program has provided over $37 million in first mortgage financing to 226 first time homebuyers.

Since 2012, the CDA has also offered Mortgage Credit Certificates to borrowers, including those who use the First Time Homebuyer Program. A Mortgage Credit Certificate allows a borrower a credit of up to $2,000 against the Federal tax liability each year the homebuyer lives in the home. The CDA’s single family bond allocation provides the financing source for the Mortgage Credit Certificates.

The CDA currently has $24,387,009 in bond allocation which it carried forward in 2014 for single family financing purposes. This bond allocation must be used for single family financing purposes by December 31, 2017, or the allocation will expire. Staff is requesting authority to use up to $14,387,009 of the allocation to provide Mortgage Credit Certificates for borrowers using the current First Time Homebuyer Program and to file the documents necessary to make the Mortgage Credit Certificates available to borrowers.

RECOMMENDATION
The CDA’s First Time Homebuyer Program and Mortgage Credit Certificates have been successful in providing financing resources for homebuyers in Dakota County. The market can support this additional financing. Staff is recommending the approval to use a portion of the outstanding bond allocation to provide additional Mortgage Credit Certificates in our current First Time Homebuyer Program.

EXPLANATION OF FISCAL/FTE IMPACT
It is anticipated that the origination and servicing of loans pursuant to the First Time Homebuyer Program will be managed primarily by third party servicers who are paid from revenues generated by the program. Administrative expenditures for the CDA’s First Time Homebuyer Program overall are included in the FY16 budget and are anticipated to be paid from revenues generated by the program.
Resolution No. 16-XXXX

Adopt The 2016 Single Family Housing Finance Program And Authorize The Filing Of Mortgage Credit Certificate Elections

WHEREAS, pursuant to Minnesota Statutes, Section 383D.41 and Chapter 462C (the “Act”), the Dakota County Community Development Agency (the “CDA”) is authorized to carry out programs for the financing of single family housing which is affordable to qualified low and moderate income persons and families; and

WHEREAS, the CDA, has an ongoing program to assist qualified first-time homebuyers to acquire homes in Dakota County, using mortgage credit certificates (the “MCCs”), a mortgage sale program and/or down-payment assistance loans, as further described herein, all pursuant to Minnesota Statutes, Chapter 462C and 462A (the “Act”); and

WHEREAS, the Act requires adoption of a housing finance program after a public hearing for which notice is published in a newspaper of general circulation in Dakota County (the “County”) at least 15 days in advance of the hearing; and

WHEREAS, Federal law requires as a condition precedent to the issuance of MCCs that an issuer hold a public hearing regarding the issuance for which notice was published in a newspaper of general circulation in the County at least 14 days in advance of the hearing; and

WHEREAS, on February 25, 2016, a notice of a public hearing to be held on March 22, 2016, was published in the Dakota County Tribune; and

WHEREAS, on March 22, 2016, the CDA conducted a public hearing on its 2016 Housing Finance Program, a copy of which program is attached hereto as Attachment A (the “Program”) and the issuance of MCCs pursuant thereto; and

WHEREAS, pursuant to the Program the CDA may finance the purchase of single family loans from funds made available by the CDA for such purpose, and may undertake MCC programs; and

WHEREAS, the CDA, pursuant to Section 25 of the Internal Revenue Code of 1986, as amended, the CDA proposes to elect not to issue additional amount of its entitlement bond allocation, in amounts not to exceed $14,387,009 of carried forward 2014 bond allocation (the “Available Volume Cap”), in order to continue to make MCCs available to qualifying homebuyers; and

WHEREAS, the Program has been submitted to the Metropolitan Council as required by the Act.

NOW, THEREFORE, be it resolved by the Dakota County Community Development Agency Board of Commissioners,

That:

1. The Program, including the findings set forth therein, is hereby in all respects approved and adopted.

2. The CDA hereby finds, determines and declares that it is in the best interest of the citizens of Dakota County that the CDA continue its MCC program.

3. Pursuant to Section 25 of the Internal Revenue Code of 1986, the CDA elects not to issue mortgage revenue bonds in amounts, and at times, to be determined by the Executive Director from time to time, not exceeding an aggregate amount equal to the Available Volume Cap, and further elects that MCCs will be issued at a credit percentage to be determined by the Executive Director (between 10 and 50 percent) to maximize the assistance available to qualifying homeowners. The Executive Director is authorized to execute, on behalf of the CDA, and to cause to be filed one or more Mortgage Credit Certificate Elections in 2016, subject to this section 3.

Executive Director’s Comments:
- Recommend Action
- Do Not Recommend Action
- Reviewed-No Recommendation
- Reviewed-Information Only
- Submitted at Commissioner Request

Strategic Plan Goal:
- Housing and Livability
- Community Vitality
- Community Connections
- Organizational Culture
- Financial Management

Executive Director

Department Director
DAKOTA COUNTY
COMMUNITY DEVELOPMENT AGENCY
2016 HOUSING FINANCE PROGRAM

Pursuant to Minnesota Statutes, Chapter 462C, as amended (the “Act”), the Dakota County Community Development Agency (the “CDA”) intends to establish a 2016 housing finance program as described herein to (a) make or purchase mortgage loans to finance the acquisition by qualified low and moderate income homebuyers of single family housing located anywhere within its jurisdiction, and/or (b) continue its program of issuing mortgage credit certificates (“MCCs”) to provide federal tax credits to low and moderate income first-time homebuyers purchasing homes within its jurisdiction. To finance the program, the CDA intends to (i) elect not to issue mortgage revenue bonds in order to continue its program of issuing MCCs pursuant to the Act, and (ii) use certain funds made available by the CDA for the purposes described herein.

In creating this Program, the CDA has found and determined that the preservation of the quality of life in Dakota County (the “County”) is dependent upon the maintenance and provision of adequate, decent, safe and sanitary housing stock; that accomplishing the provision of such housing stock is a public purpose and will benefit the residents of the County; that a need exists within the County to provide in a timely fashion additional affordable housing to be sold to persons of low and moderate income residing and expected to reside in the County; and that a need exists for mortgage credit to be made available for both existing and new single family housing and for rehabilitation of existing single family housing and for home improvements.

The CDA has carried forward $24,387,009 of 2014 entitlement bond allocation for single family purposes, and also has $24,698,394, of 2016 entitlement bond allocation that it may use for either single family or multifamily purposes. The CDA reserves the right to use any and all of its 2016 entitlement bond allocation for other authorized purposes.

In connection with this Program:

(i) maximum purchase price and income limits under the program will not exceed the applicable limits under the Act and the Internal Revenue Code of 1986, as amended (the “Code”);

(ii) qualified lenders who agree to terms required by the CDA will be eligible to participate in the program; the CDA will not limit participation in the program to a single lender unless other lenders are not willing to participate for the consideration offered, or unless the CDA determines on the basis of past performance that limiting participation by lenders will enhance origination of loans;

(iii) in addition, to the extent required by the Code, the issuance of MCCs will not be limited to loans originated by particular lenders but will be available with respect to the origination of qualifying mortgage loans by any participating lender;

(iv) loans will not be made available or set aside for the exclusive use of developers or builders;
(v) the CDA has engaged a program administrator or servicer to provide services to ensure continued compliance with this Program, the Act and applicable federal law;

(vi) any election made by the CDA to issue MCCs in lieu of bonds may be revoked in whole or in part, at any time during the calendar year in which the election was made as permitted by Section 25 of the Code and Section 1.25-4T(c)(3) of the Treasury Regulations. The resulting unused entitlement allocation may be used to issue bonds for single family housing or other authorized purposes;

(vii) the Program will meet the needs of low and moderate income families by providing financing for the acquisition or rehabilitation of single family homes or by providing a tax credit for mortgage interest paid, thereby enabling such persons to qualify for mortgages which would be unavailable at market rates;

(viii) no homes which are located in previously unincorporated real property annexed by the County within one year prior to the date of adoption of this Program will be financed under this Program;

(ix) prohibitions or limitations on assumption will be imposed to the extent required by federal law;

(x) assuming a credit rate of 25%, the amount of aggregate principal amount of loans which may be assisted with MCCs will be equal to the entitlement allocation that the CDA uses for its MCC program; if the credit rate is lower, the principal amount of assisted loans will be higher, if the credit rate is higher, the principal amount of assisted loans will be lower;

(xi) refinancing of existing indebtedness will be permitted only where the mortgage loan also finances substantial rehabilitation as that term is defined under Minnesota Statutes, Section 462C.01 and Section 462C.03, Subd. 11 and under Section 143 of the Code;

(xii) to the extent required by the Act, during the first ten (10) months of the origination period, loans will be made for new housing only if one of the following conditions is met:

(1) the new housing is located in a redevelopment area for which the CDA or a city has provided to the Metropolitan Council the information required by Section 462C.071, Subd. 4;

(2) the new housing is replacing a structurally substandard structure or structures;

(3) the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1;
(4) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or

(5) the new housing is located in a city that has entered into a housing affordability agreement with the Metropolitan Council.

(xiii) the CDA expects to use a 25% MCC rate, and to ensure compliance with the requirements of Section 25 of the Code by engaging an administrator for its MCC program; and

(xiv) the form of the MCC election is attached hereto.
**Mortgage Credit Certificate Election**

*Treasury Regulations Section 1.25-4T*

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<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>1. Private Activity Bond Volume Cap available to issue qualified mortgage revenue bonds:</td>
<td>$49,085,403*</td>
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<tr>
<td>2. Aggregate amount of qualified mortgage bonds issued in 2016 that are allocable to private activity bond volume cap described in 1 above:</td>
<td>$0</td>
</tr>
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<td>3. Amount of private activity bond volume cap described in 1 above that the Issuer has surrendered to other issuers in 2016:</td>
<td>$0</td>
</tr>
<tr>
<td>4. The date and amount of any previous elections under Treasury Regulations Section 1.25-4T made by the Issuer in 2016:</td>
<td>$0</td>
</tr>
<tr>
<td>5. The amount of qualified mortgage revenue bonds that the Issuer elects not to issue:</td>
<td>$14,387,009**</td>
</tr>
</tbody>
</table>

*Includes carryforward of 2014 allocation in the amount of $24,387,009 and 2016 allocation of $24,698,394

**2014 carryforward* 

The Certification of Minnesota Management and Budget required by Section 1.25-4T(d) of the Treasury Regulations is attached hereto.

Under penalties of perjury, I declare that I have examined this election and accompanying statements and to the best of my knowledge and belief, it is true, correct and complete.

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<table>
<thead>
<tr>
<th>Signature of authorized public official</th>
<th>Date</th>
<th>Tony Schertler, Executive Director</th>
</tr>
</thead>
</table>

*Includes carryforward of 2014 allocation in the amount of $24,387,009 and 2016 allocation of $24,698,394

**2014 carryforward* 

MINNESOTA/2003654.0121/13648399.1
Conduct And Close A Public Hearing To Receive Comments On The 2016 Public Housing Agency Annual Plan

Meeting Date: 3/22/2016
Department: Housing Assistance/Property Management
Prepared By: Lisa Hohenstein
Contact: Lisa Hohenstein/Anna Judge
Telephone: 651-675-4543/651-675-4501

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other

PURPOSE/ACTION REQUESTED
- Conduct and close a public hearing on the 2016 Public Housing Agency Annual Plan

SUMMARY
As an administrator of the Housing Choice Voucher and Public Housing programs, the Dakota County Community Development Agency (CDA) is required to prepare an Annual Update to its Public Housing Agency Plan (PHA Plan) and complete it by using the Department of Housing and Urban Development's (HUD) prescribed templates.

The 2016 PHA Annual Plan (Attachment D) outlines updates to the goals and objectives for the Housing Choice Voucher and Public Housing programs.

HUD requires a 45-day public comment period and a public hearing. The public comment period notice was published on January 7, 2016 and continued until February 20, 2016. Letters were sent to city officials in cities where CDA public housing units are located to review the plan and provide comment.

In conjunction with the public comment period, the CDA held two public housing resident meetings to solicit feedback. Public Housing and Housing Choice Voucher households were all mailed a postcard with information on where to view the Plan and could provide comment by email, phone or mail.

Ten comments were received from households concerning maintenance items and general administrative procedures. Some of the maintenance items have already been addressed and Property Management staff will work to evaluate the feasibility of other requested items. There was a request to provide more education to landlords about the Housing Choice Voucher Program and those will be incorporated into landlord communication and property owner workshops.

Two cities responded with one citing, “we appreciate both the high level of communication and responsiveness the CDA provides for its properties in Eagan” and the other stating they didn’t have any comments or suggestions.

All comments received are kept on file at the CDA.

The notice announcing the public hearing was published on February 25, 2016 in the Dakota County Tribune and posted on the CDA’s website.

RECOMMENDATION
Staff recommends conducting a public hearing to receive comments on the CDA's 2016 Public Housing Agency Annual Plan.

EXPLANATION OF FISCAL/FTE IMPACT
Programs described in the PHA Annual Plan are funded through HUD federal allocations.
Resolution No. 16-XXXX

Conduct And Close A Public Hearing To Receive Comments On The 2016 Public Housing Agency Annual Plan

WHEREAS, the U.S. Department of Housing and Urban Development requires public housing agencies with a Housing Choice Voucher and/or Public Housing Programs submit an Annual Agency Plan Update in accordance with the prescribed HUD template; and

WHEREAS, at the March 22, 2016 meeting of the Dakota County Community Development Agency Board of Commissioners, the CDA Commissioners ratified scheduling a public hearing for the purpose of receiving comments from citizens and residents; and

WHEREAS, any comments that were received during the required 45-day comment period have been considered in the update the Annual Agency Plan.

NOW, THEREFORE, BE IT RESOLVED by Dakota County Community Development Agency Board of Commissioner, That a public hearing was opened and closed at their regular meeting on March 22, 2016.
Approve The 2016 Public Housing Agency Annual Plan

Meeting Date: 3/22/2016
Department: Housing Assistance/Property Management
Prepared By: Lisa Hohenstein
Contact: Lisa Hohenstein/Anna Judge
Contact Phone: 651-675-4543/651-675-4501

Fiscal/FTE Impact:
☐ None
☒ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☒ Other: Funding year for these programs will crossover CDA FY16 and FY17.

PURPOSE/ACTION REQUESTED
• Approve the 2016 Public Housing Agency Annual Plan.

SUMMARY
As required, the Dakota County Community Development Agency Board of Commissioners opened and closed a public hearing at its regular meeting on March 22, 2016 to accept comments for the CDA’s 2016 Public Housing Agency Annual Plan.

The U.S. Department of Housing and Urban Development (HUD) requires public housing agencies to submit the PHA Plan by April 15, 2016.

This annual update of the PHA Plan outlines the goals and objectives of the CDA’s Public Housing and Housing Choice Voucher programs for the upcoming year.

RECOMMENDATION
Staff recommends approval of the PHA Plan to submit to HUD by the April 15, 2016 deadline.

EXPLANATION OF FISCAL/FTE IMPACT
Programs described in the PHA Annual Plan are funded through HUD federal allocations.
Resolution No. 16-XXXX

Approve The 2016 Public Housing Agency Annual Plan

WHEREAS, The U.S. Department of Housing and Urban Development requires public housing agencies with a Housing Choice Voucher and/or Public Housing Programs submit an Annual Agency Plan Update in accordance with the prescribed HUD template; and

WHEREAS, any comments that were received during the required 45-day comment period have been considered in the final 2016 Public Housing Agency Annual Plan; and

WHEREAS, at the March 22, 2016 Dakota County Community Development Agency Board of Commissioners meeting, the Commissioners opened and closed a public hearing for the purpose of receiving comments from citizens and residents; and

NOW, THEREFORE, BE IT RESOLVED, BY THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY BOARD OF COMMISSIONERS that the 2016 Public Housing Agency Annual Plan is approved for submission to the U.S. Department of Housing and Urban Development.
AFFIDAVIT OF PUBLICATION
STATE OF MINNESOTA
COUNTY OF DAKOTA
Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

Dakota County Tribune
with the known office of issue being located in the county of:

DAKOTA
with additional circulation in the counties of:

DAKOTA
and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. § 331A.02.

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By: Charlene Vold
Designated Agent

Subscribed and sworn to or affirmed before me on 01/07/2016 by Charlene Vold.

Mary E. Knapp
Notary Public

Rate Information:
(1) Lowest classified rate paid by commercial users for comparable space: $27.40 per column inch

Ad ID 495347
Affidavit of Publication

State of Minnesota )
County of Dakota

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Dakota County Tribune

with the known office of issue being located in the county of:
Dakota

with additional circulation in the counties of:
Dakota

and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 1 successive week(s); the first insertion being on 02/25/2016 and the last insertion being on 02/25/2016.

Mortgage Foreclosure Notices

Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Charlene Vold

Designated Agent

Subscribed and sworn to or affirmed before me on 02/25/2016 by Charlene Vold.

By: Darlene Marie MacPherson

Notary Public

Rate Information:

1. Lowest classified rate paid by commercial users for comparable space:

$27.40 per column inch
March 18, 2016

To: Dakota County CDA Board of Commissioners

From: Lisa Hohenstein, Director of Housing Assistance
          Anna Judge, Director of Property Management

Re: Public Comments on CDA 2016 Annual PHA Plan

The following comments were received and responded to through the public comment period for the CDA’s 2016 Annual Public Housing Agency Plan.

In addition to mailing postcards to all households that participate in the Housing Choice Voucher and Public Housing programs, the CDA advertised the public comment period in the Dakota County Tribune and on its website, held meetings for public housing residents (one at Colleen Loney Manor and the other at the CDA’s office), and solicited feedback from cities where the CDA has public housing units.

<table>
<thead>
<tr>
<th>Request</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Several routine work orders were brought to the attention of staff at a meeting with Colleen Loney Manor residents.</td>
<td>Staff was not aware of these routine maintenance needs and each work order was documented and addressed.</td>
</tr>
<tr>
<td>A resident at Colleen Loney Manor requested CDA staff to purchase a new television for the Community Room at the building.</td>
<td>Staff will determine if the request is necessary and will budget for replacement, if necessary.</td>
</tr>
<tr>
<td>A resident at Colleen Loney Manor requested staff to salt/sand sidewalks more often.</td>
<td>Staff has noted this concern and has followed-up with the building caretaker who is responsible for these duties.</td>
</tr>
<tr>
<td>A resident of Colleen Loney Manor asked when occupied units are going to be repainted.</td>
<td>Currently, there is no policy for Public Housing that mandates that a unit be repainted after a set number of years. Staff will take these requests on a case-by-case basis and if the budget has room for a unit to be painted after 15 consecutive years of residency by a household, the unit will be repainted. Our data shows that there are no households at the building that have resided in their unit for more than 15 years. At time of turnover, all units are repainted. This request is noted.</td>
</tr>
<tr>
<td>A resident at Colleen Loney Manor requested staff to research the possibility of adding an additional parking lot to the site or building underground parking.</td>
<td>Staff agrees that an additional parking lot would be beneficial to the residents. There has been a change in the demographics at the building and additional parking would be advantageous. Staff will need to speak with City of West St. Paul staff to see if adding an additional parking lot would be a viable option. Cost feasibility will also need to be analyzed. Adding underground parking is not an option.</td>
</tr>
</tbody>
</table>
A resident of Colleen Loney Manor requested staff to renovate apartments to add more storage space while not reducing the amount of living space.  

| This request is not possible. The units cannot be modified or expanded to add more square feet to each unit. |

A Public Housing resident brought to staff’s attention grading/water intrusion issues at their unit.  

| Staff was aware of this issue and there is already a contract in place to correct this grading issue. Work is expected to be completed this spring. |

A Housing Choice Voucher participant raised concerns about limited options of housing available for voucher holders and “stigma” attached to assisted households. Requesting education to households on their expectations as renters and property owners to understand the need to accept assisted households.  

| The CDA hosts workshops once a month for new landlords/property managers to learn more about the Housing Choice Voucher Program. Program participants also receive information at briefings and annual recertifications on their responsibilities as a renter. Staff will continue to participate in groups, such as the Dakota County Affordable Housing Coalition, to address any outreach needs for the Housing Choice Voucher program. |

A Housing Choice Voucher participant provided feedback with a number of requests including: requesting the CDA to work with Dakota County to create/maintain additional access to vouchers for developmentally disabled households; requesting additional housing units in Dakota County to be available for senior and/or disabled individuals; asking for CDA senior housing development to allow disabled individuals (ages 18-54) to live in up to 20% of the units; promote mixed-age, mixed-income private developments in Dakota County; pursue opportunities to create public service announcements to build awareness of housing shortages and what’s available; requesting more training for CDA staff on leadership/customer service; and providing comment cards to program participants to provide feedback on meetings with staff.  

| The CDA is currently working closely with Dakota County Community Services to identify housing needs for special and emerging populations. This is part of the combined goal between the CDA and Dakota County to create housing strategies to address gaps in housing needs.  

The CDA’s Senior Housing Program is locally funded and is not a federally assisted Public Housing Program. Any changes in occupancy standards for this program would need to be approved by the CDA Board; however, the intention since the inception of the program in 1989 has been to serve seniors age 55+.  

The CDA’s Housing Finance team works closely with private and non-profit housing developers to encourage construction of mixed-income, general occupancy developments. The team has also worked with developers on the preservation of affordable housing units throughout the county. This effort will continue.  

In 2015, the CDA partnered with a number of other metro housing agencies and ECHO to create videos in multiple languages on the basics of fair housing. The CDA is well aware of housing shortages with one of the main indicators being program waiting lists. The CDA also works closely with MICAH, ISAIHAH and the faith community in the county to educate the public about the need for affordable housing.  

The CDA holds customer service trainings for staff and program participants are welcome to provide feedback via email, phone or through the agency’s website feedback form.
A Housing Choice Voucher assisted household who lives in a CDA senior building requested changes to the CDA’s pet policy for CDA owned housing units; inquired about a HUD requirement for a Resident Advisory Board; request for the CDA’s website to be redesigned and additional copies of the PHA Plan to be available; inquired about fair housing activities.

These comments were also submitted directly by the commenter to the local HUD office. CDA staff has been in close contact with HUD to address the Resident Advisory Board and the CDA’s past history with this requirement. Resident Advisory Board’s only apply to federally funded public housing units and not the CDA’s senior, workforce or youth housing.

The CDA has a pet policy and has made accommodations for this household. Since this household resides in a CDA owned senior housing development; HUD policies on pets do not apply.

The CDA’s website is currently being redesigned with a launch date of summer 2016.

The CDA has a strong presence on issues regarding fair housing including participating in the metro Fair Housing Implementation Council and last year partnered with a number of other metro housing agencies and ECHO to create videos in multiple languages on the basics of fair housing.

Jon Hohenstein, Director of Community Development, City of Eagan

“We appreciate both the high level of communication and responsiveness the CDA provides for its properties in Eagan.”

Tamara Schutta, City of Mendota Heights

“We do not have any comments or suggestions for improvements for the property located in Mendota Heights at this time.”
Streamlined Annual PHA Plan  
*(High Performer PHAs)*

| U.S. Department of Housing and Urban Development Office of Public and Indian Housing | OMB No. 2577-0226 Expires: 02/29/2016 |

**Purpose.** The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low-income, very low-income, and extremely low-income families.

**Applicability.** Form HUD-50075-HP is to be completed annually by High Performing PHAs. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

**Definitions.**

1. **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
2. **Small PHA** – A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
3. **Housing Choice Voucher (HCV) Only PHA** – A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
4. **Standard PHA** – A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
5. **Troubled PHA** – A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
6. **Qualified PHA** – A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

**A. PHA Information.**

**A.1**

- **PHA Name:** Dakota County Community Development Agency  
- **PHA Code:** MN46P147  
- **PHA Type:** ☑ Small  ☑ High Performer  
- **PHA Plan for Fiscal Year Beginning:** (MM/YYYY): 07/2016
- **PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above):**
  - Number of Public Housing (PH) Units: 323  
  - Number of Housing Choice Vouchers (HCVs): 2608  
  - Total Combined: 2931
- **PHA Plan Submission Type:** ☑ Annual Submission  
- **Availability of Information.** In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.

**☐ PHA Consortia:** (Check box if submitting a Joint PHA Plan and complete table below)

<table>
<thead>
<tr>
<th>Participating PHAs</th>
<th>PHA Code</th>
<th>Program(s) in the Consortia</th>
<th>Program(s) not in the Consortia</th>
<th>No. of Units in Each Program</th>
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<tbody>
<tr>
<td>Lead PHA:</td>
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March 2016

Page 1 of 5  
form HUD-50075-HP (12/2014)  
Board Packet Page 52
### B. Annual Plan Elements

#### B.1 Revision of PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA since its last Annual PHA Plan submission?

<table>
<thead>
<tr>
<th>Element</th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deconcentration and Other Policies that Govern Eligibility, Selection,</td>
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<tr>
<td>and Admissions.</td>
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<td></td>
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<tr>
<td>Financial Resources.</td>
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<tr>
<td>Rent Determination.</td>
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<tr>
<td>Homeownership Programs.</td>
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<tr>
<td>Safety and Crime Prevention.</td>
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<td>Pet Policy.</td>
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<tr>
<td>Substantial Deviation.</td>
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<tr>
<td>Significant Amendment/Modification</td>
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</table>

(b) The PHA must submit its Deconcentration Policy for Field Office Review.

(c) If the PHA answered yes for any element, describe the revisions for each element below:

#### B.2 New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Y</th>
<th>N</th>
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<tbody>
<tr>
<td>Hope VI or Choice Neighborhoods.</td>
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<tr>
<td>Mixed Finance Modernization or Development.</td>
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<tr>
<td>Demolition and/or Disposition.</td>
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<tr>
<td>Conversion of Public Housing to Tenant Based Assistance.</td>
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<tr>
<td>Conversion of Public Housing to Project-Based Assistance under RAD.</td>
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<tr>
<td>Project Based Vouchers.</td>
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<tr>
<td>Units with Approved Vacancies for Modernization.</td>
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<tr>
<td>Other Capital Grant Programs (i.e., Capital Fund Community Facilities</td>
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<tr>
<td>Grants or Emergency Safety and Security Grants).</td>
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(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.
### Progress Report

#### Create and Maintain Affordable Housing Opportunities
- Apply for additional rental voucher as they are available.
- Modernize public housing units utilizing over $511,850 in CFP2015 funds for public housing units per year.
- Compliance with VAWA requirements.

**PROGRESS:**
- Transferred 302 housing choice vouchers from the SSP HRA (MN010) to the Dakota County CDA effective January 1, 2016, expanding Dakota County’s voucher program.
- Modernizations were completed on public housing units including, but not limited to, complete interior remodels, partial interior remodels, roof replacement, gutter helmet installation, landscaping upgrades, etc. using the Capital Funds supplied from HUD.
- VAWA notification is posted on the CDA’s website and applicant/participant documentation.
- Maintained housing and/or subsidy when it has been determined protection by VAWA is warranted.
- Staff is trained on VAWA and its requirements.

#### Strengthen Dakota County Communities
- Deconcentrate poverty by promoting mixed-income private developments when possible and maintaining scattered site public housing program.
- Promote self-sufficiency and asset development by continuing a Section 8 Family Self-Sufficiency program, incorporating services in senior buildings and youth supportive housing units as feasible, and working with the Dakota County Workforce Centers.

**PROGRESS:**
- Offered a four part Financial Literacy Series for FSS participants.
- Exploring MTW and RAD for potential future involvement.
- In 2015, staff started collaboration with the local Workforce Center and began marketing financial empowerment, financial literacy and job fairs hosted by the Workforce Center in monthly resident rent statements. The collaboration is expanding in 2016 with the marketing and hosting of more classes to enrich our residents and lead them on the road to self-sufficiency.

#### Excellence in the Administration of Programs
- Maintain 95% or better occupancy/utilization rate for each CDA housing program.
- Earn a High Performer designation through the Public Housing Assessment System (PHAS) and the Section 8 Management Assessment Program (SEMAP).
- Provide quality service to customers and clients through open communication, offering extended hours once a month for working program participants, and completing no less than 98% of Section 8 recertifications on time.

**PROGRESS:**
- Maintained 98% unit utilization for the HCV Program.
- Maintained High Performer designation for SEMAP, receiving confirmation on October 22, 2015 (FYE 06/30/2015).
- Maintained High Performer designation for Public Housing, receiving confirmation on September 10, 2015 (FYE 06/30/2014).
- Continued to hold open late hours on a monthly basis.
- Obtained the maximum points for timely re-certifications established in SEMAP.
- Maintained 98% occupancy in our Public Housing Program

#### Increase Public Awareness of Agency and Affordable Housing
- Promote housing programs through annual landlord conference and education.
- Promote initiatives through comprehensive communications program.
- Pursue opportunities for collaboration and partnership

**PROGRESS:**
- Held monthly owner workshops, Annual Owners Conference, and hosted a Landlord/Tenant Law Training.
- Newsletters are distributed through resident rent statements and the agency also widely advertised the opening of the Housing Choice Voucher waiting list. For the PHA Plan public comment period, all Public Housing and Housing Choice Voucher participants were sent a postcard soliciting feedback on the plan.

#### Attract, Retain and Develop Qualified Staff
- Offer career opportunities and benefits that successfully compete with other employers.
- Foster workplace environment where employees feel supported and encouraged to pursue on-going professional development.

**PROGRESS:**
- The CDA has a compensation and benefit package that is competitive with similar positions at housing authorities in the Twin Cities Metropolitan Area.
- Invested in professional development for all staff through local and national training opportunities (ie. MN NAHRO, NAHRO, Nan McKay).
- The CDA has a tuition reimbursement program to encourage continued education by employees.
### B.4. Most Recent Fiscal Year Audit.

(a) Were there any findings in the most recent FY Audit?

<p>| | |</p>
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<tbody>
<tr>
<td>Y</td>
<td>N</td>
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</tbody>
</table>

(b) If yes, please describe:

### Other Document and/or Certification Requirements.

#### C.1 Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan

*Form 50077-ST-HCV-HP, Certification of Compliance with PHA Plans and Related Regulations, must be submitted by the PHA as an electronic attachment to the PHA Plan.*

#### C.2 Civil Rights Certification.

*Form 50077-ST-HCV-HP, Certification of Compliance with PHA Plans and Related Regulations, must be submitted by the PHA as an electronic attachment to the PHA Plan.*

#### C.3 Resident Advisory Board (RAB) Comments.

(a) Did the RAB(s) provide comments to the PHA Plan?

<p>| | |</p>
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<thead>
<tr>
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<tbody>
<tr>
<td>Y</td>
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</tbody>
</table>

If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.

#### C.4 Certification by State or Local Officials.

*Form HUD 50077-SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan.*

### D Statement of Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).

#### D.1 Capital Improvements.

Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.

See HUD Form 50075.2 approved by HUD on 03/30/2015.
Approve A Joint Powers Agreement For the Preparation of the Dakota County Broadband Systems Plan

Fiscal/FTE Impact:
☐ None
☒ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED

- Approve Joint Powers Agreement (the “JPA”) for the preparation of the Dakota County Broadband Systems Plan, and authorize the Dakota County Community Development Agency Board Chair to execute the JPA.

SUMMARY

In 2013, the Dakota County Community Development Agency (the “CDA”) became actively involved with the Dakota County broadband initiative. That year, the CDA hired consultants Craig Ebeling and Design Nine to conduct a technical and legal study on the feasibility of a broadband collaboration among Dakota County (the “County”) and the larger municipalities within Dakota County.

The technical and legal broadband collaboration study was completed in January 2015 and was presented to the County and City Councils of the 11 cities that may become members of a Dakota County Broadband Joint Powers Board. The cities are: Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul (the “Cities”). Throughout 2015, multiple workgroups composed of staff from the Cities, County, and CDA were established to further refine the technical needs identified in the study, work with consultants on the financial and infrastructure needs, and discuss possible governance options.

The work of the various technical committees became the foundation of a JPA that would have formed a separate Joint Powers Board (the “Board”) to contract with a consultant to create a Systems Plan, which would provide the information needed for participants to decide whether to continue with the broadband collaborative effort including an inventory of the existing broadband infrastructure. The JPA would also have established a general governance structure of the Board, the powers and responsibilities of the Board, and general principles of financing, operating and maintaining any future broadband systems. The budget for the Systems Plan was estimated to be $170,764. The CDA would be responsible for 1/3 of the budget ($56,921.17), the County responsible for another 1/3, and the Cities responsible for the remaining 1/3. The draft JPA was approved by the technical subcommittee and the City-County Managers’ Workgroup. The outline of the draft JPA was also presented to the CDA Board in November 2015, and was given to the Cities for final review in December 2015.

In December 2015, some of the cities expressed concerns about the JPA, and presented an alternate JPA (Attachment A) which did away with a separate Board, and placed the CDA in the position of the contracting agency responsible for hiring the consultant to create the Systems Plan. The budget remained the same. This alternate JPA has been reviewed and agreed to by the city attorneys for all the participating Cities, CDA counsel and the County Attorney’s Office, as well as the City-County Managers’ Workgroup.

The alternate JPA authorizes the CDA to exercise the powers that are jointly held by the participants to prepare the Systems Plan. The CDA is requested to be the contracting agency, which is the same role the CDA had for the technical and legal broadband collaboration study conducted by Design Nine. No Board is formed and no other future actions are discussed. The CDA is not committed to participation in any future endeavor in the creation, operation, or financing of a broadband system.

RECOMMENDATION

Staff recommends approval of the JPA, the establishment of the CDA as the contracting agency responsible for hiring the consultant to create the Systems Plan, and the financial contribution of $56,921.17.

EXPLANATION OF FISCAL/FTE IMPACT

Budget funds of $56,921.17 are available for this item. Funds will be shifted from other line items in the CDA’s Economic Development budget for FY16. These funds will come from projects that either have excess funds or will be completed in a different budget year. The cost-sharing split is based on previous work done for the broadband initiative.
Resolution No. 16-XXXX

Approve A Joint Powers Agreement For The Preparation Of The Dakota County Broadband Systems Plan

WHEREAS, Dakota County (the “County”), the Dakota County Community Development Agency (the “CDA”), and the cities of Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul (the “Cities”) have independently invested in the extension of fiber optic lines to support broadband needs; and

WHEREAS, the Dakota County broadband initiative started in 2013 to better coordinate the development and maintenance of the institutional fiber network (“I-Net”) with the hope of eventually expanding the I-Net to allow for outside private entities to use the I-Net and create economic development opportunities; and

WHEREAS, in 2014, the CDA, acting on behalf of the cities and the County, contracted with Design Nine for the completion the Dakota County Broadband Infrastructure Study (the “Study”); and

WHEREAS, the Study was completed in 2015, and recommended the creation of a Joint Powers Board that would create a Systems Plan, which was to include an inventory of the existing broadband infrastructure, a general governance structure of the Board, the powers and responsibilities of the Board, and general principles of financing, operating and maintaining any future broadband systems; and

WHEREAS, after further review, the cities, the County, and the CDA are proposing the creation of a simplified Joint Powers Agreement (the “JPA”) to authorize the CDA to exercise the powers that are jointly held by the participants to prepare the Systems Plan; and

WHEREAS, the CDA is asked to be the contracting agency with a consultant for the creation of the Systems Plan at a total cost of $170,764, with the CDA’s amount of $56,921.17.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Community Development Agency Board of Commissioners hereby approves the Joint Powers Agreement for the Preparation of the Dakota County Broadband Systems Plan, and authorizes the Board Chair to execute the Agreement, subject to approval by the County Attorney’s Office as to form.

Executive Director’s Comments:
☑ Recommend Action  ☐ Do Not Recommend Action  ☐ Item Type-Consent  ☐ Item Type-Discussion  ☐ Item Type-Informational
☐ Reviewed-No Recommendation  ☐ Reviewed-Information Only  ☐ Submitted at Commissioner Request

Strategic Plan Goal:
☐ Housing and Livability  ☑ Community Vitality  ☐ Community Connections  ☐ Organizational Culture  ☐ Financial Management

Executive Director  Department Director

March 2016
JOINT POWERS AGREEMENT
Preparation of the Dakota County Broadband Systems Plan

Dated as of _____ ___, 2016
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THIS JOINT POWERS AGREEMENT (as amended from time to time, this “Agreement”) is entered into as of _________, 2016, by and between the parties described on Schedule A attached hereto (the “Participants”), pursuant to Minnesota Statutes, Section 471.59.

1. Statement of Purpose and Powers to be Exercised. The purpose of this Agreement is to provide for the joint exercise of the statutory powers common to the Participants (defined below), to prepare Systems Plans; including, but not limited to, the power to enter into agreements necessary or convenient to the exercise of such powers and to take such other actions reasonably necessary to complete the System Plans (together with other powers described herein, the “Joint Powers”). Notwithstanding any other provision of this Agreement, this Agreement does not authorize the use of Participants’ statutory authority to: (a) establish, operate, maintain and improve the existing Systems or establish fees and charges with respect thereto; (b) acquire, own and convey real or personal property; (c) issue bonds or obligations under any law under which the Participants may independently issue and use the proceeds of the bonds or obligations to carry out the purposes of the law; (d) exercise power of eminent domain; (e) exercise any taxing powers; (f) pledge the full faith or taxing power of any of the Participants for any purpose whatever; or (g) issue general obligation indebtedness of any Participant. Participants agree that any of the powers specifically excluded from this Agreement may be authorized by the Participants pursuant to a subsequent joint power agreement as described in paragraph 7.

2. Manner of Exercising Powers. The Joint Powers of the Participants will be exercised through the Dakota County Community Development Agency (the “CDA”), having the powers and duties described herein. The CDA is authorized to exercise the Joint Powers on behalf of and in cooperation with the Participants as provided herein.

3. Defined Terms. Capitalized terms used, but not otherwise defined, herein shall have the following meanings:

“Backbone” means the central portion of the network consisting of redundant optical fiber ring segments interconnecting diverse communications network elements (switches, routers, etc.), including connections at the co-location facility or facilities. Generally, the backbone capacity is greater than the networks connected to it.

“C-Net” means the use of the System on any basis other than by the Participants for their governmental and institutional purposes.

“CDA” means the Dakota County Community Development Agency, and its successors and assigns.

“I-Net” means the use of the System by the Participants for their governmental and institutional purposes.

“Inventory” means a detailed list and summary of the Participants’ Systems Components and Backbone, which may become a part of a consolidated system, if any, in the future.

“IRU” or “Indefeasible Rights to Use” means agreements between a Participant with respect to the use of System Components in which the Participant has an ownership or other legal interest.
“Participation Fee” means, as to Participants, the non-refundable fees identified on Schedule A hereto next to their respective names.

“Systems” means each Participants’ telecommunication infrastructure including, without limitation, fiber optic cables, hand holes, switches and routers and other network elements that provide broadband, I-Net and C-Net services within the boundaries of each of the Participants.

“Systems Components” means the various necessary or convenient elements of the Systems, including, without limitation, fiber optic cables, hand holes, switches and routers, together with contract rights and agreements necessary or convenient in connection with the operation, maintenance, development and use of such components.

“Systems Plans” means general information sufficient for Participants to evaluate the Systems’ physical aspects and the methods for funding or financing the costs associated with the operation, maintenance, and development of the Systems. The Systems Plans shall identify the ownership, operation, maintenance, improvement use, and methods of funding, and/or financing, the Systems.

4. Participants.


B. Participation Fee. The aggregate of the Participation Fees described on Schedule A is intended to be an amount sufficient to pay the costs identified on Schedule B attached hereto. Such fees were allocated to the Participants using the formula that was used for cost sharing for the initial Design Nine study.

5. CDA’s Powers. The CDA shall have the general powers described in paragraph 1 of this Agreement, including, but not limited the powers to do the following:

A. To negotiate and enter into contracts for professional services and consultants for the gathering of information necessary to complete the System Plans and determine the cost of operating the Systems;

B. To sue and be sued with regard to contracts entered into pursuant to the authority granted hereunder;

C. To review and present the Systems Plans to the Participants; and

D. To discharge other duties consistent with the purposes of this Agreement and/or as required by statute.
6. **Systems Plans.**

   A. **Content.** The Systems Plans shall include the following components:

      i. The design, construction, operation, marketing, public relations, maintenance, expansion and lifecycle replacement costs of the Systems and Systems Components;

      ii. An Inventory;

      iii. The terms under which Systems Components presently owned by Participants will be available for use as part of the Systems;

      iv. A valuation for all Systems Components presently owned by Participants which will be available for use as part of the Systems;

      v. User fees for the Systems; and

      vi. Methods of funding and financing.

   B. **Methodology.** They Systems Plans shall be prepared capitalizing on the recent work completed by the various committees of the City-County Managers group utilizing it to the extent deemed appropriate by the Participants. City-County Managers will review the Systems Plans or portions thereof as they are prepared or become available.

   C. **Review of the Systems Plans.** Following the preparation of the Systems Plans, the CDA shall distribute the Systems Plans to the Participants for review.

7. **Acquisition of Interests in System Components.** Upon completing their review of the Systems Plans, Participants may elect to proceed with a joint powers agreement for the following purposes: (a) creating a board to manage and operate consolidated Systems; (b) potential expansion of the Systems; (c) operation and maintenance cost sharing associated with the Systems; (d) complete, update and/or expand the Backbone network interconnecting the Systems; (e) establishment of usage rates; and (f) identifying funding. Those participants that choose to proceed with a subsequent joint powers agreement will enter into an IRU with the board created thereby and other electing participants pursuant to the terms of the subsequent joint powers agreement and the IRU(s).

8. **Default; Remedies.** Upon the occurrence of any default hereunder, the CDA and each Participant shall have any and all remedies available to it at law or in equity.

9. **Limitation of Liability.** As provided in Minnesota Statutes, Section 471.59, Subd. 1a, no Participant shall be liable for the acts or omissions of another Participant, unless it has specifically agreed in writing to be responsible for the same. For purposes of determining total liability for damages, each Participant and the CDA are considered a single governmental unit and the total liability for all of the Participants and the CDA shall not exceed the limits on governmental liability for a single governmental unit as specified under Minnesota Statutes, Sections 466.04, Subd. 1, or as waived or extended by the CDA or all Participants under
Minnesota Statutes Sections 466.06; or 471.981. This provision does not protect a Participant or the CDA from liability for its own independent acts or omissions not directly related to the exercise of the Joint Powers under this Agreement. Neither the CDA nor any Participants shall have the power hereunder to do any act or thing the effect of which is to create a charge or lien against the property or revenues of the CDA or another Participant, except as expressly provided in herein or in any of the documents authorized herein.

10. **Amendments.** This Agreement may be amended, at any time and from time to time, by the Participants.

IN WITNESS WHEREOF, each of the Participants has caused this Agreement to be executed on its behalf by its respective authorized officers, all as of the date first above written.

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

Date: __________________________   By: __________________________

Its: __________________________
CITY OF APPLE VALLEY

Date: ________________________

By: ________________________
Mary Hamann-Roland, Mayor

Attest:

Date: ________________________

By: ________________________
Pamela Gackstetter, Clerk
CITY OF BURNSVILLE

Date: ____________________________  By: ____________________________
   Elizabeth Kautz, Mayor

Attest:

Date: ____________________________  By: ____________________________
   Macheal Collins, Clerk
CITY OF EAGAN

Date: ____________________________  By: ____________________________

Mike Maguire, Mayor

Attest:

Date: ____________________________  By: ____________________________

Dave Osberg, City Administrator
CITY OF FARMINGTON

Date: ________________________  By: ________________________

Todd Larson, Mayor

Attest:

Date: ________________________  By: ________________________

David McKnight, City Administrator
CITY OF HASTINGS

Date: __________________________
By: ____________________________
Paul Hicks, Mayor

Attest:

Date: __________________________
By: ____________________________
Melanie Mesko Lee, City Administrator
CITY OF LAKEVILLE

Date: _____________________________  By: _____________________________

Matt Little, Mayor

Attest:

Date: _____________________________  By: _____________________________

Justin Miller, City Administrator
CITY OF ROSEMOUNT

Date: __________________________

By: __________________________

Bill Droste, Mayor

Attest:

Date: __________________________

By: __________________________

Clarissa Hadler, Clerk
CITY OF SOUTH ST. PAUL

Date: _________________________  By: _________________________
Beth A. Baumann, Mayor

Attest:

Date: _________________________  By: _________________________
Christy Wilcox, Clerk
CITY OF WEST ST. PAUL

Date: ____________________________  By: ____________________________
    David Meisinger, Mayor

Attest:

Date: ____________________________  By: ____________________________
    Chantal Doriott, Clerk
SCHEDULE A

Dakota County Broadband
Systems Plan Participation Fee

Cost-Share Concept
One-third of costs borne by Dakota County Community Development Agency
One-third of costs borne by Dakota County
One-third of costs borne by cities of over 10,000 pro-rata on population

<table>
<thead>
<tr>
<th>Estimated Systems Plan Costs</th>
<th>$148,490.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>15%</td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td>$170,763.50</td>
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</table>

| CDA Share | $56,921.17 |
| County Share | $56,921.17 |
| City Share  | $56,921.17 |

City cost distribution based on % of total of 11 cities with population over 10,000

<table>
<thead>
<tr>
<th>Participants</th>
<th>Population</th>
<th>% of Population</th>
<th>Amount Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Valley</td>
<td>49,084</td>
<td>12.94%</td>
<td>$7,365.17</td>
</tr>
<tr>
<td>Burnsville</td>
<td>60,306</td>
<td>15.90%</td>
<td>$9,049.06</td>
</tr>
<tr>
<td>Eagan</td>
<td>64,206</td>
<td>16.93%</td>
<td>$9,634.26</td>
</tr>
<tr>
<td>Farmington</td>
<td>21,086</td>
<td>5.56%</td>
<td>$3,164.00</td>
</tr>
<tr>
<td>Hastings</td>
<td>22,172</td>
<td>5.84%</td>
<td>$3,326.96</td>
</tr>
<tr>
<td>Inver Grove Heights</td>
<td>33,880</td>
<td>8.93%</td>
<td>$5,083.77</td>
</tr>
<tr>
<td>Lakeville</td>
<td>55,954</td>
<td>14.75%</td>
<td>$8,396.03</td>
</tr>
<tr>
<td>Mendota Heights</td>
<td>11,071</td>
<td>2.92%</td>
<td>$1,661.23</td>
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<tr>
<td>Rosemount</td>
<td>21,874</td>
<td>5.77%</td>
<td>$3,282.25</td>
</tr>
<tr>
<td>South St Paul</td>
<td>20,160</td>
<td>5.31%</td>
<td>$3,025.06</td>
</tr>
<tr>
<td>West St Paul</td>
<td>19,549</td>
<td>5.15%</td>
<td>$2,933.37</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>379,342</strong></td>
<td><strong>100.00%</strong></td>
<td><strong>$56,921.17</strong></td>
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</tbody>
</table>
## SCHEDULE B

Dakota County Broadband
Estimated Systems Plan Elements and Costs

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Est. Costs</th>
<th>Provider</th>
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<tbody>
<tr>
<td>Legal Services</td>
<td>$8,000</td>
<td></td>
</tr>
<tr>
<td><strong>Preparation of Systems Plan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory, Design, etc</td>
<td>$68,990</td>
<td>Elert 4/17/15 proposal, all options</td>
</tr>
<tr>
<td>Balance of Systems Plan work</td>
<td>$15,000</td>
<td>Design Nine - assumed split</td>
</tr>
<tr>
<td>Preparation of Systems Funding Plan</td>
<td>$51,500</td>
<td>Design Nine - assumed split</td>
</tr>
<tr>
<td>Additional consulting costs</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$170,764</strong></td>
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</tbody>
</table>
Authorize The Executive Director To Execute A Construction Contract As General Partner Of The Keystone Crossing Workforce Housing Limited Partnership (Keystone Crossing Townhomes)

Meeting Date: 3/22/2016
Department: Housing Development
Prepared By: Lori Zierden
Contact: Kari Gill
Contact Phone: 651-675-4477

Fiscal/FTE Impact:
☐ None
☒ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other

PURPOSE/ACTION REQUESTED
- Authorize Executive Director to execute a construction contract
- Authorize change order authority

SUMMARY
On March 10, 2016 at 2:00 p.m. a formal bid opening was conducted for Keystone Crossing Workforce Housing Limited Partnership townhome development (Keystone Crossing Townhomes) at the Dakota County Community Development Agency offices. This is a 36 unit development in Lakeville.

Five general contractors picked up plans and bids were received from four general contractors (see Attachment B: Bid Tabulation). Brennan Construction submitted the low bid, but did not meet the required bidder qualifications based on previous experience. After conferring with the Dakota County Attorney's Office, it was determined that the CDA could not accept the low bid. CBS Construction is the low qualified, responsible bidder.

Positive recommendations on CBS were received by references checked by the project architect. The contractor meets the qualifications identified in the bid specifications.

The CDA closed on the complete financing transaction in summer 2015, prior to the commencement of the site work contract.

RECOMMENDATION
Staff recommends that Alternate 4 (adding a light to the bedroom ceiling fans) and Alternate 5 (upgrade to a SEER 16 air conditioning unit which will be reimbursed by a utility rebate) be included in the contract. Staff further recommends that the CDA Board authorize the Executive Director to enter into a construction contract with CBS Construction in the amount of $5,436,616.

In a project of this size, it is possible there may be a number of change orders that would result in minor changes in the project. To deal with these change orders more efficiently to avoid delays in construction, it is recommended that the Executive Director be authorized to approve additional change orders up to $271,831 (this is 5% as required by our tax credit investor - US Bank Community Development Corporation).

It is expected that the project would begin when weather permits this spring, but not later than May 31, 2016. Construction is expected to be completed in November 2016.

EXPLANATION OF FISCAL/FTE IMPACT
Sufficient funds are in escrow and available for the construction of this project through Federal Low Income Housing Tax Credits, HOPE, HOME, General Partner contribution, and a first mortgage. Additional HOME funds could be utilized, if needed, although it is expected that the contingency available will be sufficient.
Resolution No. 16-xxxx

Authorize The Executive Director To Execute A Construction Contract As General Partner Of The Keystone Crossing Workforce Housing Limited Partnership (Keystone Crossing Townhomes)

WHEREAS, formal bids were received on March 10, 2016 for the construction of Keystone Crossing Workforce Housing Limited Partnership housing development (Keystone Crossing Townhomes); and

WHEREAS, CBS Construction, Inc. is the low qualified, responsible bidder; and

WHEREAS, the contractor is being recommended on both low bid results and their experience in housing construction; and

WHEREAS, the Dakota County CDA as General Partner of the Keystone Crossing Workforce Housing Limited Partnership previously closed on the financing providing the necessary funds.

NOW, THEREFORE, BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, That the Executive Director be authorized to sign a construction contract on behalf of the Keystone Crossing Workforce Housing Limited Partnership with CBS Construction, Inc. in an amount of $5,436,616 (includes Alternates 4 and 5), subject to approval by the County Attorney’s Office as to form; and

BE IT FURTHER RESOLVED, That the Executive Director be authorized to approve change orders in an amount not to exceed $271,831, subject to approval by the County Attorney’s Office as to form.
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA ) ss
COUNTY OF DAKOTA

Charlene Vold being duly sworn on an oath, states or affirms that he/she is the Publisher's Designated Agent of the newspaper(s) known as:

Dakota County Tribune

with the known office of issue being located in the county of:

DAKOTA

with additional circulation in the counties of:

DAKOTA

and has full knowledge of the facts stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper as provided by Minn. Stat. §331A.02.

(B) This Public Notice was printed and published in said newspaper(s) once each week, for 2 successive week(s); the first insertion being on 02/25/2016 and the last insertion being on 03/03/2016.

MORTGAGE FORECLOSURE NOTICES

Pursuant to Minnesota Stat. §580.033 relating to the publication of mortgage foreclosure notices: The newspaper complies with the conditions described in §580.033, subd. 1, clause (1) or (2). If the newspaper's known office of issue is located in a county adjoining the county where the mortgaged premises or some part of the mortgaged premises described in the notice are located, a substantial portion of the newspaper's circulation is in the latter county.

By: Charlene Vold

Designated Agent

Subscribed and sworn to or affirmed before me on 03/03/2016 by Charlene Vold.

DARLENE MARIE MACPHERSON
Notary Public

Dakota County Tribune

MARCH 2016

Board Packet Page 80
## Keystone Crossing Building Package

### Lakeville, Minnesota

| BID CLOSE: | 2:00 PM, Thursday March 10, 2016 |

<table>
<thead>
<tr>
<th>BIDDERS</th>
<th>PHONE / EMAIL</th>
<th>BASE BID</th>
<th>ADD 1 REC'D</th>
<th>ALT 1</th>
<th>ALT 2</th>
<th>ALT 3</th>
<th>ALT 4</th>
<th>ALT 5</th>
<th>ALT 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brennan Construction</td>
<td>(507) 625-5417</td>
<td>$5,249,000</td>
<td>✓ ✓</td>
<td>+54,000 (10,000)</td>
<td>+9,500</td>
<td>+18,300</td>
<td>+15,610 (21,000)</td>
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</tr>
<tr>
<td>CBS Construction Services, Inc.</td>
<td>(763) 569-4020</td>
<td>$5,414,000</td>
<td>✓ ✓</td>
<td>+55,022 (13,026)</td>
<td>+17,446</td>
<td>+14,674</td>
<td>+7,942 (21,006)</td>
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</tr>
<tr>
<td>Lumber One</td>
<td>(320) 356-7342</td>
<td>$5,610,000</td>
<td>✓ ✓</td>
<td>(10,500) (7,839)</td>
<td>+11,971</td>
<td>+26,936</td>
<td>+16,478 (17,479)</td>
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<td></td>
</tr>
<tr>
<td>Wieser Brothers General Contractor, Inc.</td>
<td>(507) 895-8903</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Synergy Builders, LLC</td>
<td>(612) 305-7090</td>
<td>$5,448,900</td>
<td>✓ ✓</td>
<td>+26,000 (12,000)</td>
<td>+7,500</td>
<td>+14,000</td>
<td>+9,000 (20,000)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Adopt Revised Dakota County CDA Acquisition And Disposition Policy

Meeting Date: 3/22/2016
Department: Housing Development
Prepared By: Lori Zierden
Contact: Kari Gill
Contact Phone: 651-675-4477

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Approve revisions to policy related to the acquisition and disposition of property owned by the Dakota County CDA.

SUMMARY
The Dakota County CDA’s Acquisition and Disposition Policy (Policy) was reviewed by staff and it was determined that some revisions were needed to ensure consistency with rules and regulations, best practices, and current CDA practices.

Changes and clarification were predominantly made to the disposition aspects of the Policy (Attachment A) clarifying the options and practices for disposing of CDA-owned real estate property.

The CDA owns lots and property in Apple Valley, Burnsville, Farmington, Hastings, Rosemount, South St. Paul and West St. Paul. Some of these were acquired through the federal Neighborhood Stabilization Program (NSP). Further Board discussion will be conducted at a future meeting regarding strategies to dispose of remaining NSP properties.

RECOMMENDATION
The Policy has been revised and reviewed by the Dakota County Attorney’s Office and CDA staff. Staff recommends adoption of the Acquisition and Disposition Policy.

EXPLANATION OF FISCAL/FTE IMPACT
None.
Resolution No. 16-XXXX

Adopt Revised Dakota County CDA Acquisition And Disposition Policy

WHEREAS, the Dakota County Community Development Agency (CDA) staff acquires and disposes of real estate property from time to time; and

WHEREAS, CDA staff periodically reviews the Dakota County CDA Acquisition and Disposition Policy (Policy) to maintain and enhance the effective provisions of acquiring and disposing of property at the CDA; and

WHEREAS, CDA staff is recommending adoptions of the amended Policy to improve interpretation and practices of stated policies; and

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Community Development Agency Board of Commissioners hereby adopts the revised Dakota County CDA Acquisition and Disposition Policy.

Executive Director’s Comments:
☐ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed-No Recommendation
☐ Reviewed-Information Only
☐ Submitted at Commissioner Request

☐ Item Type-Consent
☐ Item Type-Discussion
☐ Item Type-Informational

Strategic Plan Goal:
☐ Housing and Livability
☐ Community Vitality
☐ Community Connections
☐ Organizational Culture
☐ Financial Management

Executive Director

March 2016

Department Director

Kari R. Gill

Board Packet Page 83
ACQUISITION AND DISPOSITION POLICY
Dakota County CDA

A. PURPOSE:
The Dakota County Community Development Agency (CDA) acquires and disposes of real property based on all of the powers and duties of a housing and redevelopment authority (MN Statutes 469.001-.047) and an economic development authority (MN Statutes 469.090-.1081), as granted to the CDA in Minnesota Statute 383D.41. Under Minnesota Law, the state and other governmental agencies may acquire property by gift, direct purchase or eminent domain proceedings. The purpose of this policy is to ensure that decisions regarding the acquisition and/or disposition of real property reflect efficient and effective use of financial resources. Decisions must also consider appropriate regulations that match federal, state, metropolitan or local resources used for acquisition and disposition.

B. TYPES OF ACQUISITION:
The CDA acquires real property within the following general categories:

1. Sites for the CDA’s Senior Housing and Family Partnership developments and related programs.
2. Sites for non-CDA program housing (Habitat for Humanity, non-profit developers, etc.), but associated with a CDA development.
3. Sites for redevelopment projects, with or without CDA ownership, including infill sites and tax-forfeited property.

C. TYPES OF DISPOSITION:
The CDA disposes of real property within the following general categories:

1. Property conveyed from the CDA to a Limited Partnership (with CDA as General Partner).
2. Property obtained through tax forfeiture and subsequently conveyed for a (re)development purpose.
3. Property assembled and used for redevelopment purposes.
4. Property conveyed to non-profit and for-profit developers for an affordable housing purpose.
5. Property acquired utilizing Neighborhood Stabilization Program (NSP) funds allocated from the U.S. Department of Housing and Urban Development or Minnesota Housing Finance Agency.
**D. SOURCES OF FUNDING FOR ACQUISITIONS:**

The following funding sources are used by the CDA to acquire real property:

1. Federal – CDBG and HOME
2. State – MHFA
3. Metropolitan – Met Council and Family Housing Fund
4. Local – Cities within Dakota County
5. CDA – TIF, General Fund, Senior Levy, etc.

**E. UNIFORM ACT:**

The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended, and Minnesota Statutes 117.50 et. seq. (MURA) was enacted to define minimum standards of performance for all federally-funded projects with regard to the acquisition of real property and the relocation of persons displaced by the acquisition of such property. Minnesota Statutes 117.50 et. seq. and related case law also require that in all acquisitions undertaken by an acquiring authority without federal participation, the authority must provide relocation assistance as a cost of acquisition. Additionally, the Minnesota Supreme Court held in In Re Wren, 699 N.W.2d 758 (Minn. 2005) that an authority may be responsible for certain relocation costs when property is acquired by a private developer if the activities of the authority and the developer are so intertwined to produce a joint acquisition of the project.

**F. AUTHORIZATION:**

1. **Acquisition** - The CDA Board of Commissioners has granted to grants the CDA’s Executive Director the authority to execute letters of intent, purchase agreements or other similar instruments, subject to formal CDA Board approval of the acquisition as a condition precedent to closing, to acquire real property that have followed the process identified in Section G. If the land purchase is not included in the CDA annual budget, a budget amendment must be approved along with the approval of the purchase, and where funding has been approved in a CDA Agency budget. All other agreements to purchases shall obtain approval by the CDA Board of Commissioners.

2. **Disposition** - The CDA Board of Commissioners has granted to the CDA’s Executive Director the authority to execute letters of intent, purchase agreements or other similar instruments, subject to formal CDA Board approval of the disposition as a condition precedent to closing, to dispose of real property that have followed the process identified in Section H.
G. ACQUISITION POLICY AND PROCEDURES:

Unless otherwise exempted under 49 CFR 24.101, if federal funds are used in whole or in part for a project, including property acquisition, clearance and/or construction, the CDA must follow all provisions of URA as generally outlined below. With all other funding sources, the CDA shall follow the steps outlined below unless otherwise noted as an optional procedure.

1. Preliminary Assessment. The CDA shall undertake an analysis to determine the overall feasibility of the proposed acquisition. Factors to consider should include, but not be limited to the following: location, size, zoning, access, soil conditions, topography, comprehensive plan designation, public input, known cost factors, and other constraints or risk management issues.

2. Basic Acquisition Policies. When federal funding is involved (and the exemptions of 49 CFR 24.101 are inapplicable), the CDA shall follow the basic acquisition policies as set forth under 49 CFR Section 24.102 - .108 (the “Federal Policies”).

3. Fair Market Value Determination. Once property is determined to be necessary and appropriate to acquire, the CDA shall proceed to obtain an estimation of fair market value (FMV) using the County Market Value or an appraisal.

When the Federal Policies apply, if probable value of a parcel is less than $10,000, the estimation may be obtained from tax appraisal records and/or from an internal staff analysis. All other property value shall be determined by an appraisal obtained from a licensed independent real estate appraiser (when Federal Policies apply).

4. Review Appraisal. When the Federal Policies apply, the CDA shall have a qualified review appraiser analyze the independent appraisal and recommend a new valuation or support the initial valuation.

3.5. Offer Determination. Before initiating negotiations, the CDA shall establish an amount which it believes is the fair market value, or just compensation, for the real property based on information obtained in Sections G.2 and G.3. When Federal Policies apply, the CDA cannot determine a value that is less than the approved appraisal (as may be adjusted by the review appraisal). The CDA’s offer may exceed that value if it determines that a greater amount reflects just compensation for the property. When the Federal Policies do not apply, the CDA can determine just compensation based on all relevant information obtained for such value determination. As a general rule, the CDA shall not
determine its initial or final offer at more than ten percent (10%) above an independent appraisal or county tax value, whichever is greater.

4.6. Offer and Negotiation. If the CDA then chooses to proceed with the acquisition, it shall make a written offer to the owner to acquire the property for the full amount believed to be its fair market value or the just compensation. When the Federal Policies apply, the CDA shall provide the owner a written statement of the basis for the offer of just compensation. The CDA shall make all reasonable efforts to contact the owner or owner’s representative to discuss its offer to purchase the property. The owner shall then be given reasonable opportunity to consider the offer, and to either accept such offer or present material which the owner believes is relevant to determining fair market value. The CDA shall consider the owner’s information during the negotiation process.

5.7. Final Offer. The CDA may decide to change its initial offer based on one or more of the following factors: (a) a material change in the character or condition of the property; (b) a significant delay since the time of the appraisal; (c) relevant information from the property owner that supports a different value; and/or (d) an analysis of other costs, such as legal, that may be incurred to proceed beyond the current stage of negotiation. All relevant facts and circumstances should ultimately be considered by the CDA in order to reach a determination of the final offer. When the Federal Policies apply and the foregoing conditions are present, the CDA shall update the appraisal or order a new appraisal, and reestablish its offer to the owner.

6.8. Eminent Domain. When a final offer is not accepted by the property owner, the CDA may evaluate the use of eminent domain to complete the acquisition process per Minnesota Statutes Chapter 117 and relevant case law shall only occur if authorized by the CDA Board.

7.9. Relocation. An analysis of whether the authority shall be responsible for relocation benefits shall be undertaken for all acquisitions either undertaken by the authority or jointly undertaken by the authority and a private developer.

8.10. Appraisal Reimbursement. The CDA shall reimburse the owner of single family homes and two-family residential property for its appraisal fees if and to the extent required under Minnesota Statutes Section 117.232. The CDA may reimburse up to $5,000 for other types of property for its appraisal fees if and to the extent required in Minnesota Statutes Section 117.036.
H. DISPOSITION POLICY AND PROCEDURES:

Conditions for selling land and structures owned by the CDA shall include, yet not be limited to the following:

1. After a property has been determined to be salable by the CDA, the CDA shall proceed to sell the property pursuant to Minnesota Statutes Section 469.029 or 469.105.

2. Property values shall be determined by consulting with appropriate responsible sources to determine fair market value (county market value or appraisal).

3. Property shall be sold for its fair market value unless provisions have been made by the CDA to: (a) sell the property to a low or moderate income purchaser, or (b) sell to a non-profit or for-profit developer of affordable housing, or (c) sell the property for reasons to promote development of the property by a private or public entity for redevelopment or economic development purposes, or (d) sell by public auction.

4. In the case of a closed bidding or realtor sales method (Competitive Bid or Realtor/Broker Sale), a reasonable amount of time to be determined by the CDA shall be set for taking bids and offers. Bids and offers shall be evaluated and the highest bid or offer shall be accepted if it is determined to be reasonable with regard to the determined fair market value and other conditions of sale are met.

5. Request for Proposal: Where more than one party is known to be interested in the property, or in the Executive Director’s judgment the CDA would benefit, a request for proposals process will be conducted. Proposals will be received according to that process, and the property sold under the terms and conditions contained in the request for proposals. The notice inviting proposals shall contain a brief description of the property in addition to other information considered pertinent to interested buyers.

All RFP’s will stipulate that the property be purchased for immediate development must be stated in the RFP submittal. The CDA’s intent to sell any real estate property via RFP shall be published with an initial Public Notice in the CDA’s official newspaper for at least ten (10) days.

6. For Sale Sign: A for sale sign can be displayed on the site until such time as an acceptable proposal is received or it’s deemed no longer viable to market the site. The “For Sale” sign can be placed if no acceptable RFP proposals are received or at any time it is in the best interest of the
CDA to market land. Once an offer is received, the process of a competitive bid sale will be followed.

7. Intent to develop and maintain the property of concern will be considered when selecting the purchaser where such is a condition of the sale. As security for fulfillment of the agreement with CDA the purchaser may be required to furnish a performance bond for an amount determined reasonable by the CDA.

8. Public Hearing: Upon completion of a negotiation, request for proposal process, or for sale sign by the Executive Director or a designated representative, the CDA shall make their determination on any proposed sale or rental through the Public Hearing process. Notice of such Public Hearing shall be published in the CDA’s official newspaper.

9. NSP Lots will be sold subject to a separate policy that meets required guidelines.

I. COMPLIANCE AND CONFLICTS:

This policy shall be interpreted and applied in accordance with federal, state and local laws and regulations. In addition, the following provisions shall apply:

1. CDA employees involved in the buying or selling of properties shall not use their positions for a purpose that is or gives the appearance of being motivated by private gain for themselves or others with whom they have family, business or other ties.

2. The CDA shall not discriminate in the purchase or sale of property, nor promote discrimination with regard to race, sex, age, religious, political or other affiliations or source of income.

Adopted 3/22/2016
Approved 11/07/06
Housing Development Update – Informational Only

Meeting Date: 3/22/2016
Department: Administration
Prepared By: Kaili Braa
Contact: Kari Gill
Contact Phone: 651-675-4477

Fiscal/FTE Impact:
- None
- Amount included in current budget
- Budget amendment requested
- FTE included in current complement
- New FTE(s) requested
- Other:

PURPOSE/ACTION REQUESTED
- Update on CDA housing development projects.

SUMMARY
Deputy Executive Director Kari Gill will provide an update on CDA senior and workforce housing developments under construction or planned for the future (see attached housing development update).

RECOMMENDATION
N/A – Informational Only

EXPLANATION OF FISCAL/FTE IMPACT
N/A

Executive Director’s Comments:
☐ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed-No Recommendation
☒ Reviewed-Information Only
☐ Submitted at Commissioner Request

Strategic Plan Goal:
☒ Housing and Livability
☐ Community Vitality
☐ Community Connections
☒ Organizational Culture
☐ Financial Management

☐ Item Type-Consent
☐ Item Type-Discussion
☒ Item Type-Informational

Executive Director

Department Director

March 2016
SENIOR HOUSING DEVELOPMENTS

ROSEMOUN
Cambrian Commons

# of UNITS: 60

Construction began the week of June 15th, and is progressing well. Interior and exterior work will continue over the winter. Future resident lease-up is underway with late June occupancy anticipated.

LAKEVILLE
Argonne Hills

# of UNITS: 62

We will be bidding the construction of this project in April for an early summer construction start.
WORKFORCE HOUSING DEVELOPMENTS

LAKEVILLE
Keystone Crossing

# of UNITS: 36

- Due to the timing, the work was broken into two contracts: site work and then building construction.
- All of the utilities were installed. The first lift of asphalt and the curb/gutter will be installed in the spring.
- The construction of the townhomes was bid in February with a bid opening on March 10.
- A construction contract award is on the agenda this month.
Executive Director's Update – Informational Only

Meeting Date: 3/22/2016
Department: Administration
Prepared By: Kaili Braa
Contact: Tony Schertler
Contact Phone: 651-675-4430

Fiscal/FTE Impact:
☒ None
☐ Amount included in current budget
☐ Budget amendment requested
☐ FTE included in current complement
☐ New FTE(s) requested
☐ Other:

PURPOSE/ACTION REQUESTED
• Agency updates.

SUMMARY
Executive Director Tony Schertler will provide updates regarding topics related to agency operations including a discussion about the proposed process for the CDA’s strategic plan process, the CDA’s TIF policy, an update on collaboration efforts with Dakota County departments, and a preview of items that will be on the April 19, 2016 CDA Regular Board Meeting agenda.

RECOMMENDATION
N/A – Informational Only

EXPLANATION OF FISCAL/FTE IMPACT
N/A

Strategic Plan Goal:
☒ Housing and Livability
☒ Community Vitality
☒ Community Connections
☒ Organizational Culture
☒ Financial Management

Executive Director’s Comments:  [ ] Recommend Action  [ ] Item Type-Consent  [ ] Item Type-Discussion  [ ] Item Type-Informational
[ ] Do Not Recommend Action  [ ] Item Type-Consent  [ ] Item Type-Discussion  [ ] Item Type-Informational
[ ] Reviewed-No Recommendation  [ ] Item Type-Consent  [ ] Item Type-Discussion  [ ] Item Type-Informational
☒ Reviewed-Information Only  [ ] Item Type-Consent  [ ] Item Type-Discussion  [ ] Item Type-Informational
[ ] Submitted at Commissioner Request

Executive Director

Department Director
In The News

- **Dakota County’s mortgage foreclosures dropped by 18 percent in 2015, Hastings Star Gazette**
  As foreclosures across Minnesota have dropped dramatically since 2005, and 18% in Dakota County just in the past year. In this article, the CDA’s Mortgage Foreclosure Counseling Program was referenced as a resource for homeowners in Dakota County.

- **Extreme Sandbox appears on hit ABC-TV show Shark Tank, Open To Business**
  Extreme Sandbox has been the focus of recent articles after its appearance on Shark Tank. Extreme Sandbox was a company that utilized Open To Business to launch their business. This is a marketing piece that was created by the Open To Business program.

News related to CDA business

- Starter home freeze-out, Star Tribune
- Rising need spotlights gaps in senior housing market, Finance & Commerce
- Suburbs brace for wave of older adults who want to age in their homes, Star Tribune

Events

The Dakota County CDA will be participating in the following events:

- Get Job’s Job Fair on March 31 in Eagan
- Healthy Active Aging Fair on April 20 in Inver Grove Heights
- Spring Aging and Wellness Expo on April 28 in Burnsville
- Dakota County Heritage Library “Silver Tea” on May 17 in Lakeville

Mark your calendar for the **Senior Spotlight on Hastings** on May 19!

Visit the CDA online at [www.dakotacda.org](http://www.dakotacda.org)
Dakota County's mortgage foreclosures dropped by 18 percent in 2015

By Jane Lightbourn

The number of homes lost to foreclosure in Minnesota is at its lowest level since 2005, according to a recently-released report from the Minnesota Homeownership Center. There is also good news for Dakota County as well.

The report, titled “Foreclosures in Minnesota,” identified a total of 7,212 foreclosures in Minnesota in 2015, a drop of more than 13 percent from 2014. That number was 8,313.

For Dakota County the number of foreclosures in 2015 was reported at 555, an 18-percent decrease from the 680 foreclosures

The report analyzes sheriff’s sale data, the primary means of identifying foreclosures, from all Minnesota counties.

“We’re seeing a combination of events that are having a positive impact on the number of foreclosures,” said Ed Nelson of the Minnesota Homeownership Center. “Foreclosure prevention efforts across the state, combined with improvements in how banks and servicers deal with struggling homeowners and slow improvements in the overall economy are allowing more homeowners to avoid losing their homes.”

Foreclosures in Minnesota take place at the county level and are regulated for the most part, by state legislation. The foreclosure process can start as early as 30 days after a borrower first misses a mortgage payment. Once the mortgage is in delinquency, the lender empowers an attorney who files notice of pendency (being pending) against the occupant, starting the foreclosure process. Shortly thereafter, the attorney publishes a foreclosure sale in a local newspaper and the county sheriff services the filing to the occupant. At any point before the sheriff’s sale, the property owner can reinstate the mortgage by paying all dues, fees and expenses.

After the notice has been published and served, the sheriff's sale occurs and the sheriff auctions the property off to the highest bidder, resulting in foreclosure of the mortgage.

There is a redemption period of up to six months during which the borrower can redeem the property by paying the amount of sale plus interest, taxes, fees or liens on the property.

There are a number of programs which can help homeowners. The Dakota County Community Development Agency (CDA) free assistance to Dakota County homeowners who may be facing foreclosure or who are already in foreclosure.

Foreclosure Process in Minnesota Homeowners work one-on-one with the CDA’s trained homeownership specialists to assess their situation and determine possible solutions. Homeowners work with the CDA’s homeownership specialists to implement an action plan. This includes an in-depth look at the homeowner’s finances to develop a budget for the future.
The Mortgage Foreclosure Counseling Program provides free counseling assistance to help homeowners who are in or nearing foreclosure with referrals to additional resources and, in some cases, financial assistance. Homeowners work one-on-one with the CDA homeownership specialists to assess the situation and determine possible solutions.

Applicants must be a resident of Dakota County and be committed to solving their financial problems with long-term solutions.

Additional information is available at 651-675-4555, or visit www.dakotacda.org.
Extreme Sandbox founder and CEO Randy Stenger started a business from scratch, took on city zoning ordinances and grew his company to more than $1 million in sales in just three years. But none of that was as exciting as standing across from the Sharks—the investors who evaluated his business model on ABC-TV’s hit show Shark Tank.

“I was jumping up and down!” said Stenger of his appearance on the show, which aired in early January 2016.

Two of the Shark Tank investors were so impressed with the unique angle of Stenger’s business that they agreed to invest a total of $150,000 to expand the business.

At Extreme Sandbox, customers can play on the heavy equipment that you’d see at the average construction site, including bulldozers, excavators and even fire engines. The idea sounds expensive, but Stenger was able to creatively pilot his business plan in 2012 by leasing everything he needed: all of the equipment, a construction trailer and 10 acres of land near Hastings.

Extreme Sandbox quickly outgrew those modest accommodations. Stenger had a vision for a 6,000 sq. ft. office and meeting and event center that could attract larger groups. The problem was, he didn’t know how to finance it and he didn’t have time to figure it out on his own. That’s when the City of Hastings planning and economic development department recommended he contact Open to Business.

“The first time I met with Randy, he was extremely busy with the business and had the idea, but just didn’t quite have the time and motivation to move forward,” said Open to Business Advisor Laurie Crow. “He came to me to help light a fire under him.”

Crow and Stenger worked together to develop a financing plan to purchase the land he was already operating on and to build the new facility. After being turned down by several banks, Merchants Bank agreed to a $500,000 loan. At the last minute, however, the appraisal came back $30,000 short of the cost to build. Open to Business’s parent organization, the Metropolitan Consortium of Community Developers (MCCD), was able to step in and provide a gap loan to complete the deal and make Stenger’s vision a reality.

“It was such a rollercoaster of a process,” Stenger said. “Ultimately, Open to Business came in to help.”

Extreme Sandbox’s meeting and event center opened in 2014. Securing the loan to build the new facility gave Extreme Sandbox the ability to host corporate team-building events for up to 100 people as well as providing room to store equipment during the harsh Minnesota winters. Dakota County Commissioner and Community Development Agency (CDA) Board Chair Mike Slavik, who represents the Hastings area, said that Extreme Sandbox’s success is one of the many success stories from the Open to Business program in his county. “This business demonstrates a strong partnership between the CDA, local cities, and MCCD,” he said. “I’m thrilled that Extreme Sandbox has been able to take their concept to the national stage and congratulate Randy and his entire team on their continued growth,” he said.

With the additional investment from the Shark Tank investors, Stenger’s plans to open a second location in Texas this spring are on solid ground. Open to Business’s help with the expansion of the Minnesota location will allow the Extreme Sandbox team to centrally locate business operations and a call center in Minnesota while the business grows across the country. Stenger said that working with Open to Business gave him the practice he needed to take these next steps.

“I think ultimately I’ve learned to be able to tell the story and have a clear vision of where I’m going...You have to be able to visualize the future, tell people what that vision is, and give accurate estimates,” he said. “We have a very unusual concept, but I think I was pretty clear in selling the vision. The bank and everyone was able to take a risk. The funding is out there, and they want to help small businesses.”

To learn more about Extreme Sandbox, visit www.extremesandbox.com.
STARTER HOME FREEZE-OUT

As higher-end market sizzles, first-time buyers face fierce competition.

By JIM BUCHTA • jim.buchta@startribune.com

People who don’t already own a house in the Twin Cities are having a tough time breaking into the market, with the number of listings in the typical entry-level price range falling far short of demand.

Last month, the number of houses priced at less than $250,000 was down about 35 percent compared with a year earlier, the biggest decline of any price range. Houses that most first-time buyers can afford are drawing heavy interest, and are selling quickly.

A house in Brooklyn Park had 36 showings and three offers within 48 hours of hitting the market. A house in Coon Rapids had 21 showings and sold within a day. Another one in the same suburb went on the market at 2 p.m. and by 5 p.m. had multiple offers and sold for more than the asking price. “It’s fierce out there,” said Chris Prescott, a Redfin agent who had one of the listings in Coon Rapids.

Though by nearly every measure the housing market is healthy again, a dearth of entry-level house listings has become the missing link in the housing recovery.

Listings at the upper end of the market are becoming more plentiful, particularly in the $1 million-plus range. But spring sales are suffering from a shortage of starter houses, which people are keeping off the market out of worry that they’ll have trouble finding a place to move if their house sells.

“Sellers are afraid to list without a place to go,” said Susan Melbye, a sales agent with Edina Realty. “The scramble is on to find a place.”

Her clients Bonnie and James Blekestad spent the past several months searching for a north suburban home with three bedrooms on one level for less than $250,000.

It was a nerve-racking experience. Dozens of houses sold before they had a chance to tour them, and many had multiple offers. Only by making an offer within a couple of hours of seeing a house for the first time did they finally prevail in a bidding war.

“We were aggressive,” James Blekestad said.

The imbalance between entry-level buyers and the sellers of homes that are affordable to them is a consequence of both the Great Recession and a convergence of market forces.

Though the number of people who owe more on their mortgage than their house is worth has returned to a near-normal level, nearly a third of Twin Cities homeowners still don’t have enough equity to sell their house and cover the upfront costs on their next one.

According to a report issued last week by Zillow.com, only about 10.5 percent of Minnesota home owners owed more than their house was worth, but 30 percent of all homeowners still don’t have enough equity to make a 20 percent down payment and cover commissions and closing costs.

And because lower-income, first-time homeowners were among those hit hardest by the foreclosure crisis, there’s a disproportionate number of entry-level houses that are still trapped in an equity bubble. At the same time, thousands of houses that investors bought during the foreclosure crisis have become rentals, further reducing the pool of possible listings. Homebuilders have been focused on building upper-bracket houses and have built very few suburban houses that are affordable to working-class families.
“We’re stuck in a kind of equilibrium where no one wants to move because no one wants to be a buyer,” said Skylar Olsen, an economist with Zillow, likening the situation to a game of musical chairs. Prescott, the Redfin broker, said the situation is even more challenging than it might appear. Though houses that are in good condition and priced competitively are selling quickly, that doesn’t mean there’s a buyer for every property.

There’s still a considerable number of properties that are overpriced, in bad condition or unsalable for some other reason. Some have previously been on the market, but get relisted and counted among the new listings that hit the market every month.

The situation is frustrating to both buyers and agents, who say there’s a growing pool of buyers eager to settle down and take advantage of near-record low mortgage rates.

While millennials, people who are now 18 to 34, are marrying and settling down later than their parents, the vast majority value homeownership far more than their parents and grandparents did, according to the latest U.S. Housing Confidence Index from Zillow. It’s a higher percentage than any other generation, suggesting that there’s a huge, untapped pool of would-be buyers who never even call an agent because they go online and are frustrated by the lack of options, said Olsen.

Their motivation is both social and economic. This demographic, likely saddled with student loan debt and still approaching peak earning years, sees homeownership as a smart financial decision. With rents on the rise, house prices below peak and mortgage rates near record lows, the average buyer needs to own a house only 1.9 years to make homeownership a smarter financial decision than renting, said Olsen.

Like many prospective sellers today, the Blekestads were reluctant to list their starter house in Brooklyn Park before they found one they wanted to buy. So when they found the house in Coon Rapids they thought was right for them, they made their offer contingent upon the sale of the house they bought in 2011.

Fortunately, the $175,900 house got 36 showings and three offers within hours of it hitting the market. “We wanted to move and were ready to move,” said James. “So we said, ‘why wait? Let’s just do it.’ ”
Dakota County's mortgage foreclosures dropped by 18 percent in 2015

By Jane Lightbourn

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Rising need spotlights gaps in senior housing market

By: Karlee Weinmann March 9, 2016 7:01 am 0

More Minnesotans are entering their senior years without solid incomes, prompting calls for state officials to rethink policies that limit resources for affordable housing projects targeting that group.

The Minnesota Housing Finance Agency – the conduit for state affordable housing dollars – does not allow senior-only projects to tap into its main financing pool. In part because of a longstanding statute, the agency favors proposals that cater to families and the homeless.

But as the number of older Minnesotans grows, so does the proportion of them at risk of slipping into poverty. The number of homeless seniors has ballooned by 48 percent since 2009, according to a Maxfield Research report released last month.

The demographic shift exposes cracks in a state housing market that lacks affordable options for seniors and makes it difficult for developers to answer rising demand.

“It’s an enormous elderly tsunami that’s coming down the road,” said Greg McClanahan, president of Prior Lake-based affordable senior housing developer EverGreen Real Estate Development Corp. “We have people that are going to need housing that doesn’t exist.”

There is an undeniably robust pipeline of market-rate senior units, but they're often out of reach for elderly people on fixed incomes or with little or no savings. The state has roughly 25,000 affordable units for seniors, but another 150,000 households qualify for those rentals, according to the report from Minneapolis-based Maxfield.
The highest proportion of those ages 65 and older earn between $10,000 and $30,000 per year, the data show. Based on federal standards, they would need to pay $400 or less per month to avoid overspending on rent — well short of rates commonly charged at market-rate complexes.

“There’s a mismatch between the demographics and the housing market,” said Barbara Dacy, executive director of the Washington County Housing and Redevelopment Authority, which has helped build 377 age-restricted affordable units since the 1990s. “That’s the best way to put it.”

A group of more than 150 housing advocates and developers folded new funding for senior housing into a general request for more state housing aid this legislative session. The Homes for All coalition wants lawmakers to inject $130 million into affordable housing, more than the record $100 million approved in 2014.

The group also wants Minnesota Housing to loosen criteria for housing infrastructure bonds to include affordable projects targeting adults ages 55 and older. As it stands, seniors can theoretically live in much of the housing funded by the state, though those projects don’t specifically cater to older residents.

An existing proposal unveiled by Gov. Mark Dayton in January sets aside $90 million for affordable and public housing as part of a $1.4 billion bonding request.

Dayton’s plan reflects an affordable housing shortage reverberating nationwide. With a range of groups in crisis, advocates say it’s tough to start a fresh conversation about seniors’ needs. Nearly a dozen state agencies outlined an ambitious plan earlier this year to end veteran homelessness in 2017 and get homeless families off the street by 2020.

“People don’t often think about seniors as a population that’s experiencing homelessness or is in such dire need for affordable housing,” said Kenza Hadj-Moussa, a spokesperson for the coalition.

Homes for All, which promotes housing access across the board, doesn’t want to bulk up senior housing stock at the expense of units for other populations. Instead, it wants the state to sharpen its focus on senior housing.

The campaign for state funding follows a significant decline in other aid available for senior projects. Congress dramatically scaled down the main program used to support low-income senior units, and proposed cuts to voucher programs — namely Section 8 — that help offset rent expenses.

Developers have gotten creative to compensate for the lack of government support. To supplement city and county subsidies, they plug gaps using creative financing models that work around restrictions.

Minnesota’s housing dynamics make it difficult for developers to plan financially feasible projects despite rising demand in the marketplace and general community support.

Mission-driven developers, including faith-based nonprofits, supplement their project budgets with philanthropic dollars. Other developers rely primarily on a sophisticated patchwork that combines available tax credits with other funding.

“There’s a way to do senior affordable housing in Minnesota,” said Ron Mehl, senior developer at Plymouth-based Dominium. “There’s not a lot of people that are doing it, but there’s definitely the tools there to do it. It is a little more complicated.”

Minnesota Housing this spring will start looking at ways to ease that burden.
A pilot program that aims to fund a single 60- to 100-unit project is expected to draw plenty of proposals from cash-strapped affordable housing developers. The agency will draw on those project pitches to gauge needs and identify gaps in the senior housing market.

To date, Minnesota Housing has focused in large part on low-income senior homeowners. Last year, about one-third of the $4.6 million available in a home-improvement loan program went toward health-and safety-oriented upgrades that kept low-income seniors from having to move.

While the agency concedes the number of seniors in need of housing is growing, it pointed to census figures that show people between the ages of 65 and 74 are the least likely to move out of their homes. In addition, the numbers show most lower-income seniors are homeowners.

“We've had this aging-in-place strategy but know there's a wave coming, so we're being thoughtful about what is our next step as Minnesota Housing moves into financing, potentially, senior-only buildings,” said Ryan Baumtrog, the agency’s assistant commissioner for policy and community development.

Still, senior housing is far from the only pressure point in the marketplace – especially as federal aid dries up. A more racially and ethnically diverse population exposes an urgent need for affordable housing that can accommodate large families, for example.

Even without senior housing in the mix, requests for tax credits distributed annually by Minnesota Housing far outmatch the resources available. The agency last year doled out $92.4 million, and in keeping with past years, that pool was about three times oversubscribed.

“Senior housing is obviously getting a lot of attention, and rightfully so,” Baumtrog said. “But I don't want to lose sight of the other needs and populations.”

Freeing up financing for senior projects without adding to the Minnesota Housing coffers could choke out other in-demand housing types.

Dominium’s Mehl said that cities and neighborhoods tend to be friendlier to senior housing compared with other affordable housing proposals. That, combined with heightened demand, means developers would likely flock to senior projects.

“If you open the floodgates to that, you're going to see a lot more senior housing,” Mehl said. “I have a feeling that you might have more senior housing than general occupancy, which would not be good either.”

Housing issues have picked up significant bipartisan support at the Legislature in recent years. But while there's a budding consensus that Minnesota’s affordable housing stock could use a boost, lawmakers’ competing bonding interests and a clamor for spending cuts could cloud the conversation this session.

“The bill itself and what it’s going toward isn't controversial at all,” Hadj-Moussa said. “But everything is in the context of how big the bonding portion is going to be.”
Suburbs brace for wave of older adults who want to age in their homes

Baby boomers want to age in their own homes, but most suburbs weren't built with older adults in mind.

By Emma Nelson Star Tribune

Bob and Elaine Ambrose didn’t plan to stay in their house forever.

They bought their Wayzata walkout in 1984, when they were both working and their sons were still young. Over time, additions and fixes have made the house their own, and now they want to live there as long as possible.

Bob Ambrose, 69, watched his parents move to care facilities as their needs grew. He doesn’t want that for himself, although he knows that staying in a house is not always realistic.

“Ideally, we would be living those golden years and then just fall over dead someday,” he said. “The way that my parents have ended up is not at all attractive.”

The Ambroses are at the leading edge of a wave of aging baby boomers who are opting to stay in their own homes — a wave that will only grow in coming decades. Already, communities nationwide are scrambling to provide housing, transportation and care services.

The challenge is especially acute in the suburbs, which are expected to age faster than cities and weren’t built with older adults in mind. Many are spread out and accessible only by car, isolating older adults who may be unable to drive to the grocery store or navigate a large, multistory house but also don’t want to leave their community.

“In suburbia, you have one type of housing. You have one way of getting around,” said Kathryn Lawler, aging and health resources manager at the Atlanta Regional Commission. “And that was eventually going to become a problem.”

In the Twin Cities, the most pronounced demographic shifts over the next 30 years are expected to occur in the region’s five all-suburban counties. According to the Minnesota state demographer, all five will see
their 65-plus populations more than double in that time. The most severe changes are expected in the southwest metro. Scott County, which now has the lowest percentage of adults ages 65-plus in the state, could see that population more than quadruple by 2045.

And it’s likely those people will want to stay where they are. A 2010 AARP survey of 1,616 adults ages 45 and older found that nearly three-quarters of respondents wanted to stay in their homes, and two-thirds wanted to stay in the community. About a quarter of respondents said they couldn’t afford to move.

Some cities and counties are building more senior housing, giving older residents the option of staying in the community even if they can no longer stay in their homes.

But new housing is likely to be only part of the solution.

“There’s going to be more and more voices, aging boomers that are going to start demanding services and a higher level of accommodation,” said Jess Luce, program manager for Dakota County’s Communities for a Lifetime. “And they’re going to fully realize that some of their suburban communities aren’t fully prepared to meet their needs.”

Demanding accessibility

Aging in place isn’t a new idea, Lawler said. What’s different now is how long people are living.

With longer life spans come greater care needs — and people who want to age in place may find their communities don’t have options for the long-term.

In its early days, Eagan was zoned for multifamily housing. But in the 1980s, the City Council swung the other way, changing the zoning code to make way for more single-family homes.

“We went from one extreme to the other, so that almost everything that occurred for a long period of time was catered toward McMansions,” said Dakota County Commissioner Tom Egan, who represents the area. Now, he said, people who want to downsize don’t have many options.

The picture is similar in Carver County, where the 65-plus population in 2045 is expected to be more than four times what it was in 2015. Already, older adults have started moving away to find accessible housing, said public health program specialist Jennifer Anderson.

Watertown, on the county’s western edge, has lost so many older residents that the local pharmacist has noticed a decline in business, she said. In Victoria, residents have banded together to ask for more diversity in new housing.
But new building alone isn’t going to meet baby boomers’ housing needs, said Alissa Boroff, director at Access Solutions, which designs home remodels for accessibility. Existing houses will need to be updated, too.

And even when those changes are made, Boroff said, a steep driveway or a street without sidewalks can make it tough for someone to age in their home.

Jack Kennelly, 65, retired two years ago and bought a condo in Mendota Heights. Though he’s still working part-time and regularly hitting a Minneapolis boxing gym, he chose a first-floor unit to avoid stairs that might be an obstacle later in life.

His building is just off the highway, and minutes from Minneapolis and St. Paul by car. But without much transit nearby, he doesn’t know what will happen when he stops driving.

“I don’t view that as a problem yet,” he said, “but that’s, maybe five years from now, something I need to be looking at.”

Without a connection to the surrounding community, aging in place might do more harm than good. A 2004 study from the Surface Transportation Policy Project found that people over 65 who don’t drive make fewer trips to the doctor, shop or eat out less and don’t see their family and friends as often as drivers of the same age.

“Every senior says, ‘I want to live in my home for as long as possible,’ ” said Michael Klatt, president and CEO of the Lutheran Home Association in Belle Plaine. “But you reach this … tipping point that says, is that in your best interest? Are you so isolated that it’s not even healthy anymore?”

Preparing for the future

Nearly 20 years ago, Debbie Beck and her husband sold their house in Woodbury and bought a single-level condo in Eagan. But two years later, he died and she had a massive stroke. She started using a walker to get around, and found it increasingly difficult to keep up with household tasks.

Then she heard about DARTS, a local nonprofit that provides social work and volunteer services to help people stay in their homes. They sent people to help with grocery shopping and cleaning. After Beck, 62, had a second stroke that left her in a wheelchair, a DARTS employee came to widen doorways and fix things around the house.

“It’s made it really possible to live in this home,” she said.
Local groups, from nonprofits to informal neighborhood coalitions, are shouldering much of the work of helping older adults stay in their homes. DARTS, which serves people across Dakota County, is expecting its client base to double within the next five years and may experiment with video technology to deliver services.

Meanwhile, cities and counties are gradually making their communities more age-friendly. SmartLink Transit has provided door-to-door ride service in Scott and Carver counties for years. Dakota County is implementing a program to assess the “age-friendliness” of its major cities. Carver County is in the early stages of improving accessibility for people with Alzheimer’s disease.

And last month, Eagan kicked off its new “Eagan Forward” initiative — a set of long-term goals that includes preparing for the city’s aging population — with a community procession and fireworks display.

“When did we know people would be turning 80? Well, probably about 50 years ago,” said Jean Wood, Minnesota Board on Aging executive director. “But I think that lots of communities and providers have started recognizing it.”
Memo

To: Tony Schertler, Board of Commissioners
From: Ken Bauer and Chris Meyer
Date: March 11, 2016
Re: CDA Budgetary Reports – December 31, 2015

Introduction

This memorandum is intended to accompany the CDA’s budgetary reports for the six months ended December 31, 2015. These reports provide budget to actual comparisons for the overall budget and each individual fund.

Note: The accompanying budgetary reports are prepared using the modified accrual basis of accounting. This is the same basis of accounting used in the external reporting for Governmental Funds (General Fund, HOPE, Senior Levy, Tax Increment and HIA Loan funds). Business-type funds (Common Bond, Housing Assistance, Public Housing, Youth Housing and Workforce Housing funds) use the accrual basis of accounting for external reporting therefore the accompanying financial reports are not prepared in accordance with generally accepted accounting principles.

Review of Budgetary Reports – December 31, 2015

At December 31, 2015, the CDA had $29.3 million in revenue versus the budget projection of $52.1 million. Actual results appear to be exceeding budget projections although this is largely a result of certain revenue sources being front-ended during the first six months of the year. An analysis by major revenue source provides the following:

- Intergovernmental (grants) – the CDA had $9.3 million in revenue versus the budget projection of $18.8 million. Approximately 95% of this relates to the Housing Assistance Fund (HUD-funded Vouchers). HUD revenue appears to be tracking closely to budget projections for the first six months of the year. The Voucher program is funded on a calendar year basis and with the absorption of the South St. Paul HRA Voucher program on January 1, 2016, we anticipate an increase in HUD funding for the second half of the year.

- Rental – the CDA had $8.4 million in rental revenue versus the budget projection of $16.9 million. Approximately 76% of this rental revenue relates to senior housing developments operated in the Common Bond Fund. Overall, rents appear to be tracking in line with budget forecasts.
• Taxes and tax increment – the CDA had $7.8 million of revenue versus the budget of $8.3 million. Taxes and tax increment are principally received and recorded in the first six months of the fiscal year. We will receive some additional revenues in the second half of the year and we should come close to our budget projections.

• Fee income – the CDA had $1.7 million of revenue versus the budget of $4.5 million. Some of this fee income represents one-time or irregularly occurring payments such as incentive management fees and developer fees from the partnerships. It is expected that most of these payments will occur in the second half of the year and that we should meet our budget projections.

• Among the remaining revenue sources, the CDA had $2.1 million in loan repayments, special assessments, interest and other sources versus the budget of $3.6 million. The CDA is on track to meet the budget projections in these line items.

At December 31, 2015, the CDA had $21.2 million in expenditures versus the budget projection of $56.3 million. Actual results appear to be below budget projections at this time due, in part, to the timing of expenditures and also because there will be some items that will either not be spent by year end or will need to be carried forward to next year which is not unusual. An analysis by major expenditure category provides the following:

• Routine operating expenditures (administrative, tenant services, utilities, ordinary maintenance and general) – the CDA had $6.8 in actual expenditures versus the budget projection of $17.5 million. While these expenditures are often higher in the second half of the year, there should be more than adequate budget authority remaining.

• Housing assistance payments – the CDA had $7.9 million in actual expenditures versus the budget of $16.2 million. Actual expenditures also appear to be tracking closely to budget projections for the first six months of the year. We will be increasing our Voucher leasing during the remaining six months due to the South St. Paul HRA absorption.

• Loans – the CDA had $0.9 million in actual expenditures versus the budget projection of $4.0 million. Of the remaining $3.1 million of budget authority, $1.2 million relates to the General Fund, $1.8 million relates to the HOPE Fund and $0.1 million relates to the Tax Increment Fund. These variances primarily relate to financing that has not yet occurred for the Keystone Crossing limited partnership, Artspace Hastings lofts and homeowner/single family rehab loans. It is anticipated that most of these funds will be spent over the next six months or carried forward to next year.

• Acquisitions & Development – the CDA had $2.3 million in actual expenditures versus a budget projection of $4.1 million. Of the remaining $1.8 million in budget authority, $1.7 million relates to the Tax Increment Fund and $0.1 million relates to the Senior Levy Fund. The variance in the Tax Increment Fund is comprised of $0.5 million for acquisitions along Concord, $0.4 million for Chasewood townhomes exterior
renovation and $0.8 million for various other items including South Robert Street redevelopment, Lakeville downtown signage and various Public Housing improvements. The variance in the Senior Levy Fund relates to the acquisition of a potential senior site. Similar to loans, it is anticipated that most of these funds will be spent over the next six months or carried forward to next year.

- Redevelopment grants – the CDA had $0.5 million in actual expenditures versus a budget projection of $2.8 million which included carryovers from prior years. It is anticipated that these funds will be fully committed by year end and any unspent amounts will need to be carried forward to the next year. There is often a time lag between committing and expending these funds.

- Debt service expenditures– the CDA had $1.8 million in actual expenditures versus a budget projection of $5.7 million. Most of these expenditures relate to debt service on the Common Bond Fund senior housing development bonds. The remaining budget authority should be adequate for the next six months.

- Among the remaining expenditure categories, the CDA had $1.0 million in actual expenditures in extraordinary maintenance, single family homebuyer, economic development, other, casualty losses and capital expenditures versus a budget projection of $6.0 million. There should be enough budget authority remaining for the next six months.

In summary, actual revenues appear to be on track to meet budget expectations although it is difficult to know with certainty what intergovernmental revenues (grants) will be for the remainder of the year until we receive our calendar year 2016 Voucher funding amount from HUD. As for expenditures, there will likely be some categories that are not fully spent by year end or amounts that will need to be carried forward to next year. The current budget anticipates a draw on fund balances of about $4.3 million with $3.3 million of this being due to acquisitions and development expenditures in the Tax Increment Fund. At mid-year, we still have a lot of this Tax Increment money left to spend over the next six months. Overall, it looks like the anticipated draw down will be less than was forecast and perhaps substantially less if some of the items previously noted do not occur over the next six months or are carried over to next year’s budget.
## OPERATING BUDGET
FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
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<td>18,793,030</td>
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<td>(9,482,072)</td>
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<td>Rental</td>
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<td>16,905,397</td>
<td>8,378,439</td>
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<tr>
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<td>6,829,714</td>
<td>6,382,865</td>
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<tr>
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<td>1,434,904</td>
<td>1,434,904</td>
<td>1,417,273</td>
<td>(17,631)</td>
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<td>Special Assessments</td>
<td>-</td>
<td>-</td>
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<td>24,526</td>
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<tr>
<td>Fee income</td>
<td>4,503,368</td>
<td>4,503,368</td>
<td>1,717,920</td>
<td>(2,785,448)</td>
</tr>
<tr>
<td>Other</td>
<td>1,241,051</td>
<td>1,241,051</td>
<td>495,371</td>
<td>(745,680)</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>1,823,226</td>
<td>1,823,226</td>
<td>1,195,851</td>
<td>(627,375)</td>
</tr>
<tr>
<td>Interest</td>
<td>533,854</td>
<td>533,854</td>
<td>410,000</td>
<td>(123,854)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>52,064,544</td>
<td>52,064,544</td>
<td>29,333,203</td>
<td>(22,731,341)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>7,942,431</td>
<td>7,960,431</td>
<td>3,164,334</td>
<td>4,796,097</td>
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<tr>
<td>Tenant services</td>
<td>134,669</td>
<td>134,669</td>
<td>62,368</td>
<td>72,301</td>
</tr>
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<td>Utilities</td>
<td>1,769,031</td>
<td>1,769,031</td>
<td>600,801</td>
<td>1,168,230</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>5,756,414</td>
<td>5,750,274</td>
<td>2,293,647</td>
<td>3,456,627</td>
</tr>
<tr>
<td>General</td>
<td>1,883,140</td>
<td>1,883,140</td>
<td>791,244</td>
<td>1,091,896</td>
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<td>Extraordinary maintenance</td>
<td>1,806,708</td>
<td>1,858,848</td>
<td>153,991</td>
<td>1,704,857</td>
</tr>
<tr>
<td>Housing assistance payments</td>
<td>16,249,226</td>
<td>16,249,226</td>
<td>7,904,883</td>
<td>8,344,343</td>
</tr>
<tr>
<td>Loans</td>
<td>3,205,443</td>
<td>3,955,443</td>
<td>855,385</td>
<td>3,100,058</td>
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<tr>
<td>Acquisitions and development</td>
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<td>4,145,714</td>
<td>2,308,630</td>
<td>1,837,084</td>
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<tr>
<td>Redevelopment grants</td>
<td>2,834,880</td>
<td>2,834,880</td>
<td>502,653</td>
<td>2,332,227</td>
</tr>
<tr>
<td>Single family homebuyer</td>
<td>652,325</td>
<td>652,325</td>
<td>299,502</td>
<td>352,823</td>
</tr>
<tr>
<td>Economic development</td>
<td>339,050</td>
<td>339,050</td>
<td>49,200</td>
<td>289,850</td>
</tr>
<tr>
<td>Other</td>
<td>672,173</td>
<td>672,173</td>
<td>215,317</td>
<td>456,856</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>47,391,204</td>
<td>48,205,204</td>
<td>19,201,955</td>
<td>29,003,249</td>
</tr>
<tr>
<td>Debt service expenditures</td>
<td>5,691,780</td>
<td>5,691,780</td>
<td>1,773,811</td>
<td>3,917,969</td>
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<tr>
<td>Casualty losses</td>
<td>-</td>
<td>-</td>
<td>28,272</td>
<td>(28,272)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>2,480,026</td>
<td>2,434,026</td>
<td>240,421</td>
<td>2,193,605</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>55,563,010</td>
<td>56,331,010</td>
<td>21,244,459</td>
<td>35,086,551</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>(3,498,466)</td>
<td>(4,266,466)</td>
<td>8,088,744</td>
<td>12,355,210</td>
</tr>
<tr>
<td><strong>TRANSFERS IN (OUT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>(3,498,466)</td>
<td>(4,266,466)</td>
<td>8,088,744</td>
<td>12,355,210</td>
</tr>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
<td>93,538,236</td>
<td>93,538,236</td>
<td>93,538,236</td>
<td>-</td>
</tr>
<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>$ 90,039,770</td>
<td>$ 89,271,770</td>
<td>$ 101,626,980</td>
<td>$ 12,355,210</td>
</tr>
</tbody>
</table>
**GENERAL FUND**  
**FOR YEAR ENDED JUNE 30, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$247,325</td>
<td>$247,325</td>
<td>$75,590</td>
<td>$(171,735)</td>
</tr>
<tr>
<td>Interest</td>
<td>500,315</td>
<td>500,315</td>
<td>388,147</td>
<td>$(112,168)</td>
</tr>
<tr>
<td>Fee income</td>
<td>3,479,909</td>
<td>3,479,909</td>
<td>1,201,035</td>
<td>$(2,278,874)</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>1,709,700</td>
<td>1,709,700</td>
<td>1,140,348</td>
<td>$(569,352)</td>
</tr>
<tr>
<td>Other</td>
<td>240,790</td>
<td>240,790</td>
<td>52,058</td>
<td>$(188,732)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$6,178,039</td>
<td>$6,178,039</td>
<td>2,857,178</td>
<td>$(3,320,861)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>2,205,858</td>
<td>2,220,858</td>
<td>703,615</td>
<td>1,517,243</td>
</tr>
<tr>
<td>Ordinary maintenance/utilities</td>
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<td>66,391</td>
<td>12,925</td>
<td>53,466</td>
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<tr>
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<td>1,892,749</td>
<td>1,892,749</td>
<td>624,199</td>
<td>1,268,550</td>
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<tr>
<td>Acquisitions and development</td>
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<td>152,724</td>
<td>129,443</td>
<td>23,281</td>
</tr>
<tr>
<td>Redevelopment grants</td>
<td>2,834,880</td>
<td>2,834,880</td>
<td>502,653</td>
<td>2,332,227</td>
</tr>
<tr>
<td>Single-family homebuyer</td>
<td>652,325</td>
<td>652,325</td>
<td>299,502</td>
<td>352,823</td>
</tr>
<tr>
<td>Economic development</td>
<td>339,050</td>
<td>339,050</td>
<td>49,200</td>
<td>289,850</td>
</tr>
<tr>
<td>Other</td>
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<td>205,173</td>
<td>14,722</td>
<td>190,451</td>
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<td>Capital expenditures</td>
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<td>76,200</td>
<td>17,832</td>
<td>58,368</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
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<td>8,440,350</td>
<td>2,354,091</td>
<td>6,086,259</td>
</tr>
</tbody>
</table>

Increase (decrease) in fund balance before transfers  
(2,247,311)  
(2,262,311)  
503,087  
2,765,398

**TRANSFERS IN (OUT)**  
4,500,000  
4,500,000  
-  
(4,500,000)

Increase (decrease) in fund balance  
2,252,689  
2,237,689  
503,087  
(1,734,602)

**BEGINNING FUND BALANCE**  
62,915,621  
62,915,621  
62,915,621  
-  

**ENDING FUND BALANCE**  
$65,168,310  
$65,153,310  
$63,418,708  
$(1,734,602)
## HOPE FUND
### FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,081,558</td>
<td>$1,081,558</td>
<td>$1,010,292</td>
<td>(71,266)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>2,025</td>
<td>2,025</td>
</tr>
<tr>
<td>Interest</td>
<td>2,000</td>
<td>2,000</td>
<td>948</td>
<td>(1,052)</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>75,000</td>
<td>75,000</td>
<td>36,240</td>
<td>(38,760)</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>1,158,558</td>
<td>1,158,558</td>
<td>1,049,505</td>
<td>(109,053)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>116,757</td>
<td>116,757</td>
<td>47,358</td>
<td>69,399</td>
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<td>Loans</td>
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<td>1,962,168</td>
<td>187,896</td>
<td>1,774,272</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
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<td>2,078,925</td>
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<td>1,843,671</td>
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<td>fund balance before</td>
<td>(170,367)</td>
<td>(920,367)</td>
<td>814,251</td>
<td>1,734,618</td>
</tr>
<tr>
<td>transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TRANSFERS IN (OUT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
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<tr>
<td>Increase (decrease) in</td>
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<tr>
<td>fund balance</td>
<td>(170,367)</td>
<td>(920,367)</td>
<td>814,251</td>
<td>1,734,618</td>
</tr>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
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<td><strong>ENDING FUND BALANCE</strong></td>
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<td>$2,499,609</td>
<td>$4,234,227</td>
<td>$1,734,618</td>
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</tbody>
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* Fund balance restricted for the HOPE program
### SENIOR LEVY FUND
#### FOR YEAR ENDED JUNE 30, 2016

**REVENUE**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td>$5,748,156</td>
<td>$5,748,156</td>
<td>$5,372,573</td>
<td>$(375,583)</td>
</tr>
<tr>
<td><strong>Intergovernmental</strong></td>
<td>-</td>
<td>-</td>
<td>10,765</td>
<td>10,765</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>1,300</td>
<td>1,300</td>
<td>606</td>
<td>(694)</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>5,749,456</td>
<td>5,749,456</td>
<td>5,383,944</td>
<td>$(365,512)</td>
</tr>
</tbody>
</table>

**EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative</strong></td>
<td>75,966</td>
<td>75,966</td>
<td>19,136</td>
<td>56,830</td>
</tr>
<tr>
<td><strong>Acquisitions and development</strong></td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>125,966</td>
<td>125,966</td>
<td>19,136</td>
<td>106,830</td>
</tr>
</tbody>
</table>

Increase (decrease) in fund balance before transfers: 5,623,490 $\rightarrow$ 5,623,490 $\rightarrow$ 5,364,808 $\rightarrow$ $(258,682)$

**TRANSFER IN (OUT)**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(5,748,156)</strong></td>
<td><strong>(5,748,156)</strong></td>
<td><strong>(2,872,049)</strong></td>
<td><strong>2,876,107</strong></td>
<td></td>
</tr>
</tbody>
</table>

Increase (decrease) in fund balance: $(124,666)$ $\rightarrow$ $(124,666)$ $\rightarrow$ 2,492,759 $\rightarrow$ 2,617,425

**BEGINNING FUND BALANCE**

|                      | 1,825,002       | 1,825,002    | 1,825,002       | -                          |

**ENDING FUND BALANCE**

|                      | $1,701,236      | $1,701,236   | $4,318,661      | $2,617,425                 |

* Fund balance designated towards senior housing and housing assistance payments programs
## TAX INCREMENT FUND
### FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax increment</td>
<td>$ 1,434,904</td>
<td>$ 1,434,904</td>
<td>$ 1,417,273</td>
<td>$(17,631)</td>
</tr>
<tr>
<td>Interest</td>
<td>11,804</td>
<td>11,804</td>
<td>4,545</td>
<td>$(7,259)</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>38,526</td>
<td>38,526</td>
<td>19,263</td>
<td>$(19,263)</td>
</tr>
<tr>
<td></td>
<td><strong>1,485,234</strong></td>
<td><strong>1,485,234</strong></td>
<td><strong>1,441,081</strong></td>
<td><strong>(44,153)</strong></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>225,027</td>
<td>225,027</td>
<td>17,288</td>
<td>207,739</td>
</tr>
<tr>
<td>Loans</td>
<td>100,526</td>
<td>100,526</td>
<td>43,290</td>
<td>57,236</td>
</tr>
<tr>
<td>Acquisitions and development</td>
<td>3,942,990</td>
<td>3,942,990</td>
<td>2,179,187</td>
<td>1,763,803</td>
</tr>
<tr>
<td>Other</td>
<td>467,000</td>
<td>467,000</td>
<td>200,595</td>
<td>266,405</td>
</tr>
<tr>
<td></td>
<td><strong>4,735,543</strong></td>
<td><strong>4,735,543</strong></td>
<td><strong>2,440,360</strong></td>
<td><strong>2,295,183</strong></td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td><strong>(3,250,309)</strong></td>
<td><strong>(3,250,309)</strong></td>
<td><strong>(999,279)</strong></td>
<td><strong>2,251,030</strong></td>
</tr>
<tr>
<td>TRANSFERS IN (OUT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td><strong>(3,250,309)</strong></td>
<td><strong>(3,250,309)</strong></td>
<td><strong>(999,279)</strong></td>
<td><strong>2,251,030</strong></td>
</tr>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>7,010,824</td>
<td>7,010,824</td>
<td>7,010,824</td>
<td>-</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td><strong>$ 3,760,515</strong></td>
<td><strong>$ 3,760,515</strong></td>
<td><strong>$ 6,011,545</strong></td>
<td><strong>$ 2,251,030</strong></td>
</tr>
</tbody>
</table>

* Fund balance restricted by TIF district for TIF-eligible expenditures
# HIA Loan Fund
## For Year Ended June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Assessments</td>
<td>$</td>
<td>- $</td>
<td>$24,526</td>
<td>$24,526</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>24,209</td>
<td>(24,209)</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>-</td>
<td>-</td>
<td>317</td>
<td>317</td>
</tr>
<tr>
<td><strong>Transfers In (Out)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>-</td>
<td>-</td>
<td>317</td>
<td>317</td>
</tr>
<tr>
<td><strong>Beginning Fund Balance</strong></td>
<td>(593,287)</td>
<td>(593,287)</td>
<td>(593,287)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td>$ (593,287)</td>
<td>$ (593,287)</td>
<td>$ (592,970)</td>
<td>$ 317</td>
</tr>
</tbody>
</table>

* Fund balance restricted for HIA expenditures
## COMMON BOND FUND
### FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$13,002,582</td>
<td>$13,002,582</td>
<td>$6,408,592</td>
<td>($6,593,990)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>495,242</td>
<td>495,242</td>
<td>230,783</td>
<td>(264,459)</td>
</tr>
<tr>
<td>Interest</td>
<td>11,500</td>
<td>11,500</td>
<td>12,330</td>
<td>830</td>
</tr>
<tr>
<td>Fee income</td>
<td>695,875</td>
<td>695,875</td>
<td>336,014</td>
<td>(359,861)</td>
</tr>
<tr>
<td>Other</td>
<td>20,120</td>
<td>20,120</td>
<td>6,615</td>
<td>(13,505)</td>
</tr>
<tr>
<td></td>
<td>14,225,319</td>
<td>14,225,319</td>
<td>6,994,334</td>
<td>(7,230,985)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>2,060,036</td>
<td>2,062,036</td>
<td>901,136</td>
<td>1,160,900</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,356,314</td>
<td>1,356,314</td>
<td>436,146</td>
<td>920,168</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>3,700,574</td>
<td>3,694,434</td>
<td>1,454,157</td>
<td>2,240,277</td>
</tr>
<tr>
<td>General</td>
<td>1,165,909</td>
<td>1,165,909</td>
<td>515,679</td>
<td>650,230</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>1,568,793</td>
<td>1,620,933</td>
<td>113,255</td>
<td>1,507,678</td>
</tr>
<tr>
<td></td>
<td>9,851,626</td>
<td>9,899,626</td>
<td>3,420,373</td>
<td>6,479,253</td>
</tr>
<tr>
<td>Debt service (paid to Trust)</td>
<td>5,396,491</td>
<td>5,396,491</td>
<td>1,635,703</td>
<td>3,760,788</td>
</tr>
<tr>
<td>Casualty losses</td>
<td>-</td>
<td>-</td>
<td>13,352</td>
<td>(13,352)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>1,036,600</td>
<td>990,600</td>
<td>122,905</td>
<td>867,695</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>16,284,717</td>
<td>16,286,717</td>
<td>5,192,333</td>
<td>11,094,384</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>(2,059,398)</td>
<td>(2,061,398)</td>
<td>1,802,001</td>
<td>3,863,399</td>
</tr>
<tr>
<td>TRANSFERS IN (OUT)</td>
<td>1,100,000</td>
<td>1,100,000</td>
<td>2,800,000</td>
<td>1,700,000</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>(959,398)</td>
<td>(961,398)</td>
<td>4,602,001</td>
<td>5,563,399</td>
</tr>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>12,700,687</td>
<td>12,700,687</td>
<td>12,700,687</td>
<td>-</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td>$11,741,289</td>
<td>$11,739,289</td>
<td>$17,302,688</td>
<td>$5,563,399</td>
</tr>
</tbody>
</table>

* Fund balance restricted by bond indenture (includes operating & repair and replacement reserves)
HOUSING ASSISTANCE FUND
FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$17,705,496</td>
<td>$17,705,496</td>
<td>$8,835,052</td>
<td>$(8,870,444)</td>
</tr>
<tr>
<td>Interest</td>
<td>500</td>
<td>500</td>
<td>295</td>
<td>(205)</td>
</tr>
<tr>
<td>Fee income</td>
<td>215,005</td>
<td>215,005</td>
<td>111,076</td>
<td>(103,929)</td>
</tr>
<tr>
<td>Other</td>
<td>162,464</td>
<td>162,464</td>
<td>61,162</td>
<td>(101,302)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>18,083,465</strong></td>
<td><strong>18,083,465</strong></td>
<td><strong>9,007,585</strong></td>
<td><strong>(9,075,880)</strong></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>1,957,726</td>
<td>1,957,726</td>
<td>896,933</td>
<td>1,060,793</td>
</tr>
<tr>
<td>Tenant services</td>
<td>24,669</td>
<td>24,669</td>
<td>7,368</td>
<td>17,301</td>
</tr>
<tr>
<td>Housing assistance payments</td>
<td>16,249,226</td>
<td>16,249,226</td>
<td>7,904,883</td>
<td>8,344,343</td>
</tr>
<tr>
<td></td>
<td><strong>18,231,621</strong></td>
<td><strong>18,231,621</strong></td>
<td><strong>8,809,184</strong></td>
<td><strong>9,422,437</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td></td>
<td>6,250</td>
<td>6,250</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures</td>
<td><strong>18,237,871</strong></td>
<td><strong>18,237,871</strong></td>
<td><strong>8,815,434</strong></td>
<td><strong>9,422,437</strong></td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>(154,406)</td>
<td>(154,406)</td>
<td>192,151</td>
<td>346,557</td>
</tr>
<tr>
<td>TRANSFERS IN (OUT)</td>
<td>148,156</td>
<td>148,156</td>
<td>72,049</td>
<td>(76,107)</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>(6,250)</td>
<td>(6,250)</td>
<td>264,200</td>
<td>270,450</td>
</tr>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>1,542,325</td>
<td>1,542,325</td>
<td>1,542,325</td>
<td>-</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td><strong>$1,536,075</strong></td>
<td><strong>$1,536,075</strong></td>
<td><strong>$1,806,525</strong></td>
<td><strong>$270,450</strong></td>
</tr>
</tbody>
</table>

* Fund balance restricted for the HUD-funded Voucher program
# Public Housing Fund
## For Year Ended June 30, 2016

### Revenue

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>$1,843,147</td>
<td>$1,843,147</td>
<td>$961,327</td>
<td>$(881,820)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>194,967</td>
<td>194,967</td>
<td>80,784</td>
<td>(114,183)</td>
</tr>
<tr>
<td>Interest</td>
<td>2,000</td>
<td>2,000</td>
<td>1,868</td>
<td>(132)</td>
</tr>
<tr>
<td>Fee income</td>
<td>52,179</td>
<td>52,179</td>
<td>29,840</td>
<td>(22,339)</td>
</tr>
<tr>
<td>Other</td>
<td>5,100</td>
<td>5,100</td>
<td>12,714</td>
<td>7,614</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,097,393</strong></td>
<td><strong>2,097,393</strong></td>
<td><strong>1,086,533</strong></td>
<td><strong>(1,010,860)</strong></td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>420,114</td>
<td>421,114</td>
<td>175,602</td>
<td>245,512</td>
</tr>
<tr>
<td>Tenant services</td>
<td>10,000</td>
<td>10,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>178,769</td>
<td>178,769</td>
<td>69,104</td>
<td>109,665</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>1,078,177</td>
<td>1,078,177</td>
<td>380,617</td>
<td>697,560</td>
</tr>
<tr>
<td>General</td>
<td>271,485</td>
<td>271,485</td>
<td>135,011</td>
<td>136,474</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>15,000</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,973,545</strong></td>
<td><strong>1,974,545</strong></td>
<td><strong>765,334</strong></td>
<td><strong>1,209,211</strong></td>
</tr>
</tbody>
</table>

### Casualty Losses

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Casualty Losses</td>
<td>-</td>
<td>-</td>
<td>14,920</td>
<td>(14,920)</td>
</tr>
</tbody>
</table>

### Capital Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>83,426</td>
<td>83,426</td>
<td>-</td>
<td>83,426</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83,426</strong></td>
<td><strong>83,426</strong></td>
<td><strong>-</strong></td>
<td><strong>83,426</strong></td>
</tr>
</tbody>
</table>

### Total Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,056,971</strong></td>
<td><strong>2,057,971</strong></td>
<td><strong>780,254</strong></td>
<td><strong>1,277,717</strong></td>
</tr>
</tbody>
</table>

### Increase (Decrease) in Fund Balance Before Transfers

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>40,422</td>
<td>39,422</td>
<td>306,279</td>
<td>266,857</td>
</tr>
</tbody>
</table>

### Transfers In (Out)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In (Out)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Increase (Decrease) in Fund Balance

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>40,422</td>
<td>39,422</td>
<td>306,279</td>
<td>266,857</td>
</tr>
</tbody>
</table>

### Beginning Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance</td>
<td>2,367,792</td>
<td>2,367,792</td>
<td>2,367,792</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,367,792</strong></td>
<td><strong>2,367,792</strong></td>
<td><strong>2,367,792</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

### Ending Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending Fund Balance</td>
<td>$2,408,214</td>
<td>$2,407,214</td>
<td>$2,674,071</td>
<td>$266,857</td>
</tr>
</tbody>
</table>

* Fund balance restricted for the HUD-funded Public Housing program
## WORKFORCE HOUSING
### FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$1,927,917</td>
<td>$1,927,917</td>
<td>$939,431</td>
<td>$(988,486)</td>
</tr>
<tr>
<td>Interest</td>
<td>435</td>
<td>435</td>
<td>221</td>
<td>(214)</td>
</tr>
<tr>
<td>Fee income</td>
<td>55,950</td>
<td>55,950</td>
<td>35,699</td>
<td>(20,251)</td>
</tr>
<tr>
<td>Other</td>
<td>3,500</td>
<td>3,500</td>
<td>6,441</td>
<td>2,941</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,987,802</td>
<td>1,987,802</td>
<td>981,792</td>
<td>(1,006,010)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>313,788</td>
<td>313,788</td>
<td>153,193</td>
<td>160,595</td>
</tr>
<tr>
<td>Utilities</td>
<td>120,421</td>
<td>120,421</td>
<td>56,030</td>
<td>64,391</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>678,563</td>
<td>678,563</td>
<td>345,523</td>
<td>333,040</td>
</tr>
<tr>
<td>General</td>
<td>409,702</td>
<td>409,702</td>
<td>132,201</td>
<td>277,501</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>222,915</td>
<td>222,915</td>
<td>40,736</td>
<td>182,179</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,745,389</td>
<td>1,745,389</td>
<td>727,683</td>
<td>1,017,706</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>1,162,150</td>
<td>1,162,150</td>
<td>54,840</td>
<td>1,107,310</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,202,828</td>
<td>3,202,828</td>
<td>920,631</td>
<td>2,282,197</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>(1,215,026)</td>
<td>(1,215,026)</td>
<td>61,161</td>
<td>1,276,187</td>
</tr>
</tbody>
</table>

**TRANSFERS IN (OUT)**

- - - -

Increase (decrease) in fund balance

(1,215,026) (1,215,026) 61,161 1,276,187

**BEGINNING FUND BALANCE**

1,943,182 1,943,182 1,943,182 -

**ENDING FUND BALANCE**

$728,156 $728,156 $2,004,343 $1,276,187

* Fund balance restricted by first mortgages
YOUTH HOUSING FUND
FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>12/31/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td>$131,751</td>
<td>$131,751</td>
<td>$69,089</td>
<td>$(62,662)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>150,000</td>
<td>150,000</td>
<td>75,959</td>
<td>(74,041)</td>
</tr>
<tr>
<td>Interest</td>
<td>4,000</td>
<td>4,000</td>
<td>1,040</td>
<td>(2,960)</td>
</tr>
<tr>
<td>Fee income</td>
<td>4,450</td>
<td>4,450</td>
<td>4,256</td>
<td>(194)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>290,201</td>
<td>290,201</td>
<td>150,397</td>
<td>(139,804)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>53,351</td>
<td>53,351</td>
<td>21,906</td>
<td>31,445</td>
</tr>
<tr>
<td>Tenant services</td>
<td>100,000</td>
<td>100,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Utilities</td>
<td>38,500</td>
<td>38,500</td>
<td>14,282</td>
<td>24,218</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>86,081</td>
<td>86,081</td>
<td>26,213</td>
<td>59,868</td>
</tr>
<tr>
<td>General</td>
<td>15,150</td>
<td>15,150</td>
<td>6,598</td>
<td>8,552</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>293,082</td>
<td>293,082</td>
<td>118,999</td>
<td>174,083</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>11,600</td>
<td>11,600</td>
<td>-</td>
<td>11,600</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>304,682</td>
<td>304,682</td>
<td>118,999</td>
<td>185,683</td>
</tr>
<tr>
<td>Increase (decrease) in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fund balance before transfers</td>
<td>(14,481)</td>
<td>(14,481)</td>
<td>31,398</td>
<td>45,879</td>
</tr>
<tr>
<td>TRANSFERS IN (OUT)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>fund balance</td>
<td>(14,481)</td>
<td>(14,481)</td>
<td>31,398</td>
<td>45,879</td>
</tr>
<tr>
<td>BEGINNING FUND BALANCE</td>
<td>385,888</td>
<td>385,888</td>
<td>385,888</td>
<td>-</td>
</tr>
<tr>
<td>ENDING FUND BALANCE</td>
<td>$371,407</td>
<td>$371,407</td>
<td>$417,286</td>
<td>$45,879</td>
</tr>
</tbody>
</table>

* Fund balance restricted for the Eagan Youth Housing project
# INTERNAL SERVICE FUNDS
## FOR YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>06/30/15 Actual</th>
<th>Variance With Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$ 809,077</td>
<td>$ 809,077</td>
<td>$ 356,328</td>
<td>$(452,749)</td>
</tr>
<tr>
<td></td>
<td>809,077</td>
<td>809,077</td>
<td>356,328</td>
<td>(452,749)</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>513,808</td>
<td>513,808</td>
<td>228,167</td>
<td>285,641</td>
</tr>
<tr>
<td>Utilities</td>
<td>75,027</td>
<td>75,027</td>
<td>25,239</td>
<td>49,788</td>
</tr>
<tr>
<td>Ordinary maintenance</td>
<td>146,628</td>
<td>146,628</td>
<td>74,212</td>
<td>72,416</td>
</tr>
<tr>
<td>General</td>
<td>2,894</td>
<td>2,894</td>
<td>1,755</td>
<td>1,139</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>18,000</td>
<td>18,000</td>
<td>-</td>
<td>18,000</td>
</tr>
<tr>
<td></td>
<td>756,357</td>
<td>756,357</td>
<td>329,373</td>
<td>426,984</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>103,800</td>
<td>103,800</td>
<td>14,385</td>
<td>89,415</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>860,157</td>
<td>860,157</td>
<td>343,758</td>
<td>516,399</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance before transfers</td>
<td>(51,080)</td>
<td>(51,080)</td>
<td>12,570</td>
<td>63,650</td>
</tr>
<tr>
<td><strong>TRANSFERS IN (OUT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Increase (decrease) in fund balance</td>
<td>(51,080)</td>
<td>(51,080)</td>
<td>12,570</td>
<td>63,650</td>
</tr>
<tr>
<td><strong>BEGINNING FUND BALANCE</strong></td>
<td>19,326</td>
<td>19,326</td>
<td>19,326</td>
<td>-</td>
</tr>
<tr>
<td><strong>ENDING FUND BALANCE</strong></td>
<td>$ (31,754)</td>
<td>$ (31,754)</td>
<td>$ 31,896</td>
<td>$ 63,650</td>
</tr>
</tbody>
</table>

* Fund balance combined with General Fund for external financial reporting