

DAKOTA COUNTY ANNUAL ACTION PLAN Program Year 2021 Substantial Amendment DRAFT

HOME Investment Partnerships Program –
American Rescue Plan (HOME - ARP)



Home-ARP Allocation Plan

Participating Jurisdiction: Dakota County HOME Consortium

Date: June 30, 2022

Consultation

Summarize the consultation process:

Dakota County receives an annual entitlement of HOME Investment Partnerships funds. The Dakota County Community Development Agency (the CDA) administers these funds on behalf of Dakota County. The CDA and Dakota County began the consultation process in September 2021 with an initial review of system-level data. Additionally, community partners were consulted to determine the needs and gaps that could be filled by the HOME-ARP funds. In December 2021, the CDA distributed a survey to the community partners to determine needs, gaps, and funding priorities. Over 600 responses were received by December 31, 2021. The Affordable Housing Coalition (the AHC), a public/private collaboration of government and non-profit providers that facilitates Dakota County-wide planning of homeless services and resources, was consulted at its meetings in December 2021, February 2022, and March 2022. Small groups made of up members of the AHC, met to discuss further the gaps, needs, activities, and preferences in late February and March 2022.

Dakota County Community Services and Physical Development Division provided input on the needs and gaps. Community Services and Physical Development held several staff meetings with CDA staff to discuss potential activities.

To continue the community engagement process once the proposed objectives and outcomes had been identified, CDA staff presented the plan to the community and its stakeholders in the following manner:

1. Presentations (February 2022 – May 2022) – The Dakota County CDA presented a draft of the priorities and goals to the following:
 - A Consortium-wide presentation to the public (February 15)
 - Affordable Housing Coalition presentation to receive feedback from subject-matter experts (March 10)
 - The Physical Development Committee of the Whole (March 15) reviewed the material at a regularly scheduled meeting. This Committee consists of the entire Dakota County Board of Commissioners.
2. Public Hearing and Comment Period (March 2022 – April 2022) – A 38-day public comment period was opened on March 11, 2022, and ran through April 18, 2022. A public notice was published in the *Star Tribune*, as well as on the Dakota County CDA

website, the Dakota County website, and city websites. A public hearing was held on April 19, 2022, at a regularly scheduled meeting of the Dakota County Board of Commissioners. The Dakota County HOME Consortium members each held their own public hearings.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
360 Communities	Homeless and Domestic Violence	Group Meeting	Assisted in providing feedback on shelter ideas, domestic violence population, and homeless population. Provided data as well.
Dakota County Veteran Services	Veterans	Group Meeting	Assisted in providing feedback on veteran's population and housing ideas.
FHIC (Fair Housing Implementation Council)	Fair Housing	One-on-One with CDA staff	Assisted in providing feedback on fair housing.
Dakota County CDA	Public Housing Agency	One-on-Ones with CDA staff	Assisted in providing feedback on housing, homelessness, and at-risk of homelessness.
CoC - SMAC	Continuum of Care	Presentation and Discussion	Assisted in providing feedback on homelessness, at-risk of homelessness, and ideas of housing.
The Arc of Minnesota	Persons with Disabilities	Group Meeting	Assisted in providing feedback on needs of persons with disabilities.
Dakota County Community Services	Community Services - County	Group Meeting	Assisted in providing feedback on homelessness and ideas on housing. Provided data for housing and

			qualifying populations.
Restoration for All, Inc.	Community Development	Group Meeting	Assisted in feedback on homelessness and housing
Hearth Connections	Housing	Group Meeting	Consulted through the Affordable Housing Coalition meetings. Anticipated outcomes are continued work on strategies to recruit and retain landlords for subsidy rental programs, households with negative rental history, or barriers to accessing housing.
The Link	Housing and Homelessness	Group Meeting	Consulted through the Affordable Housing Coalition and the Housing and Services committee meetings. The anticipated outcomes are continued operation of a youth drop in center at a local church.
SCDCAP Agency	Housing	One-on-One with CDA staff	Consulted through the Affordable Housing Coalition and the Housing and Services committee meetings. Provided feedback specific to large family housing.
Mental Health Resources	Homelessness	Group Meeting	Consulted through the Affordable Housing Coalition and the Housing and Services committee meetings. Anticipated outcomes are continued work on coordinated entry.

MICAH	Homelessness	Group Meeting and One-on-One with CDA staff	Assisted in feedback and data on homelessness.
Dakota County Veterans Services	Veterans, Housing, Homelessness	One-on-One with CDA staff	Consulted through the Affordable Housing Coalition meetings. Areas for improved coordination are to identify if other housing gaps exist for veterans.
Information Providers Inc.	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.
Holiday Acres Apartments	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.
Cogic	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.
Matrix Housing Services	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.
Ally Supportive Services	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.
MICAH	Homelessness	Group Meeting and Survey	Feedback on services and shelter needs for homeless populations.
Dakota Woodlands	Homelessness	Group Meeting and Survey	Feedback on services and shelter needs for homeless populations.

District 196 – Woodland Elementary	Homelessness Schools	Survey	Feedback on services and school needs for homeless populations.
Guild Services	Homelessness	Group Meeting and Survey	Feedback on services and shelter needs for homeless populations.
Resident Transitions Inc	Homelessness	Survey	Feedback on services and shelter needs for homeless populations.

Public Participation

Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan:

- **Public comment period:** start date- 3/11/2022; end date – 4/18/2022
- **Public hearing:** 4/19/2022

No comments received.

Describe any efforts to broaden public participation:

A public notice was published in the *Star Tribune*, as well as on the Dakota County CDA website and the Dakota County website. Each city in Dakota County published the public notice on their website.

Public meeting held on February 15 was shared via public notice in *Star Tribune*.

Surveys were shared on websites, via emails sent to community partners, and word of mouth.

Requests to participate in stakeholders' group meetings were shared via emails sent to community partners and word of mouth.

Summarize the comments and recommendations received through the public participation process:

Survey

- 83.3% support a non-congregate shelter

- 94.7% support a permanent supportive housing project
- 90.5% see a need for more housing for persons fleeing or attempting to flee domestic violence
- 53.8% see some level of difficulty in getting into a shelter
- 30.4% see the greatest need as permanent supportive housing
- 34.7% see homeless at the population in greatest need

Group Meetings

- Permanent Supportive Housing is the number one need (x3)
- Supportive Services needs to be funded (x5)
- Shelter planning in the works at local nonprofit.
- Funding should go towards affordable housing.
- Money should go towards very low-income housing.

One-on-One Meetings

- Low-barrier affordable housing is the biggest need.
- Supportive services that will screen people for resources and continue working with them long term.
- Permanent Supportive housing is highest need.
- Need a Cahill Place for singles.
- Need for single family housing for large families.

Summarize any comments or recommendations not accepted and state the reasons why:

N/A – All comments received were incorporated into the Allocation Plan.

Needs Assessment and Gaps Analysis

Homeless Needs Inventory and Gap Analysis Table

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of Beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	153	#	84	#	#								
Transitional Housing	#	#	#	#	#								

Permanent Supportive Housing	#	40	#	#	#								
Other Permanent Housing						#	#	#	#				
Sheltered Homeless						36	85	#	20				
Unsheltered Homeless						#	54	#	#				
Current Gap										#	97	24	#

Source: Preliminary 2022 Point-In-Time Count

Housing Needs Inventory and Gap Analysis Table

Non-Homeless			
	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	41,987		
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	9,075		
Rental Units Affordable to HH at 50% AMI (Other Populations)	7,860		
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		4,355	
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		7,295	
Current Gaps			5,969

Source: Updated Comprehensive Housing Needs Analysis for Dakota County, March 2020

Describe the size and demographic composition of qualifying populations within the PJ's boundaries:

According to the preliminary 2022 Point-In-Time (PIT) count, there are approximately 195 homeless persons in Dakota County and 54 of these persons are unsheltered adults. Additionally, there are 141 individuals and families that are sheltered by living with other family members or other means. There is a gap of 97 family units and 24 adult beds estimated based on the preliminary 2022 PIT count. The Homeless Shelters Directory estimates are a bit higher stating that the chronic homelessness is estimated at 105 persons. Dakota County has an estimated 24 homeless veterans and a total of 75 homeless youth by the HUD definition living within its boundary.

The Minnesota Dash to End Homelessness (MN DASH) is a tool that uses Homeless Management Information System (HMIS) data to monitor a community's homelessness response system. The MN DASH homeless count for 2021 found the following demographic information for the SMAC area including the counties of Anoka, Dakota, Washington, and the City of Woodbury:

Race:

- White: 59.25%
- Native Hawaiian or Pacific Islander: 0.79%
- Black and African American: 38.8%
- Asian: 2.15%
- American Indian, Alaska Native, or Indigenous: 7.68%
- Other: 8.67%

Gender:

- Female: 51.13%
- Male: 48.07%
- Did not disclose: 0.37%

The MN DASH homeless count for 2021 found the following demographic information for Ramsey County:

Race:

- White: 30.97%
- Native Hawaiian or Pacific Islander: 1.0%
- Black and African American: 61.11%
- Asian: 3.83%
- American Indian, Alaska Native, or Indigenous: 9.66%

Gender:

- Female: 46.36%

- Male: 51.76%
- Did not disclose: 1.18%

Describe the unmet housing and service needs of qualifying populations, including but not limited to:

- **Sheltered and unsheltered homeless populations;**
- **Those currently housed populations at risk of homelessness;**
- **Other families requiring services or housing assistance or to prevent homelessness; and,**
- **Those at greatest risk of housing instability or in unstable housing situations:**

There were 468 veterans in the MN DASH in Ramsey County and 199 veterans in the SMAC area including Anoka, Dakota, Washington, and Woodbury. Dakota County has 24 chronically homeless veterans. Dakota County has 14,716 households that are severely cost-burdened, which means that they are paying more than 50 percent of their income towards rent.

There were 3,767 homeless persons served by SMAC in December 2021. There were 11,084 homeless persons served by Ramsey County in December 2021. The total homeless persons counted in the PIT count in Ramsey in 2019 was 1,345.

HMIS data for 2021 showed that Dakota County worked with 95 households and 221 persons to prevent homelessness. Coordinated Entry worked with 483 households of these 132 were considered chronically homeless, 386 had a disability, and 18 were veterans. There were 292 emergency sheltered and transitionally housed homeless persons in the 2021 PIT count for Dakota County.

There are currently 7,344 families on the voucher waiting list in Dakota County. These are people that need affordable rents and/or could be facing housing instability/at-risk of homelessness. Dakota County has 50 emergency housing vouchers. They are all allotted with 47 under contract. It can be difficult to find housing for barriered populations.

According to the Arc of Minnesota, there is a large need for housing for persons with disabilities earning 30 percent area median income or below. The Arc of Minnesota states it can supply the services, but more housing is needed for this population. 360 Communities, a local non-profit that runs two shelters for victims of domestic and sexual violence, says there is a high need for more emergency shelter beds as there is a long waitlist at both facilities.

There is a need for permanent supportive housing for singles according to public participation. There is also a need for supportive services for qualifying populations to assist them in moving forward. Survey participants saw a need for shelter and rental housing. One participant shared a need for single family housing for large families since living in an apartment building creates loud noises that bother neighbors, which results in nuisance calls.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

There are currently 237 beds of shelter for the homeless available per night in Dakota County based on the preliminary 2022 PIT count data. Of these beds, 153 beds are available for families and 84 beds are for adults. There are currently 43 domestic violence shelter beds available.

Cahill Place is a permanent supportive rental housing development with 40 units in Inver Grove Heights.

The Zero Balance Project, a rental assistance program, is currently available to Dakota County residents that are under 80 percent area median income through the end of 2022. This program will pay a maximum of 15 months of a person's back owed rent.

Local providers offer supportive services through the following initiatives:

- A drop-in center through 360 Communities.
- Housing and outreach services through Ally Supportive Services.
- Homelessness Prevention services through the Scott-Carver-Dakota CAP Agency.
- Social Services/Mental Health Case Management through Dakota County.
- Food shelves through Hastings Family Services, Neighbors Inc., 360 Communities, Salvation Army, and The Open Door Pantry.
- Emergency Assistance through Hastings Family Services.
- Clothing Closet through Salvation Army.
- Youth drop-in center through The Link.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

According to SMAC 2021 data, there are 1,421 chronically homeless in the SMAC region which includes the counties of Anoka, Dakota, Washington, and the city of Woodbury. Ramsey County has 4,248 chronically homeless.

Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such

conditions in its definition of “other populations” as established in the HOME-ARP Notice:

Based on data from the Minnesota Court Information System, there are 60 evictions per year in Dakota County that led to housing instability.

Identify priority needs for qualifying populations:

The priority needs for the qualifying populations are non-congregate shelter units and rental housing. Dakota County’s goal is to add 10 non-congregate shelter units through HOME-ARP funding and other funding sources and 10 units of affordable housing units through HOME-ARP funding and other funding sources.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery system based on the data presented in the plan were determined:

The County consulted with citizens, stakeholders, developers, and city administrators to determine the needs in Dakota County. Based on feedback and data, it is clear that emergency shelter and affordable rental units for individuals and families below 30 percent area median income are needed. The main data systems used were HMIS, PIT, and Minnesota Dash to End Homelessness Count.

HOME-ARP Activities

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

Dakota County will encourage HOME-ARP funding to be leveraged with other funding sources to support the development of rental housing and/or emergency shelter.

Rental Housing Development:

Funding will be allocated through a competitive application process open to all eligible, experienced entities, including the county, cities and towns, non-profits, and for-profit developers. To be considered eligible for funding, the County will require that the recipient, at a minimum meet the following criteria:

- A. Demonstrate that the recipient has the ability and financial capacity to undertake, comply, and manage the eligible activity.
- B. Demonstrate a familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with the HOME-ARP funding to ensure compliance.

- C. Have past experience with housing development as evidenced by the ability to own, construct, rehab, manage, and operate an affordable multifamily rental housing development.
- D. Make reasonable assurances that it can comply with requirements of HOME-ARP for the full Affordability Period.
- E. Extra points will be awarded for site control and other items to be determined.

Emergency Shelter:

Funding will be allocated through a competitive application process open to all eligible, experienced entities, including the county, cities and towns, nonprofits, and for-profit developers. To be considered eligible for funding, the County will require that the recipient, at a minimum meet the following criteria:

- A. Demonstrate that the recipient has the ability and financial capacity to undertake, comply, and manage the eligible activity.
- B. Demonstrate a familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with the HOME-ARP funding to ensure compliance.
- C. Have past experience with housing development as evidenced by the ability to own, construct, rehab, manage, and operate an emergency shelter.
- D. Make reasonable assurances that it can comply with requirements of HOME-ARP for the full Affordability Period.
- E. Extra points will be awarded for site control and other items to be determined.

If any portion of the PJ’s HOME-ARP administrative funds were provided to a subrecipient or contractor prior to HUD’s acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ’s entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the Pj’s HOME-ARP program:

N/A

Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 0		
Acquisition and Development of Non-Congregate Shelters	\$ 1,501,641		

Tenant Based Rental Assistance (TBRA)	\$ 0		
Development of Affordable Rental Housing	\$ 1,501,641		
Non-Profit Operating	\$ 0	# %	5%
Non-Profit Capacity Building	\$ 0	# %	5%
Administration and Planning	\$ 250,000	8 %	15%
Total HOME ARP Allocation	\$ 3,253,282		

Additional Narrative, if applicable:

Based on the applications that are submitted, the County may need to reallocate the funding between the rental housing and non-congregate shelter development. This will be a decision made by the Dakota County Board of Commissioners. The qualifying populations will remain the same.

The County will allocate 46 percent of the HOME-ARP Program funds (\$1,501,641) to the development of affordable rental housing. Eligible costs may include, but are not limited to, property acquisition, hard and soft development costs and operating subsidies required to serve extremely low-income households. The County will allocate 46 percent of the HOME-ARP Program funds (\$1,501,461) to the development of non-congregate shelter. The final 8 percent of funds (\$250,000) will be allocated to grant administration. Grant administration funds will be decreased if there is an increased need for funds for either the affordable rental development or the non-congregate shelter.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

Homeless families and individuals who are very or extremely low-income households require a wide range of services and supports to remain stably housed. It is not surprising that outreach efforts generated a wide range of responses on system gaps and strategies to address them. However, the highest priority needs that were consistently identified through these efforts and reinforced with the data described earlier in this document were 1) Increasing the supply of housing available and affordable to the most vulnerable populations; and 2) Increasing the supply of non-congregate shelter units to the most vulnerable populations.

Increasing the supply of housing: The Minnesota Dash to End Homelessness shows there are significant gaps in the supply of shelter units and permanent rental housing for households at or below 30 percent AMI. Even when homeless or at-risk households have access to resources like rental assistance vouchers or emergency rental assistance, many of them are unable to find an available apartment in their price range

or a landlord willing to accept those subsidies. To address this need, Dakota County intends to dedicate a significant portion its HOME-ARP funds to producing housing accessible and affordable to eligible populations, particularly extremely low-income and homeless households. These resources will be available to acquire, produce and preserve housing affordable to these vulnerable populations.

Increasing the non-congregate shelter units: Based on the analysis in this Plan, there is a significant gap showing a need for more non-congregate shelter units for families and individuals. Members of the Affordable Housing Coalition continually share stories about a long waitlist for current shelters. To address this need, the County intends to dedicate half of the HOME-ARP funds to assist in producing a non-congregate shelter that is accessible to the qualifying population. These resources will be available to the awarded application to acquire, construct, and preserve a shelter for the vulnerable populations.

HOME-ARP Production Housing Goals

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

The County estimates that 10 non-congregate shelter units will be produced through HOME-ARP funding and other funding sources, and 10 units of new affordable rental housing through HOME-ARP and other funding sources.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

The County estimates it can support the creation of a new affordable housing rental development with 10 of the units funded with HOME-ARP funding. This will be fully completed through the leveraging of HOME-ARP, HOME Investment Partnerships Program funds, and tax credit funds. The applications that come in will also leverage other financing tools to maximize unit production as well.

The County estimates it can support the creation of 10 non-congregate shelter units with HOME-ARP funding. This will be fully completed through the leveraging of ARPA, private funds and local levy dollars. The applications that come in will also leverage other financing tools to maximize unit production as well.

Preferences

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

Yes, the County intends to give preference to Category 1 – Homeless and Category 4 – 30% AMI or below with 50% cost burden for the HOME-ARP funding.

If a preference was identified, describe how the PJ will use HOME-ARP funds to address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the preference:

There are more homeless persons and families, and families below 30 percent AMI that are paying more than 50 percent towards rent in Dakota County than potentially fundable units of shelter or housing. This means that more than likely all the housing built will go to the preferred qualifying population – homeless. The other qualifying populations will continue to have their needs met by other funding sources. There are other shelters for domestic violence, sexual assault, dating violence, and human trafficking victims. There are other funding sources for those at risk of homelessness through eviction prevention and rental assistance. The other vulnerable populations will receive assistance through this program as well because 70 percent of the housing is for the qualifying population and the other 30 percent is for low-income housing. The low-income housing would be for the other vulnerable populations.

There are several other funding sources that help the other qualifying populations. The at-risk of homelessness population receives funding from Emergency Rental Assistance Program and Emergency Solutions Grant. For victims of domestic violence and other forms of domestic assault, Continuum of Care funding as well as state and federal funding is used to support their needs.

HOME-ARP Refinancing Guidelines

Establish a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing to demonstrate that rehabilitation of HOME-ARP rental housing is the primary eligible activity

N/A.

Require a review of management practices to demonstrate that disinvestment in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving

qualified populations for the minimum compliance period can be demonstrated.

N/A

State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.

N/A

Specify the required compliance period, whether it is the minimum 15 years or longer.

N/A

State that HOME-ARP funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

N/A

Other requirements in the PJ's guidelines, if applicable:

N/A

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