AGENDA

1. ROLL CALL
   A. Audience
      Anyone in the audience wishing to address the CDA Board on an item not on the agenda or an item on the consent agenda may come forward at this time. Comments are limited to five minutes.

2. APPROVAL OF AGENDA AND MEETING MINUTES
   - January 22, 2019 Annual CDA Board Meeting Minutes
   - January 22, 2019 Regular CDA Board Meeting Minutes

3. FEDERAL PUBLIC HOUSING AND HOUSING CHOICE VOUCHER AGENDA
   No items.

4. CONSENT AGENDA
   A. Approve Record Of Disbursements – January 2019
   B. Award Contract For Furnace And Air Conditioner Replacement At Country Lane Townhomes (Lakeville)
   C. Establish The Date For A Public Hearing Regarding The Disposition Of Property In Burnsville
   D. Authorizing The Award Of Master Loan Servicer Contract For First Mortgage Loans To U.S. Bank National Association And Execution Of Related Documents
   E. Authorization To Execute The Restated Joint Powers Agreement Between Dakota County And The CDA For Lincoln Place Youth Supportive Housing (Eagan)

5. REGULAR AGENDA
   A. Public Hearing To Receive Comments And Adopt The 2020 Qualified Allocation Plan For The Allocation Of Low Income Housing Tax Credits Under Section 42 Of The Internal Revenue Code Of 1986, As Amended
   B. Approve 2019 Investment In GREATER MSP
   C. Award Contract For The Exterior Renovation Project At Cameo Place (Rosemount)
   D. Award Contract For The Exterior Renovation Project At Country Lane Townhomes (Lakeville)
   E. Update On Levy Supported Housing Initiative – Informational
   F. Executive Director's Update – Informational

6. INFORMATION
   A. Status Report, Q4 2018
7. ADJOURNMENT

For more information, call 651-675-4432.

Dakota County CDA Board meeting agendas are available online at:
http://www.dakotacda.org/board_of_commissioners.htm

Future Board Meetings & Events

CDA Board of Commissioners Regular Meetings
March 19, 2019 Regular Meeting – 3:30 p.m.
Dakota County CDA Boardroom, 1228 Town Centre Drive, Eagan, MN 55123
Commissioner Gerlach called the meeting to order at 3:17 p.m.

**COMMISSIONER ROLL CALL**

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CDA staff in attendance:
- Tony Schertler, Executive Director
- Kari Gill, Deputy Executive Director
- Sara Swenson, Director of Administration and Communications
- Kaili Braa, Assistant Director of Administration and Communications
- Karissa Goers, Human Resources Administrator
- Lisa Alfson, Director of Community and Economic Development
- Maggie Dykes, Assistant Director of Community and Economic Development
- Kathy Kugel, Housing Finance Coordinator
- Karly Schoeman, Housing Finance Coordinator
- Lisa Hohenstein, Director of Housing Assistance
- Anna Judge, Director of Property Management
- Ken Bauer, Director of Finance

Others in attendance:
- Kelly Harder, Dakota County
- Jay Stassen, Dakota County
- Erin Stwora, Dakota County
- Peter Frosch, Greater MSP
- David Griggs, Greater MSP
- Judy Johnson, Greater MSP
- Joel Akason, Greater MSP
- Wendy Blackshaw, Greater MSP
- Mark Lothhus, Dakota Electric
- Kim Lindquist, City of Rosemount
- Mike Waldo, Connelly Development
- Erin Adler, Star Tribune

**OATHS OF OFFICE**

Commissioners Kathleen Gaylord and Tom Egan read their Oaths of Office and were seated on the CDA Board of Commissioners.

**REGULAR AGENDA**

19-6086 Electing The Chair For The Dakota County Community Development Agency Board Of Commissioners

WHEREAS, Commissioner Gerlach opened the Annual Meeting as Board Chair, and

WHEREAS nominations were accepted for the office of Chair; and
WHEREAS, Commissioner Slavik placed in nomination Commissioner Gerlach; and
WHEREAS, Commissioner Atkins seconded the nomination; and
WHEREAS, no further nominations were placed; and
WHEREAS, Chair Gerlach closed nominations for the office of Chair; and
WHEREAS, Commissioner Gaylord moved a unanimous ballot and a vote was taken on Commissioner Gerlach acting as Chair and the motion was carried.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners that Commissioner Gerlach serve as Chair for calendar year 2019.

Motion Unanimous Ballot: Commissioner Gaylord

Ayes: 8    Nays: 0    Abstentions: 0

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ELECTING THE VICE CHAIR FOR THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY BOARD OF COMMISSIONERS

WHEREAS nominations were accepted for the office of Vice Chair; and
WHEREAS, Commissioner Slavik placed in nomination Commissioner Atkins; and
WHEREAS, Commissioner Holberg seconded the nomination; and
WHEREAS, no further nominations were placed; and
WHEREAS, Chair Gerlach closed nominations for the office of Vice Chair; and
WHEREAS, Commissioner Gaylord moved a unanimous ballot and a vote was taken on Commissioner Atkins acting as Vice Chair and the motion was carried.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners that Commissioner Atkins serve as Vice Chair for calendar year 2019.

Motion Unanimous Ballot: Commissioner Gaylord

Ayes: 8    Nays: 0    Abstentions: 0

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Ejecting The Secretary For The Dakota County Community Development Agency Board Of Commissioners

WHEREAS nominations were accepted for the office of Secretary; and

WHEREAS, Commissioner Slavik placed in nomination Commissioner Holberg; and

WHEREAS, Commissioner Workman seconded the nomination; and

WHEREAS, no further nominations were placed; and

WHEREAS, Chair Gerlach closed nominations for the office of Secretary; and

WHEREAS, Commissioner Gaylord moved a unanimous ballot and a vote was taken on Commissioner Holberg acting as Secretary and the motion was carried.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners that Commissioner Holberg serve as Secretary for calendar year 2019.

Motion Unanimous Ballot: Commissioner Gaylord

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Selection Of GREATER MSP Board Appointment

WHEREAS nominations were accepted for the Dakota County position on the GREATER MSP Board; and

WHEREAS, Commissioner Egan placed in nomination Commissioner Gaylord; and

WHEREAS, Commissioner Workman seconded the nomination; and

WHEREAS, no further nominations were placed; and

WHEREAS, Chair Gerlach closed nominations for the GREATER MSP Board; and

WHEREAS, Commissioner Slavik moved a unanimous ballot and a vote was taken on Commissioner Gaylord acting as the Dakota County representative on the GREATER MSP Board and the motion was carried.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners that Commissioner Gaylord be recommended to serve as the Dakota County representative on the GREATER MSP Board in 2019 and this selection to be forwarded to the GREATER MSP Nominating Committee.

Motion Unanimous Ballot: Commissioner Slavik

Ayes: 8    Nays: 0    Abstentions: 0
ADJOURNMENT

19-6090 Adjournment

BE IT RESOLVED, that the Dakota County Community Development Agency Board of Commissioners hereby adjourns to the Dakota County Community Development Agency Board of Commissioners Regular Meeting.

Motion: Commissioner Slavik Second: Commissioner Holberg

Ayes: 8 Nays: 0 Abstentions: 0

The CDA Board annual meeting adjourned at 3:24 p.m.

CDA Board Chairperson

CDA Board Secretary
Commissioner Gerlach called the meeting to order at 3:31 p.m.

COMMISSIONER ROLL CALL

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Others in attendance:
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- Judy Johnson, Greater MSP
- Joel Akason, Greater MSP
- Wendy Blackshaw, Greater MSP
- Mark Loftus, Dakota Electric
- Kim Lindquist, City of Rosemount
- Mike Waldo, Connelly Development
- Erin Adler, Star Tribune

AUDIENCE
No audience members addressed the Board at this time.

APPROVAL OF AGENDA AND MEETING MINUTES

19-06091 Approval Of Agenda And Meeting Minutes

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the agenda for the January 22, 2019 Regular CDA Board meeting be approved as written.

BE IT FURTHER RESOLVED, by the Dakota County Community Development Agency Board of...
Commissioners that the minutes for the December 18, 2018 Regular CDA Board meeting be approved as written.

**Motion: Commissioner Holberg  Second: Commissioner Egan**

Ayes: 8  Nays: 0  Abstentions: 0

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**FEDERAL PUBLIC HOUSING AND HOUSING CHOICE VOUCHER AGENDA – CONSENT AGENDA**

19-6092  **Schedule A Public Hearing To Receive Comments On The 2019 Public Housing Agency Annual Plan Update**

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires public housing agencies with a Housing Choice Voucher and/or Public Housing programs submit a Public Housing Agency Annual Plan Update in accordance with the prescribed HUD template, including the 2018 Capital Fund Program Annual Statement and Performance and Evaluation Report; 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; and

NOW, THEREFORE, BE IT RESOLVED by The Dakota County Community Development Agency Board of Commissioners, That a public hearing will be conducted at the Regular CDA Board meeting on March 19, 2019 at 3:30 p.m.

19-6093  **Approve 2019 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 the 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 are 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 February 1, 2019.

**Motion: Commissioner Egan  Second: Commissioner Cummings**

Ayes: 8  Nays: 0  Abstentions: 0

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FEDERAL PUBLIC HOUSING AND HOUSING CHOICE VOUCHER AGENDA – REGULAR AGENDA

INFO

Update On Rental Assistance Demonstration Program – Informational

Anna Judge and Tony Schertler provided updates for Board discussion.

CONSENT AGENDA

19-6094 Approve Record Of Disbursements – December 2018

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners that the December 2018 Record of Disbursements is approved as written.

19-6095 Approve Award Of Flooring Replacement Contract To Value Plus Flooring

WHEREAS, the Dakota County Community Development Agency accepted bids for the necessary routine unit flooring replacement in CDA managed properties; and

WHEREAS, funds are allocated from the operating budgets of each of the properties for the necessary flooring replacement work; and

WHEREAS, Value Plus Flooring is the low responsive bidder; and

WHEREAS, the bidding was done in conformance with State law for bidding.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the three-year flooring replacement contract for CDA managed properties be awarded to Value Plus Flooring.

19-6096 Award Contract For The Unit Flooring Replacement Project At The Senior Buildings Of Dakota Heights (South St. Paul), Oakwoods East (Eagan) And O’Leary Manor (Eagan)

WHEREAS, the Dakota County Community Development Agency accepted bids on January 4, 2019 for the unit flooring replacement at three CDA owned senior buildings of Dakota Heights, Oakwoods East, and O’Leary Manor; and

WHEREAS, Value Plus Flooring, Inc. was the low responsive, responsible bidder with a bid total of $152,188.78; and

WHEREAS, funds to complete these projects are included in the FY19 Common Bond Fund budget; and

WHEREAS, the Dakota County CDA proposes to execute a contract for the project to commence in February 2019; and

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to sign a contract for the Unit Flooring Replacement Project, at the senior buildings of Dakota Heights, Oakwoods East, and O’Leary Manor, with Value Plus Flooring, Inc., in the amount of $152,188.78; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director is authorized to execute change orders not to exceed $7,609.00.
Authorization For The CDA Board Chair To Ratify The 2019 Pay Equity Compliance Report Submission

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 Board of Commissioners, That the Board Chair is hereby authorized to sign and ratify the CDA’s 2019 Pay Equity Compliance Report Submission.

Establish The Date For A Public Hearing On Qualified Allocation Plan For The Allocation Of Low Income Housing Tax Credits Under Section 42 Of The Internal Revenue Code Of 1986, As Amended

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 a housing credit agency authorized to allocate low income housing tax credits (the “Tax Credits”); and

WHEREAS, Section 42 of the Code, requires the CDA to hold a public hearing prior to adopting or amending a Qualified Allocation Plan (the “QAP”) detailing the basis for allocating Tax Credits among applicants; and

WHEREAS, the CDA proposes to adopt a QAP regarding the allocation of Tax Credits using 2020 volume cap and the allocation of any “automatic” tax credits attributable to private activity bonds issued after the adoption of the plan (the “2020 Plan”).

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

1. That a public hearing regarding the adoption of the 2020 Plan will be held by the CDA on February 26, 2019, at or after 3:30 p.m. at the CDA’s office.

2. That staff of the CDA are authorized and directed to cause notice of such public hearing to be published in a newspaper of general circulation in the CDA’s jurisdiction not less than fifteen (15) days prior to such hearing.

Motion: Commissioner Holberg Second: Commissioner Gaylord

Ayes: 7 Nays: 0 Abstentions: 0

REGULAR AGENDA

19-6099 Approve Contingent Award Of HOPE Funds For Wexford Place Apartments And Authorize The Execution Of Related Documents And Budget Amendment

Karly Schoeman presented and answered questions.

WHEREAS, in 2001, the Dakota County Board of Commissioners and the Dakota County Community Development Agency (the Agency) entered into a Joint Powers Agreement for the HOPE Program that
includes operating guidelines, reporting requirements, and outlines the priorities for the Housing Opportunity Enhancement fund (the HOPE Program); and

WHEREAS, the Agency has adopted a HOPE Policy and budget for the HOPE Program, setting forth criteria governing the award of HOPE funds; and

WHEREAS, Wexford Place Limited Partnership has submitted an application for the HOPE funds for the construction of an affordable workforce housing development in Rosemount; and

WHEREAS, CDA staff recommend a HOPE award of up to $240,000 for the construction of Wexford Place Apartments by Wexford Place Limited Partnership, with the final amount to be determined by project underwriting and the availability of matching funds.

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

1. The CDA hereby approves an award of HOPE Program funds in an amount up to $240,000 for the construction of Wexford Place Apartments in Rosemount.

2. Staff is authorized to prepare, execute, and deliver all documentation necessary or convenient to provide for the commitment of HOPE Program funds based on findings made in accordance with the requirements of the Joint Powers Agreement and the HOPE Policy. In addition, staff is authorized to determine award contingencies for the project based on the characteristics of the individual development, financial feasibility, project underwriting, or other factors in accordance with the Joint Powers Agreement and the HOPE Policy.

3. The FY19 budget is hereby amended to incorporate this HOPE award for Wexford Place Apartments.

Motion: Commissioner Workman Second: Commissioner Atkins
Ayes: 7 Nays: 0

INFO Annual GREATER MSP Update – Informational
Greater MSP representatives provided updates for Board discussion.

INFO Executive Director’s Update – Informational
Tony Schertler provided updates.

ADJOURNMENT
19-6100 Adjournment

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners hereby adjourns until Tuesday, February 27, 2019

Motion: Commissioner Holberg Second: Commissioner Slavik
Ayes: 8 Nays: 0 Abstentions: 0

Slavik X
The CDA Board meeting adjourned at 4:56 p.m.
Approve Record Of Disbursements – January 2019

Meeting Date: 2/26/2019
Department: Finance
Prepared By: Chris Meyer
Contact: Ken Bauer
Contact Phone: 651-675-4450

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 Record of Disbursements for January 2019.

SUMMARY
In January 2019, the Dakota County Community Development Agency (CDA) had $6,910,598.88 in disbursements and $492,278.58 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance department.

RECOMMENDATION
Staff recommends approval of the Record of Disbursements for January 2019.

EXPLANATION OF FISCAL/FTE IMPACT
These disbursements are included in the Fiscal Year Ending June 30, 2019 budget.
Resolution No. 19-XXXX
Approve Record Of Disbursements – January 2019

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, That the January 2019 Record of Disbursements is approved as written.

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

Strategic Plan Priorities:
☑ Item Type-Consent
☐ Item Type-Discussion
☐ Item Type-Informational
☐ Focused Housing Programs
☐ Collaboration
☐ Development/Redevelopment
☒ Financial Sustainability
☒ Operational Effectiveness

Executive Director
Department Director
### Dakota County CDA

**Record of Disbursements**

**For the month of January 2019**

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<td><strong>Total Payroll</strong></td>
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<td>$492,278.58</td>
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Disbursement detail is available in the Finance Office.

Chairperson
Award Contract For Furnace And Air Conditioner Replacement At Country Lane Townhomes (Lakeville)

Meeting Date: 2/26/2019
Department: Housing Development
Prepared By: Nick Sisterman
Contact: Kari Gill
Contact Phone: 651-675-4477

PURPOSE/ACTION REQUESTED
• Authorize Deputy Executive Director to execute a contract with Binder Heating and Air Conditioning, Inc.
• Authorize change order authority.

SUMMARY
On January 28, 2019 at 10 a.m., a public bid opening was held at the Dakota County Community Development Agency (CDA) office for the Furnace and Air Conditioning Replacement Project at Country Lane Townhomes, a CDA Workforce Housing LLC development.

The solicitation of bids was done in accordance with public bidding requirements. Local contractors were solicited and invited to bid on these projects in addition to the two-week advertisement for solicitation of bids in the Dakota County Tribune (Attachment A) and on the CDA’s website. Five interested bidders attended the on-site walk-through meeting on January 14, 2019.

Four bidders submitted proposals. The bid requested costs for a base furnace and air conditioner from Trane and an alternate for the Lennox brand. Given that the low bids for the two brands were within $50.00, the recommendation of the CDA staff is that we choose the Lennox brand (bid alternate). Both brands are good furnaces, but this recommendation comes with input from maintenance staff and is based on the ease of cleaning the furnace because of a key feature allowing easy internal access. The bid results are on the attached Bidder List (Attachment B). Binder Heating and Air Conditioning, Inc. was the lowest responsible, responsive bidder for the alternate bid.

RECOMMENDATION
Staff recommends that the Deputy Executive Director be authorized to enter into a contract with Binder Heating and Air Conditioning, Inc. in the amount of $116,000.00. The bidder is responsible and has worked on projects of this size in the past.

In order to keep these projects on schedule and to deal with any unforeseen issues during the installation of these units, it is also recommended that the Deputy Executive Director be authorized to execute change orders not to exceed $5,800.00 (5% of the contract amount).

EXPLANATION OF FISCAL/FTE IMPACT
Funds are included in the FY19 Workforce Housing Fund budget for the replacement of these furnaces and air conditioning units; this contract is within the budgeted amount.
WHEREAS, the Dakota County Community Development Agency accepted bids on January 28, 2019 for the Furnace and Air Conditioning Unit Replacement Project at Country Lane Townhomes; and

WHEREAS, Binder Heating and Air Conditioning, Inc. was the lowest responsible, responsive bidder with a bid total of $116,000.00 when the Alternate is accepted; and

WHEREAS, the Dakota County CDA proposes to execute a contract for the project to commence in March 2019.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to sign a contract with Binder Heating and Air Conditioning, Inc. in the amount of $116,000.00; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to execute change orders not to exceed $5,800.00.
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA  )
COUNTRY OF DAKOTA

Darlene MacPherson 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 12/28/2018 and the last insertion being on 01/04/2019.

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: D MacPherson
Designated Agent

Subscribed and sworn to or affirmed before me on 01/04/2019 by Darlene MacPherson.

Marlene M. Mitchell
Notary Public

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

Ad ID 890089
DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY (CDA)
EAGAN, MN 55123
PUBLIC NOTICE
ADVERTISEMENT FOR BIDS

Notice is hereby given that sealed bids will be received by the Office of the Director of Housing Finance & Development, Dakota County CDA, Minnesota until 10:00 AM, Monday, January 28, 2019 at the office of Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, MN 55123, at which time they will be publicly opened and read aloud for the furnishing of all labor and materials for the Furnace and A/C Replacement for the Country Lane Family Townhomes in Dakota County.

This project will be subject to Minnesota Statutes 2016, section 16C.285 (the Responsible Contractor’s Act) and therefore require a verification of compliance form included with the bid.

Bids received after this time and date will be rejected. No telephone bids or fax bids will be accepted. Bids shall be on the forms provided for that purpose and according to the bidding documents prepared by Dakota County CDA. Bids will be opened publicly and read aloud. A bid tabulation will be furnished to the Bidders. Bids shall be addressed to:

Family Townhome Furnace and A/C Replacement Project-Public Bid
c/o Dakota County CDA,
1228 Town Centre Drive, Eagan, MN 55123
Attn: Nick Sisterman

Interested bidders can contact Nick Sisterman at 651-675-4480 of the Dakota County CDA. A mandatory pre-bid walk through is scheduled Monday, January 14, 2019 at 10:00 AM and is required of all bidders. Prospective bidders must meet at 7754 210th Street West, Lakeville, MN 55044, no later than 10:00 AM. The pre-bid walk-through is mandatory and only those bidders who attend will have their bids considered at bid opening. Bidders must confirm their intent to attend the walk-through by contacting the project coordinator, Nick Sisterman at Dakota County CDA, 651-675-4480 no later than 7:00 AM Monday, January 14, 2019. Failure of a bidder to attend the walk through immediately subjects his/her bid to disqualification.

Bid security in the amount of 5% of the bid must accompany each bid in accordance with the Instruction to Bidders. Bids shall be directed to the capital projects administrator, securely sealed and endorsed upon the outside wrapper, with the project title and bid due date. Any bid not including a bid security will be considered disqualified. Only a bond issued by a surety, cashier’s check or certified check will be accepted.

The CDA hereby notifies all bidders that in regard to any contract entered into pursuant to this advertisement, Disadvantaged Business Enterprises (D.M.E) will be afforded full opportunity to submit bids and / or proposals and will not be subjected to discrimination on the basis of race, color, sex, age, religion, or national origin.

The Dakota County CDA reserves the right to reject any and all bids, to waive irregularities and informalities therein and to award the contract in the best interest of the CDA.

Nick Sisterman
Capital Projects Administrator
Dakota County CDA
Published in the
Dakota County Tribune
December 28, 2018, January 4, 2019
890089
**BIDDER LIST & BID TABULATIONS**

**Public Bid Opening Date & Time:** Monday, January 28, 2019, 10:00 am

**Project:** Family Townhome Furnace and AC Replacement Project

**Project Address:** Country Lane Family Townhomes

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<tr>
<th>Company Name</th>
<th>BASE BID $</th>
<th>Alternate $</th>
<th>BID SECURITY</th>
<th>ADDENDA NOTED</th>
<th>VERIFICATION OF COMPLIANCE</th>
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PURPOSE/ACTION REQUESTED
• Setting a public hearing date of March 19, 2019 regarding the disposition of vacant property located in Burnsville.

SUMMARY
The Dakota County CDA owns excess vacant land (Outlot A) next to the agency’s Valley Ridge senior housing development in Burnsville. A portion of the land (1.838 acres) is under purchase agreement with Kwik Trip. The remaining land (4.851 acres) was previously slated for townhomes, but the purchase offer was withdrawn during the city approval process.

The CDA has subsequently received two offers to develop the remaining land for housing. CDA staff are reviewing the offers with our broker.

This potential land sale is proceeding under Minnesota Statute 469.105, by which the CDA may sell property if it determines that the sale is in the best interests of the county and that the transaction furthers its general plan of economic development. Pursuant to Minn. Stat. 469.105, a public hearing must be held on the proposed terms of the sale of the property.

RECOMMENDATION
Staff recommends setting a public hearing for Tuesday, March 19, 2019 for the purpose of considering the proposals received and the terms for the sale of property at the southwest quadrant of the intersection of County Road 5 and 136th Street West in Burnsville (remaining portion of Outlot A Valley Ridge Senior Housing).

EXPLANATION OF FISCAL/FTE IMPACT
N/A
Supporting Documents:
Attachment A: Site Map

Previous Board Action(s):
15-5482; 1/20/2015
16-5729; 5/17/2016

Resolution No. 19-XXXX

Establish The Date For A Public Hearing Regarding The Disposition Of Property In Burnsville

WHEREAS, the Dakota County CDA purchased the property as part of the redevelopment efforts of the former Valley Ridge Shopping Center site located at the southwest quadrant of the intersection of County Road 5 and 136th Street West in Burnsville legally described as Outlot A Valley Ridge Senior Housing; and

WHEREAS, a broker has been marketing the site for approximately 4 years; and

WHEREAS, the CDA has received two offers from developers that would fully utilize the remaining property; and

WHEREAS, the disposition of the remaining portion of Outlot A Valley Ridge Senior Housing satisfies the CDA’s Acquisition and Disposition Policy; and

WHEREAS, Minnesota Statutes 469.105, subds. 1, 2, and 4 requires a public hearing regarding the terms of a sale of real property that is no longer needed by the CDA.

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

1. A public hearing regarding the disposition of the remaining approximate 4.851 acres of Outlot A Valley Ridge Senior Housing a CDA property located at County Road 5 and 136th Street in Burnsville will be held by the CDA on March 19, 2019 at or after 3:30 p.m. at the CDA’s main office.

2. The Executive Director of his designee is hereby authorized and directed to cause notice of such public hearing in substantially the form attached hereto to be published in a newspaper of general circulation in Dakota County not less than twenty (20) days prior to such hearing.
Authorize the award of Master Loan Servicer contract for first mortgage loans to U.S. Bank National Association

SUMMARY
The Dakota County Community Development Agency (CDA) has provided a First Time Homebuyer Program for Dakota County residents since 1983. The CDA has used a variety of mortgage loan servicers to function as the Master Servicer for these mortgage loans during that time. The Master Loan Servicer purchases the loans originated by the CDA’s network of participating lenders and manages that loan portfolio by receiving and applying borrower payments, managing borrower escrow accounts, communicating with borrowers about their mortgage loans, and other related loan servicing functions. Both the participating lender that originated the mortgage loan and the CDA receive compensation by the Master Servicer through a servicing release premium at the time the mortgage loan is purchased. The Master Servicer then receives ongoing compensation for conducting the loan servicing duties through servicing fees established by the underlying guarantor of the mortgage – Ginnie Mae for FHA loans and Fannie Mae or Freddie Mac for conventional loans.

Providing the Master Servicer role for housing finance authority mortgage programs, like the CDA’s, has become both specialized and consolidated over time, with only three loan servicing entities currently providing this service nationwide. In November 2018, the CDA submitted a Request For Proposals (RFP) for Master Servicer and provided the RFP information to all three servicing entities, along with more general advertisement. The purpose of the RFP was to ensure competitive selection of the loan servicing entity and to evaluate the competitiveness of the servicing terms within the Master Servicer marketplace.

U.S. Bank National Association was the only respondent to the RFP (Attachment B). U.S Bank National Association was first designated as Master Servicer for the CDA’s First Time Homebuyer Program in 1999 and has been the Master Servicer for its current program, established in 2012. The CDA has been satisfied with the overall performance of U.S Bank National Association as Master Servicer, although the pricing structure paid to the CDA for the purchase of loans has decreased substantially over time. With U.S. Bank National Association being the primary Master Servicer in the marketplace and the only respondent to the CDA’s RFP, there is not another viable servicing option at this time that would provide increased revenue for the program.

RECOMMENDATION
CDA staff recommends awarding the contract of Master Servicer to U.S. Bank National Association for a term of one year, with up to three (3) one-year extensions.

EXPLANATION OF FISCAL/FTE IMPACT
The purchase of first mortgage loans by the Master Servicer provides revenue to the CDA for its First Time Homebuyer Program. The Master Servicer is compensated by the underlying guarantor of the first mortgage.
Resolution No. 19-XXXX

Authorizing The Award Of Master Loan Servicer Contract For First Mortgage Loans To
U.S. Bank National Association and Execution of Related Documents

WHEREAS, the Dakota County Community Development Agency (the “CDA”), has previously adopted a Single Family Housing Finance Program (the “Program”), to assist qualified first-time homebuyers to acquire homes in Dakota County, using mortgage credit certificates (the “MCCs”) and downpayment assistance loans in connection with a mortgage sale program (the “Mortgage Sale Program”), all pursuant to Minnesota Statutes, Chapter 462C and 462A (the “Act”); and

WHEREAS, pursuant to the Mortgage Sale Program, qualifying mortgage loans are made to qualified mortgagors by participating lenders and sold to a Master Servicer (the “Master Servicer”); and

WHEREAS, the CDA submitted a Request for Proposals (“RFP”) for Master Servicer and U.S. Bank National Association has responded to such RFP; and

WHEREAS, the CDA recommends the award of contract for Master Servicer to U.S. Bank National Association.

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

1. U.S. Bank National Association is hereby awarded the contract of Master Servicer for the Mortgage Sale Program in connection with the CDA’s Single Family Housing Finance Program.

2. The Executive Director of the CDA is hereby authorized to prepare and execute a Servicing Contract with U.S. Bank National Association in substantially similar form to the attached current Servicing Contract, with terms mutually agreeable to the CDA and U.S. Bank National Association.

3. The Servicing Contract with U.S. Bank National Association shall be in effect for a term of one (1) year, with up to 3 one-year extensions, if mutually agreeable to the CDA and U.S. Bank National Association.

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 Priorities:

☐ Focused Housing Programs
☐ Collaboration
☐ Development/Redevelopment
☐ Financial Sustainability
☐ Operational Effectiveness

Executive Director

Department Director

- 26 -
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

Star Tribune

650 3rd Ave. S, Suite 1300 | Minneapolis, MN | 55448

Terri Swanson, being first duly sworn, on oath states as follows:

1. (S)He is and during all times herein stated has been an employee of the Star Tribune Media Company LLC, a Delaware limited liability company with offices at 650 Third Ave. S., Suite 1300, Minneapolis, Minnesota 55488, or the publisher’s designated agent. I have personal knowledge of the facts stated in this Affidavit, which is made pursuant to Minnesota Statutes §331A.07.

2. The newspaper has complied with all of the requirements to constitute a qualified newspaper under Minnesota law, including those requirements found in Minnesota Statutes §331A.02.

3. The dates of the month and the year and day of the week upon which the public notice attached/copied below was published in the newspaper are as follows:

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</table>

4. The publisher’s lowest classified rate paid by commercial users for comparable space, as determined pursuant to § 331A.06, is as follows: **$453.60**

5. **Mortgage Foreclosure Notices.** Pursuant to Minnesota Statutes §580.033 relating to the publication of mortgage foreclosure notices: The newspaper’s known office of issue is located in Hennepin County. 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.

FURTHER YOUR AFFIANT SAITH NOT.

Terri Swanson

Subscribed and sworn to before me on: **12/17/2018**

[Signature]

WILMA L. FINN  
NOTARY PUBLIC - MINNESOTA  
By Commission Expires January 31, 2021

Notary Public
Presented to

Dakota County Community Development Agency

December 14, 2018
Lou Caresani
216.606.1797
louis.caresani@usbank.com
December 14, 2018

Dakota County Community Development Agency  
Kaili Braa  
1228 Town Centre Drive  
Eagan, MN 55123

RE: Request for Proposal for Master Servicer

Dear Ms. Braa:

On behalf of U.S. Bank, I am pleased to submit the following proposal for Master Servicer. The U.S. Bank HFA Division is recognized as a leading Master Servicer in the industry with the size, experience, and most importantly, the commitment to the Housing Finance Agency industry, which guarantees continued service over the life of your single-family affordable housing program loans.

Our extensive experience in purchasing, pooling and servicing mortgage loans to first-time and low- and moderate-income families in Minnesota and throughout the country is unmatched. We have the resources and commitment to provide Dakota County Community Development Agency with outstanding customer service. Our knowledgeable staff is the most experienced in the industry.

As of 12/31/2017, we have over 13,695 employees, 135 branch locations and almost 1.2 million consumer customers in the state of Minnesota.

U.S. Bank is currently servicing $2.8 billion dollars in first mortgage loans for 21,184 homeowners in the state of Minnesota. In Dakota County we are servicing 565 homeowners for $77 million dollars.

We have appreciated our relationship with Dakota County CDA since becoming your Master Servicer in 1999.

We look forward to this opportunity to continue this partnership with Dakota County CDA to support affordable homeownership. This proposal is valid for three months from the submission deadline of December 14, 2018, and shall therefore expire March 14, 2018. Should you have any questions, please do not hesitate to call me directly at 216-606-1797, or email me at louis.caresani@usbank.com.

Best Regards,  
Lou Caresani  
Client Sales Executive
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Confidentiality Agreement
The information provided in this proposal is privileged and confidential and is only to be used by Dakota County CDA for the sole purpose of choosing a service provider. This information is the sole and absolute property of U.S. Bank and nothing is intended to, in any way, transfer ownership rights to Dakota County CDA. This information should not be shared outside of [Prospect Name]. U.S. Bank does not agree to contract terms as a part of this response to Dakota County CDA’s Request for Proposal. Regulation W disclaimer: U.S. Bank National Association is not responsible for the obligations of its affiliates.
Executive Introduction

U.S. Bank is honored by the opportunity to partner with the Dakota County Community Development Agency. We have reviewed your RFP and can confirm that we meet all of the requirements. Our proposal outlines the ways in which we will collaborate and highlights the tools we will provide Dakota County CDA.

A Reputation of Excellence
We are a leader in the banking industry. Our outstanding track record of financial performance coupled with our sound ethical business practices have earned us the honor of being named Fortune’s 2018 “most admired superregional bank” for the eighth consecutive year and an Ethisphere Institute 2018 World’s Most Ethical Company® for the fourth consecutive year.

U.S. Bank is proud to share our Investor ratings with Dakota County CDA that continues to show our strength in our servicing operation and that your loans are being serviced by an Industry leader in the world of servicing. For the last three months, Freddie Mac has ranked us the number one servicer for the large Servicer peer group totaling 14 large Servicers. This three-peat is rarely achieved at the large Servicer level. U.S. Bank continues to achieve a HUD TIER 1 “A” ranking and has been awarded the prominent STAR Servicing Designation from Fannie Mae. This is a representation of U.S. Bank’s continuous improvement and aligning to Fannie Mae’s goals and objectives. Our HFA clients put U.S. Bank on top of the industry as a direct result of our commitment and quality service commensurate with the industry leader. Over the past 30 years U.S. Bank has served as the Master Servicer for more HFA Single-Family Mortgage Revenue Bond and market rate TBA programs than any other provider.

Regional, Personalized Client Service
While we live in a world where technology allows us to interact across great distances, we ultimately believe that mortgage servicing is a people-business, and there is no substitute for the direct personal communication that happens within the structure of our business model. Dakota County CDA will have the benefit of a dedicated team, starting with Client Sales Executive Lou Caresani. Dakota County CDA can expect responsive communication and meetings at a frequency that you prefer. Lou has extensive knowledge of HFA designed single family housing programs nationwide.

Financial Strength and Stability
U.S. Bank is the only domestic bank to carry S&P’s A+ rating and Moody’s A1 rating at the holding company level, the highest credit rating assigned by S&P and by Moody’s to domestic banks to date. U.S. Bank National Association’s long-term issuer rating is A1 from Moody’s, AA- from S&P and AA from Fitch. Even in periods of volatility, U.S. Bank has remained consistently profitable, posting 153 years of continuous shareholder dividends.

We look forward to discussing further the ways in which we can customize our services to exceed Dakota County CDA’s expectations for a Master Servicer.
1. The commitment to servicing state and local HFA loans and how this line of business is balanced with other company priorities and lines of business. Provide a copy of your company’s most recent audited financial statement, the total number and amount of HFA loans purchased and serviced over the past five years, and the total number and amount of HFA loans serviced as of the end the most recent fiscal year.

U.S. Bank is committed to the state and local Housing Finance Agency industry, which guarantees continued service over the life of your single-family affordable housing program loans. For U.S. Bank’s HFA Division our only business is the administration and servicing of Housing Finance Agency Program Loans. We are the only servicer with the understanding that HFA servicing is a distinctive facet of mortgage banking and merits the exclusive servicing treatment that only our HFA Division can provide.

As the leading Master Servicer for State Housing Finance Authorities nationwide since 1988, we have demonstrated that we are able to fulfill the scope of work requirements to the satisfaction of each HFA. We have long standing relationships with HFAs and are comfortable asking for their references on our service without hesitation.

Our extensive experience in purchasing, pooling and servicing mortgage loans to first-time and low-and moderate-income families in Dakota County and throughout the country is unmatched. We have the resources and commitment to provide Dakota County CDA with outstanding customer service. Our knowledgeable staff is the most experienced in the industry. We look forward to this opportunity to continue our partnership with Dakota County CDA and to support affordable homeownership throughout the state.

During our relationship with Dakota County CDA we have purchased over 1700 loans for $227 million dollars.

Due to the volume of paper that printing the financials would entail, in the interest of conservation please view our financials online at:

http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-reportsannual

The most recent 2017 audited financials will be at the top of the list.

Number of all HFA loans purchased over the last five years is 302,214, approximately $48.3 billion dollars.

Number of HFA loans serviced at the end of 2017 is 368,075, approximately $43.9 billion dollars.
2. Managing lender relations, approach to correspondent lenders, lender performance evaluation, methods for providing lender training, and systems of communication with lenders both pre- and post-closing.

U.S. Bank is very responsive to requests for a lender application. We make every effort to send out an application package to the lender the same day a request is made. Our turn time to review a new lender package and request missing documents (if applicable) is generally within 5 days. Once the package is complete and approved, the turn time to setup the lender profile is generally within 72 hours.

Our desire is to maintain a financially and procedurally sound base of HFA lenders. The required data collected in our application process is under heavy scrutiny by the OCC, the GSEs and various other internal and external parties. A lender must meet our minimum net worth requirements. Exceptions are considered with required mitigating factors. Neighborhood Watch provides the number of FHA loans originated by the Participating Lender and geographic regions, the number that are delinquent, and a comparison ratio against other FHA originating lenders. A lender that has a compare ratio percentage that is 125% over their peer group will require a letter of explanation for consideration as an exception. Minimum experience of 2 years, or greater than 25 loans is required, but again mitigating factors will be considered. We have a longevity standard of two years. Two years of business history allows for a fair evaluation of production and financial data. Investor Scorecards provide historical performance data and additional characteristics of loans that will be sold. This information is utilized to determine a lender’s performance. To grant conventional delegation, we require the lender’s underwriting resumes, Pre-Quality and Post Quality Control Plan, 3 months of Post Quality Control reports, and management responses. This information helps us to evaluate how the lender manages risk. We validate the lender licenses, review enforcement actions, determine if the principals or the lender is on the HUD LDP, OFAC and various other exclusionary lists, review for judgements, liens, bankruptcies, and strong financial ratings.

Lenders are provided with and evaluated via a Scorecard that measures performance. We look at such performance indicators as volume, delinquency, pull-through percentage, credit parameters, average FICO and DTI percentages. This helps us to monitor the quality of loan files delivered. In addition, we also look at outstanding final document items and pre-purchase review deficiency tracking. Special attention is given to any lenders that develop a high delinquency or early delinquency rate. Lenders that consistently exceed the delinquency rates of their peers are placed on a watch-list, and monitored further to develop a trend analysis. If a negative trend is identified we will present the analysis to the lender and solicit a plan for improvement. We will communicate this to the Agency prior to our discussion with the lender.

Lenders are closely monitored for compliance with program guidelines, underwriting guidelines and Agency guidelines. Lack thereof could ultimately lead to Agency Repurchase demands. Prolonged non-compliance or poor performance may result in lender deactivation. Our HFA Division Lending Guide, which are powered by Allreges™ and can be accessed by all lenders through our website: http://www.hfa.usbank.com. Lender Operation Updates, bulletins and other directives are posted to the guide ensuring that lenders can keep current on developments within our company and our industry.
All new Lenders receive a welcome call from our Sales Support Team. This call is designed to educate the Lender on how to navigate U.S. Bank’s Guide, who to contact, loan delivery, and to answer any other outstanding questions they may have. Our Customer Care Team will then contact the lender for a detailed WebEx training on file delivery and purchase requirements. Our Operations Department is now located in Hopkins, Minnesota, where they can visit individual lenders, or provide in person training if necessary.

U.S. Bank Operations manages loans from transmission from the HFA or their Program Administrators. We monitor loans through all phases of receipt to purchase and communicate with lenders via email or phone as needed. Further detail is provided in the response below.

3. Timeliness in the loan purchase process- provide data on the standard and current calendar days required for each step in the loan purchase process. Describe the technology systems used in the loan purchase process and any ability for lenders to access that system to resolve loan deficiencies in a timely manner. Discuss loan pipeline management and how fluctuations in loan volume are addressed.

U.S. Bank takes a very strategic approach when it comes to purchasing loans quickly. Senior leaders are engaged and excited about the HFA business, and the value it brings to U.S. Bank. We are active in our capacity planning and understand the negative impact that delays could have on the Dakota County Program. An incredible amount of effort has gone into creating a smooth, customer centric process in Operations and all supporting teams.

Our HFA Operations staff will contact lenders with a detailed deficiency report a minimum of once a week. Each lender is assigned a dedicated deficiency team. If there are questions or concerns, the lenders or HFAs can contact our HFA Customer Care Team. This specialized team was established to help clear loans, answer questions, research and to be true advocates for our lending partners. This team has received high praises and accolades from lenders and our HFA partners. Weekly meetings with upper management take place to discuss loans that need exceptions or special attention from Risk, Compliance or Legal.

We closely manage the effective and efficient Cycle Time of the loan, from receipt to purchase. Our goal is to fund loans in a 20-calendar day cycle time. Through the end of November, cycle time (receipt to purchase) is 21 calendar days. 26% of loans fund within 5.5 days, and an additional 39% of loans fund within 15.5 days.

Our Workflow Team manages the day to day assignments and they are responsible to monitor all function’s productivity and drive results that have brought the overall cycle times down over the past year. We monitor lender pipelines very closely. We are proactive and often customize solutions for our lenders to help fund loans quicker, and work closely with them to train on common deficiencies to eliminate ongoing trends. Each lender receives a monthly snapshot report that will let them know their deficiencies percentage for each month in a rolling 12 months, their overall cycle time compared to all lenders, along with a detailed deficiency report that outlines the trends. Calls are scheduled with lenders for a multitude of reasons; pipeline management, TRID/Compliance training, aged file review, to name a few. Each function is held to tight standards of production and they are also held to a metric daily. We have a QC Team that will track errors and train and develop staff, as needed.
Operations track all pipeline activity from the time of reservation to loan purchase, and through the pooling process.

**Standard Turn Times from Loan Receipt through each step of the purchase and pooling process**
- Loans reviewed and deficiencies are posted within 5-6 days
- Compliance and TRID testing is completed within 0-2 days
- Regulatory review is completed on day 2-4 days
- Deficiencies received to clearing 0-1 day
- Cleared to funding/wiring of funds to the lender 0-1 day

**Pooling turn times**
- Government loans are pooled in 8 days
- Conventional loans are pooled in 11 days

Reports are available upon request. This detail was obtained from HFAM003-Monthly Cycle Time Report 2018 and HFAW002-HFA Division Snapshot 2018.

**Key points to U.S. Bank-HFA data exchange**
- FTP (File Transfer Protocol) 128-bit SSL is used for data file transmissions
- Exchanges are able to support all data an Agency is able to provide
- Exchanges include but are not limited to the following key data fields:
  - Loan receive dates
  - Loan purchase dates and purchase amounts
  - Pool Information including pool numbers, pool amounts, settlement dates
  - Mortgage file exceptions
  - Default and Foreclosure data

U.S. Bank provides unique technology and management systems developed specifically for the HFA business. We recognized a need to offer specialized electronic services to HFAs and we continue to develop new solutions for use by HFAs to monitor their programs. U.S. Bank has raised the bar and no one else can offer this level of dedication to the industry.

**U.S. Bank’s Loan Inventory Control System (LICS)**
LICS is an in-house system developed specifically to support HFA programs. LICS has been customized to fit the changing mortgage market and does not require external vendor support to make changes.

Interfaces between an agency’s Mortgage Compliance System and U.S. Bank’s Loan Inventory Control System permit both the Agency and U.S. Bank to recognize pipeline activity from the time of reservation through the pooling process. LICS is a proprietary C#.Net based system using SQL databases. The LICS system also utilizes Crystal Reports for ad hoc reporting.

The USBHM LICS system tracks individual Lender pipeline activity. Lenders can be notified regarding loans that have not yet been delivered and the need to correct deficient loan files. The LICS system also allows us to proactively plan personnel and resources needed to support production activity.
Electronic File Transmission
U.S. Bank is able to transmit file deficiency and loan purchase dates to an HFA or Program Administrator, thus giving Dakota County CDA an effective way to track how quickly loans pass through the pipeline. Using this data Dakota County CDA can target lenders who are having difficulties getting loans purchased in a timely fashion. This information will allow for conversations to possibly offer additional training or assistance. U.S. Bank closely monitors Lender performance and offers this information to both the HFA and Lender.

Computer Services Staff
Technology Liaison – the HFA Division has an individual with 18 years direct experience in the Master Servicer activities at U.S. Bank dedicated to monitoring daily transmissions and reservations to identify issues and coordinate any changes, updates, or actions as necessary between the HFA Division, the HFA (and/or their third-party provider), and the U.S. Bank Information Technology group.

U.S. Bank is in the pilot phase of implementation of a new loan delivery system to all our Correspondent lenders called UniteUS, a new web-based loan operating system developed by CoreLogic specifically for U.S. Bank.

In early 2018 we began the implementation of UniteUS to replace LICS for all HFA Division employees and participating lenders. UniteUS will enhance the lender experience and better enable U.S. Bank to be the most trusted choice for our HFA partners, and help position us to compete in a technologically advanced marketplace. As part of the transition, no changes to the data sharing, and transmission process between Dakota County CDA and U.S. Bank are anticipated. We are scheduled to rollout Dakota County CDA and their lender partners in March 2019, with the rest of the eHousing clients.

All Participating Lenders upload their files electronically to DocVelocity. Lenders are able to follow their deficiencies (the “thread”), and upload any missing documents or deficiencies to us. The USBHM Loan Inventory Control System (LICS) is currently our in-house system developed specifically to support HFA programs. LICS is a proprietary C#.Net based system using SQL databases. Loan data in LICS is what has been sent via secure transmissions from any HFA or Program Administrator. The interfaces allow for both the HFA and U.S. Bank to track pipeline activity from the time of reservation to loan purchase and through the pooling process. Once loans are purchased, the loan information is uploaded into our Servicing System LPS (Black Knight), a well-known vendor application and updates are done routinely to accommodate changes within the financial sector. Specific reports on portfolio and performance can be found on our MORE system. This system allows HFAs to have secure 24/7 access to the information that is required by them to track and monitor their portfolio, most required reports already exist on this system. Ad hoc reports can be added to your Agency’s monthly listing of reports if requested.

Pipeline Management
U.S. Bank monitors pipeline very closely, we have an HFA Division and a Correspondent Division which make up our Third-Party Lending Operation Teams. There is one primary site for HFA and two primary sites for Correspondent. As volume fluctuates, we have staff cross trained to assist with volume fluctuations. This also is critical to the success of our Business Disaster Recovery plans for all operational functions.
4. Ongoing organizational management and expertise for servicing HFA loans, including transition planning and any proposed outsourcing of duties. Describe your company’s approach to maintaining servicing for the duration of a loan or selling servicing rights. Describe your approach to financial risk management, including financial controls and oversight and applicable insurance coverage.

U.S. Bank does not currently outsource any mortgage loan servicing activity within our organization. All Servicing functions are performed in-house, within multiple servicing locations throughout the country. Within each servicing location, all business lines complete a Business Continuity Plan, which lists in detail any transition planning needed to ensure that servicing of loans is not interrupted in the event of an emergency or building shut down.

U.S. Bank does not transfer servicing of HFA loans to any other lending institutions (with the few exceptions of repurchases), and we maintain the servicing of all HFA loans for the entire life of the loan.

U.S. Bank has a report (SOC1) that outlines our risk management, financial controls, oversight, and applicable insurance coverage available upon request.

“A System and Organizational Control Report”

5. Portfolio performance describe how loan performance is measured and monitored, including data on loan performance for most recent 5 years. Provide the most recent ratings by applicable third-party rating agencies, such as FHA Scorecard, Fannie Mae STAR Performance Scorecard, and Freddie Mac Servicer Success Scorecard. Describe how portfolio performance is approached across the company’s HFA balance sheet and the impact that any individual HFA’s portfolio performance, whether strong or poor, may have on the other HFAs.

Loan performance is measured using a Monthly Scorecard that all our HFA Partners are able to access within our M.O.R.E reporting system. The Monthly Scorecard shows our HFA Partners the delinquency statistics on their portfolio of loans, as well are peer comparisons. Overall loan performance for HFA for the last 5 years is included below:

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<thead>
<tr>
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<tbody>
<tr>
<td>Percentage of Loans 30 days delinquent</td>
<td>5.63%</td>
<td>3.48%</td>
<td>3.22%</td>
<td>4.27%</td>
<td>5.28%</td>
</tr>
<tr>
<td>Percentage of Loans 60 days delinquent</td>
<td>1.03%</td>
<td>0.86%</td>
<td>0.84%</td>
<td>1.48%</td>
<td>1.53%</td>
</tr>
<tr>
<td>Percentage of Loans 90 or more days delinquent (except for loans in process of foreclosure)</td>
<td>2.45%</td>
<td>0.77%</td>
<td>0.75%</td>
<td>1.87%</td>
<td>2.08%</td>
</tr>
<tr>
<td>Percentage of Loans in foreclosure</td>
<td>2.01%</td>
<td>0.36%</td>
<td>0.66%</td>
<td>2.66%</td>
<td>4.01%</td>
</tr>
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</table>

U.S. Bank consistently meets Fannie Mae’s and Freddie Mac’s expectations by ranking, on average, within their top 5 for peer performance. For 15 consecutive quarters, U.S. Bank has maintained a Tier 1 - Grade A status with HUD.
6. The commitment to successful homeownership and approach to loss mitigation. Provide information on customer support methods, including alternative formats and languages, customer satisfaction results, and how customer complaints are addressed. Describe outreach efforts to both borrowers and HFAs to address loan delinquencies. Provide data on the number of loan modification requests and approvals, and the performance of those loan modifications over the past 5 years. Provide data on other loss mitigation strategies, as available.

Default Counseling begins outreach to borrowers as early as 3 days after the missed payment due date, depending upon the customer’s historical payment behavior, including recent episodes of default. Outreach efforts include letters, email, and both manual and dialer outbound telephone calls. Potential loss mitigation options are provided in all notices sent to the borrower, and upon right party contact. Contact efforts continue throughout the default cycle of the loan until either (but not limited to) right party contact is established, the loan cures, the borrower applies for a loss mitigation solution, bankruptcy is filed, or foreclosure actions are taken. U.S. Bank also utilizes a translation service for borrowers who speak a foreign language. The translator is added to the telephone call via third party conference, and the Default Counseling representative and translator provide the customer with assistance.

Our loss mitigation strategy is focused on delivering the best borrower experience through verbal and written outreach efforts, and in compliance with federal and state regulations, insurer and investor requirements, and internal policies and procedures.

As of December 2018, U.S. Bank has not completed any modifications within the last 5 years on any loan from the current Dakota County portfolio.

U.S. Bank has a centralized Customer Advocacy team that receives, researches, and responds to customer complaints, both on defaulted loans and performing loans. All complaint responses receive research confirmation from our specific business lines within U.S. Bank to ensure accuracy, and those complaints that need specialized review (legal, fair lending, fair and responsible banking, etc.) are audited through those specific teams as well. All complaints are assigned a response date, depending on the incoming source of the complaint (borrower direct, Better Business Bureau, CFPB, etc.) and turn times are monitored to ensure all complaints are responded to timely and within the required response time, as mandated by the source of which the complaint was received.
7. Technology and data security - describe the physical location, technology systems used in loan file submission, purchase, and servicing, and the physical and technological protocols in place to ensure data security and integrity. Describe the technology capabilities the CDA would need in order to integrate with your company’s systems. Summarize your company’s Business Continuity and Disaster Recovery plans, with full plans available upon request.

All Participating Lenders submit their files electronically to DocVelocity. Our current front-end system is the Loan Inventory Control System (LICS), an in-house system developed specifically to support HFA programs. LICS has been customized to fit the changing mortgage market and does not require external vendor support to make changes. Interfaces between an agency’s Mortgage Compliance System and U.S. Bank’s Loan Inventory Control System permit both the Agency and U.S. Bank to recognize pipeline activity from the time of reservation through the pooling process, then on to servicing.

U.S. Bank is in the final phase of implementing a new loan delivery system called UniteUS, a web-based loan operating system developed by CoreLogic specifically for U.S. Bank which will replace LICS for all HFA Division employees and participating lenders. While offering similar functionality as LICS, UniteUS will enhance the lender experience and better enable U.S. Bank to be the most trusted choice for our HFA partners, and help position us to compete in a technologically advanced marketplace. As part of the transition, no changes to the data sharing and transmission process between Dakota County CDA and/or its agents, and U.S. Bank are anticipated.

U.S. Bank provides unique technology and management systems developed specifically for the HFA business. We are able to accommodate any and all HFAs regardless of their internal or third party provided systems utilizing established file layouts for the secure exchanges of data between the HFA and U.S. Bank and are able to meet any HFA specialized electronic service needs for them to monitor their programs. U.S. Bank is able to transmit file deficiency, loan purchase dates, and more data as applicable to give Dakota County CDA and/or its agents an effective way to track progress of their loans through the pipeline.

The HFA Division has a designated Technology Liaison (an individual with 19 years direct experience in the Master Servicer activities at U.S. Bank) dedicated to coordinating any new transmission setups with HFA clients, plus monitoring transmissions and reservations to identify issues and coordinate any changes, updates, or actions as necessary between the HFA Division, the HFA (and/or their third-party provider), and the U.S. Bank Information Technology group on a daily basis.

Key points to U.S. Bank-HFA data exchange:
- FTP (File Transfer Protocol) 128-bit SSL is used for secure data file transmissions
- Exchanges are able to support all data an Agency is able to provide
- Exchanges include but are not limited to the following key data fields: Loan receive dates, Loan purchase dates and purchase amounts, Pool Information (including pool numbers, pool amounts, settlement dates), Mortgage file exceptions, and Default and Foreclosure data
USBHM defines Disaster Recovery plans for all operational applications. U.S. Bank maintains a "Ready State" Disaster Recovery site at a separate location from the production operational site. In the event of an outage at the Production site a disaster is declared, defined recovery plans are executed to resume operations within a pre-determined timeframe relevant to criticality of the application. Disaster Recovery plans are tested every quarter for all applications. U.S. Bank also defines Business Continuity Plans to resume business operations in the event an operational business location becomes unavailable. External Third Parties providing critical operational processes are required to maintain Recovery plans per U.S. Bank requirements. Risk Assessment reviews are performed on all Third-Party entities.

8. Regulatory compliance, including oversight controls for compliance, the process for communicating with HFAs and participation lenders about proposed or new regulations that impact the mortgage process, and how non-compliance is addressed. Describe the process for monitoring regulatory proposals or changes.

U.S. Bank will continue to keep the Agency informed of any industry changes that could impact our servicing responsibilities. We inform the Agency of changes as soon as they are communicated to us by the various agencies and regulatory bodies that govern our industry.

U.S. Bank has various dedicated teams monitoring changes to federal and state laws and also a variety of actions from regulatory authorities like the CFPB, the OCC, states’ Attorneys General, etc. Any flagged event or change in law is passed to a team for initial analysis as to impact – calls are held to give an overview of changes to law, supervisory guidance coming from our regulators, significant enforcement actions, and industry/news reports of alleged violations, settlements, and law suits. U.S. Bank’s consumer banking side holds regular calls where each consumer banking channel, including Home Mortgage, is alerted to issues affecting the industry. Representatives discuss whether their respective business channel might be affected so that policies and procedures can be reviewed for gaps against legal requirements and perceived risks. Minor issues might be resolved simply by confirming that existing policy and procedure is sufficient to satisfy the law or control any business risk. Larger changes trigger a formal project; for Home Mortgage, a change management organization oversees an effort to identify requirements, pull in operations and legal/compliance experts to determine a resolution to any potential gaps, and to, as necessary, begin the designing of training and communication materials for internal staff or external partners like participating lenders.

Training and communication needs are generally determined by the operations and relationship managers who work closely with external partners; legal and compliance staff contribute to the drafting of these materials as needed and all materials require a formal submission for approval and tracking by U.S. Bank compliance staff. Most impacts on the mortgage process lead to a written memo for external partners. Major regulatory overhauls (such as the 2015 TILA/RESPA Integrated Disclosure rules) might be communicated with a mixture of written memo, training webinars, live question and answer sessions, and written Frequently Asked Questions. Documentation of these processes is stored as needed to respond to audits/exams by regulators or mortgage loan investors.
Regulatory compliance is also maintained via a broader risk management framework. Three lines of defense, designed per the OCC model, are maintained – “front line” business unit controls (described above), risk management staff independent from the business units, and enterprise-wide internal audit.

U.S. Bank staff are also involved with trade organizations such as the Mortgage Bankers Association, keeping U.S. Bank involved in early industry discussion of proposed rules and efforts by the industry to raise concerns with industry regulators.

From a loan by loan perspective, non-compliance is addressed via a deficiency resolution process. Most compliance issues involve omitted loan file documentation or inadvertent errors and can be resolved prior to loan purchase. Patterns of non-compliance might lead to operations staff reaching out to the lender to discuss policy requirements. Major defects or policy conflicts (i.e., disputes over regulatory interpretation) with participating lenders are likely escalated to regular calls held by operations managers for discussion with compliance, legal, or credit/underwriting experts. Follow up with a lender will depend on the circumstances of the issues; critical non-compliance may require involvement of relationship managers and senior business managers to review the business relationship. Repurchase demands by mortgage loan investors, discovery of system defects affecting batches of mortgage loans, and evidence of fraud are examples of issues handled by senior or specialized staff.

9. Product development and implementation—describe how credit risk is evaluated when considering adding new products/programs. List all servicer credit overlays to applicable FHA, VA, USDA-RD, Fannie Mae, and Freddie Mac products and whether individual HFAs can negotiate overlays based on loan performance. Confirm your ability to service all loan types available to the CDA: FHA, VA, USDA-RD, Fannie Mae HFA Preferred, Freddie Mac HFA Advantage, and junior liens (including deferred loans). Describe servicer requirements for manually underwritten loans.

U.S. Bank is sensitive to the mission of all HFAs, to develop affordable mortgage loan products to meet the needs of all low-to-moderate income first time homebuyers. We will work with the Agency and their participating lenders to develop strategies to enhance mortgage loan products and ensure that the program(s) meet all regulatory requirements.

Our goal is not only to help families realize the dream of homeownership, but to keep them in their home. Our experience has shown that borrowers with credit scores below 640 have a much higher propensity for delinquency compared to those with higher scores. Therefore, U.S. Bank will purchase eligible Mortgage Loans with credit scores of 640 and above only.

U.S. Bank will consider a formal written request submitted from Dakota County CDA to negotiate credit overlays. We have recently waived our .50% fee on VA loans. Also, we have reduced our fee from 1% to .50% for FHA loans with FICO scores of 640-659.

U.S. Bank has a maximum DTI of 45% on Government loans. If a Conventional loan is run through Fannie Mae’s Desktop Underwriter (DU) system and it receives an “approve/eligible”, or run through Freddie Mac’s Loan Product Advisor (LPA) and receives an “accept”, there is a Maximum DTI overlay of 50%.
U.S. Bank does allow manual underwriting for FHA loans for borrowers that do not have a credit score and require the use of non-traditional credit sources, however we do have additional criteria for manually underwritten loans. A 1% fee will be charged at pool settlement for FHA manually underwritten loans. For all manually underwritten loan types, the maximum DTI is 36%, and the borrower must have 2 months reserves.

Manual underwritten loans on conventional products under 95% LTV is permitted.

All of U.S. Bank requirements/overlays are posted throughout our manual on our website www.hfa.usbank.com. We are currently working on an HFA matrix that addresses all overlays to be posted in one location on our website. This should be completed by year end.

Regarding TRID, U.S. Bank does have one policy that could be interpreted as an overlay. We require that a Closing Disclosure (CD) be issued at the time of consummation (Note signing) and that this CD must be signed by all borrowers and (if applicable) all persons with rescission rights. This allows us to confirm the final loan terms/costs and to obtain actual signatures from all borrowers acknowledging the disclosure. Most investors believe this to be a sound business practice. It’s important to note that most investors had a policy of requiring signatures on final TILs and HUD-1, before the TRID revisions, so it’s an overlay that has been with the industry a long time.

U.S. Bank is a nationwide Servicer of FHA, VA, Fannie Mae, Freddie Mac and Rural Housing residential mortgage loans. We comply with the servicing standards for each of these entities. In 2010, U.S. Bank was required to discontinue combined billing statements for the first and second amortizing mortgages, in order to comply with the Fair Credit Reporting Act (FCRA) and the Truth in Lending (TILA). Currently, a separate billing statement is generated for each amortizing loan. Deferred second mortgages remain attached to the first mortgage loan number, and will not have their own billing statement as there is no “due date” for a deferred second mortgage. However, deferred second mortgage balances are included in a separate section of the first mortgage’s monthly billing statement. U.S. Bank charges a 1-time fee of $175 to service amortizing second mortgages. There are no fees for the servicing of deferred or non-amortizing second mortgages.

Regarding the deferred 2nd mortgage reporting, we have created a new Mortgage Online Reporting Engine (MORE) report in 2017, which will provide Dakota County CDA with a breakdown of all outstanding deferred second mortgage balances at each month end. This report is titled "HFA856 - Deferred Second Loans" report, and will be available to Dakota County CDA in your monthly MORE report folders.

All the 17 State and 39 Local HFA’s that we currently work with have some form of down payment assistance. They vary from fully amortizing to fully forgiven upon closing, and include many variations of deferred second liens. We service all second liens at the request of the HFA.

As a National Association, U.S. Bank does not have limitations on purchasing loans daily, and in 2016 we began purchasing loans three times a day.
10. Secondary Market Settlement - describe the process for loan purchase, pooling, delivery on the secondary market, and financial settlement of the sale transaction. Include the minimum number of business or calendar days required for each stage by loan type. Provide example MBS settlement documents for review. Confirm the ability to work with the CDA’s selected trustee (currently US Bank) and broker (currently RBC Capital Markets) for loan/MBS pooling, delivery, and settlement.

U.S. Bank expertise in securitization and delivery of Ginnie Mae, Fannie Mae and Freddie Mac securities has continuously evolved to meet the changing needs of our Housing Finance Agencies. Whether issuing bonds, warehouse or TBA securities, U.S. Bank’s HFA Pooling Division has successfully met the needs of our Housing Finance Partners for over 30 years. Over the last few years, several billing processes were implemented to ensure compliance with all loan level pricing adjustments (LLPAs) and delivery fees associated with buyups and buydowns as required by the GSEs. As the HFA business has evolved, so too has the processes involved in the pooling of HFA loans. U.S. Bank works with various trustees and brokers to facilitate delivery and settlement of securities which includes the creation of notification of delivery statements and settlement information to U.S. Bank Safekeeping for the actual receiving and delivering of securities. U.S. Bank has worked with RBC Capital Markets as a broker in the past, and has the ability to do so in the future.

Traditionally, the operations end of the HFA pooling function has operated out of the Bedford, OH office. This is where the reporting, pool setup, notifications and fee reconciliation had taken place. U.S. Bank also has a Pooling department located in Minnesota (moving soon to the new Hopkins facility) where the securitization of the core business line loans is performed. The actual processing of HFA pools has been done from the Minnesota location for the past 10 plus years. This involves the scrubbing of data sent to the agencies (Fannie Mae, Ginnie Mae and Freddie Mac), ensuring the collateral is in place and conforms to agency requirements, and working with our document custodian so that pools are certified and sent to the agencies in a timely manner so that settlements occur as requested. There is a staff of four individuals in Minnesota dedicated to the pooling and delivery of HFA loans. As they work solely on HFA production, they are well versed in the workings of the HFA business line and have up to 10 years of experience with HFA pooling.

As noted, U.S. Bank core business pooling also takes place in Minnesota. The Minnesota Pooling department consists of many long-term employees with pooling experience up to 20 years. Having both HFA and core pooling processing in one location allows for collaboration and information sharing between the groups and aids in developing best practices for pooling of loans.

With the closing of the Bedford office, the HFA Pooling functions currently performed there are being transitioned to the Minnesota office. This transition is anticipated to be complete by early 2019. With that, the experienced staff already in place will be supplemented with additional employees so that the excellent service and support given throughout the years will continue without interruption.
Standard Pooling Turn Times

- 8 business days for issuing Government pools
- 11 business days for issuing Conventional pools

Day 1: Loan purchased and collateral sent to Pooling
Day 2: Collateral checked in as available to pool
After collateral check-in, a list of available loans sent to HFA/Financial Advisor for pool instructions
Day 3: Pooling instructions received and pools processed for requested settlement date
(5 business days for process of pools)
Day 8: Notification of delivery sent to HFA/, Financial Advisor detailing cost of trade

[MBS Settlement Notification example can be found as Exhibit 11]

11. Pricing and financial considerations, including proposed CDA and lender compensation and how these pricing levels are set in your pricing model. Explain the proposed pricing model and alternative pricing models available in detail. Describe how frequently changes in pricing levels occur and what factors are considered, including whether any specific attributes of HFA loans are considered in the pricing model. Identify any fees for the CDA and borrowers/lenders, along with any cash advances or minimum available capital required of the CDA. Describe your loan warehousing process. Describe in detail any risks or liabilities that would be shared by the CDA and provide data on the impact of those risks/liabilities on the HFAs already within your portfolio over the previous 5 years.

Currently, U.S. Bank sees no risk/liability to Dakota County CDA on servicing matters.
Conflicts of Interest

U.S. Bank does not have any conflicts of interest as it pertains to the Dakota County Community Development Agency or this Request for Proposal.

References

Housing Finance Agencies

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Michael Perel
6145 Park Square Drive / Suite 3
Lorain, Ohio 44053
(440) 610.4360
mperel@lend.us

**Fairway Independent Mtg. Corp (National)**
Teri Pansing
1800 Golden Trail
Carrollton, TX 75010
(469) 910.0368
Teri.pansing@fairwaymc.com

**Caliber Home Loans (National)**
Leo Tolentino
1525 S. Belt Line Road
Coppell, TX 75019
(516) 241-8348
Leonardo.tolentino@caliberhomeloans.com

Reference letters for all listed HFAs and Lenders can be found in Exhibits 3-11.
Schedule A – Mortgage Loan Pricing

FLAT FOUR MONTH PRICING

The Service Release Premium (SRP) paid by the Servicer to the Issuer will be based on a comparison of the last four months of the Issuer’s loan reservations weighted average Note Rates versus the average MBA Weekly Mortgage Applications Survey for FHA and Conventional loans to establish the Issuer’s overall weighted average spread to market for the same time period illustrated in Exhibit A.

https://www.mba.org/news-research-and-resources/research-and-economics/single-family-research/weekly-applications-survey

- Select: “News, Research, & Resources” at the top of the page
- Select: “Newsroom” from the drop-down menu
- Under the “Latest Press Releases from MBA” select the most recent “Mortgage Applications – MBA Weekly Survey” entry.

Exhibit B indicates the fixed SRP slotting by service fee for the four-month period. The SRP table shown in Exhibit B will be set for a period of one year. The SRP slotting will be effective for MBS pool settlements for the specified four-month time frame as shown in Exhibit C. The Issuer’s weighted average spread to market for the Pricing Grid will be established approximately 90 days prior to the initial four-month flat pricing, and prior to each subsequent four-month change (Exhibit D).

With respect to the acquisition of Mortgage Loans and the sale of the Mortgage Backed Securities to the Issuer, the Servicer reserves the right to reevaluate and change the SRP pricing, fees and/or credit terms stated on this Schedule A or the accompanying Exhibits. Such changes may be made at any time with a 30-day advance written notice to the Issuer, unless a shorter time frame is mandated by any Regulatory Agency.

STANDARD FEES
Funding: $400 (currently paid by Dakota Housing)
Tax Service: $80
Amortizing Second: $175
FHA loans with credit scores 640-659: .50%
FHA manually underwritten loans: 1%

MAXIMUM DEBT-TO-INCOME RATIOS:
Government Insured: 45%
Conventional Agency: 50%
### Exhibit A

**HFA & MBA survey Rate Comparisons**

<table>
<thead>
<tr>
<th>Month</th>
<th>Res $000</th>
<th>HFA Rate</th>
<th>Govt Mo Avg</th>
<th>Over (Under)</th>
<th>Res $000</th>
<th>HFA Rate</th>
<th>Conv Mo Avg</th>
<th>Over (Under)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug-18</td>
<td>0</td>
<td>4.88</td>
<td>4.80</td>
<td>0.08%</td>
<td>1,095</td>
<td>5.38</td>
<td>4.81</td>
<td>0.57%</td>
</tr>
<tr>
<td>Sep-18</td>
<td>446</td>
<td>5.06</td>
<td>4.91</td>
<td>0.16%</td>
<td>206</td>
<td>5.38</td>
<td>4.91</td>
<td>0.46%</td>
</tr>
<tr>
<td>Oct-18</td>
<td>279</td>
<td>5.13</td>
<td>5.03</td>
<td>0.09%</td>
<td>337</td>
<td>5.63</td>
<td>5.09</td>
<td>0.53%</td>
</tr>
<tr>
<td>Nov-18</td>
<td>0</td>
<td>5.25</td>
<td>5.09</td>
<td>0.16%</td>
<td>1,182</td>
<td>5.75</td>
<td>5.14</td>
<td>0.61%</td>
</tr>
</tbody>
</table>

**Weighted Avg**

- FHA % 20: 5.09%
- CON % 80: 4.99%

### Exhibit B

**Dakota Cnty, MN Price Slotting**

SRP table effective 4/1/2019 to 3/31/2020

<table>
<thead>
<tr>
<th>Spread to market</th>
<th>From</th>
<th>To</th>
<th>FHA 44</th>
<th>FHA 19</th>
<th>FHA 31.5</th>
<th>FHA 56.5</th>
<th>FHA 69</th>
<th>Conv 25</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1.251%</td>
<td>1.001%</td>
<td>1.250%</td>
<td>75</td>
<td>(18)</td>
<td>25</td>
<td>122</td>
<td>131</td>
<td>39</td>
</tr>
<tr>
<td>0.751%</td>
<td>1.000%</td>
<td></td>
<td>85</td>
<td>(14)</td>
<td>33</td>
<td>134</td>
<td>148</td>
<td>43</td>
</tr>
<tr>
<td>0.501%</td>
<td>0.750%</td>
<td></td>
<td>91</td>
<td>(13)</td>
<td>37</td>
<td>141</td>
<td>159</td>
<td>48</td>
</tr>
<tr>
<td>0.251%</td>
<td>0.500%</td>
<td></td>
<td>101</td>
<td>(9)</td>
<td>45</td>
<td>154</td>
<td>177</td>
<td>53</td>
</tr>
<tr>
<td>0.000%</td>
<td></td>
<td></td>
<td>111</td>
<td>(6)</td>
<td>52</td>
<td>166</td>
<td>193</td>
<td>58</td>
</tr>
<tr>
<td>-0.251%</td>
<td>-0.500%</td>
<td></td>
<td>122</td>
<td>(3)</td>
<td>60</td>
<td>179</td>
<td>213</td>
<td>63</td>
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<tr>
<td>-0.501%</td>
<td>-0.750%</td>
<td></td>
<td>131</td>
<td>0</td>
<td>68</td>
<td>191</td>
<td>230</td>
<td>68</td>
</tr>
<tr>
<td>-0.751%</td>
<td>-1.000%</td>
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<td>140</td>
<td>3</td>
<td>74</td>
<td>201</td>
<td>245</td>
<td>72</td>
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<tr>
<td>-1.001%</td>
<td>-1.250%</td>
<td></td>
<td>148</td>
<td>5</td>
<td>81</td>
<td>212</td>
<td>260</td>
<td>75</td>
</tr>
<tr>
<td>-1.251%</td>
<td>0.000%</td>
<td></td>
<td>148</td>
<td>5</td>
<td>81</td>
<td>212</td>
<td>260</td>
<td>75</td>
</tr>
</tbody>
</table>

### Exhibit C

**Slot 1 of 3 2019 - 2020**

Shaded line is FIXED SRP for four month settlement period.

Price effective for settlements with Issue Dates of 4/1/2019 thru 7/31/2019

<table>
<thead>
<tr>
<th>Gov</th>
<th>Conv</th>
<th>FHA 44</th>
<th>FHA 19</th>
<th>FHA 31.5</th>
<th>FHA 56.5</th>
<th>FHA 69</th>
<th>Conv 25</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRP</td>
<td>0.13%</td>
<td>0.57%</td>
<td>111</td>
<td>(6)</td>
<td>52</td>
<td>166</td>
<td>193</td>
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<tr>
<td>VA deduct</td>
<td>111</td>
<td>(6)</td>
<td>52</td>
<td>166</td>
<td>193</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Prior slot**

- 0.90% 0.85% 106 (5) 51 161 180 33
- Change -0.77% -0.28% 5 (1) 1 5 13 15

### Exhibit D

**Price Slotting Notification**

<table>
<thead>
<tr>
<th>Price Slotting</th>
<th>Notification</th>
<th>M/YR</th>
<th>Pool delivery M/YR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slot 1</td>
<td>Jan-19</td>
<td>4/19 - 7/19</td>
<td></td>
</tr>
<tr>
<td>Slot 2</td>
<td>May-19</td>
<td>8/19 - 11/19</td>
<td></td>
</tr>
<tr>
<td>Slot 3</td>
<td>Sep-19</td>
<td>12/19 - 3/20</td>
<td></td>
</tr>
<tr>
<td>New pricing</td>
<td>Jan-20</td>
<td>4/19 - 7/20</td>
<td></td>
</tr>
</tbody>
</table>
December 5, 2018

To Whom It May Concern:

Minnesota Housing selected U.S. Bank Home Mortgage HFA Division (U.S. Bank) as our Master Servicer in 2009.
In response to issues with the loan purchase process, they instituted new systems that help them accommodate fluctuating loan volume and provide lenders with an improved customer experience during the loan purchase process. We are satisfied with the current turn times and their performance.

Minnesota Housing appreciates the willingness of U.S. Bank staff to resolve issues the Agency brings to their attention and their commitment to continuous improvement.

Minnesota Housing is happy to provide this letter of reference for U.S. Bank Home Mortgage. Please feel free to contact me at (651) 296-9959 or Kim.stuart@state.mn.us if you have any questions.

Sincerely,

[Signature]

Kimberly Stuart
Manager, Homeownership and Home Improvement
To whom it may concern:

The Arizona Industrial Development Authority, formerly the Arizona Housing Finance Agency / Arizona Department of Housing has had a long standing relationship with US Bank, and specifically, the US Bank Home Mortgage Housing Finance Agency Division.

Operating as our master servicer for our HOME Plus homeownership / down payment assistance program, US Bank has been a valuable program partner. Over the past four years, we have both experienced an accelerated period of growth. With that growth has come a number of challenges that impacted service levels, turn times, etc. Personally, I judge an entity on how they face adversity, not how well they perform under optimal conditions. The US Bank team met those challenges head-on, working through the short term issues while keeping the lines of communication open and honest. As a result, our current service levels are very good and partnership has been further solidified.

They continue to constantly work toward process improvement. And the move to merge the Correspondent and HFA Divisions should further improve the process efficiencies for both us and our mortgage lenders. Yes, issues and flare ups occur, but they are addressed, handled and resolved in a professional manner always with a focus toward our business partnership. Finally, I find it easy to work with the individual team members; Jim, Elmer, Sally, Rod, are all like-minded business professionals that work with me on win-win solutions to continue to grow our DPA program.

Sincerely,

[Signature]

Dirk Swift – AzIDA Homeownership Program Administrator

Dirk.swift@azhousing.gov
(602) 319-9620

Arizona Industrial Development Authority
8601 North Scottsdale Road
Suite 300
Scottsdale, AZ 85253
December 5, 2018

Re: Reference Letter

To Whom It May Concern:

The Ohio Housing Finance Agency (OHFA) has contracted with US Bank Home Mortgage, HFA Division as our master servicer since the inception of its First Time Homebuyer Program in 1988. Even though they are headquartered in Bloomington, Minnesota, we appreciate and enjoy the fact that we work directly with many fine people located here in Ohio.

During 2014 and 2015, US Bank admittedly struggled with the huge increase in HFA loan volume as turn times increased significantly and overall customer service levels were challenged. However, with the implementation of their strategic plan to address these issues, significant improvement has been made with both turn times and service levels. One reason for their successful turnaround is that they reached out to the HFA’s for input and guidance; and they collaborated with us directly on the approach and plan with constant updates.

OHFA’s approved lenders have acknowledged US Bank’s improved performance as have Freddie Mac and Fannie Mae. Improved reporting by lender on such things as file deficiencies has led to several very positive and productive training sessions or meetings between US Bank, the lender, and OHFA focused on process improvement. US Bank understands that without our lenders we don’t have a program.

With US Bank’s dramatic improvement in these areas, OHFA executed an extension to the Master Servicer Agreement, securing a relationship with US Bank until at least December 31, 2021. We are excited to see what the future holds as they continue to look at ways to improve the process through a focus on technology.

We are pleased to provide this reference letter for US Bank Home Mortgage, HFA Division and if you have any questions please feel free to contact me.

Sincerely,

[Signature]

James R. Durham
Director of Homeownership
December 5, 2018

RE: Letter of Reference

To Whom It May Concern:

Golden State Finance Authority (GSFA) has enjoyed a solid working relationship with US Bank Home Mortgage, HFA Division. US Bank has been our master servicer for several years and we are satisfied with the current turn times and their performance.

Lender relationships are important to the success of GSFA’s homebuyer programs and US Bank provides good customer service to our lender partners. They also do an excellent job working with GSFA’s other important business partners such as our program administrator.

I am happy to provide this letter of reference for the services of the US Bank Home Mortgage, HFA Division, and if you have any questions please feel free to contact me.

Sincerely,

Peter Tran,
Director of Operations, GSFA
Re: HFA Letter of Recommendation

We have been working with the US Bank HFA department for many years. We currently are participating in the MHFA Bond program and AZ Bond Program and closed approximately 270 loans in 2018.

We would highly recommend US Bank's Operation Team. We are able to upload the documents for review. They review all our files in a timely manner, are always available to answer any questions we may have and purchase our loans quickly.

Sincerely,

Donna L. Seeman

Vice President – Closing/Post Closing
November 5, 2018

To whom it may concern:

It is my pleasure to continue to send out a letter of recommendation for Stacey Buzay. I’m so lucky that I work such a talented partner with her background and experience.

As a colleague in the mortgage industry, I quickly developed a sense of respect and admiration for Stacey. She is a bright, thoughtful and articulate person. And, she is very passionate about her work, with a natural ability to engage others. Her leadership and work ethic quickly earned her the recognition and respect within the mortgage industry.

In closing, Stacey is a tremendous asset for your company and has my highest recommendation. If you have any further questions with regards to her background or qualifications, please do not hesitate to call me at 440-610-4360.

With kindest regards,

Michael J. Perel
National Operations Manager
LENDUS, LLC.
December 4, 2018

To whom it may concern:

We are happy to provide a reference letter to Stacey Buzay, HFA Operations Manager at US Bank and Housing Finance Agency Team. Stacey has been working with Fairway Independent Mortgage Corporation for approximately six years. In this capacity she engages a number of our departments here at Fairway dealing with the many bond and housing agencies we currently do business with.

Stacey has done a fantastic job engaging the various departments not only as loan level issues arise and their resolution but when trends begin to appear and working to determine the root cause and how we can resolve moving forward. She has hosted calls with our various department heads to better understand our business model and how our teams can best partner for success.

We value the partnership with Stacey, the HFA Team, as well as US Bank and the long standing relationship we have together.

Please feel free to contact me for additional information.

Regards,

Teri Pansing

Vice President Corporate Closing

Fairway Independent Mortgage Corporation

teri.pansing@fairwaymc.com

469-910-0368
Caliber Home Loans  
1525 South Beltline Road  
Coppell, TX 75019  
www.CaliberHomeLoans.com - CHL#15622

To Whom It May Concern:

It is with much enthusiasm that I am writing to recommend US Bank HFA Division. I have personally worked with them for over 2 years, and Caliber Home Loans has worked with them for many more.

US Bank is a valued partner of ours. They exhibit open communication and work as a team toward a common goal, all to ensure loans are purchased quickly and efficiently. US Bank is readily available for questions, comments or to address concerns. Their customer service is outstanding and they are always willing to go the extra mile to find resolution should there be a problem arise on our loans. We can count on them to do whatever they can to assist, they are a true collaborator of ensuring our business is successful. Turn times have drastically improved from previous years and initial review times, along with condition review times, are quick and certainly meet or exceed our expectations.

US Bank is a wonderful business colleague and we look forward to many more years of a great relationship of outstanding performance.

Best Regards,

[Signature]

Leo Tolentino  
VP National Operations
NOTIFICATION OF DELIVERY
OF GNMA/FNMA/FHLMC SECURITIES

DATE: 11/16/2018

WE BUY FROM: DAKOTA COUNTY FNMA MAJOR
WE SELL TO: U.S. BANK GLOBAL CORP TRUST
DELIVERY ON: 12/03/2018
AMOUNT OF COMMITMENT: $0.00

FNMA: B2737/FNMA/DK7
CUSIP NUMBER: 31418C6A7
COUPON: 4.5
SALE PRICE: 101.63
MATURITY DATE: 11/01/2048
ISSUE DATE: 12/01/2018

ORIGINAL PRINCIPAL BALANCE: $409,293.00
ORIGINAL POOL FACE AMOUNT: $408,834.00
DISCOUNT PRICE: $6,663.99
INTERIM INTEREST: 2 DAYS AT $51.10 PER DAY

TOTAL PROCEEDS: $415,600.20

ISSUER: U.S. BANK HOME MORTGAGE
DELIVERY INSTRUCTIONS
Federal Reserve Bank of Cleveland
For U.S. Bank, N.A. ABA: 042-000-013/1050
Acct: 1424020000

METHOD OF PAYMENT: DVP

NOTIFICATION

DEALER: U.S. BANK GLOBAL
PERSON NOTIFIED: DAN SHEFF
U.S. BANK
PERSON NOTIFIED: JILLIAN FRIEDGES
SECURITY BEING DELIVERED ON: 12/03/2018

DT: 11/16/2018
METHOD: FAX
BY: JOSEPH H STEELE
METHOD: COURIER
BY: CHAD BUTRUFF
Authorization To Execute The Restated Joint Powers Agreement Between Dakota County And The CDA For Lincoln Place Youth Supportive Housing (Eagan)

Meeting Date: 2/26/2019
Department: Property Management
Prepared By: Anna Judge
Contact: Anna Judge
Contact Phone: 651-675-4501

PURPOSE/ACTION REQUESTED
- Authorize Executive Director to execute Joint Powers Agreement with Dakota County for Lincoln Place Youth Supportive Housing located in Eagan.

SUMMARY
Since 2010, the CDA and Dakota County have partnered to provide affordable housing and supportive services to homeless youth at Lincoln Place located in Eagan.

Since that time, the service provider has changed and staff revisited the existing Joint Powers Agreement to make necessary updates. Attachment A is the Restated Joint Powers Agreement.

RECOMMENDATION
Staff recommends authorizing the Executive Director to enter into this agreement for continued collaboration with Dakota County on Lincoln Place.

EXPLANATION OF FISCAL/FTE IMPACT
None.
Resolution No. 19-XXXX

Authorization To Execute The Restated Joint Powers Agreement Between Dakota County And The CDA For Lincoln Place Youth Supportive Housing (Eagan)

WHEREAS, Dakota County and the CDA previously executed a Joint Powers Agreement prior to the construction of Lincoln Place, a youth supportive housing development in Eagan; and

WHEREAS, Minor changes were needed to update the Joint Powers Agreement to reflect current arrangements for Lincoln Place; and

WHEREAS, the County Attorney’s Office assisted with reviewing the modifications to the Joint Powers Agreement that has been reviewed by both the CDA and Dakota County Community Services staff.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Executive Director is authorized to execute the Restated Joint Powers Agreement with Dakota County.

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 Priorities:
- Focused Housing Programs
- Collaboration
- Development/Redevelopment
- Financial Sustainability
- Operational Effectiveness

______________
Executive Director

______________
Department Director
FIRST AMENDED RESTATED JOINT POWERS AGREEMENT BETWEEN THE COUNTY OF DAKOTA AND THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY FOR THE EAGAN YOUTH SUPPORTIVE HOUSING PROJECT

This Joint Powers Agreement ("Agreement") is entered into as of effective this ______ day of ______________, 2019, by and between the Dakota County Community Development Agency (the "CDA") and Dakota County (the "County").

RECITALS

WHEREAS, the County identified a need for supportive housing for young adults who are homeless; and

WHEREAS, the County solicited the assistance of the CDA to develop and finance a supportive housing development for young adults who are homeless or at risk of becoming homeless; and

WHEREAS, the County Board of Commissioners in its Resolution 06-169 (April 18, 2006) authorized the County Board Chair to sign a letter to the CDA indicating the County’s support of the development by the CDA of a youth housing project and family supportive housing project to achieve the County’s supportive housing goals; and

WHEREAS, the CDA has made application to, and has been selected by, the Minnesota Housing Finance Agency ("Minnesota Housing") as one of three community partners to participate in a funding pilot program known as the Performance Award Pilot Program (the "Pilot Program"); and

WHEREAS, the CDA successfully secured a site in Eagan for the development pursuant to the Pilot Program of a 24-unit supportive housing development for young adults (the "Youth Housing Project"); and

WHEREAS, the CDA obtained final planned development and final plat approval from the City of Eagan to develop the Youth Housing Project; and

WHEREAS, the CDA was awarded capital funding for the Youth Housing Project from Minnesota Housing in the amount of $4,221,029, from the Family Housing Fund in the amount of $15,000, and from the CDA HOPE fund in the amount of $480,000; and

WHEREAS, a source of the capital funding from Minnesota Housing is General Obligation Bonds of the State of Minnesota ("G.O. Bonds") funding authorized by the Minnesota legislature, by way of 2006 Minn. Laws Ch. 258, § 22, Subd. 3, which appropriated funding to Minnesota Housing for loans and grants for publicly owned permanent rental housing under Minnesota Statutes, §462A.202, Subd. 3a, for persons experiencing long term homelessness or persons at significant risk of experiencing long term homelessness, and which requires that the housing provide or coordinate with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment; and

WHEREAS, the CDA is able and willing to serve in the roles of Developer, Owner, and Property Manager of the Youth Housing Project; and

WHEREAS, the County is able and willing to serve as Sponsor of the Youth Housing Project; and
WHEREAS, the County and the CDA reviewed proposals from organizations interested in serving as Service Provider of the Youth Housing Project; and

WHEREAS, the County has a contract with the Service Provider; and

WHEREAS, the CDA and the Service Provider executed a Memorandum of Understanding (the “MOU”), which is intended to further detail the separate and distinct roles and responsibilities of each party in connection with the development of the Youth Housing Project; and

WHEREAS, the CDA and the County desire to enter into this Joint Powers Agreement to formalize the partnership between the two parties.

NOW, THEREFORE, the County and the CDA agree as follows:

1. **DEFINITIONS**

1.1. **Youth Housing Project:** a 25-unit permanent supportive housing development comprised of 24 efficiency units and 1 one-bedroom manager unit, common area and programmatic space to include lounges, kitchen, computer/resource room, office space for case managers and other supportive service staff, exercise room, conference/training room, front desk area, and laundry rooms. The development is a 3-story building over underground parking, located at 1997 Gold Trail in Eagan, Dakota County, Minnesota. The development targets young adults ages 18-24 who are experiencing Long Term Homelessness or are Significant Risk of Long Term Homelessness.

1.2. **Long Term Homelessness:** five (5) persons/households lacking a permanent place to live continuously for a year or more or at least four times in the past three years.

1.3. **Significant Risk of Long Term Homelessness:** nineteen (19) persons/households recently experiencing homelessness, or who has been previously homeless for extended periods of time, or who is faced with a situation or set of circumstances likely to cause homelessness in the near future; or a previously homeless person who will be discharged from correctional, medical, mental health or treatment centers who lacks sufficient resources to pay for housing and does not have a permanent place to live.

1.4. **Extremely Low Income:** five (5) persons/households whose gross annual household income does not exceed 30% of the area median income for the Minneapolis-St. Paul Metropolitan Statistical Area, as determined annually by the U.S. Department of Housing and Urban Development (“HUD”).

1.5. **Low Income:** nineteen (19) persons/households whose gross annual household income does not exceed 50% of the area median income for the Minneapolis-St. Paul Metropolitan Statistical Area, as determined annually by HUD.

1.6. **Supportive Services:** services provided to residents of the Youth Housing Project for the purpose of enhancing the residents’ ability to attain independent living skills, improved economic opportunities, and improved health and quality of life. These services will include: on-site case management services, 24/7 front desk staffing, independent living skills training, pre-vocational training, community-building activities, and referrals to other services.

1.7. **Service Provider:** the organization under contract with the County to provide Supportive Services to residents of the Youth Housing Project.
1.8. **Operating Subsidies**: anticipated sources of operating funding identified in Exhibit A to this Agreement.

1.9. **Capital Funding**: amounts to be used to construct the Youth Housing Project, including proceeds from General Obligation Bonds of the State of Minnesota, deferred loan funds from the Minnesota Housing, and funds provided by the Family Housing Fund and the CDA, as shown in the Sources & Uses Statement in Exhibit B to this Agreement.

2. **PURPOSE**

This Agreement is executed for the purpose of formalizing the partnership between the County and the CDA related to the Youth Housing Project and to detail the separate and distinct roles and responsibilities of each party.

3. **TERM**

The term of this Agreement shall commence upon execution and shall continue in full force and effect until terminated pursuant to paragraph Section 10 of this Agreement.

4. **USE RESTRICTIONS**

4.1. The parties acknowledge that the Youth Housing Project will be developed using the proceeds of General Obligation Bonds of the State of Minnesota ("G.O. Bonds"). The use of these G.O. Bonds requires that the property be owned by a local unit of government, which indicates by resolution that it is willing to own and be responsible for the operation of the housing in accordance with G.O. Bond requirements. The parties further acknowledge that the CDA will serve as Owner and that the G.O. Bond requirements will include, but not be limited to, the following provisions:

a) **Individuals meeting the definitions of Long-Term Homelessness and Extremely Low Income**, as defined in Section 1.2 and Section 1.4 of this Agreement will **occupy** Five (5) units. will be occupied by individuals meeting the definitions of Long-Term Homelessness and Extremely Low Income, as defined in Section 1 of this Agreement.

b) **Individuals meeting the definitions of those at Significant Risk of Long-Term Homelessness and Low Income**, as defined in Section 1.3 and Section 1.5 of this Agreement will **occupy** Nineteen (19) units. will be occupied by individuals meeting the definitions of those at Significant Risk of Long-Term Homelessness and Low Income, as defined in Section 1 of this Agreement.

c) The Youth Housing Project shall remain “state bond financed property” within the meaning of Minn. Stat. MN § 16A.695 and § 462A.202 and subject to the restrictions imposed by such statutes.

d) Use restrictions will remain in full force and effect as long as the CDA owns the property. The G.O. Bond requirements allow the CDA to sell the building only in the event that the CDA determines by official action that the property is no longer usable or needed to provide supportive housing, and the Minnesota Commissioner of Finance provides written approval of such sale. The sale must be made for fair market value and sale proceeds must be used to repay any portion of the G.O. Bonds then outstanding, as determined by the State of Minnesota as required by law.
5. **DUTIES OF DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

5.1. **Developer Role:** The CDA will serve as Developer of the Youth Housing Project. As Developer, the CDA will:

a) Secure all Capital Funding and public approvals required to construct the Youth Housing Project.

b) Enter into contracts with architectural, engineering, general contracting, and other professionals to design and build the Youth Housing Project.

c) Coordinate all activities related to property acquisition.

d) Oversee and ensure completion of the construction of the Youth Housing Project on time and within budget.

e) Ensure that all regulatory and funding requirements of the capital funding sources are met.

5.2. **Owner Role:** The CDA will serve as Owner of the Youth Housing Project. As Owner, the CDA will:

a) Arrange for liability and property insurance for the development.

b) Prepare all budgets and cost estimates related to the operations of the development.

c) Pay any taxes associated with the Youth Housing Project.

d) Perform asset management duties, including financial management and preparation management of a long-term capital maintenance plan.

e) Provide annual funding from the CDA levy to support operating costs for five (5) units.

f) Request funding renewals from Minnesota Housing Finance Agency (MHFA) to support operating costs for ten (10) units.

g) Administer CDA levy and MHFA operating subsidies. Administration duties include: budgeting, requesting funds, completing reports, commissioning audits and meeting any other requirements of the CDA and MHFA related to this funding.

h) Provide project financial information necessary for the Service Provider’s administration duties related to operating subsidies from Group Residential Housing reimbursement programs, which subsidies are expected to support nine (9) units.

i) Enter into long-term loan agreements and contracts with MHFA, and execute and record required declaration of restrictive covenants related to the G.O. Bond and other capital funding sources.

j) Authorize its staff to assist the Service Provider in fundraising efforts for Supportive Services.

e) G.O. Bond proceeds will be provided in the form of a 0% interest deferred loan to be forgiven after 20 years.
5.3. **Property Management Role:** The CDA will serve as Property Manager of the Youth Housing Project. As Property Manager, the CDA will:

   a) Develop resident recruitment, eligibility, selection, and lease termination policies in consultation with the Service Provider and County.

   b) Develop and implement a Management Plan and Fair Housing Marketing Plan.

   c) Determine income eligibility of applicants; approve final selection of new residents recommended by the Service Provider; lease residential units; collect monthly rent from tenants and providers of rental assistance.

   d) Pay operating and maintenance expenses from sources described in this Agreement or otherwise determined by the parties hereto.

   e) Provide building and equipment maintenance and repair, janitorial services, and security.

   f) Meet annual reporting requirements and submissions including a current rent role, schedule of rental rates, operating budget, year-end operating statement, and other required financial reporting.

   g) Consult with the Service Provider routinely on resident issues and departures, and prior to taking any action to evict any resident.

6. **DUTIES OF DAKOTA COUNTY**

The County agrees to serve as Sponsor of the Youth Housing Project. As Sponsor, the County agrees to be responsible for the duties identified in this Section 6.

6.1. **Supportive Services Plan:** County staff will develop a plan for Supportive Services, in cooperation with the Service Provider. The County will periodically evaluate the Plan and make adjustments as appropriate, in consultation with the CDA, provided that the 24/7 front desk model will not be abandoned until it has been in place for a period of four years. County staff will review and approve the Supportive Services budget on an annual basis.

6.2. **Appropriations:** The County will appropriate annual funding to the Youth Housing Project to fund the costs of Supportive Services. County appropriations are at the discretion of the Dakota County Board of Commissioners. If the County elects not to make an annual appropriation to fund the costs of Supportive Services, the County Board will adopt a resolution identifying the policy reasons for such decision. The CDA and the County understand that the State of Minnesota has committed to providing $100,000 in annual operating support to partially fund the front desk services of the Youth Housing Project.

6.3. **Administration:** The County will enter into and administer a contract with the Service Provider to provide Supportive Services at the Youth Housing Project. In the event that the contract with any particular Service Provider is terminated, the County will solicit proposals to provide Supportive Services and, in consultation with the CDA, will enter into and administer a contract with the replacement Service Provider. In the event that the CDA believes that either the initial Service Provider or replacement Service Provider is not appropriately providing the Supportive Services, the County, upon consultation with the CDA, will evaluate whether the contract should be terminated and a replacement Service Provider selected.
6.4. **Support of Operating Subsidy:** The County acknowledges that the identified sources of operating support for the project are (i) the CDA levy, (ii) State reimbursement/waiver programs such as Housing Support, and (iii) Minnesota Housing unique operating subsidy. The County agrees to support CDA levy requests for such operating costs. The County agrees that its staff will work with the Service Provider to administer applicable reimbursement/waiver programs.

7. **LIAISON**

7.1. To assist the parties in the day-to-day performance of this Agreement and to develop service, ensure compliance, and provide on-going consultation, a liaison shall be designated by the County Social Services Director and the CDA Executive Director. The Parties shall keep each other continually informed, in writing, of any change in the designated liaison. At the time of execution of this Agreement, the following persons are the designated liaisons:

- County’s Liaison: Madeline Kastler
  Phone Number: 651-554-5918

- CDA Liaison: Anna Judge
  Phone Number: 651-675-4501

7.2. **The parties shall promptly provide notice to each other when a Liaison’s successor is appointed. The Liaison’s successor shall thereafter be the Liaison for purposes of this Agreement, without necessity of amendment.**

8. **INDEMNIFICATION**

8.1. The County’s and CDA’s total liability under this Agreement shall be governed by Minn. Stat. § 471.59, subd. 1a.

8.2. The CDA and the County each agree that it will be responsible for the acts or omissions of its officials, agents, and employees, and the results thereof, in carrying out the terms of this Agreement, to the extent authorized by law and shall not be responsible for the acts or omissions of the other or the results thereof. For purposes of determining the total liability for damages, the County and the CDA are considered to be a single governmental unit, the total liability of which shall not exceed the limits for a single governmental unit as provided in Minn. Stat. §466.04, subd. 1.

8.3. The CDA and the County each agree to defend, hold harmless, and indemnify the other, its officials, agents, and employees, from any liability, loss, or damages the other may suffer or incur as the result of demands, claims, judgments, or costs arising out of or caused by the indemnifying party’s negligence in the performance of its obligations under this Agreement. This provision shall not be construed nor operate as a waiver of any applicable limitation of liability, defenses, immunities, or exceptions by statute or common law.

8.4. Minnesota Statutes §471.59, subd. 1a shall govern any and all claims or actions against the CDA and the County.

9. **AMENDMENTS**

This Agreement may be amended only in writing executed by each party hereto.
10. **TERMINATION**

This Agreement may be terminated upon the occurrence of any one of the following events, whichever occurs first:

10.1. When necessitated by operation of law or as a result of a decision by a court of competent jurisdiction.

10.2. When the parties mutually agree, by resolution, to terminate the Agreement upon a date certain. The parties will consider terminating this Agreement if the following conditions are met:

   a) (i) the CDA and the County each adopts a resolution of the CDA and County Boards of Commissioners finding that the property is no longer usable or needed to provide supportive housing for young adults; (ii) either (A) the County identifies an alternative population to be served at the development, such as the elderly or persons with a disability, develops a service program to meet supportive services needs of this population, and identifies resources to fund supportive services needs and operation costs, or (B) the CDA determines it is feasible to operate the building as low income rental housing without services; and (iii) Minnesota Housing approves necessary amendments to the documents to allow for the project to serve an alternative population or operate as low income rental housing without services; or

   b) (i) the CDA and the County each adopts a resolution of the CDA and County Boards of Commissioners finding that the property is no longer usable or needed to provide supportive housing for young adults; and (ii) the requirements of Minnesota Statutes, §16A.695 and §462A.202, have been met such that the building may be transferred or sold.

10.3. When the County withdraws from the Joint Powers Agreement, provided that the County has given to the CDA two years’ written notice of its intent to withdraw and that such notice includes the County Board’s policy reasons necessitating the withdrawal.

11. **RECORDS, ACCOUNTS, REPORTS**

The CDA agrees to establish and maintain such accounts, records, and reports required by MHFA, the State of Minnesota, and any other funders and as are customary according to generally accepted operating and accounting guidelines for low-income multifamily housing developments in the State of Minnesota.

12. **SEVERABILITY**

The provisions of this Agreement shall be deemed severable. If any part of this agreement is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this agreement unless the part or parts which are void, invalid, or otherwise unenforceable shall substantially impair the value of the entire agreement with respect to either party.

13. **ATTACHMENTS**

Exhibit A: Operating Subsidy Sources
Exhibit B: Sources & Uses
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date(s) indicated below.

Approved as to form:

Assistant County Attorney/Date

____________________________________

KS-19-70

Approved by Dakota County Board
Resolution No. ___-_____

COUNTY OF DAKOTA

By _____________________________

Liz Workman, Chair
Board of Commissioners

Date: _____________________

Attest: __________________________

Jeni Reynolds
Clerk to the Board

Date: _____________________

DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY

By _____________________________

Chris Gerlach, Chair
Board of Commissioners

Date: _____________________

Attest: __________________________

Tony Schertler
Executive Director

Date: _____________________
EXHIBIT A
OPERATING SUBSIDIES

Operating/Rental Assistance Sources

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LTH= Long-Term Homelessness
SRLTH = Significant Risk of Long-Term Homelessness
EXHIBIT B
SOURCES & USES

Eagan Youth Supportive Housing Project
Gold Trail & Cedar Grove Parkway

**Sources And Uses Statement**

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Public Hearing To Receive Comments And Adopt The 2020 Qualified Allocation Plan For The Allocation Of Low Income Housing Tax Credits Under Section 42 Of The Internal Revenue Code Of 1986, As Amended

Meeting Date: 2/26/2019  
Department: Community & Economic Development  
Prepared By: Kathy Kugel  
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 and close a public hearing to receive public comment on the 2020 Qualified Allocation Plan for Low-Income Housing Tax Credits.
- Adopt the 2020 Qualified Allocation Plan.

SUMMARY

The Dakota County Community Development Agency (CDA) is authorized under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) and Minnesota Statutes Sections 462A.221 through 462A.225, to allocate Low Income Housing Tax Credits (the “Tax Credits”) to qualified projects in Dakota County. Prior to allocating Tax Credits under the Code, the CDA is required to adopt a Qualified Allocation Plan (QAP) detailing the basis for allocating Tax Credits among applicants.

The CDA is required by the Code to hold a public hearing prior to adopting a QAP. The public hearing was set by the CDA Board of Commissioners at its January 2019 meeting and notice was published in the Dakota County Tribune on February 8, 2019, not less than 14 days in advance, as evidenced by the Affidavit of Publication in Attachment A. The notice and draft QAP were also posted on the Dakota County and CDA websites.

The Tax Reform Act of 1986 created the Housing Tax Credit Program as a means of raising private capital to finance affordable rental housing. The credit is a 10-year annual reduction in the tax liability of investors in affordable housing. The investor, typically a private corporation, makes an initial equity contribution to the development to receive the annual credit. Since 1988, tax credit equity has been used to finance the new construction, preservation and/or substantial rehabilitation of 2,153 units of affordable rental housing in 51 developments in Dakota County.

The Housing Tax Credit Program is administered by the Minnesota Housing Finance Agency (MHFA) and local housing finance agencies such as the CDA. As required in the Code, the CDA allocates tax credits to housing projects in Dakota County according to a QAP and Procedural Manual (Manual). The QAP and Manual establish the procedure and selection criteria for a competitive application process, as well as credits allocated on a non-competitive basis to projects financed with tax exempt bonds. The application deadline for the competitive 2020 Housing Tax Credits is tentatively set for June 3, 2019.

The CDA is currently authorized to allocate approximately $1,030,887 of 2020 Tax Credits. The proposed 2020 QAP with changes redlined is in Attachment B. In addition to the formatting and administrative revisions (including updating dates, credit amounts, and clarifying text), the most substantive revisions to the QAP proposed for 2020 include changes to the Self-Scoring Worksheet (Schedule 1 of the QAP):

1. Preservation of Federally Assisted Housing – Increase points from 20 to 25 points for the preservation of federally assisted housing, which includes projects that have expiring rental assistance contracts. (#2)

2. Preservation and Stabilization of Affordable Housing – Separate this into two separate criteria (previous they were together) so projects that qualify for preservation (such as projects nearing the end of their affordability term) will be awarded 10 points and those projects that are in need of stabilization (projects experiencing troubles with occupancies and/or net revenues) will be awarded 5 points. (#2 and #3)

3. Readiness to Proceed – Added criteria and points for projects that have their needed land use and zoning approvals (5 points) and projects that have secured funding commitments for their permanent funding sources (up to 15 points). (#4 and #5)

4. Non-Capital Contributions – Clarified how to earn points for non-permanent capital contributions and reduced possible points from 15 to 10 points. (#6)
5. **Townhomes** – Removed the criteria for projects having individual exterior entrances for all units (i.e. townhomes). (was #4)

6. **Community Priority Locations** – Added points for projects that are located on property owned by a governmental entity in Dakota County. (#7)

7. **Access to Transit** – Simplified the requirements to receive points for projects located near public transit. (#15)

8. **Preference Priorities** – Added criteria and points for projects that received a previous commitment of tax credits and require additional tax credits. (#b.1)

**RECOMMENDATION**

Staff recommends adoption of the 2020 Qualified Allocation Plan for the Tax Credits. Approval of this resolution authorizes staff to prepare a Procedural Manual and a Compliance Monitoring Manual that is consistent with the QAP.

**EXPLANATION OF FISCAL/FTE IMPACT**

None.
Resolution No. 19-XXXX

Public Hearing To Receive Comments And Adopt The 2020 Qualified Allocation Plan For The Allocation Of Low Income Housing Tax Credits Under Section 42 Of The Internal Revenue Code Of 1986, As Amended

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 (the “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 “QAP”) 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 $1,030,887 of 2020 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 2020 Tax Credits by the Minnesota Housing Finance Agency (“MHFA”), which is expected to be Monday, June 3, 2019;

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

1. The QAP 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 QAP, to notify prospective applicants of the availability of the QAP 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 QAP by the applicable elected representative of the CDA for purposes of Section 42 of the Code.
AFFIDAVIT OF PUBLICATION
STATE OF MINNESOTA ) ss
COUNTY OF DAKOTA

Darlene MacPherson 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 02/08/2019 and the last insertion being on 02/08/2019.

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: [Signature]
Designated Agent

Subscribed and sworn to or affirmed before me on 02/08/2019 by Darlene MacPherson.

[Signature]
Notary Public

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

Ad ID 903453
DAKOTA COUNTY CDA

HOUSING TAX CREDIT

2019-2020 QUALIFIED ALLOCATION PLAN

(QAP)
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DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY
LOW-INCOME HOUSING TAX CREDIT
QUALIFIED ALLOCATION PLAN FOR 2019-2020

ARTICLE 1
DEFINITIONS

Section 1.0. The following terms shall have the meanings assigned below for purposes of this Plan and the Procedural Manual.


b. Agency: The Dakota County Community Development Agency.


d. Declaration: A Declaration of Land Use Restrictive Covenants in a form acceptable to the Agency, imposing restrictions required by Section 42 of the Code on a particular project receiving Tax Credits.

e. Federally Assisted Building: As defined by Section 42, any building which is substantially assisted, financed, or operated under section 8 of the United States Housing Act of 1937, Section 221(d)(3), 221(d)(4), or 236 of the National Housing Act, Section 515 of the Housing Act of 1949, or any other housing program administered by the Department of Housing and Urban Development (“HUD”) or by the Department of Agriculture Rural Development (“RD”).

d. Market Study: In accordance with Section 42(m)(1)(A)(iii) of the Code, a comprehensive market study of the housing needs of low-income individuals in the area to be served by the project, conducted before the Tax Credit allocation is made, and at the developer’s expense by a disinterested party approved by the Agency.

g. MHFA: Minnesota Housing Finance Agency.

h. Plan: This Qualified Allocation Plan adopted by the Agency pursuant to Section 42(m)(B) of the Code in connection with the allocation of 2020 Tax Credits.

i. Section 42: Section 42 of the Code, as amended, relating to Tax Credits.

j. Single Room Occupancy: A unit having one bedroom or less with rents affordable at 30 percent of median income.
g. k. Substantial Rehabilitation: Rehabilitation with a minimum cost that:
1. Equals or exceeds $5,000 per unit, as defined in Minn. Stat. Section 462A.221, Subdivision 5; and
2. Equals or exceed the greater of:
   (a) An average qualified basis amount per low income unit for a building which meets the inflation adjusted amount published by the IRS annually in accordance with Section 42(e)(3)(D) of the Code; or
   (b) An amount that is not less than 20 percent of the adjusted basis of the building, as determined pursuant to Section 42(e)(3) of the Code.

h. l. Tax Credit Agencies: Any entity authorized by the State of Minnesota and Section 42 to allocate Tax Credits in Minnesota.

i. MHFA: Minnesota Housing Finance Agency.

j. Plan: this Qualified Allocation Plan adopted by the Agency pursuant to Section 42(m)(B) of the Code in connection with the allocation of 2019 Tax Credits.

k. m. Tax Credits: Low income housing tax credits, within the meaning of Section 42 of the Code.

ARTICLE 2
PURPOSE; AUTHORITY

Section 2.0 Section 42(m) of the Code, requires Tax Credit Agencies to develop and adopt a qualified allocation plan in connection with the allocation of Tax Credits. This Plan for 20192020 sets forth selection criteria that are appropriate to local conditions, priorities and procedures to be used by the Agency in the allocation of Tax Credits to projects and provides procedures the Agency will follow with respect to monitoring noncompliance with the provisions of Section 42 of the Code and in notifying the Internal Revenue Service of such noncompliance.

Section 2.1 The Act provides that the amount of Tax Credits available in Minnesota shall be allocated among MHFA and certain cities and counties or their designees, including the Agency as designee for Dakota County. The Agency anticipates that it will be authorized to allocate approximately $1,120,5291,030,887 of 20192020 Tax Credits pursuant to this Plan.1

Section 2.2 This Plan was prepared in accordance with the procedures set forth in Section 42(m) of the Code, and is to be construed and governed under Section 42 of the Code.

1 The 2019 Tax Credit amount was updated on June 7, 2018. The IRS updated the population numbers on May 4, 2018 and Minnesota Housing then provided an update to the 2019 Tax Credit amounts. This calculation also includes the 2018 Carryforward and the increase per capita die the Spending bill. The approximate 2020 Tax Credit amount includes the 12.5% boost that was approved in the 2018 Spending bill. The 12.5% boost will be in effect for the 2018, 2019, 2020 and 2021 allocations. Barring an extension, the Tax Credit annual allocation will revert to the previous levels (adjusted for inflation) in 2022.
including applicable Treasury Regulations, and the Act. All applicable restrictions and requirements set forth in Section 42 of the Code and the applicable Treasury Regulations are hereby incorporated by reference as if fully set forth herein and to the extent of any inconsistency between this Plan and Section 42 and applicable regulations, the provisions of Section 42 and applicable regulations will govern.

ARTICLE 3
GENERAL CONCEPTS

Section 3.0. This Plan sets forth selection criteria which reflects the housing policies of the Agency, which will be used to determine the priorities for the allocation of Tax Credits within Dakota County. This Plan gives preferences as required by Section 42 in allocating Tax Credits among selected projects to:

a. projects serving the lowest income tenants,
b. projects obligated to serve qualified tenants for the longest periods, and
c. projects which are located in a qualified census tract (as defined in Section 42(d)(5)(C), of the Code and contribute to a concerted community revitalization plan.

As part of the evaluation by or on behalf of the Agency of applications for Tax Credits, the applicant must demonstrate, to the satisfaction of the Agency, that the proposed project is marketable and financially feasible.

In addition, this Plan provides a procedure that the Agency (or an agent or other private contractor of the Agency) will follow in monitoring for noncompliance with the provisions of the Code, including but not limited to monitoring for noncompliance with habitability standards through regular site visits, and in notifying the Internal Revenue Service of such noncompliance of which the Agency becomes aware of in accordance with Section 42, Treasury Regulations §1.42-5 and any other applicable regulations.

Section 3.1. The following factors required under Section 42(m)(1)(C) of the Code are incorporated into the selection criteria to allocate Tax Credits to projects:

a. project location,
b. housing needs characteristics,
c. project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan,
d. sponsor characteristics,
e. tenant populations with special housing needs,
f. whether tenant selection will involve special consideration for persons on public housing waiting lists,
g. tenant populations of individuals with children,
h. projects intended for eventual tenant ownership,
i. the energy efficiency of the project, and
j. the historic nature of the project.

Section 3.2. This Plan provides for the financial feasibility review of each project and its viability as a qualified low-income project throughout the 10-year credit period as of the application date, allocation date, and placed-in-service date, all as required under Section 42(m)(2) of the Code. Such review is solely for the purpose of allocating Tax Credits and may not be relied upon by an applicant or investor for any other purpose.

As authorized by, the Housing and Economic Recovery Act of 2008, the Agency may increase or “boost” the eligible basis of a particular project for purposes of the allocation of Tax Credit by up to 30% (“Basis Boost”) for designated buildings that are located outside of an established Qualified Census Tract (QCT) or Difficult Development Area (DDA). The Agency will review the financial feasibility of the project and the request for additional Basis Boost in accordance with this Plan.

(This Basis Boost does not apply to buildings which receive automatic Tax Credits because they are financed with tax-exempt bonds.) This Plan establishes standards for the Agency to determine which buildings will be designated for such Basis Boost.

Pursuant to the 2015 Protecting Americans from Tax Hikes Act, Congress made permanent the provisions of Code Section 42(b)(2) which provides 9 percent tax credit rate percentage to all non-federally subsidized new buildings which are placed in service on or after January 1, 2015 (the “9% Tax Credit”).

Section 3.3. This Plan also applies to projects that are tax-exempt bond financed as set forth in Section 42(m)(1)(D) of the Code (the “4% Tax Credit”).

ARTICLE 4
APPLICATION ROUNDS

Section 4.0. The Agency will accept applications on the deadline set by MHFA for the first application competition round. The application deadline for 2019 Tax Credits is tentatively scheduled for June 14, 2019, however applicants should confirm the actual deadline prior to submission of an application. All applicants applying for the 9% Tax Credit must meet the minimum threshold requirements set forth in Sections 4.1 and 4.2.

Section 4.1 A project for which 9% Tax Credits are being sought must satisfy the following minimum requirements:
a. Under the Act and Minnesota Statutes, Sections 462A.222, Subd 3(d) and 383D.41, Subd. 11, all applicants must meet one of the following threshold types:

1. New construction or Substantial Rehabilitation of projects in which, for the term of the extended use period (term of the Declaration of Land Use Restrictive Covenants (the “Declaration”)), at least 75% of the total tax credit units must be Single Room Occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30% of the median income;

2. New construction or Substantial Rehabilitation family housing projects that are not restricted to occupancy by persons 55 years old or older and in which, for the term of the extended use period (term of the Declaration), at least 75% of the tax credit units contain two or more bedrooms and at least one third of the 75% contain three or more bedrooms;

3. Substantial Rehabilitation projects located in neighborhoods targeted by the applicable city for revitalization;

4. Projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period (term of the Declaration), a percentage of the units are set aside and rented to persons:

   (a) with a serious and persistent mental illness as defined in Minnesota Statutes Section 245.462, Subd. 20(c);

   (b) with a developmental disability as defined in the United States Code, title 42, Section 6001 paragraph (8);

   (c) who have been assessed as drug dependent persons as defined in Minnesota Statutes Section 254A.02, Subd. 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes Section 254A.02, Subd. 2;

   (d) with a brain injury as defined in Minnesota Statutes Section 256B.093, Subd. 4(a); or

   (e) with permanent physical disabilities that substantially limit major life activities, if at least fifty percent (50%) of the units in the project are accessible as provided under Minnesota Rules Chapter 1340.

5. Projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing, if the use of Tax Credits is
necessary (1) to prevent the conversion of the project to market rate use project or (2) to remedy physical deterioration of the project which would result in loss of existing federal subsidies;

6. Projects financed by Rural Development, which meet state-wide distribution goals;

7. Up to two projects of the following type: new construction or Substantial Rehabilitation multifamily housing projects that are not restricted to persons who are 55 years old or older and that are located within one of the following areas at the time a reservation for Tax Credits is made:

(a) an area within one-half mile of a completed or planned light rail transitway, bus rapid transitway, or commuter rail station;

(b) an area within one-fourth mile from any stop along a high-frequency local bus line;

(c) an area within one-half mile from a bus stop or station on a high-frequency express route;

(d) an area within one-half mile from a park and ride lot; or

(e) an area within one-fourth mile of a high-service public transportation fixed route stop.

To qualify under this threshold requirement, prior to submitting an application, the applicant must receive written confirmation from the Agency that the project meets the applicable requirements.

For purposes of this threshold requirement, the following terms have the following meanings:

(1) "high-frequency local bus line" means a local bus route providing service at least every 15 minutes and running between 6:00 a.m. and 7:00 p.m. on weekdays and between 9:00 a.m. and 6:00 p.m. on Saturdays;

(2) "high-frequency express route" means an express route with bus service providing six or more trips during at least one of the peak morning hours between 6:00 a.m. and 9:00 a.m. and every ten minutes during the peak morning hour; and

(3) "high-service public transportation fixed route stop" means a stop serviced between 6:00 a.m. and 7:00 p.m. on weekdays and 9:00 a.m. and
6:00 p.m. on Saturdays and with service approximately every 30 minutes during that time.

b. Each project must satisfy the following additional requirements to the Agency’s satisfaction:

1. The Agency’s underwriting standards;

2. Preliminary financing commitments must be in place;

3. The owner/sponsor must have substantial experience and track record in developing successful Tax Credit projects, in the judgement of the Agency. Such experience may typically be demonstrated by the owner/sponsor having developed at least five (5) successful tax credit projects, the Agency may also consider other factors including a smaller number of recent tax credit projects;

4. The project must comply with applicable building, land use and zoning ordinances;

5. The project must propose a number of units and otherwise be consistent with a Market Study; and

6. The costs of intermediaries must not be excessive for a project of its nature and in its location.

c. Applicants must agree to utilize public housing waiting lists in Dakota County in marketing units to the public.

d. Owners of a Tax Credit project must agree to not refuse to rent a unit to a tenant because that tenant has a Section 8 voucher that would be used for a unit in the project. Language prohibiting discrimination based on Section 8 status must be included in the Declaration entered into by the owner with the Agency.

e. The applicant must demonstrate by information in the application that each building in the project is a qualified low-income building under Section 42(c)(2) of the Code.

f. The applicant must agree to enter into a Declaration in form and substance acceptable to the Agency and legal counsel appointed by the Agency. Declarations are enforceable in state court by Housing Credit Agencies and all income-eligible persons and must be recorded in the County in which the project is located.
g. The applicant must agree to resident screening criteria as provided in the Declaration.

h. The applicant (i) for a project applying for 9% Tax Credits, must agree to waive the provisions of Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) which permit the owner to terminate the extended use period, described in Section 42(h)(6)(D) of the Code at the end of the initial 15 year compliance period, and (ii) for a project applying for 4% Tax Credit, must agree not to seek to terminate the extended use period as otherwise permitted under Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) earlier than the later of: (a) 5 years after the close of the initial 15 year compliance period, or (b) if applicant claimed points on the Self-Scoring Worksheet for a longer extended use period, such longer period.

i. The applicant agrees to provide high speed internet access via installation of all appropriate infrastructure and connections for cable, DSL or wireless/data internet service to every unit.

j. The applicant agrees to institute and maintain a written policy prohibiting smoking in all the units and all common areas within the building(s) of the project. The project must include a non-smoking clause in the lease for every unit. Projects will be required to maintain the smoke-free policy for the term of the Declaration.

Section 4.2 All new construction and substantial rehabilitation must meet the basic design requirements set forth in Exhibit C of the Procedural Manual, which include certain energy efficiency standards. Units that are designed to meet the threshold requirements of Section 4.1.a.4. above must comply with the appropriate local, state or federal requirements or building code; e.g. to be considered a handicapped unit, the unit must be designed to meet the standards in the Minnesota State Building Code, Chapter 1341, and be certified as complying by a registered architect.

Section 4.3 The Agency will require that the threshold type under which the applicant applies be included as a requirement in the Declaration.

Section 4.4 Under State law, Tax Credits not committed or allocated by the Agency as of the last day of the first round in each year will be returned to the MHFA.

ARTICLE 5
APPLICATION PROCESS

Section 5.0. The application process for awarding the Tax Credits to projects located in Dakota County consists of the following steps:

a. Each applicant shall notify the Agency of its intent to apply.
b. Each applicant shall complete, sign, date and submit to the Agency no later than the application due date an original application and related documents on forms required by the Agency, including all required fees, deposits and exhibits, all as set forth in the Procedural Manual.

c. The Agency shall review and evaluate the application to:

1. assure that the application is complete.

2. assure that minimum threshold requirements to qualify for Tax Credits have been satisfied.

3. assign points to the project according to the selection priority section of the Scoring Worksheet attached to this Plan as Schedule 1.

4. determine the minimum amount of Tax Credits necessary to make the project financially feasible and viable pursuant to Code Section 42(m)(2)(B).

d. Applicants with initial scores sufficient to receive an allocation of Tax Credits will be required to submit a Market Study, as required under Section 42(m)(1)(A) of the Code.

e. Legal counsel appointed by the Agency shall also review the application.

f. The Agency shall present the project to the Mayor and the staff of the city in which the project is located for review and comment prior to staff recommendation to the Agency. The Agency will consider comments made by the Mayor and/or city staff.

g. The Agency shall make a determination whether to approve or deny a commitment of Tax Credits to the project based upon the findings and selection priority criteria and the requirements of this Plan and the Procedural Manual, provided, however that the Agency reserves the right (but shall not be obligated) to grant priority over higher ranking projects to projects that (i) have previously received Tax Credits and have an annual tax credit shortfall of at least 5 percent, but no more than 50 percent, of the total qualified annual Tax Credit amount and (ii) demonstrate readiness to proceed by having city approvals and all funding commitments in place (other than the Tax Credits the applicant is presently requesting). The Agency shall provide a written explanation, available to the general public, for any allocation of Tax Credits which is not made in accordance with the priorities and selection criteria set forth in this Plan.
h. The applicant shall be required to pay the application, commitment and allocation fees in the amounts and at the times described in the Procedural Manual in effect at the time of application, commitment or allocation, respectively.

i. The applicant shall certify that the project has been placed in service.

j. The Agency shall reevaluate the amount of Tax Credit for the project based on final information provided by the applicant and the final costs at the time the building is placed in service pursuant to Section 42(m)(2)(B) of the Code.

k. Legal counsel appointed by the Agency shall conduct a final review of the application.

l. The Agency issues IRS Form 8609, Low Income Housing Credit Allocation and Certification.

m. Evaluations of the amount of Tax Credit for a project may be completed by a fiscal consultant engaged to act on behalf of the Agency.

n. Applicants with initial scores sufficient to receive an allocation of Tax Credits and which have an identity of interest will be required to provide an as-is appraisal acceptable to the CDA to substantiate the acquisition price reflected in the application.

Section 5.1. The Agency will evaluate project proposals to determine the amount of Tax Credits to be allocated pursuant to Section 42(m)(2)(B) of the Code. In determining the amount of Tax Credits to be allocated, the Agency will consider: the Market Study, the sources and uses of funds and the total financing planned for the project, proceeds or receipts expected to be generated by reason of tax benefits; the percentage of the Tax Credits used for project costs other than costs of intermediaries, and the reasonableness of the developmental and operational costs of the project.

The Agency will also evaluate project proposals to determine whether the Basis Boost is needed for a project to be financially feasible. In making such determination, the Agency will consider whether: (i) the project meets the housing priorities identified by the Agency, as evidenced by a 9% Tax Credit score; and (ii) any funding gaps remain for such projects.

In any event, the Agency will not allocate more Tax Credits to a project, whether or not it is designated for a Basis Boost, than the amount necessary for the financial feasibility of the project and its viability as a qualified low-income housing tax credit project throughout the 10- year credit period.

The Agency’s evaluation of projects and determination of the amount of Tax Credits necessary for the feasibility of the project as provided above shall not be relied upon by any developer or
investor or used in connection with any offering of interests in the entity owning the project, and shall not be construed as a representation or warranty as to the feasibility or viability of the project. There will be three (3) such evaluations prior to delivery by the Agency of executed IRS 8609 Form(s) for the project, which are as follows:

a. At the time of the initial application for a commitment of Tax Credits;

b. At the time of any carryover allocation of Tax Credits; and

c. At the time of the issuance of Form 8609, following the time the building is placed in service.

Prior to each evaluation, the applicant will be required to submit the most recent information about the project and fees as required by the Procedural Manual. Any federal, state or local subsidies anticipated must be documented to the satisfaction of the Agency. Misrepresentations of information will result in failure to issue IRS Form 8609, debarment from participation in the Low Income Housing Tax Credit Program, and possible criminal penalties. At each evaluation, the Agency may reduce the amount of Tax Credits to be allocated to the project or may revoke any Commitment to allocate Tax Credits to the project if it determines that the financial feasibility or viability of the project does not justify the original Tax Credits applied for or committed Tax Credit amount or that the criteria and requirements of this Plan have not been satisfied.

Section 5.3. Selected applicants failing to place a project in service in the year in which a commitment is made may be awarded a carryover allocation of Tax Credits if the Section 42 requirements and the requirements set forth in the Procedural Manual are met, including the Agency’s review and approval of the following documentation:

a. A written attorney’s opinion letter or title policy verifying that the developer is the owner, for tax purposes, or has continued site control of the land and depreciable real property that is be expected to be part of the project; and

b. Either (i) a written certification from a certified public accountant verifying that the owner has incurred costs in an amount greater than ten percent (10%) of the reasonably expected basis of the project determined as of the close of the second calendar year following the year in which the commitment was made, or (ii) evidence acceptable to the Agency that the owner expects to incur such costs by the date which is nine (9) months after the later of the date that the allocation is made or the close of the calendar year in which the allocation is made. The certification must include a statement by the certified public accountant that they are not affiliated with the developer and/or owner of the project.

If the final carryover basis and expenditure information is not available at the time the carryover application is due, the carryover application must include a written estimate of this information prepared by the owner. Final certified public accountant certifications of this information must
be submitted to the Agency prior to the deadlines established under Section 42 and by no later than the submission deadline identified in this Plan and in the Procedural Manual.

Section 5.4. The Agency reserves the right to not allocate any Tax Credits in 2019 or 2020.

ARTICLE 6
ADDITIONAL ADMINISTRATIVE PROCEDURES

Section 6.1. No application will be considered for an existing project that contains units that are subsidized by state or federal resources except for (a) troubled projects, as defined by the Agency, the occupancies and/or net revenues of which need to be stabilized, or (b) projects for which the Agency is provided evidence that such project would convert to market rate units if Tax Credits are not awarded.

Section 6.2. As described above, the Agency may elect to give priority in the award of Tax Credits to a project that previously received an award of Tax Credits and has an annual tax credit shortfall of at least 5 percent, but not more than 50 percent of the total qualified annual Tax Credit amount, and that demonstrate readiness to proceed by having city approvals and all funding commitments in place (other than the Tax Credits the applicant is presently requesting).

Section 6.3. No project may be divided into two or more projects during a single application round to receive Tax Credits. Multiple applications, determined by the Agency to be one project, will be returned to the applicant and all fees forfeited. The Agency will consider such factors as ownership entities, affiliated partnerships, sponsor relationships, and the location of projects, if a contiguous site, to determine if multiple applications exists.

Section 6.4. The Agency may elect to not award a partial allocation of Tax Credits to a higher-ranking application but to award the Tax Credits to the next ranking application that can use the balance of the Tax Credits.

Section 6.5. The Agency has no jurisdiction to interpret or administer Section 42 of the Code, except in those instances where it has been delegated under the Code.

Section 6.6. The Agency may consult with MHFA, local communities, PHAs, HRAs, RD and HUD to determine the marketability of projects. The Agency may decline to award Tax Credits to a project if, in the Agency’s discretion, the award of Tax Credits could be materially detrimental to an existing rental property. If necessary, the Agency may require an additional, updated Market Study and will evaluate it using the data from other sources, including Tax Credit project saturation in a community.

Section 6.7. The Agency reserves the right to adjust fees due to changing circumstances in order to cover its costs associated with producing and delivering its Tax Credit Program.
ARTICLE 7
CREDITS FOR BUILDINGS FINANCED BY TAX-EXEMPT BONDS

Section 7.0. Section 42 of the Code provides a separate set of procedures for awarding 4% Tax Credits for projects financed with the proceeds of tax-exempt bonds that receive an allocation of private activity volume cap under Section 146 of the Code. Although such Tax Credits are not counted against the tax credit ceiling cap for the State of Minnesota, developers should be aware that:

a. Section 42(m)(1)(D) of the Code provides, for a project to receive an allocation of 4% Tax Credits, the applicable allocating agency must determine that the project satisfies the requirements for an allocation of 4% Tax Credits under its qualified allocation plan. This Plan applies to all tax exempt bond-financed projects located within Dakota County, other than projects financed with bonds issued by MHFA.

Note: Bond volume cap will not be issued in an amount greater than is financially needed or reasonable for a project to be successful.

An initial determination of whether a project complies with the requirements in this Section 7.0.a will be made by the Agency, and the Agency will issue a letter pursuant to Section 42(m)(1)(D) of the Code, confirming such determination, prior to the issuance of the tax exempt bonds.

The threshold requirements in Section 4.1.a of this Plan do not apply to projects financed with tax-exempt bonds using the 4% Tax Credits. Other threshold requirements that do apply to projects financed with tax-exempt bonds, include, without limitation, the requirement in Section 4.1.h that projects financed with tax-exempt bonds must agree to not seek to terminate the extended use period as otherwise permitted under Section 42(h)(6)(E)(i)(II) and 42(h)(6)(F) any earlier than the later of: (i) 5 years after the close of the initial 15 year compliance period, or (ii) if the applicant claimed points on the Self-Scoring Worksheet for a longer extended use period, such longer period.

In addition, to meeting the threshold requirements set forth in Article 4, the owner must also demonstrate that the project is eligible for not fewer than 15 points to qualify for the 4% Tax Credits under this Plan.

Important: To begin the above application process, the developer must submit to the Agency all documents required for an application of Tax Credits as established by this Plan and the Procedural Manual and any additional information requested by the Agency. The developer must also submit to the Agency the required application fees identified in this Plan and the Procedural Manual.
b. Section 42(m)(2)(D) of the Code provides that in order for a tax-exempt bond financed project to receive an allocation of 4% Tax Credits, the issuer of the bonds must make a determination that the Tax Credit amount does not exceed the amount that the issuer determines is necessary for the financial feasibility of the project and its viability as a qualified housing project throughout the 10-year credit period. The determination by the issuer shall be made in a manner consistent with this Plan and the Procedural Manual. Section 42 requires that the issuer of bonds must consider the following in making such determination:

1. the sources and uses of funds and the total financing planned for the project;
2. any proceeds or receipts expected to be generated by reason of tax benefits;
3. the percentage of the Tax Credit amount used for project costs other than the cost of intermediaries;
4. the reasonableness of the developmental and operational costs of the project; and
5. a comprehensive Market Study of the housing needs of low-income individuals in the area to be served by the project, conducted before the Tax Credit allocation is made, and at the developer’s expense by a disinterested party approved by the Agency.

This determination must be made prior to the issuance of the tax exempt bonds. To the extent the Agency is also the bond issuer, it will issue the letter required by Section 42(m)(2)(D) of the Code.

c. The owner must enter into a Declaration.

d. Subsequent to the project being placed in service, the owner must submit to the Agency an application and appropriate fees for Form 8609 meeting the requirements of this Plan and the Procedural Manual. The owner must also submit to the Agency any other related fees identified in this Plan and the Procedural Manual.

ARTICLE 8
PROJECT SELECTION

Section 8.0  Selection Priorities: The Agency’s selection priorities are set forth in the Scoring Worksheet attached hereto as Schedule 1, provided however, that the Agency reserves
the right (but shall not be obligated) to grant priority over higher ranking projects to projects that: (i) have previously received an award of Tax Credits and have an annual Tax Credit shortfall of at least 5 percent, but no more than 50 percent, of the total qualified annual Tax Credit amount and (ii) demonstrate readiness to proceed by having all city approvals and all funding commitments in place (other than the Tax Credits the applicant is presently requesting).

Section 8.1 Preference Priorities: The Agency’s preference priorities shall be as set forth in the Scoring Worksheet attached hereto as Schedule 1.

Section 8.2 Tie Breakers: If two or more projects have an equal number of points, the following will be used to determine selection:

a. The first tie breaker will be the total number of points in the preference priority selection.

b. If a tie still remains, the second tie breaker will be if the city in which the project is located has not received Tax Credits in the last two years;

c. If a tie still remains, the third tie breaker will be the lowest percentage of cost of intermediaries; and

d. If a tie still remains, the Agency shall select the project which best meets the Agency’s housing priorities and Dakota County’s underserved communities.

ARTICLE 9
MONITORING COMPLIANCE WITH LOW-INCOME HOUSING CREDIT REQUIREMENTS

Section 9.0 The Agency will monitor compliance for each project to which it allocates Tax Credits in accordance with Section 42(m)(1)(B)(iii) of the Code and Treasury Regulation Section 1.42-5. To the extent that any provision of this Plan is inconsistent with the provisions of Treasury Regulation Section 1.42-5, as the same may be modified or amended from time to time, the provisions of Treasury Regulation Section 1.42-5 shall govern. This Article 9 is also subject to provisions of the Agency’s compliance monitoring manual and to guidance issued by the Internal Revenue Service regarding compliance monitoring and reporting of non-compliance.

Section 9.1 RECORDKEEPING AND RECORD RETENTION PROVISIONS.

a. RECORDKEEPING. During the 15-year compliance period, the owner of a low-income housing project is required each year to collect and retain records of the following information for each qualified low income building in the project:
1. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);

2. The number of occupants in each low-income unit, including minors, but only if rent is determined by the number of occupants in each unit under Section 42(g)(2) (as in effect before the amendments made by the Omnibus Budget Reconciliation Act of 1989). Housing information concerning race, ethnicity, family composition, age, income, use and amount of Section 8 rental assistance or similar assistance, disability status and monthly rental payments of households residing in the project, which information will be required to be provided annually to HUD, beginning in the first quarter of 2010;

3. The percentage of residential rental units in the building that are low-income units, models, offices and management units;

4. The rent charged on each residential rental unit in the building (including any utility allowances), and documentation, including rent rolls, leases and utility allowances per Internal Revenue Service Notice 94-60 issued June 1994;

5. The low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;

6. The annual income certification of each low-income tenant per unit;

7. The annual student certification of each low income tenant;

8. Documentation to support each low-income tenant’s income certification (for example, a copy of the tenant’s federal income tax return, Forms W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Anticipated income of all adult persons expecting to occupy the unit must be verified and included on a Tenant Income Certification prior to occupancy and annually recertified for continued eligibility. (i.e., written third party verification is always preferred.) Income verifications are sent directly to and returned by the source to management, not through the applicant. Specific forms of income verification are in the Procedural Manual. Tenant income is calculated in a manner consistent with the determination of annual income under Section 8 of the United States Housing Act of 1937 (Section 8), not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this
paragraph is satisfied if the public housing authority provides a statement to the building owner declaring that the tenant’s income does not exceed the applicable income limit under Code Section 42(g);

9. The character and use of the nonresidential portion of the building included in the building’s eligible basis under Code Section 42(d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the project);

10. The eligible basis and qualified basis of the building at the end of the first year of the 10-year credit period; and

11. Any additional records necessary to verify compliance with additional restrictions included in the carryover agreement or Declaration.

b. RECORD RETENTION. The owner of a low-income housing project is required to retain the records described in paragraph 9.1.a of this section for each building in the project for at least six (6) years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the Tax Credit period, however, must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the 15-year compliance period with respect to the building.

c. INSPECTION RECORD RETENTION PROVISION. Under the inspection record retention provision, the owner of a low-income housing project is required to retain the original local health, safety or building code violation reports or notices that were issued by the state or local government unit for the Agency’s inspection under this section. Retention of the original violation reports or notices is not required once the Agency reviews the violation reports or notice and completes its inspection, unless the violation remains un-corrected.

Section 9.2 CERTIFICATION AND REVIEW

a. CERTIFICATION. The owner of a low-income housing project shall certify at least annually to the Agency that, for the preceding 12-month period --

1. The project meets the requirements of the 20-50 test under Code Section 42(g)(1)(A), the 40-60 test under Code Section 42(g)(1)(B), or the average income test under Code Section 42(g)(1)(C), whichever minimum set-aside test is applicable to the project, and if applicable to the project, the 15-40 test under Code Sections 42(g)(4) and 142(d)(4)(B) for “deep rent skewed” projects;
2. The project complies with the requirements for special set-aside on which the Tax Credit allocation was based;

3. There was no change in the applicable fraction (as defined in Code Section 42(c)(1)(B)) of any building in the project, or that there was a change, and the description of the change;

4. The owner has received an annual income certification from each low-income tenant and documentation to support that certification, or, in the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described above, or the owner has a re-certification waiver letter from the IRS in good standing;

5. Each low-income unit in the project is rent restricted under Code Section 42(g)(2);

6. No tenants in low-income units were evicted or had their tenancies terminated other than for good cause and no tenants had an increase in the gross rent for a low-income unit not permitted by Section 42.

7. All units in the project are for use by the general public and were used on a non-transient basis (except for transitional housing for the homeless provided under Code Section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month to month basis under Code Section 42(i)(3)(B)(iv));

8. No finding of discrimination under the Fair Housing Act, 42 U.S.C.A. §§ 3601 – 3619, has occurred for the project. A finding of discrimination includes: an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 C.F.R. 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency 42 U.S.C.A. §3616a(a)(1), or an adverse judgment from a federal court;

9. Each building and each low-income unit in the project is suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making local health, safety, or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Agency under this section. In addition, the owner must state whether the violation has been corrected;
10. There has been no change in the eligible basis (as defined in Code Section 42(d)) of any building in the project, or that there has been a change, and the nature of the change (e.g., a common area has become commercial space, or a fee is now charged for a tenant facility formerly provided without charge);

11. All tenant facilities included in the eligible basis under Code Section 42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, are provided on a comparable basis without charge to all tenants in the building;

12. If a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;

13. If the income of tenants of a low-income unit in the project increases above the limit allowed in Code Section 42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income;

14. An extended low-income housing commitment as described in Code Section 42(h)(6) was in effect (for buildings subject to Section 7108(c)(1) of the Revenue Reconciliation Act of 1989, 103 Stat. 2106, 2308-2311), and the project meets the provisions, including any special provisions, of the extended low-income housing commitment, including the requirement under Code Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C.A. § 1437s (for buildings subject to Section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat. 312, 438-439);

15. The project complies with the requirements for all applicable federal or state housing programs (e.g. FmHA assistance, HOME, Section 8 or tax-exempt financing), as applicable;

16. The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable Qualified Allocation Plan, and all other applicable laws, rules and regulations; and

17. There has been no change in the ownership or management of the project.
b. REVIEW. The Agency shall review the certifications submitted under Section 9.2(a) above for compliance with the requirements of Section 42 of the Code. In addition:

1. An owner of a low-income housing project must submit to the Agency a completed, Agency signed copy of IRS Form 8609 for the first year of the credit period, together with Form 8609-A and Form 8586.

2. The Agency will conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and inspect at least twenty percent (20%) of the project’s low-income units, and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units.

3. The Agency will inspect low-income housing projects once every three (3) years, and review the tenant income certifications for at least twenty percent (20%) of the tenants (and previous tenants, to the extent necessary) and the documentation the owner has received to support those certifications. All projects shall have their first compliance inspection by no later than the year following the first year of the credit period.

4. Projects to be inspected must be chosen in a manner that will not give owners of low income housing projects advance notice that their records for a particular year will or will not be inspected. The Agency may give an owner reasonable notice than an inspection will occur so that the owner may assemble records (i.e. 30 days advance notice of inspection).

c. FREQUENCY AND FORM OF CERTIFICATION. The certifications of and review of this section shall be made at least annually through the end of the 15-year compliance period under Section 42(i)(1) of the Code and shall be made under penalty of perjury.

Section 9.3. INSPECTION PROVISION. The Agency shall have the right to perform an on-site inspection of any project at least through the end of the term of the Declaration. An inspection will include a physical inspection of any building(s) in the project, as well as a review of records described above. The auditing provision of this paragraph is required in addition to any inspection of low-income certifications, supporting documents and rent records under Section 9.2.b above.
Section 9.4  NOTIFICATION OF NONCOMPLIANCE

a.  **GENERAL.** The Agency shall provide the owner of the project notice of noncompliance as set forth in Section 1.42-5(e)(2) of the Treasury Regulations and notice to the Internal Revenue Service as set forth in Section 1.42-5(e)(3) of the Treasury Regulations.

b.  **NOTICE TO OWNER.** The Agency shall provide prompt written notice to the owner of a project if the Agency does not receive the certification described in Section 9.2.a hereof or discovers in an audit, inspection or review, or in some other manner, that the project is not in compliance with the Section 42 of the Code.

c.  **NOTICE TO INTERNAL REVENUE SERVICE.** Within 45 days after the expiration of the correction period, the Agency will file Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance, with the Internal Revenue Service (as described in Section 9.5 hereof, including extensions permitted under that paragraph). The Agency must check the appropriate box on Form 8823 indicating the nature of the noncompliance or failure to certify and indicating whether or not the owner corrected the noncompliance or failure to certify. If the Agency reports on Form 8823 that a building is entirely out of compliance and will not be in compliance at any time in the future, the Agency need not file Form 8823 in subsequent years to report that building’s noncompliance.

Section 9.5  CORRECTION PERIOD. The correction period shall be that period specified in the notice to the owner during which an owner will have the opportunity to supply any missing certifications or bring the project into compliance with the provisions of Section 42. The correction period will be set by the Agency and will not exceed 90 days from the date of the notice to the owner described in 9.4.b. The Agency may extend the correction period up to six (6) months, but only if the Agency determines there is good cause for granting an extension.

Section 9.6  AUTHORITY RETENTION OF RECORDS. The Agency must retain records of noncompliance or failure to certify for six (6) years beyond the Agency’s filing of the respective Form 8823. In all other cases, the Agency must retain the certifications and records described in paragraph 9.2.a of this Plan for three (3) years from the end of the calendar year the Agency receives the certifications and records.
Section 9.7 DELEGATION OF AUTHORITY.

a. GENERAL. The Agency may retain an agent or other private contractor (the “Authorized Delegate”) to perform compliance monitoring. The Authorized Delegate must be unrelated to the owner of any building that the Authorized Delegate monitors. The Authorized Delegate may be delegated all of the functions of the Agency to monitor compliance, except for the responsibility of notifying the Internal Revenue Service under Section 9.4 hereof. For example, the Authorized Delegate may be delegated the responsibility of reviewing tenant certifications and documentation under Section 9.2.b hereof, the right to inspect buildings as described in Section 9.3 hereof, and the responsibility of notifying building owners of lack of certification of noncompliance under Section 9.4 hereof.

b. LIMITATIONS. In the event the Agency delegates compliance monitoring to an Authorized Delegate, the Agency shall use reasonable diligence to ensure that the Authorized Delegate properly performs the delegated monitoring functions. Delegation by the Agency of compliance monitoring functions to an Authorized Delegate shall not relieve the Agency of its obligation to notify the Internal Revenue Service of any noncompliance of which the Agency becomes aware of.

Section 9.8 LIABILITY. Compliance with the requirements of Section 42 is the responsibility of the owner of the building for which the Tax Credit is allowable. The Agency’s obligation to monitor for compliance with the requirements of Section 42 does not make the Agency liable for an owner’s noncompliance under Section 42 or the Declaration.

ARTICLE 10
AMENDMENTS TO PLAN

This Plan is subject to modification or amendment at any time to ensure that the provisions contained herein conform to the requirements of Section 42 of the Code, applicable State law, and all official interpretations thereof. Such modifications or amendments and the manner of adoption thereof shall not be inconsistent with the Code. Amendments required solely to comply with the Code, applicable regulations or applicable state law as may be approved by the Executive Director.
SCHEDULE 1

SELF-SCORING WORKSHEET

2019-2020 Housing Tax Credit Program

Applicant Name

Project Name

Project Address/Location

Project City

Please note the following:

1. Documentation of Points
   Indicate the selection and/or preference priority points expected for your project. Where multiple points per section are available please check the appropriate box (☐) for points claimed. **Attach directly to this self-scoring worksheet, a separate detailed sheet and documentation that clearly supports points claimed.** The Agency will determine the actual selection points awarded. Points will not be awarded unless documentation is provided along with the application to justify the points claimed.

2. Extended Duration
   **Projects requesting 9% Tax Credits:** Such projects must maintain the low-income use for a minimum of 30 years. The owner agrees that IRC Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) (which would permit the owner to terminate the restrictions under the Declaration at the end of the 15-year compliance period in the event the Agency does not present the owner with a qualified contract for the acquisition of the project) do not apply to the project, and that the Section 42 income and rent restrictions shall apply for the period of 30 years beginning with the first day of the 15-year compliance period in which the building is part of a qualified low income housing project.

   **Tax-exempt bond financed projects requesting 4% Tax Credits:** Such projects must maintain the low-income use for a minimum of 20 years, or such longer period for which the applicant claims points on the Self-Scoring Worksheet. The owner agrees that they will not seek to terminate the extended use period as otherwise permitted under IRC Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) earlier than the later of: (a) 5 years after the close of the initial 15 year compliance period, or (b) if the owner claims points on the Self-Scoring Worksheet for a longer extended use period, such longer period.

3. Design Standards
   The project must meet the tax credit Design Standards as specified in the Procedural Guide and be evidenced by a Design Standards Certification form executed by the owner and architect.

4. Declaration of Land Use Restrictive Covenants
   A Declaration covering the rent and income limits and occupancy requirements must be placed on the building(s) and recorded in the county in which the project is located.

5. Section 8 Voucher Acceptance
   Owners of a Tax Credit project must agree to not refuse to rent a unit to a tenant because that tenant has a Section 8 voucher that would be used for a unit in the project. Language prohibiting discrimination based on Section 8 status must be included in the Declaration entered into by the owner with the Agency. Declarations are enforceable in state court by housing credit agencies and all income-eligible persons.
All applicants must meet one of the seven (7) following threshold types. **To qualify for threshold #7 the applicant must have written approval from the CDA prior to submission of the application.** Check one box for project type 1-7 below. In the event Minnesota Statutes are modified to allow additional threshold requirements, this worksheet will be modified accordingly.

<table>
<thead>
<tr>
<th></th>
<th>Minimum Threshold Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>New construction or Substantial Rehabilitation of projects in which, for the term of the Declaration, at least 75% of the total Tax Credit units are Single Room Occupancy, efficiency, or one bedroom units and which are affordable by households whose income does not exceed 30% of the median income.</td>
</tr>
<tr>
<td>2.</td>
<td>New construction or Substantial Rehabilitation family housing projects that are not restricted to occupancy by persons 55 years old or older and in which, for the term of the extended use period (term of the Declaration), at least 75% of the tax credit units contain two or more bedrooms and at least one third of the 75% contain three or more bedrooms.</td>
</tr>
<tr>
<td>3.</td>
<td>Substantial Rehabilitation projects in neighborhoods targeted by the applicable city for revitalization.</td>
</tr>
<tr>
<td>4.</td>
<td>Projects that are not restricted to persons of a particular age group and in which, for the term of the extended use period (term of the Declaration), a percentage of the units are set aside and rented to (check one, if applicable):</td>
</tr>
<tr>
<td></td>
<td>Persons with a serious and persistent mental illness as defined in Minnesota Statutes Section 245.462, Subd. 20(c);</td>
</tr>
<tr>
<td></td>
<td>Persons with a developmental disability as defined in the United States Code, Title 42, Section 6001(8);</td>
</tr>
<tr>
<td></td>
<td>Persons who have been assessed as drug dependent persons as defined in Minnesota Statutes Section 254A.02, Subd. 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in Minnesota Statutes Section 254A.02, Subd. 2;</td>
</tr>
<tr>
<td></td>
<td>Persons with a brain injury as defined in Minnesota Statutes Section 256B.093, Subd. 4(a); or</td>
</tr>
<tr>
<td></td>
<td>Persons with permanent physical disabilities that substantially limit major life activities, if at least fifty percent (50%) of the units in the project are accessible as provided under Minnesota Rules Chapter 1340</td>
</tr>
<tr>
<td>5.</td>
<td>Projects, whether or not restricted to persons of a particular age group, which preserve existing subsidized housing if the use of Tax Credits is necessary to prevent conversion to market rate use or to remedy physical deterioration of the project which would result in loss of existing federal subsidies.</td>
</tr>
<tr>
<td>6.</td>
<td>Projects financed by Rural Development which meet state-wide distribution goals.</td>
</tr>
<tr>
<td>7.</td>
<td>Up to two projects that are new construction or Substantial Rehabilitation multifamily housing projects that are not restricted to persons 55 years of age or older and that are located within one of the following areas at the time a reservation for Tax Credits is made:</td>
</tr>
<tr>
<td></td>
<td>an area within one-half mile of a completed or planned light rail transitway, bus rapid transitway, or commuter rail station;</td>
</tr>
<tr>
<td></td>
<td>an area within one-fourth mile from any stop along a high-frequency local bus line;</td>
</tr>
</tbody>
</table>
an area within one-half mile from a bus stop or station on a high-frequency express route;
an area within one-half mile from a park and ride lot; or
an area within one-fourth mile of a high-service public transportation fixed route stop;

For purposes of this section, the following terms have the meanings given them:
(1) "high-frequency local bus line" means a local bus route providing service at least every 15 minutes and running between 6:00 a.m. and 7:00 p.m. on weekdays and between 9:00 a.m. and 6:00 p.m. on Saturdays;
(2) "high-frequency express route" means an express route with bus service providing six or more trips during at least one of the peak morning hours between 6:00 a.m. and 9:00 a.m. and every ten minutes during the peak morning hour; and
(3) "high-service public transportation fixed route stop" means a stop serviced between 6:00 a.m. and 7:00 p.m. on weekdays and 9:00 a.m. and 6:00 p.m. on Saturdays and with service approximately every 30 minutes during that time.

ADDITIONAL THRESHOLD REQUIREMENTS

All applicants must meet the following additional threshold requirements. Check boxes below to indicate the acceptance of these requirement:

8. □ The project satisfies the Agency’s underwriting standards and the Agency determines the owner has sufficient experience.
□ The application demonstrates reasonable operating expenses relative to comparable projects in the past,
□ The project complies with applicable building, land use and zoning ordinances,
□ The project is consistent with a Market Study, and
□ The costs of intermediaries meet the criteria set forth in the Procedural Manual.

9. □ Applicants must agree to utilize public housing waiting lists in Dakota County in marketing units to the public.

10. □ The owner agrees to not refuse to rent a unit to a tenant because that tenant has a Section 8 voucher and that language prohibiting discrimination based on Section 8 status will be included in the Declaration.

11. □ The applicant demonstrates by information submitted in the application that each building in the project is a qualified low-income building under Section 42(c)(2) of the Code.

12. □ The applicant agrees to enter into a Declaration in form and substance acceptable to the Agency and legal counsel appointed by the Agency.

13. □ The applicant agrees to apply resident screening criteria as provided in the Declaration.

14. □ For 9% Tax Credit projects, the applicant agrees to waive the provisions of Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) which permit the owner to terminate the rent and income restrictions under Declaration at the end of the initial 15-year compliance period.

For 4% Tax Credit projects, the applicant agrees to not seek to terminate the Declaration as permitted under Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) earlier than the later of (i) 5 years after the close of the 15 year compliance period, or (ii) such longer period for which applicant claims Tax Credits under the “Long Term Affordability, Tax Exempt Bond Projects Only” category under Selection Priorities.

15. □ The applicant agrees to provide high speed internet access via installation of all appropriate infrastructure and connections for cable, DSL or wireless/data internet service to every unit.
The applicant agrees to institute and maintain a written policy* prohibiting smoking in all the units and all common areas within the building/s of the project. The project must include a non-smoking clause in the lease for every household. Projects will be required to maintain the smoke-free policy for the term of the Declaration.

*A written policy must be submitted with the application and should include procedures regarding transitioning to smoke-free for existing residents and the establishment of smoking areas outside of units and common areas, if applicable. Consequences for tenants violating the smoke-free policy will be determined by the owner and must be included in the written policy for the project.

### SELECTION PRIORITIES

<table>
<thead>
<tr>
<th>Selection Criteria</th>
<th>Developer Claimed</th>
<th>Agency Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New Construction</strong> (10 Points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. New construction which increases the supply of affordable rental housing in Dakota County <em>(10 points).</em></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Preservation and Stabilization of Affordable Housing* (Up to 20 Points)

2. Preservation of Affordable Housing:
   - Preservation of Federally Assisted Housing *(20-25 Points):*
     Points are awarded to projects that preserve low-income housing receiving assistance under Section 8 or Section 236 which, due to mortgage prepayments or expiring rental assistance, would convert to market rate use. The Agency in its sole discretion must agree that a market exists for a conversion to market rate housing.

   OR

   - Preservation/Stabilization *(5 Points):*
     Points are awarded to projects that preserve the rent and income restrictions under an existing use agreement which, due to expiring affordability periods or proposed Tax Credit qualified contract applications, would convert to market rate use. These points are available only to properties with existing federal, state or local assisted units or properties that were previously funded by Tax Credits that are not also claiming points for Preservation of Federally Assisted Housing. The Agency, in its sole discretion, will verify that a market exists for a conversion to market rate housing. Projects with occupancies and/or net revenues which need to be stabilized, must provide narratives to support the approach of a planned, long-term, and cost-effective stabilization plan.

   Applicant must agree in writing to continued renewals of the existing project-based housing subsidy payment contract for as long as assistance is available.

3. Stabilization of Affordable Housing *(5 Points)*
   Points are awarded to projects with existing federally assisted units or previously funded by Tax Credits or deferred loans from the Agency or other public entity that are not also claiming points in the Preservation of Affordable Housing category which are experiencing trouble with occupancies and/or net revenues which need to be stabilized.
Applicants must provide narratives to support the approach of a planned, long term and cost effective stabilization that meets all of the following criteria:

i) Suitability for long term stabilization:
   a. 15 or more years have passed since initial loan closing or most recent Tax Credit placement in service date; and
   b. Operating feasibility shows duration of at least 20 years.

AND

ii) Collaborative relationship in place; points claimed and deemed eligible in the following selection priorities:
   a) Financial Readiness to Proceed, minimum of 6 points; and
   b) Federal/State/Local/Philanthropic/Other Contributions, minimum of 4 points.

AND

iii) Affordability and Cost Effectiveness
   a) Points claimed and deemed eligible in Preference Priorities b.2 (Serves Lowest Income Tenants/Rent Reduction)

### Readiness to Proceed (Up to 20 Points)

4. Points are awarded to new construction projects that have received all land use and zoning approvals at the time of application. (5 points)

5. Financial Readiness (up to 15 points).
   Points are awarded to projects that have secured funding commitments for permanent funding sources or have no funding gap at the time of application. Words synonymous with “consider” or “may” award are not valid or acceptable.

   The calculation below must exclude all first mortgage financing and anticipated Tax Credit proceeds from the current Tax Credit request. Committed syndication proceeds from previously reserved Tax Credits may be included in the calculation.

   Acceptable documentation of syndication proceeds from Tax Credits awarded in a previous cycle/round is an executed agreement or letter of intent from a syndicator/investor which is acceptable to the Agency. The executed agreement or letter of intent much: (1) be current and dated within 15 days of application; (2) contain a projected closing date; (3) contain a projected equity rate for the purchase of the Tax Credits; and (4) contain a detailed explanation of the assumptions being used by the syndicator/investor to arrive at the projected equity price.

   Total eligible funding secured, awarded or committed (exclude first mortgage and syndication proceeds as described above) $______________

   Divided by total development cost less first mortgage and excluded syndication proceeds $______________

   Equals percentage of funds committed, rounded to the nearest tenth ________________ %

Check box that applies:
- ☐ 70.1% or more of gap funds committed or no gap (15 points)
- ☐ 50.1 – 70.0% of gap funds committed (10 points)
The documentation must be in the form of a project specific Letter of Intent, city or council/board resolution, letter of approval, or statement of agreement or eligibility. Commitment documentation must state the amount, terms and conditions and be executed or approved by the lender or contributor and the applicant. Please see the Procedural Manual Section VIII. A. for additional details.

If points are claimed and the funding is returned/not used the affordability requirements for that (those) funding source(s) will be included in the Declaration.

<table>
<thead>
<tr>
<th>Federal/State/Local/State/Federal/Other/Philanthropic/Other Contributions</th>
<th>Participation (Up to 15-10 Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points are awarded to projects receiving non-capital contributions from a governmental unit; an area employer; and/or a private philanthropic, religious or other charitable organization. Calculate the total using the formula below, and then select the appropriate option.</td>
<td></td>
</tr>
<tr>
<td>Identity of Interest exclusion: Contributions from any part of the ownership entity will be considered general partner cash and excluded from the calculation unless the contributions are awarded by a nonprofit charitable organization pursuant to a funding competition or local units of government.</td>
<td></td>
</tr>
<tr>
<td>Total non-funding contributions from Local, state, federal/State/local/philanthropic/other sources $</td>
<td></td>
</tr>
<tr>
<td>Divided by Total Development Cost $</td>
<td></td>
</tr>
<tr>
<td>Equals percentage pf funding from contributions, rounded to the nearest tenth %</td>
<td></td>
</tr>
</tbody>
</table>

or other financial participation, including non-first mortgage assistance, or first mortgage loans below market rate (Check box that applies):

- for developments receiving assistance in excess of 15% of total development costs 20.1% and above of total development costs (15 10 points);
- 10.1-20.0% of total development costs (developments receiving assistance in the range of 11-15% of total development costs, 10 6 points);
- developments receiving assistance in the range of 5.1-10.0% of total development costs, (5-4 points);
- for letters of intent with no specified dollar amount, 3 points each up to 15 points

Assistance from the MHFA Super RFP and related joint funders is not eligible for inclusion in this section unless the applicant can confirm that the project has been selected for processing for such funding.

At the time of application, written documentation from the contributor justifying the amount and the terms of the contribution must be provided and be consistent with current market comparable costs. The documentation must be in the form of a project specific Letter of Intent.
local governmental resolution, letter of approval, statement of agreement or eligibility, or a memorandum of understanding. The value assigned to donations and in-kind contributions must be consistent with comparable market costs for materials and services.

The documentation must state the amount, terms and conditions and must be executed or approved at a minimum, by the contributor. Documentation containing the words synonymous with “consider” or “may” (as in “may award”) regarding the contribution will not be acceptable. Please see the Procedural Manual Section VIII. A. for additional details.

**NOTE:** Contributions claimed in this selection criterion cannot be claimed for the permanent sources in the Financial Readiness to Proceed selection criterion.

Assistance can be in the form of a grant, donation or waiver of assessments of infrastructure improvement costs, the waiver of city development fees directly related to the project, local employer contributions, private foundation donations, philanthropic donations, land buydown, land donations, tax increment financing, below market rate mortgage loans, reinvestment of developer fees, HOME, etc. provided by local, state or federal governments, charitable foundations, a federal home loan bank or a permanent General Partner capital contribution.

Documentation of the amount and the terms of assistance must be provided from the provider of the assistance at the time of application in the form of a development-specific letter of intent. In the case of below market rate financing, the applicant must secure a firm financing commitment signed by the lender. The value assigned to donations and in-kind contributions must be consistent with comparable market costs for materials and services.

If points are claimed and the funding is returned/not used the affordability requirements for that (those) funding source(s) will be included in the Declaration.

<table>
<thead>
<tr>
<th>Design Priority</th>
<th>Community Priority Locations</th>
<th>(10 Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>74.</strong></td>
<td>Housing design in which there are individual exterior entrances for each unit. Points are awarded to projects located on property owned by the Agency, Dakota County, or a municipality in Dakota County at the time of application.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accessible Units</th>
<th>(5 Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>86.</strong></td>
<td>At least 25% of the units in the project are designed, equipped and set aside for the developmentally, physically or mentally disabled and there is a referral and marketing plan that includes an agreement with an established organization to provide services for such persons.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Owned by Non-Profit or Governmental Unit</th>
<th>(10.5 Points)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>96.</strong></td>
<td>A qualified non-profit or a governmental unit is the sole general partner. The non-profit must be organized and incorporated in the State of Minnesota and have at least five-year’s experience in Minnesota owning and operating at least 100 units of affordable Tax Credit housing.</td>
</tr>
</tbody>
</table>
For a non-profit, a copy of the Certificate of Incorporation from the Secretary of State of Minnesota must be submitted at the time of application. Points will only be given to a local non-profit.

To be eligible for points, the non-profit must have Code Section 501(c)(3) approval from IRS at the time of application, and meet the requirements of Section 42(h)(5)(C) of the Code.

These points are awarded because the Agency has an assumption that such organizations have a mission that results in perpetual affordability of the units. Points will not be awarded if the non-profit/governmental organization has been a project sponsor or general partner of a project that had units convert to market rate units in the past three years without the consent of the issuing public agency within Minnesota.

Intermediary Costs  (Up to 15 Points)

Points will be given to projects with the lowest intermediary costs on a sliding scale based on the percentage of total development costs. For applicants receiving points under this item, this percentage will be enforced at issuance of IRS Form 8609.

Total intermediary costs $________________

Divided by Total Development Cost $________________

Equals percentage of costs toward intermediaries, rounded to the nearest tenth %

Check box that applies:
☐ 0 – 15.0% of total development cost (15 points)
☐ 15.1 – 20.0% of total development cost (10 points)
☐ 20.1 – 25.0% of total development cost (2 points)
☐ Over 25.0% of total development cost (0 points)

For selected projects, the foregoing percentage of intermediary costs for which points were given will be enforced at the issuance of the IRS Form 8609.
### Homelessness (Up to 15 points)

These units must provide rental assistance or for those units occupied by households without rental assistance that are seeking these points, the gross rent, including an allowance for tenant-paid utilities, cannot exceed the greater of 30 percent of the household’s monthly income or the most current supportive housing standard for the unit size as published by MHFA. Owners must establish and implement policies and procedures to specify the calculation method used to determine the appropriate rent amount and the periodic income recertification used when adjusting rents.

#### 118. Permanent Supportive Housing Units

Five (5) points will be awarded to projects that commit two (2) suitable Tax Credit units with supportive services for occupancy by households who are experiencing homelessness. Projects must receive support in writing from the Suburban Metro Area Continuum of Care (SMAC). Applicants claiming points for providing homeless units will be requested to work with the SMAC Homeless Coordinated Entry System, as is reasonable and feasible, to fill those units through the SMAC Homeless Coordinated Entry System. Applicants must also provide a written commitment from an appropriate social service agency to provide support services. Contracts for supportive services must be in place prior to closing or Tax Credit commitment.

- [ ] Set aside 5% to 9.99%, but no fewer than 2 Tax Credit units (5 points)
- [ ] Set aside 10% to 49.99%, but no fewer than 5 Tax Credit units (10 points)*
- [ ] Set aside 50% or more, but no fewer than 20 Tax Credit units (15 points)*

*Applicants with a set aside of 10% or more units must also provide a written commitment from an appropriate social service agency to provide on-site support services.

#### 9. Permanent Supportive Housing Development

Fifteen (15) points will be awarded to projects that commit all units to provide suitable housing with on-site supportive services for occupancy by homeless households. Projects must receive support in writing from the SMAC. Applicants claiming points for providing homeless units will be requested to fill those units through the SMAC Homeless Coordinated Entry System. Applicants must also provide a written commitment from an appropriate social service agency to provide on-site support services. Contracts for supportive services must be in place prior to closing or Tax Credit commitment.

### Rehabilitation Under Community Revitalization Plan (5 Points)

- [ ] Rehabilitation of existing housing as part of a community revitalization plan and that is contributing to the revitalization.

### Eventual Tenant Ownership (1 Point)

- [ ] This point will be awarded to projects that include a plan for eventual tenant ownership of 100% of the units.

### Unacceptable Practices (Up to -50 Points)

- [ ] Unacceptable Practices, includes the transfer of ownership of the owner and displacement of Section 8 tenants as described in Section IV.F of the Procedural Manual.
### Access to Transit (Up to 15 Points)

<table>
<thead>
<tr>
<th>151/3</th>
<th>Up to five (5) points will be awarded to projects located within walking distances of public transit stations and stops. (up to 5 points)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ To receive five (5) points for Access to Transit, the project must be located within ½ mile of a completed or planned Red Line transitway stations (including the Burnsville Center station and all stations north) or Orange Line transitway stations (including the Apple Valley Transit Station and all stations north) LRT, BRT, or commuter rail station (5 points); or</td>
</tr>
<tr>
<td></td>
<td>□ To receive three (3) points for access to public transportation, a development must be:</td>
</tr>
<tr>
<td></td>
<td>1. Located within ¼ mile from any stop along a high-frequency local bus line;</td>
</tr>
<tr>
<td></td>
<td>2. Located within ½ mile of a high-service public transportation fixed route stop; or</td>
</tr>
<tr>
<td></td>
<td>3. Located within ¾ mile of an express bus route stop; or</td>
</tr>
<tr>
<td></td>
<td>□ Project is located within ½ mile of a park and ride (with bus service), a bus route stop, or a Minnesota Valley Transit Authority (MVTA) bus route where the bus is able to stop (3 points).</td>
</tr>
</tbody>
</table>

*At the time of application, the applicant must submit a map identifying the location of the project with exact walking distances to the eligible public transit station/stop and include a copy of the route.*

| 161/4 | Ten (10) points will be awarded to projects approved by the Agency to qualify under the minimum threshold requirement #7. |

---

### Long Term Affordability, Tax Exempt Bond Projects only (5 or 10 Points)

| 171/5 | Applications seeking 9% Tax Credits are not eligible to claim points through this Long Term Affordability criteria. Only applications seeking 4% Tax Credits are eligible to claim points under this criteria. |

*Points will be awarded to 4% Tax Credit projects which agree to extend the long term affordability of the project and maintain the duration of the low-income use for:*

- A minimum of 25 years (i.e., a 10-year extended use period) to receive 5 points; or

- A minimum of 30 years (i.e., a 15-year extended use period) to receive 10 points.*
### Preference Priorities

<table>
<thead>
<tr>
<th></th>
<th>Preference Priorities</th>
<th>Developer Claims</th>
<th>Agency Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Previous Tax Credit Commitment/Reservation. Points are awarded to projects that have a prior commitment/reservation of Tax Credits, were not fully funded in a previous round, and require additional Tax Credits to make the project feasible. (30 points)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 21| Points will be awarded to projects that will serve the lowest income tenants (50% or less of area median adjusted by unit size) with gross rents not to exceed 30% of income. (Up to 15 Points)  
Applicants may choose any combination of the following rent limitations for the project, but may not count any unit more than once. This selection will restrict rents only (tenant incomes will not be restricted to the following levels by claiming points in this section).  
Check the box that applies. |
|   | ☐ 100% of Tax Credit units at the rents for 50% of AMI: 15 points                      |
|   | ☐ 75% of Tax Credit units at the rents for 40% of AMI: 15 points                      |
|   | ☐ 75% of Tax Credit units at the rents for 50% of AMI: 10 points                      |
|   | ☐ 50% of Tax Credit units at the rents for 40% of AMI: 10 points                      |
|   | ☐ 50% of Tax Credit units at the rents for 50% of AMI: 5 points                       |
| 32| Points will be awarded to projects located in a Qualified Census Tract and are part of a cooperatively developed plan that provides for community revitalization. (5 Points) |

**IMPORTANT:**

All units with rents restricted per b.21. above must meet the applicable area median rent for a minimum of ten (10) years. After the expiration of the first ten (10) year period rents may be increased up to the 60% rent limit (or 50%, if the minimum set-aside election was for a project with at least 20% of the units for families at 50% of area median income) over the following periods with increases not to exceed the amount listed in the table below.
<table>
<thead>
<tr>
<th>Year</th>
<th>30% of 50% AMI Rent Levels</th>
<th>30% of 40% AMI Rent Levels</th>
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</thead>
<tbody>
<tr>
<td>1 - 10</td>
<td>30% of 50%</td>
<td>30% of 40%</td>
</tr>
<tr>
<td>11</td>
<td>30% of 53%</td>
<td>30% of 45%</td>
</tr>
<tr>
<td>12</td>
<td>30% of 57%</td>
<td>30% of 50%</td>
</tr>
<tr>
<td>13</td>
<td>30% of 60%</td>
<td>30% of 55%</td>
</tr>
<tr>
<td>14</td>
<td>-</td>
<td>30% of 60%</td>
</tr>
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</table>

**TOTAL POINTS:**

<table>
<thead>
<tr>
<th>Developer Claims</th>
<th>Agency Claims</th>
<th>Awarded</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tr>
</tbody>
</table>
SELF-SCORING WORKSHEET CERTIFICATION:
Under penalty of perjury, the Applicant hereby certifies the information provided in the Self-Scoring Worksheet is true and accurate.

By: ____________________________

Signature

______________________________

Print or type name and title of signatory

Of: ____________________________

Name of Managing/General Partner

Date: ____________________________
DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY REQUEST FOR BOARD ACTION

Approve 2019 Investment In GREATER MSP

Meeting Date: 2/28/2019
Department: Community and Economic Development
Prepared By: Lisa Alfson
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

• Approve financial investment to GREATER MSP for 2019.

SUMMARY
GREATER MSP is a public-private partnership whose mission is to stimulate economic growth and prosperity in the Minneapolis-St. Paul region. GREATER MSP provides vision, strategy, resources and staff support to governments and organizations involved with job creation, regional marketing, business recruitment and retention, and talent/workforce attraction.

GREATER MSP assists with the implementation of several economic development initiatives outlines in the Dakota County Economic Development Strategy. Through participating in GREATER MSP, the strategic initiatives of 1) creating prospect response capacity (i.e. working with site selectors) and 2) undertaking development-related resource and policy capacity (i.e. MSP Regional Dashboard, Make.It.MSP workforce research and efforts, etc.) are being advanced.

Dakota County CDA, on behalf of Dakota County, has been an investor in GREATER MSP since 2011. As part of our investment, the CDA is provided one seat on the GREATER MSP Board (as approved by the GREATER MSP Board); one public sector representative on the Partner Advisory Council (PAC); and one private sector representative on the PAC. Commissioner Gaylord sits on the GREATER MSP Board; Kim Lindquist, City of Rosemount Community Development Director, sits as the PAC public sector representative; and Bill Gray, President of Uponor North America, sits as the PAC private sector representative.

In addition to the CDA, the cities of Apple Valley, Eagan and Rosemount are investors in GREATER MSP. Other investor counties include: Anoka, Carver, Chisago, Isanti, Ramsey, Scott, Sherburne, Sibley, Washington, and Wright.

GREATER MSP staff (Peter Frosch, Joel Akason, Judy Johnson) and Lester Bagley, Minnesota Vikings, attended the January CDA Board meeting and provided an update on the progress GREATER MSP has made in the past year and what is expected in 2019.

RECOMMENDATION
Staff recommends continued investment of $100,000 in GREATER MSP for 2019. This investment amount is designated for counties with populations between 350,000 to 500,000.

EXPLANATION OF FISCAL/FTE IMPACT
The Fiscal Year Ending (FYE) June 30, 2019 Operating Budget includes $100,000 from the CDA Levy to pay the 2019 investor contribution.
Resolution No. 19-XXXX

Approve 2019 Investment In GREATER MSP

WHEREAS, the Itasca Project conducted a study in 2010 demonstrating the need for a regional economic development organization to develop and implement a coordinated regional economic development strategy; and

WHEREAS, the Minneapolis St. Paul Regional Economic Development Partnership (GREATER MSP) was created through a public-private partnership to stimulate economic growth and prosperity in the region to coordinate site selector processes for the metropolitan area; market, brand and promote the region; and conduct research to inform a regional economic development strategy; and

WHEREAS, the Dakota County CDA has been granted Economic Development Authority powers by the State Legislature and the Dakota County Board of Commissioners; and

WHEREAS, the Dakota County CDA Board of Commissioners approved participation in GREATER MSP and a financial investment of $100,000 annually since 2011; and

WHEREAS, GREATER MSP has developed strong private sector partners, resulting in approximately 80 percent of the investment originating from the private sector; and

WHEREAS, GREATER MSP has developed and continues to refine a regional economic development strategy to increase the number of jobs in the region, has developed organizational capacity, established global partnerships, represented the region at trade shows throughout the United States and globally, and implemented an award-winning marketing campaign for the region.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the 2019 investment of $100,000 in GREATER MSP is approved.
Award Contract For The Exterior Renovation Project At Cameo Place (Rosemount)

Meeting Date: 2/26/2019  
Department: Housing Development  
Prepared By: Bob Rosenthal  
Contact: Kari Gill  
Contact Phone: 651-675-4477

Purpose/Action Requested
- Authorize Deputy Executive Director to execute a contract with Minnesota Construction, Inc.
- Authorize change order authority.

Summary
The contract is for the exterior renovation project at Cameo Place, a senior housing development in Rosemount. This project will consist of replacing windows, siding, soffit, fascia, and gutters.

On February 13, 2019 at 10:00 AM, a public bid opening was held at the Dakota County Community Development Agency (CDA) office building for this project. A total of 14 contractors were solicited and invited to bid on the project in addition to the advertisement for solicitation of bids in the Dakota County Tribune (Attachment A) and listing on the CDA’s website; the bid solicitation was done in accordance with public bidding requirements. As a result of all solicitations, eight potential bidders attended the required pre-bid walk-thru and one bid was received at the bid opening; the results are on the Bidders List (Attachment B).

Although only one bid was received, we are not optimistic we will receive better pricing if we rebid the project. While the bid did come in over our budget estimate; this is consistent with other bid results we are seeing with general increased costs in labor and materials. Contractors remain very busy impacting labor prices while high demand for products and concerns about tariffs are impacting material prices. There were two deduct alternate prices that staff will be recommending to keep the costs closer to budget. Alternate 1 was to use Hayfield windows instead of Thermotec and Alternate 2 is to use LP Smartside siding without the rigid stack fin attached.

Recommendation
Staff recommends that the Deputy Executive Director be authorized to enter into a contract with Minnesota Construction, Inc. in the total amount of $395,900.00 when Alternate 1 and Alternate 2 are accepted. The contractor has worked on a similar CDA project of this size in the past, recently completing a project at River Heights Terrace in South St Paul.

Explanation Of Fiscal/FTE Impact
This project is included in the Common Bond Fund budget and these funds will be paying for the exterior renovation project at Cameo Place. This particular project is overbudget, but funds can be moved from other Extraordinary Maintenance projects with excess funds so no increase to the Common Bond Fund budget is needed. The budget on this specific project will be increased to cover the cost and contingency.
Resolution No. 19-XXXX

Award Contract For The Exterior Renovation Project At Cameo Place (Rosemount)

WHEREAS, the Dakota County Community Development Agency accepted bids on February 13, 2019 for the exterior renovation at Cameo Place; a senior housing development in Rosemount; and

WHEREAS Minnesota Construction, Inc. was the lowest responsible bidder with a bid total of $395,900.00 when Alternates 1 & 2 are accepted; and

WHEREAS, funds are to be allocated from the Common Bond Fund budget; and

WHEREAS, the Dakota County CDA proposes to execute a contract for the project to commence March 2019.

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 contract for the project with Minnesota Construction, Inc. in an amount of $395,900.00 and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to execute change orders not to exceed the contract amount by 10% or $39,590.00.
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA  ss
COUNTY OF DAKOTA

Darlene MacPherson 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. §331.A.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 01/04/2019 and the last insertion being on 01/11/2019.

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: D. MacPherson
Designated Agent

Subscribed and sworn to or affirmed before me on 01/11/2019 by Darlene MacPherson.

Dakota County Community Development Agency (CDA)
EAGAN, MN 55123

PUBLIC NOTICE

ADVERTISEMENT FOR BIDS

Notice is hereby given that sealed bids will be received by the Office of the Director of Housing Development, Dakota County CDA, Minnesota until 10:30 AM, Tuesday, February 12, 2019, at the office of Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, MN 55123, at which time they will be publicly opened and read aloud for the furnishing of all labor and materials for the Window, Siding, Soft® & Fascia Replacement Project at Cameo Place Senior Apartments located at 3101 Lower 147th Street, Rosemount, MN.

Bids received after this time and date will be rejected. No telephone bids, fax bids, or emailed bids will be accepted. Bids shall be on the forms provided for that purpose and according to the Bidding Documents prepared by Dakota County CDA. Bids will be opened publicly and read aloud. A bid tabulation or other bid result will be furnished to the Bidders. Bids shall be addressed to: Bob Rosenthal, Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123.

A mandatory pre-bid walk-through is scheduled for Friday, January 11, 2019 at 1:00 PM and is required of all bidders. Bidders are to meet at the parking lot at Cameo Place Senior Apartments located at 3101 Lower 147th Street, Rosemount MN at 1:00 PM on Friday, January 18, 2019. The pre-bid walk-through is mandatory and only those bidders who attend will have their bids considered at bid opening. Bidders must confirm of their intent to attend the walk-through by contacting the Project Manager, Bob Rosenthal at Dakota County CDA, 651-676-4403 no later than 3:00 PM Thursday, January 17, 2019. Failure of a bidder to attend the walk-thru immediately subjects his/her bid to disqualification.

Specifications and bid documents for this project will not be available until the walk-thru on Friday, January 18, 2019. Important note: this is a prevailing wage project, and a bid bond is required to be submitted with all bids.

Bid security in the amount of 5% of the bid must accompany each bid in accordance with the instructions to Bidders. Bids shall be directed to the Project Manager, securely sealed and endorsed upon the outside wrapper, with the Project Address and Bid Due Date.

The CDA hereby notifies all bidders that in regard to any Contract entered into pursuant to this advertisement, Disadvantaged Business Enterprises (D.B.E.) will be afforded full opportunity to submit bids and / or proposals and will not be subjected to discrimination on the basis of race, color, sex, age, religion, or national origin. The Dakota County CDA reserves the right to reject any and all bids, to waive irregularities and infirmities therein and to award the Contract in the best interest of the CDA.

Bob Rosenthal, Capital Projects Manager
Dakota County Community Development Agency
Published in the
Dakota County Tribune
January 4, 11, 2019

Rate Information:
(1) Lowest classified rate paid by commercial users
for comparable space: $27.40 per column inch
PROJECT TITLE: Cameo Place Exterior Renovation
PROJECT ADDRESS: 3101 Lower 147th Street, Rosemount, MN 55068

Bid Close: Wednesday, February 20 2019 at 10:00 a.m.

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>ADDENDA 1, 2</th>
<th>BID BOND</th>
<th>VERIFICATION OF COMPLIANCE</th>
<th>BASE BID</th>
<th>ALT. #1</th>
<th>ALT. #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota Construction Inc.</td>
<td>1</td>
<td>X</td>
<td>X</td>
<td>410,000.00</td>
<td>(6,000)</td>
<td>(8,100)</td>
</tr>
</tbody>
</table>

- 117 -
Award Contract For The Exterior Renovation Project At Country Lane Townhomes (Lakeville)

Meeting Date: 2/26/2019
Department: Housing Development
Prepared By: Bob Rosenthal
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 Deputy Executive Director to execute a contract with Intelligent Design, Corporation.
- Authorize change order authority.

SUMMARY
The contract is for the exterior renovation project at Country Lane Townhomes in Lakeville. This project will consist of replacing roofing, windows, siding, soffit, fascia, gutters, and new overhead garage doors.

On February 12, 2019 at 10 a.m., a public bid opening was held at the Dakota County Community Development Agency (CDA) office building for this project. A total of 14 contractors were solicited and invited to bid on the project in addition to the advertisement for solicitation of bids in the Dakota County Tribune (Attachment A) and the CDA’s website. As a result of all solicitations, eight potential bidders attended the required pre-bid walk-thru. Three bids were received at the bid opening; the results are on the Bidders List (Attachment B). Intelligent Design, Corporation was the low responsive, responsible bidder.

The solicitation of bids was done in accordance with public bidding requirements; and the low bid is reasonable. This is a new contractor to the CDA, but references were checked and were favorable. Staff is recommending that Alternate 1 is accepted; this is a deduct alternate is to use Hayfield windows and patio doors instead of Thermotec windows and patio doors which reduces the base bid to $890,883.35.

RECOMMENDATION
It is recommended by staff that the Deputy Executive Director be authorized to enter into a contract with Intelligent Design Corporation in the total amount of $890,883.35. It is also recommended that change order authority of $48,417 (just under 5.5%) be authorized.

EXPLANATION OF FISCAL/FTE IMPACT
TIF funds are budgeted for and will be paying for the Exterior Renovation Project at Country Lane Townhomes. The project came in over the Extraordinary Maintenance (EM) budget, but sufficient TIF funds are budgeted; the EM budget will be revised to cover this amount using the budgeted TIF funds.
Resolution No. 19-XXXX

Award Contract For The Exterior Renovation Project At Country Lane Townhomes (Lakeville)

WHEREAS, the Dakota County Community Development Agency accepted bids on February 12, 2019 for the necessary improvements to be made to the Country Lane Townhomes workforce housing development in Lakeville: and

WHEREAS Intelligent Design Corporation. was the lowest responsible, responsive bidder with a bid total of $890,883.35 when Alternate 1 is accepted; and

WHEREAS, TIF funds are to be budgeted for this project; and

WHEREAS, the Dakota County CDA proposes to execute a contract for the project to commence February 2019.

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 contract for the project with bidder Intelligent Design Corporation for $890,883.35; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to execute change orders not to exceed $48,417 (just under 5.5%).
AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA ) ss
COUNTY OF DAKOTA

Darlene MacPherson 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 01/04/2019 and the last insertion being on 01/11/2019.

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: [Signature]
Designated Agent

Subscribed and sworn to or affirmed before me on 01/11/2019 by Darlene MacPherson.

---

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY (CDA)
EAGAN, MN 55123

PUBLIC NOTICE

ADVERTISEMENT FOR BIDS

Notice is hereby given that sealed bids will be received by the Office of the Director of Housing Development, Dakota County CDA, Minnesota until 10:00 AM, Tuesday, February 12, 2019, at the office of Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, MN 55123, at which time they will be publicly opened and read aloud for the furnishing of all labor and materials for the project(s) as shown in the Schematic and Specifications.

Bids received after this time and date will be rejected. No telephone bids, fax bids, or emailed bids will be accepted. Bids shall be on the forms provided for that purpose and according to the Bidding Documents prepared by Dakota County CDA. Bids will be opened publicly and read aloud. A bid tabulation or other bid result will be furnished to the Bidders. Bids shall be addressed to: Bob Rosenthal, Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123.

A mandatory pre-bid walk-through is scheduled for Thursday, January 17, 2019 at 1:00 PM and is required of ALL bidders. Bidders are to meet at the parking lot at Country Lane Workforce Housing located at 7754-7870 210th Street West, Lakeville MN at 1:00 PM on Thursday, January 17, 2019. The pre-bid walk-through is mandatory and only those bidders who attend will have their bids considered at bid opening. Bidders must confirm their intent to attend the walk-through by contacting the Project Manager, Bob Rosenthal at Dakota County CDA, 651-875-4893 no later than 3:00 PM Wednesday, January 16, 2019. Failure of a bidder to attend the walk-thru immediately subjects his/her bid to disqualification.

Specifications and bid documents for this project will not be available until the walk-thru on Thursday, January 17, 2019. Important note: this is a prevailing wage project, and a bid bond is required to be submitted with all bids.

Bid security in the amount of 5% of the bid must accompany each bid in accordance with the instruction to Bidders. Bids shall be directed to the Project Manager, securely sealed and enclosed upon the outside wrapper, with the Project Address and Bid Due Date.

The CDA hereby notifies all bidders that in regard to any contract entered into pursuant to this advertisement, Disadvantaged Business Enterprises (D.M.E.) will be afforded full opportunity to submit bids and / or proposals and will not be subjected to discrimination on the basis of race, color, sex, age, religion, or national origin. The Dakota County CDA reserves the right to reject any and all bids, to waive any irregularities and informalities therein and to award the Contract in the best interest of the CDA.

Bob Rosenthal, Capital Projects Manager
Dakota County Community Development Agency
Published in the Dakota County Tribune
January 4, 11, 2019
893853

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

Ad ID 893853
**PROJECT TITLE:** Country Lane Exterior Renovation  
**PROJECT ADDRESS:** 7754-7870 210th Street West, Lakeville MN 55044  

Bid Close: Tuesday, February 12 2019 at 10:00 a.m.

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>ADDENDA 1, 2 &amp; 3</th>
<th>BID BOND</th>
<th>VERIFICATION OF COMPLIANCE</th>
<th>BASE BID</th>
<th>ALT. #1</th>
<th>ALT. #2</th>
<th>ALT. #3</th>
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<tr>
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<td>✓</td>
<td>9,15,243.94</td>
<td>(24,360.59)</td>
<td>101,580.65</td>
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<td>1,000,012.00</td>
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<td>17,500.00</td>
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<td>1,255,200.00</td>
<td>(13,500.00)</td>
<td>29,000.00</td>
<td>(27,400.00)</td>
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</table>
Update On Levy Supported Housing Initiative – Informational

Meeting Date: 2/26/2019
Department: Administration
Prepared By: Sara Swenson
Contact: Tony Schertler
Contact Phone: 651-675-4432

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
- Discussion on levy supported housing initiative.

SUMMARY
As part of the CDA Board’s Strategic Planning process and subsequent discussions on future development of CDA owned housing, an update will be provided on site options for a levy supported housing development will be discussed.

The goal of the discussion is to receive further direction for staff to proceed with an initial architect review of the identified development site and a timeframe for future discussions on occupancy and admissions standards for the project.

RECOMMENDATION
N/A – Informational Only

EXPLANATION OF FISCAL/FTE IMPACT
N/A

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

Strategic Plan Priorities:
☒ Focused Housing Programs
☐ Collaboration
☐ Development/Redevelopment
☐ Financial Sustainability
☐ Operational Effectiveness

Executive Director

Department Director
Executive Director’s Update – Informational

Meeting Date: 2/26/2019
Department: Administration
Prepared By: Kaili Braa
Contact: Tony Schertler
Contact Phone: 651-675-4432

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 and a preview of items that will be on the March 19, 2019 CDA Board meeting agenda.

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 Priorities:
☒ Focused Housing Programs
☒ Collaboration
☒ Development/Redevelopment
☒ Financial Sustainability
☒ Operational Effectiveness

Executive Director

Department Director
MEMO

February 22, 2019

TO: CDA Board of Commissioners
    Dakota County Manager and Physical Development Director
    City Administrators & Managers

FROM: Tony Schertler, Executive Director

RE: Status Report - Quarter 4, 2018

This Status Report provides summary information on the use of affordable housing and community development programs in Dakota County. The Status Report reflects statistics through the fourth quarter of 2018 and not the entire life of programs. As a reference tool, the appendix has an explanation of each program.
### Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% of Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>1,669/831</td>
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</tr>
<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>183/257</td>
<td>183/257</td>
<td>0</td>
</tr>
<tr>
<td>Other Affordable Housing Programs</td>
<td>1100/1,730</td>
<td>1100/1,730</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>2,952/2,818</strong></td>
<td><strong>2,952/2,818</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>All</th>
<th>% of Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
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<td>-45</td>
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<tr>
<td>Portable Income Vouchers</td>
<td>128/151</td>
<td>23</td>
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<tr>
<td>Outgoing Vouchers</td>
<td>287/312</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>133/133</td>
<td>0</td>
<td></td>
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<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
<td><strong>0/2,863</strong></td>
<td><strong>3</strong></td>
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*Tenant-based program vouchers may be used by residents of development-based housing.*

### Housing Improvement Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>19</td>
<td>14</td>
<td>24</td>
<td>12</td>
<td>69</td>
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<tr>
<td>Weatherization Projects Completed</td>
<td>25</td>
<td>27</td>
<td>14</td>
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<td>89</td>
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</table>

### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
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<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>6</td>
<td>15</td>
<td>14</td>
<td>0</td>
<td>35</td>
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<tr>
<td>Mortgage Credit Certificates</td>
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<td>13</td>
<td>13</td>
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<td>32</td>
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<tr>
<td>Pre-Purchase Counseling</td>
<td>30</td>
<td>39</td>
<td>28</td>
<td>10</td>
<td>107</td>
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<td>Home Stretch Homebuyer Education</td>
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<td>71</td>
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### Home Foreclosure

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>51</td>
<td>58</td>
<td>60</td>
<td>49</td>
<td>218</td>
<td>273</td>
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<tr>
<td>Notice of Pendency</td>
<td>358</td>
<td>370</td>
<td>317</td>
<td>375</td>
<td>1,420</td>
<td>1,447</td>
</tr>
</tbody>
</table>

CDA Properties include:
- 29 Senior Housing Developments
- 24 Workforce Housing Developments
- 1 Youth Supportive Housing Development
- 323 units Scattered Site Public Housing

Rental Assisted Housing includes:

**Development-Based Housing Programs**
- CDA Senior Housing
- CDA Workforce Housing
- CDA Youth Supportive Housing
- Section 8 Housing Choice Vouchers
- 202 Housing
- 811 Housing
- 236 Housing
- Low Rent Housing
- Non-CDA Bond Financed Housing
- Non-CDA Tax Credit Housing
- PHFA

**Tenant-Based Housing Programs**
- Section 8 Housing Choice Vouchers
- Continuum of Care
- Bridges
- Family Unification Program
- Veteran Affairs Supportive Housing
- Housing Trust Fund
- Single Room Occupancy

Program statistics are available upon request.
Status Report

Apple Valley • Quarter 4, 2018
Statistics through December 31, 2018

Development-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>As of September 30</th>
<th>As of December 31</th>
<th>% Change</th>
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<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>170/111</td>
<td>170/111</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>72/56</td>
<td>72/56</td>
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<tr>
<td>Other Affordable Housing Programs</td>
<td>215/117</td>
<td>215/117</td>
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</tr>
<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>457/284</strong></td>
<td><strong>457/284</strong></td>
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Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>As of September 30</th>
<th>As of December 31</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>256</td>
<td>264</td>
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<tr>
<td>Portable Income Vouchers</td>
<td>16</td>
<td>18</td>
<td>2</td>
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<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>11</td>
<td>11</td>
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<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
<td><strong>283</strong></td>
<td><strong>293</strong></td>
<td><strong>10</strong></td>
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Tenant-based program vouchers may be used by residents of development-based housing.

Housing Improvement Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>5</td>
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<tr>
<td>Weatherization Projects Completed</td>
<td>8</td>
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</table>

First Time Homebuyer Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>5</td>
</tr>
<tr>
<td>Mortgage Credit Certificate Requested</td>
<td>5</td>
</tr>
</tbody>
</table>

Home Foreclosure

<table>
<thead>
<tr>
<th>Program Type</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>3</td>
<td>34</td>
</tr>
<tr>
<td>Notice of Pendency</td>
<td>196</td>
<td>184</td>
</tr>
</tbody>
</table>

CDA Properties in Apple Valley

Senior Housing Developments
- Orchard Square • 50 units
- Cortland Square • 60 units
- Cobblestone Square • 60 units

Workforce Housing Developments
- Glenbrook Townhomes • 39 units
- Chasewood Townhomes • 27 units
- Quarry View Townhomes • 45 units

Scattered Site Public Housing
- 53 units

Other Affordable Housing in Apple Valley
- Apple Valley Villa • 72 senior units
- Whitney Grove Townhomes • 56 family units

Section 811 Housing
- Apple Grove Apartments • 16 units

Non-CDA Managed Tax Credit
- Haralson Apartments • 36 units

Non-CDA Bond Financed Housing
- Hidden Ponds • 19 affordable family units of 84 total units
- Hearthstone Apartments & Townhomes • 46 affordable family units of 228 total units
- Legends of Apple Valley • 163 affordable senior units

Non-CDA Other
- Scott-Carver-Dakota CAP Agency • 1 affordable unit

Affordable Housing in Apple Valley
### Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% Decrease/Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>206 / 56</td>
<td>206 / 56</td>
<td>0</td>
</tr>
<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>0 / 89</td>
<td>0 / 89</td>
<td>0</td>
</tr>
<tr>
<td>Other Affordable Housing Programs</td>
<td>83 / 496</td>
<td>83 / 496</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>289 / 641</strong></td>
<td><strong>289 / 641</strong></td>
<td>0</td>
</tr>
</tbody>
</table>

### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>All</th>
<th>% Decrease/Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>591</td>
<td>561</td>
<td>-30</td>
</tr>
<tr>
<td>Portable Incoming Vouchers</td>
<td>31</td>
<td>31</td>
<td>7</td>
</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>17</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
<td><strong>639</strong></td>
<td><strong>616</strong></td>
<td><strong>-23</strong></td>
</tr>
</tbody>
</table>

Tenant-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Weatherization Projects Completed</td>
<td>4</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>18</td>
</tr>
</tbody>
</table>

### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Mortgage Credit Certificate Requested</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

### Home Foreclosure

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>7</td>
<td>8</td>
<td>7</td>
<td>10</td>
<td>32</td>
<td>44</td>
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<tr>
<td>Notice of Pendency</td>
<td>36</td>
<td>58</td>
<td>55</td>
<td>61</td>
<td>210</td>
<td>193</td>
</tr>
</tbody>
</table>

### CDA Properties in Burnsville

**Senior Housing Developments:**
- Eagle Ridge Place • 60 units
- Park Ridge Place • 66 units
- Valley Ridge • 80 units

**Workforce Housing Developments:**
- Parkside Townhomes • 22 units
- Heart of the City Townhomes • 34 units

**Scattered Site Public Housing**
- 61 units

**Other Affordable Housing in Burnsville**
- Project Based Vouchers
  - Chowen Bend Townhomes • 32 units
  - Cliff Hill • 32 units
  - Horizon Heights • 25 units
- Section 811 Housing
  - West Apartments • 24 units
  - Leah's Apartments • 17 units
- Section 236 Housing
  - Chancellor Manor • 200 units
- Section 202 Housing
  - Ebenezer Ridge Point • 42 units

**Non-CDA Managed Tax Credit**
- Timber Ridge • 48 units
- Andrew’s Pointe • 57 units

**Non-CDA Bond Financed Housing**
- Grande Market Place • 46 affordable units of 113 total units
- Dakota Station • 60 affordable units of 150 total units
- Wyngate Townhomes • 10 affordable units of 505 total units

**Non-CDA Other**
- County Road 5 - Tasks Unlimited • 6 affordable units
- Scott-Carver-Dakota CAP Agency • 8 affordable units

Program statistics are available upon request.
### Development-Based Housing Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
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<td>245</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
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<td>0</td>
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<tr>
<td>Other Affordable Housing Programs</td>
<td>32</td>
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<tr>
<td>Total Development-Based Housing Units</td>
<td>277</td>
<td>277</td>
<td>0</td>
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### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>All</th>
<th>All</th>
<th>% Quarter</th>
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<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>360</td>
<td>350</td>
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<tr>
<td>Portable Incoming Vouchers</td>
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<td>22</td>
<td>4</td>
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<tr>
<td>Other Rental Housing Subsidy Programs</td>
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<tr>
<td>Total Tenant-Based Housing Vouchers</td>
<td>396</td>
<td>390</td>
<td>-6</td>
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</tbody>
</table>

Tenant-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

- **Rehab & Improvement Loans Closed**: 4
- **Weatherization Projects Completed**: 11

### First Time Homebuyer Programs

- **First Mortgage Loans & Downpayment**: 3
- **Mortgage Credit Certificate Requested**: 3

### Home Foreclosure

- **Sheriff Sales**: 42
- **Notice of Pendency**: 230

Program statistics are available upon request.

### CDA Properties in Eagan

#### Senior Housing Developments
- O’Leary Manor - 65 units
- Oakwoods of Eagan - 65 units
- Lakeside Pointe - 60 units
- Oakwoods East - 55 units

#### Workforce Housing Developments
- Oak Ridge Townhomes - 42 units
- Erin Place Townhomes - 34 units
- Northwood Townhomes - 42 units
- Riverview Ridge Townhomes - 27 units
- Lakeshore Townhomes - 50 units

#### Youth Supportive Housing
- Lincoln Place - 24 units

#### Scattered Site Public Housing
- 28 units

#### Other Affordable Housing in Eagan

- Non-CDA Bond Financed Housing
  - Cedar Villas - 21 affordable family units of 104 total units
  - Commons on Maric - 32 affordable senior units of 156 total units
  - View Pointe Apartments - 60 affordable units of 327 total units

- Non-CDA Other
  - Scott-Carver-Dakota CAP Agency - 8 affordable units
  - Dakota Woodlands (Mary’s Shelter) - 21 beds

### Program statistics are available upon request.
Farmin

CDA

Status Report

Farmington • Quarter 4, 2018
Statistics through December 31, 2018

Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>Elderly/Disabled</td>
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<td></td>
<td>Youth/Family</td>
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<tr>
<td>Project Based Housing</td>
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<td>66</td>
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</tr>
<tr>
<td>Choice Vouchers</td>
<td>51</td>
<td>51</td>
<td>0</td>
</tr>
<tr>
<td>Other Affordable</td>
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<td>37</td>
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<td>Housing Programs</td>
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<td>115</td>
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<td>Total</td>
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<td>166</td>
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Tenant-Based Housing Programs

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<thead>
<tr>
<th></th>
<th>All</th>
<th>All</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing</td>
<td>46</td>
<td>15</td>
<td>-31</td>
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<tr>
<td>Choice Vouchers</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Portable Incoming</td>
<td>4</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Vouchers</td>
<td>55</td>
<td>26</td>
<td>-29</td>
</tr>
</tbody>
</table>

CDA Properties in Farmington

Senior Housing Developments
Vermillion River Crossing • 66 units

Workforce Housing Developments
Twin Ponds Townhomes • 51 units

Scattered Site Public Housing
7 units

Other Affordable Housing in Farmington

Project Based Vouchers
Spruce Place • 60 senior units

FMHA
Red Oak Manor • 37 senior units
Westview Apartments • 60 units

Non-CDA Managed Tax Credit
Farmington Family Townhomes • 28 affordable family units of 32 total units
Farmington Townhomes • 16 units

Non-CDA Other
Elm Terrace • 4 affordable units of 18 total units
Dakota Woodlands (Mary’s Shelter) • 21 beds

Program statistics are available upon request.

Housing Improvement Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement</td>
<td>1</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Loans Closed</td>
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<tr>
<td>Weatherization</td>
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<tr>
<td>Projects Completed</td>
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<td>1</td>
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</table>

First Time Homebuyer Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
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<td>&amp; Downpayment</td>
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<tr>
<td>Mortgage Credit</td>
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<tr>
<td>Certificate Requested</td>
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Sheriff Foreclosure

<table>
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<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
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<tbody>
<tr>
<td>Sheriff Sales</td>
<td>6</td>
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</table>
Status Report

Hastings • Quarter 4, 2018
Statistics through December 31, 2018

Development-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>%Change Previous Quarter</th>
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</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>103 (Elderly/Disabled) 80 (Family)</td>
<td>103 (Elderly/Disabled) 80 (Family)</td>
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</tr>
<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Affordable Housing Programs</td>
<td>109 (Elderly/Disabled) 83 (Family)</td>
<td>109 (Elderly/Disabled) 83 (Family)</td>
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<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>212</strong></td>
<td><strong>163</strong></td>
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Tenant-Based Housing Programs

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<thead>
<tr>
<th>Program Type</th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>%Change Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>09</td>
<td>86</td>
<td>-3</td>
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<tr>
<td>Portable Incoming Vouchers</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>9</td>
<td>10</td>
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<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
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<td><strong>102</strong></td>
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Tenant-based program vouchers may be used by residents of development-based housing.

Housing Improvement Programs

<table>
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<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Weatherization Projects Completed</td>
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<td>1</td>
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<td>0</td>
<td>1</td>
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First Time Homebuyer Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Mortgage Credit Certificate Requested</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>

CDA Properties in Hastings

Senior Housing Developments
- Mississippi Terrace • 40 units
- Rivertown Court • 63 units

Workforce Housing Developments
- Marketplace Townhomes • 28 units
- Pleasant Ridge Townhomes • 31 units
- West Village Townhomes • 21 units

Scattered Site Public Housing
- 20 units

Other Affordable Housing
in Hastings

Section 202 Housing
- Oak Ridge • 109 senior units

Non-CDA Managed Tax Credit
- Guardian Angels Apartments & Townhomes • 26 affordable family units of 30 total units
- Artspace Hastings Lofts • 37 affordable units

Program statistics are available upon request.

Home Foreclosure

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>16</td>
<td>17</td>
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<td>Notice of Pendency</td>
<td>21</td>
<td>30</td>
<td>19</td>
<td>27</td>
<td>97</td>
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- 130 -
### Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>%/ Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>177 Elderly/ Disabled, 78 Youth/Family</td>
<td>177 Elderly/ Disabled, 78 Youth/Family</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>0 Elderly/ Disabled, 40 Youth/Family</td>
<td>0 Elderly/ Disabled, 40 Youth/Family</td>
<td>0</td>
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<tr>
<td>Other Affordable Housing Programs</td>
<td>0 Elderly/ Disabled, 305 Youth/Family</td>
<td>0 Elderly/ Disabled, 305 Youth/Family</td>
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<tr>
<td>Total Development-Based Housing Units</td>
<td>177 All</td>
<td>177 All</td>
<td>0</td>
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### Tenant-Based Housing Programs

<table>
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<tr>
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<th>as of December 31</th>
<th>%/ Previous Quarter</th>
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</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>162 Elderly/ Disabled, 58 Youth/Family</td>
<td>158 Elderly/ Disabled, 58 Youth/Family</td>
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<tr>
<td>Portable Income Vouchers</td>
<td>5 Elderly/ Disabled, 6 Youth/Family</td>
<td>6 Elderly/ Disabled, 6 Youth/Family</td>
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<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>8 Elderly/ Disabled, 6 Youth/Family</td>
<td>6 Elderly/ Disabled, 6 Youth/Family</td>
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<tr>
<td>Total Tenant-Based Housing Vouchers</td>
<td>175 All</td>
<td>170 All</td>
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Tenant-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

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<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>9</td>
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<tr>
<td>Weatherization Projects Completed</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>7</td>
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### First Time Homebuyer Programs

<table>
<thead>
<tr>
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<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>0</td>
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<td>1</td>
<td>2</td>
<td>4</td>
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<tr>
<td>Mortgage Credit Certificate Requested</td>
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<td>1</td>
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<td>4</td>
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### Home Foreclosure

<table>
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<tr>
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<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>2</td>
<td>15</td>
<td>19</td>
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<td>Notice of Pendency</td>
<td>32</td>
<td>16</td>
<td>16</td>
<td>28</td>
<td>92</td>
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Lakeville • Quarter 4, 2018
Statistics through December 31, 2018

### Development-Based Housing Programs

<table>
<thead>
<tr>
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<th>September 30</th>
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<th>% Change</th>
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<tr>
<td>CDA Housing Programs</td>
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<td>264</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
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<td>0</td>
<td>-</td>
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<tr>
<td>Other Affordable Housing Programs</td>
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<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
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### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>September 30</th>
<th>December 31</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>151</td>
<td>147</td>
<td>-4</td>
</tr>
<tr>
<td>Portable Incoming Vouchers</td>
<td>11</td>
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</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>8</td>
<td>8</td>
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<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
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<td><strong>166</strong></td>
<td><strong>-4</strong></td>
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Tenant-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td></td>
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<tr>
<td>Weatherization Projects Completed</td>
<td>2</td>
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### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Mortgage Credit Certificate Requested</td>
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### Home Foreclosure

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>0</td>
<td>16</td>
<td>41</td>
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<td>Notice of Pendency</td>
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<td>39</td>
<td>34</td>
<td>35</td>
<td>143</td>
<td>187</td>
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</tbody>
</table>

CDA Properties in Lakeville

**Senior Housing Developments**
- Winsor Plaza: 64 units
- Main Street Manor: 51 units
- Crossroads Commons: 87 units
- Argonne Hills: 62 units

**Workforce Housing Developments**
- Country Lane Townhomes: 29 units
- Prairie Crossing Townhomes: 40 units
- Meadowlark Townhomes: 40 units
- Cedar Valley Townhomes: 30 units
- Keystone Crossing: 36 units

**Scattered Site Public Housing**
- 23 units

**Other Affordable Housing in Lakeville**
- Section 202 Housing
  - Fairfield Terrace: 24 units

**Non-CDA Managed Tax Credit**
- Lakeville Court Apartments: 50 units
- Lakeville Pointe: 49 units

**Non-CDA Other**
- Scott-Carver-Dakota: 4 affordable units

Program statistics are available upon request.
### Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>125/24</td>
<td>125/24</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
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<td>12/0</td>
<td>0</td>
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<tr>
<td>Other Affordable Housing Programs</td>
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<td>0/1</td>
<td>0</td>
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<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>137/25</strong></td>
<td><strong>137/25</strong></td>
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### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>All</th>
<th>% Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Vouchers</td>
<td>33</td>
<td>32</td>
<td>-1</td>
</tr>
<tr>
<td>Portable Incoming Vouchers</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
<td><strong>33</strong></td>
<td><strong>32</strong></td>
<td><strong>-1</strong></td>
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Tenent-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
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<td>Weatherization Projects Completed</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
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### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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### Home Foreclosure

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
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<tr>
<td>Notice of Pendency</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>21</td>
<td>20</td>
</tr>
</tbody>
</table>

### CDA Properties in Mendota Heights

**Senior Housing Developments**
- Parkview Plaza • 65 units
- Village Commons • 60 units

**Workforce Housing Developments**
- Hillside Gables Townhomes • 24 units

**Scattered Site Public Housing**
- 1 unit

**Other Affordable Housing in Mendota Heights**
**Project Based Vouchers**
- Dakota Adults • 12 handicapped units

Program statistics are available upon request.
Status Report

CDA Properties in Rosemount

Senior Housing Developments
- Cameo Place • 44 units
- Cambrian Commons • 60 units

Workforce Housing Developments
- Carbury Hills Townhomes • 32 units

Scattered Site Public Housing
- 31 units

Other Affordable Housing in Rosemount

Project Based Vouchers
- Rosemount Plaza • 39 senior units
- Rosemount Greens • 28 family units

Non-CDA Bond Financed Housing
- Waterford Commons • 23 affordable units of 106 total units

Non-CDA Managed Tax Credit
- Park Place • 36 units

Program statistics are available upon request.

Development-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>As of September 30</th>
<th>As of December 31</th>
<th>% Change Previous Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>104 Elderly/Disabled 32 Youth/Family</td>
<td>104 Elderly/Disabled 32 Youth/Family</td>
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<tr>
<td>Project Based Housing Choice Vouchers</td>
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<td>Other Affordable Housing Programs</td>
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<tr>
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<td>143 Elderly/Disabled 150 Youth/Family</td>
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Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>All</th>
<th>All</th>
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</thead>
<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
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<tr>
<td>Portable Incoming Vouchers</td>
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</tr>
<tr>
<td>Other Rental Housing Subsidy Programs</td>
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<tr>
<td>Total Tenant-Based Housing Vouchers</td>
<td>57</td>
<td>60</td>
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Tenant-based program vouchers may be used by residents of development-based housing.

Housing Improvement Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Weatherization Projects Completed</td>
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First Time Homebuyer Programs

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<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
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</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
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<tr>
<td>Mortgage Credit Certificate Requested</td>
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Home Foreclosure

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<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
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<tbody>
<tr>
<td>Sheriff Sales</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>11</td>
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<tr>
<td>Notice of Pendency</td>
<td>26</td>
<td>23</td>
<td>24</td>
<td>32</td>
<td>105</td>
<td>83</td>
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Program statistics are available upon request.
**Status Report**

### Development-Based Housing Programs

<table>
<thead>
<tr>
<th></th>
<th>as of September 30</th>
<th>as of December 31</th>
<th>% Decrease/Increase</th>
</tr>
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<tbody>
<tr>
<td>CDA Housing Programs</td>
<td>170 0</td>
<td>170 0</td>
<td>0</td>
</tr>
<tr>
<td>Project Based Housing Choice Vouchers</td>
<td>0 44</td>
<td>0 44</td>
<td>0</td>
</tr>
<tr>
<td>Other Affordable Housing Programs</td>
<td>296 51</td>
<td>296 51</td>
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<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
<td><strong>466 95</strong></td>
<td><strong>466 95</strong></td>
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### Tenant-Based Housing Programs

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<thead>
<tr>
<th></th>
<th>Quarter</th>
<th>Previous Quarter</th>
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<tbody>
<tr>
<td>Tenant Based Housing Choice Vouchers</td>
<td>196</td>
<td>204 8</td>
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<tr>
<td>Portable Incoming Vouchers</td>
<td>13</td>
<td>15 2</td>
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<tr>
<td>Other Rental Housing Subsidy Programs</td>
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<td>24 -4</td>
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<tr>
<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
<td><strong>0 237</strong></td>
<td><strong>243 6</strong></td>
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Tenant-based program vouchers may be used by residents of development-based housing.

### Housing Improvement Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>3</td>
<td>4</td>
<td>6</td>
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### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
<td>1</td>
<td>2</td>
<td>4</td>
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<td>9</td>
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<tr>
<td>Mortgage Credit Certificate Requested</td>
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### Home Foreclosure

<table>
<thead>
<tr>
<th>Program</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheriff Sales</td>
<td>5</td>
<td>8</td>
<td>7</td>
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<td>Notice of Pendency</td>
<td>33</td>
<td>36</td>
<td>28</td>
<td>28</td>
<td>125</td>
</tr>
</tbody>
</table>

### CDA Properties in South St. Paul

**Senior Housing Developments**
- River Heights Terrace • 54 units
- Dakota Heights • 56 units
- Thompson Heights • 60 units

**Other Affordable Housing in South St. Paul**
- Project Based Vouchers
  - Camber Hills Townhomes • 44 units

**Low Rent**
- John Carroll • 165 units
- Nan McKay • 131 units

**Non-CDA Managed Tax Credit**
- Kaposia Terrace Townhomes • 19 affordable units of 20 total units

**Non-CDA Bond Financed Housing**
- Kaposia (Rose) Apartments • 20 affordable units of 48 total units

**Non-CDA Other**
- Scott-Carver-Dakota CAP Agency • 12+ affordable units

Program statistics are available upon request.
Status Report

Development-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>September 30 Elderly/Disabled</th>
<th>September 30 Youth/Family</th>
<th>December 31 Elderly/Disabled</th>
<th>December 31 Youth/Family</th>
<th>% Change</th>
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<tbody>
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<td>CDA Housing Programs</td>
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<td>101</td>
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<td>0</td>
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<tr>
<td>Other Affordable Housing Programs</td>
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<tr>
<td><strong>Total Development-Based Housing Units</strong></td>
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<td><strong>214</strong></td>
<td><strong>405</strong></td>
<td><strong>214</strong></td>
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Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>September 30 All</th>
<th>September 30 All</th>
<th>December 31 All</th>
<th>December 31 All</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Based Housing Vouchers</td>
<td>373</td>
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<td>-10</td>
<td>-10%</td>
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<tr>
<td>Portable Incoming Vouchers</td>
<td>22</td>
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<tr>
<td>Other Rental Housing Subsidy Programs</td>
<td>30</td>
<td>32</td>
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<td>2</td>
<td>2%</td>
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<tr>
<td><strong>Total Tenant-Based Housing Units</strong></td>
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<td><strong>425</strong></td>
<td><strong>420</strong></td>
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<td>-5%</td>
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Tenant-based program vouchers may be used by residents of development-based housing.

Housing Improvement Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehab &amp; Improvement Loans Closed</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
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<td>0</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>9</td>
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First Time Homebuyer Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
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<tr>
<td>First Mortgage Loans &amp; Downpayment</td>
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<td>3</td>
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<tr>
<td>Mortgage Credit Certificate Requested</td>
<td>1</td>
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<td>0</td>
<td>1</td>
<td>2</td>
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CDA Properties in West St. Paul

Senior Housing Developments
- Haskell Court • 42 units
- The Dakotah • 59 units

Scattered Site Public Housing
- 10 units
- Colleen Loney Manor • 80 units

Other Affordable Housing in West St. Paul
Section 202 Housing
- Mount Carmel • 60 units

Low Rent
- 4 units

Non-CDA Bond Financed Housing
- The Sanctuary of West St. Paul • 164 senior units

Non-CDA Tax Credit
- Covington Court • 160 units

Non-CDA Other
- The Oaks of West St. Paul • 25 affordable units of 132 total units
- Westview Park • 15 affordable units of 72 total units

Program statistics are available upon request.

Home Foreclosure

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
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<td>Sheriff Sales</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>11</td>
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Program statistics are available upon request.
### Tenant-Based Housing Programs

<table>
<thead>
<tr>
<th>Location</th>
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<th>as of December 31</th>
<th>% Change</th>
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<tr>
<td>Douglas Township</td>
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<tr>
<td>Empire</td>
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<td>Hampton</td>
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<td>Waterford</td>
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<td><strong>Total Tenant-Based Housing Vouchers</strong></td>
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Tenant-based programs include Tenant-Based Housing Vouchers and Other Rental Housing Subsidy programs.

### Home Improvement Programs

<table>
<thead>
<tr>
<th>Location</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
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<td>Cannon Falls</td>
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<td>Castle Rock</td>
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<td>0</td>
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<tr>
<td>Empire</td>
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<td>Lilydale</td>
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<td>0</td>
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<tr>
<td>Ravena</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>Waterford</td>
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<td>0</td>
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</tr>
</tbody>
</table>

Programs include Weatherization, Home Improvement & Rehabilitation Loan programs.

### First Time Homebuyer Programs

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage Loans Closed &amp; Downpayment</td>
<td>0</td>
<td>0</td>
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### Home Foreclosure

<table>
<thead>
<tr>
<th></th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
<th>2018 YTD</th>
<th>2017 Total</th>
</tr>
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<tr>
<td>Sheriff Sales</td>
<td>3</td>
<td>1</td>
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<td>9</td>
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<td>Notice of Pendency</td>
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<td>5</td>
<td>5</td>
<td>8</td>
<td>35</td>
<td>42</td>
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</table>
Appendix

Assisted Housing

Development Based Housing Programs
Development Based Housing Programs are housing sites where the eligible subsidy is tied to the site and the units remain affordable for the duration of the funding contract. The site is made affordable usually through public funding for construction along with an ongoing operating subsidy. Units may target special needs while others may be general occupancy units. Development Based Housing is listed separately at the bottom of each city's report. Development Based Housing Programs include:

CDA Senior Housing Program provides one- and two-bedroom rental apartment units for persons 55 years of age and older. The CDA issues tax exempt bonds, credit enhanced with a general obligation pledge from Dakota County and has created a common bond fund. Under this financing structure, rental revenue from all of the buildings is pooled to pay to expenses and debt service for all the buildings. About 72% of the debt service on the bonds is paid from the supplemental revenues, including tax increment revenue and the CDA’s property tax levy that is exclusively dedicated to senior housing. Land and public improvements are paid for in part with CDBG, HOME and other local funds.

CDA Workforce Housing Program provides high quality housing at an affordable rate to meet the needs of households earning modest wages. The affordable workforce housing units are financed through a the CDA’s Family Housing Partnership Program, which was developed as a public/private limited partnership to syndicate low income housing tax credits and raise equity from the private sector for the development’s construction. Financing packages also include below market loans and grants from public, private and non-profit sources.

CDA Youth Supportive Housing Program is a supportive housing development that provides 24 units of affordable, safe, stable housing at Lincoln Place with services for young adults ages 18-25 who are homeless or are at significant risk of becoming homeless. The CDA is the owner, developer and property manager of Lincoln Place. Dakota County Community Services is the sponsor of the project and serves as a referral service for youth who would be good candidates for Lincoln Place. To provide one-on-one case management at Lincoln Place, Dakota County Community Services contracted with The Link to provide advocacy, life skills training, goal setting around education, employment and overall health (chemical, mental and physical) to help residents transition to independence.

Project Based Housing Choice Vouchers (Section 8) is a rental subsidy that can cover all of the units in a given housing development or a designated number of units. Rents are set at 40% of the tenant’s income and are paid to the project’s owner. The remainder of the rent (the subsidy amount) is paid by the federal government. Since the assistance is tied to the unit, a household who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available. These rental units are owned and operated by private owners, either for-profit or not-for-profit.

Section 202 Housing units are available to elderly or handicapped residents. This program aims to expand the supply of affordable housing with supportive services for the elderly by providing capital advances to private, not-for-profit organizations to finance property acquisition, site improvement, conversion, demolition, relocation and other expenses associated with supportive housing for the elderly. Project Rental Assistance Contracts are used to cover the difference between the HUD approved operating costs per unit and the tenant’s rent. Housing financed under this program may include appropriate support services and activities such as cleaning, cooking and transportation for elderly persons who are frail or at risk of being institutionalized. Section 202 is a federally funded program.

Section 811 Housing is a supportive housing program with units available to persons with disabilities. This program provides capital advances to not-for-profit sponsors to finance the development of rental housing with supportive services for persons with disabilities. The capital advance is interest free and does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years. The program also provides project rental assistance to cover the difference between the HUD approved operating costs per unit and the amount the resident pays. This is a federally funded program.

Section 236 Housing units are generally fixed or flat rents, meaning that they do not vary according to tenant income.
The government provided a large mortgage subsidy that reduced interest rates to as little as 1%. These rental units are owned and operated by private owners.

**Scattered Site Public Housing** are rental units owned and operated by a Public Housing Agency, such as the CDA. These housing units consist of high-rise apartments, single family homes, duplexes and townhomes. Tenant income eligibility is based on 80% of area median income. Residents of public housing units pay 30% of their income for rent. Rental payments go to the public housing agency and are used for the operation and maintenance costs of the housing. Federal subsidies also assist with operating costs.

In addition to scattered site units, the CDA owns Colleen Loney Manor, which is an apartment building for low-to-moderate income person who are 62 years of age and older, handicapped or disabled, near elderly (50 years or older) and single persons.

South St. Paul HRA administers public housing program for the City of South St. Paul.

**Low Rent Housing** are units of housing for families, seniors and disabled households, which are federally subsidized.

**Farmers Home Administration (FMHA)** are units if housing for the elderly or families, which are federally funded.

**Tenant Based Housing Programs**

Tenant Based Housing Programs are when the eligible housing subsidy is tied to the tenant and the subsidy travels with the tenant. The housing subsidy makes up the difference between the market rate rent and the tenant's income based payment. Tenant Based Housing Programs include:

**Tenant Based Housing Choice Voucher (Section 8) Program** is the federal government's major program for assisting very low-income families, the elderly and the disabled to afford decent and safe housing in the private market. A household that is issued a housing voucher is responsible for finding a suitable housing unit of the household’s choice where the owner agrees to rent under the program. Rental units must meet minimum standards of health and safety, as determined by the public housing authority.

The CDA administers this program in Dakota County. In addition to the CDA, the South St. Paul HRA administers a Housing Choice Voucher Program for the city of South St. Paul.

**Tenant Based Portable Incoming Vouchers (Section 8)** are Housing Choice Vouchers that are issued by a Public Housing Authority other than the CDA but are administered by the CDA because the tenant eligible for the housing subsidy moved into Dakota County.

**Tenant Based Portable Outgoing Vouchers (Section 8)** are Housing Choice Vouchers that are issued by the CDA but are administered by another Public Housing Authority because the tenant eligible for the housing subsidy moved out of Dakota County.

**Continuum of Care** is a Federally funded program that provides rental assistance to homeless persons with disabilities. The CDA administers the housing subsidy while Dakota County Social Services refers applicants and provides supportive services for program participants. This program provides intensive case management for households most at risk for chronic homelessness to help them to achieve long-term stability. Continuum of Care is a Federally funded program through the Department of Housing and Urban Development.

**Bridges** serves persons with chronic and persistent mental illness. The CDA administers the housing subsidy portion of this program and Dakota County Social Services provides supportive services to help stabilize participating households. This is a temporary subsidy that “bridges” the gap between homelessness, treatment centers, institutional facilities, and permanent affordable housing. Bridges is a state funded program through a grant from the Minnesota Housing Finance Agency.

**Family Unification Program** provides housing vouchers targeted to applicants in two categories:
1) Families for whom the lack of adequate housing is the primary reason for placement of a child in foster care, or is the cause for delays in reuniting a child with their family, and
2) Youth between the ages of 18 and 21 years who left foster care at 16 or older and who lack adequate housing.
The CDA works with Dakota County Community Services to identify and connect with families and youth who might be eligible for the program. Family Unification Program is a federally funded program.

Veteran Affairs Supportive Housing (VASH) is a unique partnership between the Department of Veteran Affairs and the Department of Housing and Urban Development that provides long-term case management, supportive services and permanent housing support for chronically homeless Veterans. The program seeks to serve the neediest, most vulnerable homeless Veterans. A key component of the program is VA's case management services. Case management services promote housing stability and support recoveries from physical and mental illnesses and substance use disorders. These services are designed to improve the Veteran's physical and mental health and enhance the veteran's ability to live in safe and affordable housing within Dakota County.

Housing Trust Fund is a State Funded program for all individuals or families who must be referred by Dakota County Supportive Housing Unit (SHU). This program is administered by the Dakota County CDA.

Housing Trust Fund (Homeless) is a State Funded program for all individuals or families who must be referred by Dakota County Supportive Housing Unit (SHU). This program is administered by the Dakota County CDA.

Home Ownership Connection

Housing Rehabilitation and Home Improvement Loan Program assists low and moderate income homeowners with making repairs and improvements to their homes. Funds are commonly used for roof replacement, furnace replacement, electrical and plumbing repairs, insulation and special needs improvements such as ramp and bathroom and kitchen modifications. The Housing Rehabilitation and Home Improvement Loan Program is funded by a variety of sources including the Minnesota Housing Finance Agency (MHFA), Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Housing Opportunities Enhancement Program (HOPE) and CDA general fund dollars.

MHFA Community Fix Up Fund (CFUF) - 75% MHFA + 25% HOME funds. State and Agency funds to help discount loan rates to rehab homes.

MHFA Fix-Up Fund (Home improvement Loan) - State funds to provide low-interest loans to homeowners with income below $96,500. Max loan $35,000.

MHFA Home Rehab Loan is State funded to provide no-interest loans to eligible extremely low-income homeowners (30% Area Median Income) to make homes more livable, accessible and energy efficient.

Community Development Block Grant (CDBG) Loans - federally funded program for public facilities, housing, neighborhood revitalization, public services, planning and project administration. These are home rehab loans.

HOME Program Loans is a federally funded program available for home rehabilitation, homebuyer programs, rehabilitation of rental housing, tenant based rental assistance and new construction of affordable housing. These are home rehab loans.

Weatherization services are cost-effective energy efficiency measures for existing residential and multifamily housing with low-income residents. A wide variety of energy measures that encompass the building envelope, its heating and cooling systems, its electrical systems and electricity consumption are the focus. This program is targeted to recipients of fuel assistance. It has the effect of reducing the demand for future fuel assistance by increasing energy efficiency. The Weatherization Program is administered as a joint effort between the CAP Agency and the CDA. Funding is provided to the CDA on an annual basis from the Minnesota Department of Commerce.

First Time Homebuyer Program provides low interest rate mortgages and entry cost assistance for buyers purchasing their first home in Dakota County. The CDA finances this program through the issuance of mortgage revenue bonds. The CDA partners with area mortgage lenders who originate loans directly to first time homebuyers. In conjunction with the first time homebuyer program, the CDA also offers downpayment and/or closing cost assistance. All homebuyers applying for a First Time Homebuyer Loan must complete an approved homebuyer education course before closing on their loan.
Mortgage Credit Certificate (MCC) Program is available to homebuyers using the First Time Homebuyer Program. It is a certificate (filed with the IRS) that allows the homeowner to use 20% of their annual mortgage interest payment as a credit toward their tax liability. It can be used throughout the life of the loan. A specified amount of the CDA’s bond authority is periodically used to assist first time homebuyers with a market rate mortgage product combined with a mortgage credit certificate. All homebuyers applying for a Mortgage Credit Certificate must complete an approved homebuyer education course before closing on their loan.

Downpayment Assistance Loans are available to homebuyers using the First Time Homebuyer Program and meet the income requirements. Homebuyers can apply for downpayment assistance loans of up to $10,000.

Home Stretch Homebuyer Education is a course that teaches homebuyers about the entire homebuying process and the responsibilities of homeownership. Classes are taught by CDA Housing Counselors and industry professionals such as mortgage lenders, Realtors and inspectors.

Pre-Purchase Counseling Sessions are individual counseling sessions for homebuyers to meet with a trained homeownership specialist to answer questions about homeownership and review the household’s financial situation to develop a plan to become a homeowner.

Foreclosure

Sheriff Sales are distressed public property auctions. It is generally the last step in the foreclosure process after the homeowner has exhausted all their options to avoid defaulting on a mortgage. Once the borrower has defaulted, the lender will file suit in court to recover its loan loss, and if the court awards a judgment, the property will be scheduled to be sold at a public auction.

Notice of Pendency is filed by a mortgage company’s attorney as official notification that the foreclosure process has begun. Not all of these result in Sheriff Sales.