



# Dakota County CDA Board of Commissioners

## Agenda

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Meeting Date: April 21, 2026

3:00 PM

CDA Boardroom, Eagan, MN

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### 1. Call To Order And Roll Call

### 2. Audience

Anyone wishing to address the County Board on an item not on the agenda, or an item on the consent agenda may notify the Clerk to the Board and instructions will be given to participate during the meeting. Comments can be sent to [sjacobson@dakotacda.org](mailto:sjacobson@dakotacda.org). Verbal Comments are limited to five minutes.

### 3. Approval Of Agenda And Meeting Minutes

- A. Approval Of Meeting Minutes – March 24, 2026 Regular Meeting 3

### 4. Federal Public Housing And Housing Choice Voucher

#### Consent Agenda

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### 5. Consent Agenda

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- B. Authorize Receipt Of Operating Subsidy Grant And Execution Of Grant  
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- C. Approval Of Contingent Redevelopment Incentive Grant For The City Of South  
St. Paul 64
- D. Award Contract For Elevator Modernization At Mississippi Terrace (Hastings) 93
- E. Award Contract For Access Control Replacement At Dakota Heights And River  
Heights Terrace (South St. Paul) 99
- F. Authorization To Execute Contract For Window And Roof Replacement At  
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**6. Regular Agenda**

- A. Conduct A Public Hearing For The Issuance Of A Multifamily Housing Revenue Note, Adopt The Housing Finance Program, Authorize The Issuance Of Multifamily Housing Revenue Note, Allocation Of 4% Housing Tax Credits, And HOME Loan For Burnsville Family Apartments 110
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**7. Information**

**8. Adjournment**

**For more information, call 651-675-4434.**

**Dakota County CDA Board meeting agendas are available online at:**  
[http://www.dakotacda.org/board\\_of\\_commissioners.htm](http://www.dakotacda.org/board_of_commissioners.htm)

**Next Meeting**

May 19, 2026

CDA Board of Commissioners Regular Meeting – 3 p.m.

Dakota County CDA Boardroom, 1228 Town Centre Drive, Eagan, MN 55123



# Board of Commissioners

## Meeting Minutes

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Meeting Date: March 24, 2026
3:00 PM
Boardroom; CDA Office, Eagan, MN

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*Commissioner Atkins called the meeting to order at 3:00 p.m.*

### **COMMISSIONER ROLL CALL**

	<b>Present</b>	<b>Absent</b>
Commissioner Slavik, District 1	X	
Commissioner Atkins, District 2	X	
Commissioner Halverson, District 3		X
Commissioner Droste, District 4	X	
Commissioner Workman, District 5	X	
Commissioner Holberg, District 6	X	
Commissioner Hamann-Roland, District 7	X	
Commissioner Velikolangara, At Large	X	

### **CDA staff in attendance:**

- Tony Schertler, Executive Director
- Kari Gill, Deputy Executive Director
- Sara Swenson, Director of Administration & Communications
- Sarah Jacobson, Administrative Coordinator
- Lisa Alfson, Director of Community & Economic Development
- Maggie Dykes, Assistant Director of Community & Economic Development
- Kathy Kugel, Housing Finance Manager
- Emily Anderson, Community Development Coordinator
- Lisa Hohenstein, Director of Housing Assistance
- Anna Judge, Director of Property Management
- Ken Bauer, Director of Finance
- Chris Meyer, Assistant Director of Finance

### **Others in attendance:**

- Emily Schug, Dakota County
- Marti Fischbach, Dakota County
- Heidi Welch, Dakota County
- Brian Wisdorf, Dakota County
- Maddi Simon, Kutak Rock
- Terri Dill, City of Apple Valley
- Tim Benetti, City of Apple Valley

### **AUDIENCE**

*No audience members addressed the Board.*

### **APPROVAL OF AGENDA AND MEETING MINUTES**

26-7076 **Approval Of Agenda And Meeting Minutes**

BE IT RESOLVED, by the Dakota County Community Development Agency Board of Commissioners, that the agenda for the March 24, 2026 Regular Board meeting be approved as amended;

- Removal of Item 6C – Establish A Date For A Public Hearing Regarding A Housing finance Program And Issuance Of Housing Development Bonds Backed By The Full Faith And Credit Of Dakota County Pursuant To Minnesota Statutes, Section 469.034, Subd. 2

BE IT FURTHER RESOLVED by the Dakota County Community Development Agency Board of Commissioners, that the minutes for the February 17, 2026 Regular Board meeting be approved as written.

**Motion: Commissioner Hamann-Roland      Second: Commissioner Droste**

Ayes: 7                      Nays: 0                      Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			
Atkins	X			
Halverson			X	
Droste	X			
Workman	X			
Holberg	X			
Hamann-Roland	X			
Velikolangara	X			

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

*Consent Agenda*

26-7077 **Approval Of Amendments To The Fiscal Year Ended June 30, 2025 HUD Public Housing Operating Budget**

WHEREAS, the Dakota County CDA has adopted HUD Public Housing operating budget for the Fiscal Year Ended June 30, 2025; and

WHEREAS, CDA Budget policy requires that a listing of budget transfers approved by the Executive Director be presented to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the budget amendments approved by the Executive Director for the Fiscal Year Ended June 30, 2025 pursuant to the requirements of CDA budget policy is affirmed by the CDA Board.

**Motion: Commissioner Velikolangara      Second: Commissioner Droste**

Ayes: 7                      Nays: 0                      Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			

Atkins	X	
Halverson		X
Droste	X	
Workman	X	
Holberg	X	
Hamann-Roland	X	
Velikolangara	X	

*Regular Agenda*

26-7078 **Conduct And Close Public Hearing To Receive Comments And Approve The 2026 Public Housing Agency Annual Plan**

*Lisa Hohenstein presented.*

WHEREAS, the U.S. Department of Housing and Urban Development requires that Public Housing agencies with Housing Choice Voucher and/or Public Housing programs submit an Annual update to its Public Housing Agency Plan (PHA Plan) in accordance with the prescribed HUD templates; and

WHEREAS, CDA Board Resolution 26-7058 scheduled a public hearing for the purpose of receiving comments from citizens and residents for the Annual Plan; and

WHEREAS, a public notice was published in the Dakota County Tribune and posted on the CDA’s website; and

WHEREAS, CDA staff solicited feedback from program participants and community stakeholders; and

WHEREAS, comments that were received during the 45-day comment period have been considered in the Annual update to the PHA Plan; and

WHEREAS, a public hearing for the purpose of receiving additional comments from citizens and residents was conducted at the CDA Board meeting on March 24, 2026; and

WHEREAS, the PHA Plan was reviewed and discussed with the CDA Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the 2026 Public Housing Agency Annual Plan is approved for submission to the U.S. Department of Housing and Urban Development.

**Motion: Commissioner Droste                      Second: Commissioner Velikolangara**

Ayes: 7                      Nays: 0                      Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			
Atkins	X			
Halverson			X	

Droste	X
Workman	X
Holberg	X
Hamann-Roland	X
Velikolangara	X

**CONSENT AGENDA**

**26-7079 Approval Of Record Of Disbursements – February 2026**

BE IT RESOLED by the Dakota County Community Development Agency Board of Commissioners, That the February 2026 Record of Disbursements is approved as written.

**26-7080 Approval Of Amendments To The Fiscal Year Ended June 30, 2025 Operating Budget**

WHEREAS, the Dakota County CDA has adopted an operating budget for the Fiscal Year Ended June 30, 2025; and

WHEREAS, CDA budget policy requires that a listing of budget transfers approved by the Executive Director be presented to the Board of Commissioners; and

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the budget amendments approved by the Executive Director for the Fiscal Year Ended June 30, 2025 pursuant to the requirements of CDA budget policy are affirmed by the CDA Board.

**26-7081 Approval Of The Write Off Of Non-Expendable Equipment For The Fiscal Year Ended June 30, 2025**

WHEREAS, during the CDA's year-end reconciliation process, the Finance Department noted certain items of non-expendable equipment had become damaged, outdated or is no longer in the CDA's possession; and

WHEREAS, these items of non-expendable equipment should be removed from the CDA's accounting and property records.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the non-expendable equipment listed in Attachment A: Equipment Disposal List totaling \$60,886.82 be written off as of June 30, 2025.

**26-7082 Approval Of Amendments To The Fiscal Year Ending June 30, 2026 Operating Budget**

WHEREAS, the Dakota County CDA has adopted an operating budget for the Fiscal Year Ending June 30, 2026; and

WHEREAS, CDA budget policy requires that a listing of budget transfers approved by the Executive Director be presented to the Board of Commissioners; and

WHEREAS, the CDA Created the Dakota County CDA Workforce Housing II LLC to acquire family housing partnership projects that have reached the end of their tax credit periods; and

WHEREAS, the CDA contributed Twin Ponds (Phase I) Townhomes and Meadowlark Townhomes in July 2025 to the Dakota County CDA Workforce Housing II LLC necessitating an amendment to the Fiscal Year Ending June 30, 2026 operating budget; and

WHEREAS, the CDA wishes to increase spending for the Fiscal Year Ending June 30, 2026 by \$1,465,536 net of additional revenues. A \$1,841,940 transfer in from Housing Development & Renewal is also included to fund a debt service payment.

NOW, THEREFORE, BE IT RSOLVED by the Dakota County Community Development Agency Board of Commissioners, That the budget amendments approved by the Executive Director for the Fiscal Year Ending June 30, 2026 pursuant to the requirements of CDA budget policy are affirmed by the CDA Board; and

BE IT FURTHER RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the budget amendment to the Dakota County CDA Workforce Housing II LLC for the Fiscal Year Ending June 30, 2026 is approved.

26-7083 **Acting As General Partner Of Apple Valley East Family Housing Limited Partnership, Authorizing The Contribution Of Quarry View Townhomes (Apple Valley) To Dakota County CDA Workforce Housing II LLC And Related Actions**

WHEREAS, in 2011 the Dakota County Community Development Agency (CDA) opened Quarry View Townhomes that is currently part of the Apple Valley East Family Housing Limited Partnership (the "Partnership"); and

WHEREAS, Quarry View was financed with Low Income Housing Tax Credits that were purchased by the private limited partner in the Partnership – U.S. Bancorp Community Development Corporation (CDC); and

WHEREAS, the Partnership has reached the initial 15-year compliance period for tax credit benefits; and

WHEREAS, CDC is willing to withdraw as limited partner of the Partnership for approximately \$70,981; and

WHEREAS, approximately \$61,485 of the \$70,981 will be repaid to the CDA as a success fee; and

WHEREAS, the CDA has established the Dakota County CDA II LLC (the “CDA II LLC”) pursuant to Minnesota Statutes, Section 469.012, Subd. 2j, in which the CDA is the sole member; and

WHEREAS, it is proposed that the CDA II LLC acquire, own, and operate the property legally described as Lot 1, Block 1 Apple Valley East Family Addition, according to the recorded plat thereof, Dakota County MN (the “property”), and that the CDA II LLC assume the CDA loans listed below:

Project Owner:	CDA Loans:
Apple Valley East Housing Limited Partnership	\$408,263.32 1 <sup>st</sup> Mortgage (original principal balance \$550,000) \$1,701,790 Tax Credit Assistance Program (TCAP) Loan

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, acting in its capacity as sole member of the CDA II LLC and as General Partner of the Partnership, as follows:

1. The Executive Director of the CDA is hereby authorized and directed to execute and deliver, on behalf of the CDA as the sole member of the CDA II LLC, all agreements, documents, instruments, and certificates necessary or convenient (i) to acquire the limited partnership interest in the Partnership, (ii) acquire on behalf of the CDA II LLC fee title to the Property (the “Acquisition Documents”), and (iii) to evidence assumption by the CDA II LLC of the CDA Loans (the “Assumption Documents”)(together with the Acquisition Documents and the Assumption Documents, the “LLC Documents”).
2. The Executive Director of the CDA is hereby authorized and directed to execute and deliver on behalf of the CDA as General Partner of the Partnership, all agreements, documents, instruments, and certificates necessary or convenient to (i) transfer the limited partnership interests from U.S. Bank CDC to the CDA II LLC; (ii) transfer fee title to the Property from the Partnership to the CDA II LLC; (iii) to evidence assignment of the CDA Loans to the CDA II LLC; and (iv) to accomplish payoff of the MHFA Loan (the “Partnership Documents”)(the LLC Documents and Partnership Documents are referred to herein as the Documents).
3. All Documents shall be executed in forms approved by the Executive Director of the CDA on advice of legal counsel. Execution of such Loan Documents shall constitute conclusive evidence of such approval.
4. All actions heretofore taken on behalf of the CDA, the Partnership, and the CDA II LLC in furtherance of the transfer of the limited partnership interest, payoff of the MHFA Loan, assumption of the CDA Loans, and transfer of the Property are hereby approved, ratified, and confirmed.

5. Following conveyance of the Property to the CDA II LLC and withdrawal of the limited partner, the Executive Director of the CDA, acting on advice of counsel to the CDA, is hereby authorized and directed on behalf of the CDA as General Partner to take actions, and to sign all documents necessary or convenient to dissolve the Partnership.
6. All actions heretofore taken on behalf of the CDA II LLC in furtherance of the acquisition of the Property and assumption of the CDA Loans are hereby approved, ratified, and confirmed.
7. The Executive Director of the CDA is hereby authorized and directed on behalf of the CDA as the sole member of the CDA II LLC and as general partner of the Partnership, at any time and from time to time hereafter and without further action by the CDA or the CDA II LLC, to execute and deliver or cause to be executed and delivered on behalf of the CDA II LLC or the Partnership all such other agreements, assignments, statements, instruments, certificates and documents and to do or cause to be done all such other acts and things as he may determine to be necessary or advisable under or in connection with the Transaction, and the execution by the Executive Director of any such agreement, assignment, statement, instrument, certificate or document, or the doing of any such act or thing, shall be conclusive evidence of his determination in that respect. The Executive Director is designated as the official representative of the CDA II LLC for all matters concerning the Transaction.
8. The Executive Director and Officers of the CDA are authorized and directed to prepare and furnish when the agreements described herein are executed, certified copies of all proceedings and records of the CDA and/or the CDA II LLC and/or the Partnership relating to the Transaction and such agreements and such other affidavits and certificates as may be required to show the facts relating to the due authorization and execution of such agreements as such facts appear from the books and records in said officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the CDA and/or the CDA II LLC and/or the Partnership as to the truth of all statements made on behalf of the CDA and/or the CDA II LLC and/or the Partnership and contained therein.
9. In the event the Executive Director or any Officer of the CDA authorized to execute documents on behalf of the CDA and the CDA II LLC under this resolution shall for any reason be unable to do so, any other member of the Board of Commissioners of the CDA and the Deputy Executive Director are hereby directed and authorized to do so on behalf of the CDA or the CDA II LLC, with the same effect as if executed by the Executive Director.
10. The Executive Director is Tony Schertler and the Deputy Executive Director is Kari Gill.

26-7084 **Authorization To Enter Into An Architectural Contract With LHB, Inc. For A Future Townhome Development In Hastings (Siewert Site)**

WHEREAS, the CDA owns property at 450 31<sup>st</sup> Street East and 3495 Red Wing Boulevard in Hastings; and

WHEREAS, the CDA is pursuing development of a property as a 40-unit affordable townhome development; and

WHEREAS, the CDA requested a Fee Proposal from LHB, Inc. for architect services to design the development; and

WHEREAS, LHB, Inc. provided two fee proposals in the amount of \$71,925 for Design Development (city approvals) and \$351,165 for Construction Documents, Bidding & procurement, and Construction Administration for a total contract of \$423,090; and

WHEREAS, the contract will be increased by 3% each calendar year until the services are completed or terminated; and

WHEREAS, if city approvals and financing are not received the remainder of this contract will be terminated; and

WHEREAS, the architectural firm LHB, Inc. is being recommended as a Professional Service under the Noncompetitive Proposal Section (6.5.1.5) of the CDA Procurement Policy; and

WHEREAS, if the city approval are received, the construction will begin after financing is secured.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Executive Director is authorized to enter into an architectural contract with LHB, Inc. for \$423,090; and

BE IT FURTHER RESOLVED, that the Fiscal Year Ending June 30, 2026 operating budget be amended to include \$71,925 of budget authority in Housing Development and Renewal – Housing Development Land Holding Costs for the Design Development phase of the architectural contract.

26-7085 **Authorization To Execute Contract For Boiler Replacement At River Heights Terrace (South St. Paul)**

WHEREAS, formal bids were received on March 11, 2026 for the Boiler Replacement project at River Heights Terrace senior housing; and

WHEREAS, the contractor is being recommended on both low bid result and their prior experience on similar projects for the CDA.

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

be authorized to sign a construction contract on behalf of the Dakota County CDA with low bidder, Peterson Sheet Metal, in an amount of \$112,789; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to approve change orders not to exceed \$11,278.

26-7086 **Authorization To Award Contract For Roofing, Windows, Siding And Storm Door Replacement At Hillside Gables Townhomes (Mendota Heights)**

WHEREAS, The Dakota County Community Development Agency (CDA) accepted bids on March 4, 2026 for roofing, siding, windows/trim, and storm door replacements at Hillside Gables Townhomes in Mendota Heights; and

WHEREAS, Hillside Gables Townhomes is part of the Dakota County CDA Workforce Housing I LLC; and

WHEREAS, the lowest bid was received from Kingfisher Construction; and

WHEREAS, the solicitation of bids indicated that this was a prevailing wage project requiring payroll reports required wages and fringe benefits; and

WHEREAS, Kingfisher Construction has since requested to withdraw its bid subsequent to the bid opening due to its inexperience with prevailing wage requirements on a project and its ability to comply with those requirements and due to mistakes made in the preparation of its bid, and requested the return of its bid bond/cashier's check; and

WHEREAS, the inability to meet the prevailing wage requirements has been determined to be a basis to find Kingfisher Construction's bid nonresponsive, accept the request to withdraw the bid, and permit the return of its bid bond/cashier's check ;and

WHEREAS, CNC Construction LLC was the second lowest responsible bidder with a bid total of \$864,000.00 when Alternate 2 is accepted; and

WHEREAS, Local Affordable Housing Aid (LAHA) funds are available for this project in the FYE26 WH I LLC Extraordinary maintenance Budget.

NOW, THEREFORE, BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That Kingfisher Construction's request to withdraw its bid is accepted and the Deputy Executive Director is authorized to sign a contract in the name of the Dakota County CDA Workforce Housing I LLC for the Hillside Gables Townhome Roofing, Siding, Window/Trim, and Storm Door Replacement Project with CNC Construction LLC in the amount of \$864,000; and

BE IT FURTHER RESOLVED, That Kingfisher Construction's cashier's check be returned to Kingfisher Construction; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director is authorized to execute change orders not to exceed \$86,400 (10% of the contact amount).

26-7087 **Award Contract For The Parking Lot Replacement At Chasewood Townhomes (Apple Valley)**

WHEREAS, The Dakota County CDA requested a bid using the Minnesota Cooperative Purchasing Venture for this project following our required procurement procedures; and

WHEREAS, Bituminous Roadways submitted a responsive bid of \$113,197.50; and

WHEREAS, the contract is being recommended on the current condition of the parking lot and Bituminous Roadways has prior experience on similar projects with the CDA; and

WHEREAS, pooled Tax Increment Financing (TIF) funding in Apple Valley is available in the FYE26 Extraordinary Maintenance budget for this project.

NOW, THEREFORE, BE I RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director is authorized to sign a construction contract with Bituminous Roadways in the amount of \$113,197.50; and

BE IT FURTHER RESOLVED, That the Deputy Executive director is authorized to approve change orders in an amount not to exceed \$11,320.

26-7088 **Proclamation Of Fair Housing Month And Community Development Work**

WHEREAS, the week of April 4-10, 2026, has been designated as National Community Development to celebrate the Community Development Block Grant (CDBG) program; and

WHEREAS, the Dakota County Community Development Agency (CDA) administers the CDBG program on behalf of Dakota County; and

WHEREAS, the Dakota County CDBG program annually supports approximately 2,000 low- and moderate-income households in Dakota County by providing home rehabilitation loans, public services, public facility improvements, neighborhood revitalization, and other activities; and

WHEREAS, the month of April has been designated National Fair Housing Month to commemorate the passage of the Fair Housing Act of 1968 and to bring awareness to fair housing rights for protected classes and eliminating discrimination based on race, color, national origin, religion, sex, familial status, and disability; and

WHEREAS, the CDA remains committed to upholding and bringing awareness to fair housing rights under the Fair Housing Act of 1968 in Dakota County.



**(Multifamily Housing Revenue Bonds, 4% Housing Tax Credits, LAHA Loan And Pooled TIF Loan) For The Valley Station Apartments (Apple Valley); And Approve And Authorize Execution Of Related Documents**

*Kathy Kugel presented information and answered questions.*

WHEREAS, the Dakota County Community Development Agency (the “Dakota County CDA”) is authorized by the laws of the State of Minnesota, particularly Minnesota Statutes, Chapters 462C and 474A, as amended (the “Act”), to issue its revenue obligations to finance multifamily rental housing developments pursuant to housing finance programs adopted by the Dakota County CDA and to enter into any agreements in connection therewith; and

WHEREAS, the Dakota County CDA proposes to finance the construction and equipping of a multifamily rental housing development consisting of 144 units and certain functionally related improvements thereto, designed for occupancy by low and moderate income households to be located at 15522 and 15584 Gaslight Drive in the City of Apple Valley, Minnesota (the “Project”), through (i) the issuance of the Dakota County CDA’s Multifamily Housing Revenue Bonds (Valley Station Apartments Project), Series 2026A (the “Series 2026A Bonds”), Taxable Multifamily Housing Revenue Bonds (Valley Station Apartments Project), Series 2026B (the “Series 2026B Bonds”), and Multifamily Housing Revenue Bonds (Valley Station Apartments Project), Subordinate Series 2026C (the “Series 2026C Bonds” and with the Series 2026A Bonds and the Series 2026B Bonds, collectively the “Bonds”), (ii) by making a Local Affordable Housing Aid (LAHA) Loan in an amount up to \$1,250,000 (the “LAHA Loan”) to the Borrower, and (iii) by making a pooled TIF Loan in an amount up to \$2,000,000 (the “Pooled TIF Loan”); and

WHEREAS, the aggregate principal amount of the bonds will not exceed \$45,000,000; and

WHEREAS, the Project will be owned by Apple Valley AH I, LLLP, a Minnesota limited liability limited partnership (the “Borrower”); and

WHEREAS, the Bonds will be issued pursuant to a Trust Indenture (the “Indenture”) between the Dakota County CDA and the U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, proceeds of the Bonds will be loaned to the borrower pursuant to the terms of a Loan Agreement between the Dakota County CDA and the Borrower (the “Loan Agreement”); and

WHEREAS, pursuant to the Act, the Dakota County CDA has developed a Multifamily Housing Financing Program in the form attached hereto as Exhibit A (the “Program”) providing for the issuance of the Bonds and has submitted the program to the Metropolitan Council as required by law; and

WHEREAS, on the date hereof, the Dakota County CDA held a public hearing, following publication of notice as required by law, regarding the adoption of the Program and the issuance of the Bonds; and

WHEREAS, the Borrower has applied to the Dakota County CDA for an allocation of “automatic” four percent low-income housing tax credits for the Project (the “Tax Credit Application”); and

WHEREAS, the Dakota County CDA may use a portion of its carryforward volume cap allocation in the amount of not to exceed \$28,400,000 to issue the Bonds (the “New Allocation Amount”); and

WHEREAS, the Borrower determined that it needed to obtain additional tax-exempt financing for the project. Section 146(i)(6) of the Internal Revenue Code of 1986, as amended (the “Code”) permits the reuse or recycling of bonding authority for affordable housing projects and treats such reuse as a refunding for tax purposes if: (i) the “refunding” occurs within four (4) years after the original bonds were issued; (ii) the “refunding” bonds are issued within six (6) months after the principal payment of the original bonds; and (iii) the “refunding” bonds mature within thirty-four (34) years of the original issue date; and

WHEREAS, the Borrower has represented to the Dakota County CDA that a portion of tax-exempt Bonds to be issued in accordance with this resolution exceeding the New Allocation Amount (the “Recycled Portion”) will meet the requirements of Section 146(f)(6) of the Code with respect to the reuse of bonding authority from the Multifamily Housing Revenue Bonds (Decatur Landing Apartments), Series 2023 (the “Original Bonds”), issued by the City of Brooklyn Park, Minnesota (the “Recycled Bond Issuer”) on December 14, 2023 in the original aggregate principal amount of \$33,000,000, a portion of which the Borrower proposes that the Dakota County CDA reuse; and

WHEREAS, on March 23, 2026, in accordance with the requirements of Section 147(f) of the code and following a duly notices public hearing, the governing body of the Recycled Bond Issuer adopted a resolution consenting to and approving the issuance of the bonds, including any temporary or interim financing to preserve the recycled bonding authority, by the Issuer to finance the Project, using, in part, recycled bonding authority from the Original Bonds, in accordance with Minnesota Statutes, Sections 471.59 and 471.656, as amended (the “Joint Powers Act”), and Section 146(i)(6) of the Code, and approving the execution and delivery of a Joint Powers Agreement, dated on or after the date this resolution is approved (the “Joint Powers Agreement”), between the Recycled Bond Issuer and the Dakota County CDA, and acknowledged and accepted by the Borrower; and

WHEREAS, the Dakota County CDA has available funds from Tax Increment District No. 11 that can be used to assist with affordable housing developments that comply with Minnesota Statutes; and

WHEREAS, the City of Apple Valley has available LAHA funds that can be used to assist with affordable housing developments that comply with Minnesota Statutes and has agreed to transfer such available LAHA funds to the Dakota County CDA to administer a loan to the Borrower.

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

1. *Public Hearing.* That a public hearing has been conducted in accordance with law and closed.
2. *Program.* The Program is hereby adopted.
3. *Findings.* The Dakota County CDA hereby finds that the issuance, sale and delivery of the Bonds and the loan of the proceeds thereof to the Borrower to finance the Project in accordance with the Program, the Indenture and the Loan Agreement are consistent with the purposes of the Act. The Dakota County CDA further finds that it is in the best interest of the public health, safety and welfare that it make the LAHA Loan (defined herein) and the Pooled TIF Loan (defined herein) to the Borrower. The Dakota County CDA further finds that the Project and the Borrower's Tax Credit Application comply with the Dakota County CDA's 2026 Qualified Allocation Plan for low-income housing tax credits.
4. *Authorization of Issuance and Delivery of the Bonds.* In order to finance the Project, the Dakota County CDA hereby authorizes the issuance and delivery of the Bonds. The Bonds shall be dated, shall mature, shall bear interest, shall be subject to redemption prior to maturity, and shall be in such form and have such other details and provisions as are prescribed in the Indenture and the Loan Agreement in substantially the forms now on file with the Dakota County CDA, subject to such changes not inconsistent with applicable law that are approved by the Executive Director. The issuance and delivery of the Bonds shall be conclusive evidence that the Executive Director has approved all provisions of the bonds as issued and any changes to the form of the Bonds on file with the Dakota County CDA on the date hereof. The final terms of the Bonds will be determined by the Executive Director of the Dakota County CDA, with the aggregate principal amount of the bonds expected not to exceed \$45,000,000.
5. *Special Obligations.* The Bonds shall be special limited obligations of the Dakota County CDA payable solely from the revenues generated by the Project. The Bonds do not constitute an indebtedness, liability, general or moral obligation (except to the extent of the assets pledged to the holder of the Bonds pursuant to the Indenture) or a pledge of the faith and credit or any taxing power of the Dakota County CDA, Dakota County, the State of Minnesota, or any political subdivision thereof.
6. *Applicable Elected Representative.* The members of the Board of Commissioners of the Dakota County CDA are the elected members of the Dakota County Board of Commissioners. Accordingly, approval of the issuance of the Bonds by the Board of Commissioners constitutes approval by the applicable elected representative of the Dakota County CDA, as required by Section 147(f) of the code.
7. *Documents.* The following documents have been submitted to the Dakota County CDA for approval:
  - a. the Indenture;

- b. the Loan Agreement;
- c. a Regulatory Agreement among the Dakota County CDA; the Trustee and the Borrower;
- d. the Bonds;
- e. a Bond Purchase Agreement among the Dakota County CDA, the Borrower and Colliers Securities LLC (the “Underwriter”) related to the Bonds; and
- f. the Joint Powers Agreement.

The foregoing documents to be executed by the Dakota County CDA are hereinafter referred to as the “Bond Documents.”

- 8. *Authorization of LAHA Loan.* In order to provide additional funds to finance the Project, the Dakota county CDA hereby authorizes the LAHA Loan. The LAHA Loan shall be made on terms and pursuant to documents approved by the Executive Director (the “LAHA Documents”) in accordance with the requirements of the State’s Local Affordable Housing Aid program and the agreement with the City of Apple Valley to administer the LAHA funds.
- 9. *Approval of Pooled TIF Loan.* The Dakota County CDA hereby approves the Pooled TIF Loan for the construction of the Project, and further approves Dakota County CDA staff to prepare, execute and deliver all documentation necessary or convenient to provide for the commitment of the Pooled TIF Loan (the “Pooled TIF Loan Documents”).
- 10. *Approval and Execution of Documents.* The Executive Director of the Dakota County CDA, or in his absence, the Deputy Executive Director or any member of the Board of Commissioners of the Dakota County CDA (the “CDA Official”), is hereby authorized and directed to enter into, execute, and deliver the Bond Documents, the LAHA Documents and the Pooled TIF Loan Documents (together, the “Documents”), together with any other documents necessary or convenient in connection with the issuance of the Bonds, and is hereby authorized and directed to execute and deliver the Bonds in accordance with the terms of the Indenture and the Loan Agreement. The Documents shall be substantially in the form now on file with the Dakota County CDA, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Executive Director, in his discretion, shall determine, and the execution and deliver thereof of the CDA Official shall be conclusive evidence of such determination.

The Indenture, the Loan Agreement and the Bonds shall provide the forms and conditions, covenants, rights, obligations, duties, and agreements of the holder of the Bonds and the Dakota County CDA, as set forth therein.

All the provisions of the Documents, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

11. *Offering Documents.* The Dakota County CDA hereby consents to the preparation and distribution by the Borrower and the Underwriter of an offering document relating to the Bonds.
12. *Additional Certificates, Instruments and Documents.* The CDA Official is hereby authorized to execute and deliver, on behalf of the Dakota County CDA, such certificates, instruments, and other documents as are necessary, customary, or appropriate in connection with the issuance, sale, and delivery of the Bonds, or are necessary to establish the validity or enforceability of the Bonds, or are required by bond counsel to establish the validity or enforceability of the Bonds or the exclusion from gross income of interest on the Bonds for purposes of federal and State of Minnesota income taxation.
13. *Volume Cap.* The bonds will require volume cap. The Dakota County CDA has 2024 and 2025 carryforward allocation in the amount of \$44,419,798 available for qualified residential rental projects, up to \$28,400,000 of which will be used to issue a portion of the tax-exempt Bonds. The remaining tax-exempt Bonds will be issued using reused bonding allocation of Brooklyn Park, as permitted by Section 146(i)(6) of the Code.
14. *42(m) Letters.* The Executive Director is authorized and directed to execute and deliver to the Borrower, on behalf of the Dakota County CDA, a letter or letters required by Sections 42(m)(1)(D) or 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended, and to take such other actions as may be necessary or convenient in connection with the allocation of the Project by the Dakota County CDA of “automatic” four percent tax credits.
15. *Limited Liability.* All covenants, stipulations, obligations, and agreements of the Dakota County CDA contained in this resolution and the aforementioned certificates, instruments, and Documents shall be deemed to be the covenants, stipulations, obligations, and agreements of the Dakota County CA to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, and agreements shall be binding upon the Dakota County CDA. No covenant, stipulations, obligations, or agreement herein contained or contained in the aforementioned certificates, instruments, or Documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board of Commissioners by the Dakota County CDA nor any officer or employee executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned certificates, instruments, or Documents, or in the Bonds, or in any other document related to the bonds, and no obligation therein or herein imposed upon the Dakota County CDA or the breach thereof, shall constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge upon its general credit or taxing powers. The bonds shall never constitute indebtedness of the Dakota County CDA within the meaning of any provision or limitation of the Minnesota Constitution or statutes and shall not constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge

upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Dakota County CDA has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreements and which are to be applied to the payment of the Bonds, as provided therein.

16. *Third Parties.* Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Dakota County CDA or any owner of the Bonds issued under the provisions of this resolution any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Dakota County CDA or any owner from time to time of the Bonds issued under the provisions of this resolution.
17. *Invalid Provisions.* In any case one or more of the provisions of this resolution or any of the Documents shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or of the Documents, but this resolution and the Documents shall be construed and endorsed as if such illegal or invalid provision had not been contained therein.
18. *Bond Recital.* The Bonds, when executed and delivered, shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the bonds, and the to execution of the aforementioned documents to happen, exist and be performed precedent to and in the enactment of this resolution, and precedent to issuance of the Bonds, and precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.
19. *CDA Official.* The CDA Official is hereby authorized to do all acts and things required of him or her by or in connection with this resolution, the aforementioned certificates, instruments, or Documents, and the Bonds for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned certificates, instruments, and Documents, and this resolution. If any person whose signature appears on any of the foregoing certificates, instruments, or Documents shall cease to be a CDA Official before the date of issuance of the Bonds, such signature shall, nevertheless, be valid and sufficient for all purposes.
20. *Future Amendments.* The authority to approve, execute and deliver future amendments to the documents relating to the Bonds is hereby delegated to the Executive Director, subject to the following conditions: (a) the holder of the Bonds has consented to such amendment (if such Bondholder consent is

required); (b) such amendments do not materially adversely affect the interests of the Dakota County CDA; (c) such amendments do not contravene or violate any policy of the Dakota County CDA; (d) such amendments are acceptable in form and substance to bond counsel or other counsel retained by the Dakota County CDA to review such amendments; and (e) the Dakota County CDA has received an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

## **EXHIBIT A**

### **DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

#### **MULTIFAMILY HOUSING FINANCE PROGRAM**

Pursuant to Minnesota Statutes, Chapters 462C and 474A (together, the “Act”), the Dakota County Community Development Agency (the “CDA”) is authorized to undertake multifamily housing development projects and to issue its revenue bonds to finance such projects.

Minnesota Statutes, Section 462C.03, requires the adoption of a housing program following a public hearing prior to the issuance of conduit revenue bonds or other obligations under Section 462C.

Apple Valley AH I, LLLP, a Minnesota limited liability limited partnership (the “Borrower”), has requested that the CDA adopt this Multifamily Housing Finance Program (the “Program”) in connection with the issuance by the CDA of its multifamily housing revenue bonds or notes in one or more series of tax-exempt and/or taxable obligations (the “Bonds”) to finance the acquisition, construction and equipping of an approximately 144-unit rental housing facility and certain functionally related improvements thereto, designed for occupancy by low and moderate income households to be located at 15584 Gaslight Drive in the City of Apple Valley, Minnesota (the “Project”), and to be owned and operated by the Borrower.

The Project will be acquired and constructed in accordance with the requirements of Subdivisions 1 and 2 of Section 462C.05 of the Act.

The CDA has determined that undertaking the Project furthers the CDA’s local and regional housing policies and is in the best interest of the public health, safety and welfare of the people of Dakota County.

Section A. Program For Financing the Project. The CDA is establishing this Program to provide financing for acquisition and construction of the Project at such costs and upon such other terms and conditions as may be determined by the CDA in accordance with the Act. The proceeds of the Bonds and certain equity generated

by low-income housing tax credits will be applied by the Borrower to finance the acquisition, construction and equipping of the Project and to pay the costs of issuing the Bonds.

Section B. Local Contributions To The Program. The Borrower expects to pay certain administrative costs of the Program from Bond proceeds and revenues generated by the Project. The Bonds will be secured by a pledge of specific revenues described in the indenture pursuant to which the Bonds will be issued. The CDA will not make any contribution to the cost of the Project. The CDA will not hire additional staff for the administration of this Program.

Section C. Standards and Requirements Relating to the Financing of the Project Pursuant to the Program. The following standards and requirements shall apply with respect to the operation of the Project by the Borrower:

(1) Substantially all of the proceeds of the sale of the Bonds will be applied to the acquisition, construction and equipping of the Project and payment of costs of issuance. The proceeds will be made available to the Borrower pursuant to the terms of the Bond offering, which will include certain covenants to be made by the Borrower to the CDA regarding the use of proceeds and the character and use of the Project.

(2) The Borrower, and any subsequent owner of the Project, will not arbitrarily reject an application from a proposed tenant because of race, color, creed, religion, national origin, sex, marital status, or status with regard to public assistance or disability.

(3) Pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended, either 20% or more of the units in the Project shall be occupied by persons at 50% or less of the area median income or 40% or more of the units in the Project shall be occupied by persons at 60% or less of the area median income. Pursuant to Minnesota Statutes, Section 474A.047, Subd. 1, the maximum rent for at least 20% of the units in the Project will not exceed the area fair market rents or exception fair market rents for existing housing, if applicable, established by HUD.

(4) Pursuant to Section 462C.05, Subd. 2 of the Act, at least 20 percent of units in the Project will be occupied by persons at 80 percent or less of the area median income.

Section D. Issuance of Bonds. To finance the Project pursuant to this Program, the CDA expects to issue the Bonds in one or more series of tax-exempt and/or taxable obligations in an aggregate principal amount not exceeding \$45,000,000. It is anticipated that the Bonds issued under this Program will have a final maturity of twenty (20) years or less. The Bonds will be priced to the market at the time of issuance.

The cost of the Project may change between the date of preparation of this Program and the date of issuance of Bonds for the Project.

Section E. Severability. The provisions of this Program are severable and if any of its provisions, sentences, clauses or paragraphs shall be held unconstitutional, contrary to statute, exceeding the authority of the CDA or otherwise illegal or inoperative by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Section F. Amendment. The CDA shall not amend this Program, while Bonds authorized hereby are outstanding, to the detriment of the holders of such Bonds.

Section G. Volume Cap. The Bonds will require volume cap. The Issuer has carryforward allocation in the amount of \$44,419,798 available for qualified residential rental projects, a portion of which may be used to issue the Bonds. In addition, the Issuer will utilize reused bonding allocation of the City of Brooklyn Park, Minnesota, as permitted by Section 146(i)(6) of the Internal Revenue Code of 1986, as amended, as a portion of its authority to issue the Bonds.

**Motion: Commissioner Hamann-Roland      Second: Commissioner Atkins**

Ayes: 6                      Nays: 0                      Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			
Atkins	X			
Halverson			X	
Droste	X			
Workman	X			
Holberg	X			
Hamann-Roland	X			

26-7091

**Authorization To Execute A Construction Contract For Crestview Pointe Housing Development (Inver Grove Heights)**

*Kari Gill presented information and answered questions.*

WHEREAS, formal bids were received on March 3, 2026 for the construction of the Crestview Pointe Housing Development in Inver Grove Heights; and

WHEREAS, CBS Construction Services, Inc. (the “Contractor”) is the low responsive and responsible bidder; and

WHEREAS, the bid submitted by the Contractor, including alternat #1 and alternate #2 is \$13,349,230; and

WHEREAS, the Dakota County CDA will be issuing Senior Housing Development Bonds backed by the full faith and credit of Dakota County for this project providing the necessary funds.

NOW, THEREFORE, BE IT RESOLVED That the Deputy Executive Director be authorized to approve change orders in an amount not to exceed \$667,462 (5% of the contract amount) for this project.

**Motion: Commissioner Droste**

**Second: Commissioner Slavik**

Ayes: 6

Nays: 0

Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			
Atkins	X			
Halverson			X	
Droste	X			
Workman	X			
Holberg	X			
Hamann-Roland	X			

INFO

**Executive Director Update**

*Tony Schertler provided information and answered questions.*

INFO

**Information**

26-7092

**Adjournment**

BE IT RESOLVED that the Dakota County Community Development Agency Board of Commissioners, hereby adjourns until Tuesday, April 21, 2026.

**Motion: Commissioner Hamann-Roland**

**Second: Commissioner Droste**

Ayes: 7

Nays: 0

Abstentions: 0

	<b>Yes</b>	<b>No</b>	<b>Absent</b>	<b>Abstain</b>
Slavik	X			
Atkins	X			
Halverson			X	
Droste	X			
Workman	X			
Holberg	X			
Hamann-Roland	X			
Velikolangara	X			

*The CDA Board meeting adjourned at 3:52 p.m.*

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Clerk to the Board



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 4A

**DEPARTMENT:** Housing Assistance

**FILE TYPE:** Federal - Consent

### TITLE

**Approval Of Amendments To The Housing Assistance Department Administrative Plan**

### PURPOSE/ACTION REQUESTED

Approve amendments to the Housing Assistance Department Administrative Plan.

### SUMMARY

The Dakota County Community Development Agency (CDA), as the administrator of the federal Housing Choice Voucher (HCV) program, is required to adopt and maintain an Administrative Plan to delineate the mandatory and discretionary policies used to govern the program. Periodically, the plan needs to be updated as the U.S. Department of Housing and Urban Development (HUD) adopts new or revised regulations and as the agency determines a need to revise its policies.

The Dakota County CDA is incorporating policies that have been updated by HUD.

### RECOMMENDATION

Staff recommends approval of the amendments to the Housing Assistance Department Administrative Plan.

### EXPLANATION OF FISCAL/FTE IMPACTS

None

None    Current budget    Amendment Requested    Other

### RESOLUTION

WHEREAS, the Dakota County Community Development Agency (CDA), as an administrator of rental assistance programs, is required to adopt and maintain an administrative plan to delineate the policies used to govern the programs; and

WHEREAS, the Dakota County CDA has made an update to the Housing Assistance Department Administrative Plan to update policies for the administration of the Housing Choice Voucher rental assistance program.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the amendment to the Housing Assistance Department Administrative Plan is approved.

### PREVIOUS BOARD ACTION

12/16/2025; 25-7039

**ATTACHMENTS**

Attachment A: Housing Assistance Department Administrative Plan

**CONTACT**

Department Head: Lisa Hohenstein, Director of Housing Assistance

Author: Lisa Hohenstein



# **HOUSING ASSISTANCE DEPARTMENT**

# **ADMINISTRATIVE PLANS**

Submitted to HUD: December 20, 2010

Amendments Approved by the CDA Board of Commissioners: ~~December~~[April 16](#)~~21~~, 2025~~6~~

The following is a list of resources helpful to the CDA or referenced in the administrative plan, and the online location of each.

<b>Document and Location</b>
Code of Federal Regulations <a href="#">(24 CFR)</a> <a href="https://www.ecfr.gov">https://www.ecfr.gov</a>
Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Final Rule <a href="http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf">http://edocket.access.gpo.gov/2008/pdf/E8-19435.pdf</a>
Enterprise Income Verification (EIV) System, <del>Security Procedures for Upfront Income Verification data</del> <a href="https://www.hud.gov/sites/documents/EIVSECGUIDECDA.PDF">https://www.hud.gov/sites/documents/EIVSECGUIDECDA.PDF</a>
<del>Executive Order 11063</del> <del><a href="https://www.archives.gov/federal-register/codification/executive-order/11063">https://www.archives.gov/federal-register/codification/executive-order/11063</a></del>
Federal Register <a href="https://www.federalregister.gov/">https://www.federalregister.gov/</a>
Housing Choice Voucher Program Guidebook (7420.10G) Updated Chapters <a href="https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook">https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/guidebook</a>
HOTMA Final Rule <a href="https://www.federalregister.gov/documents/2023/02/14/2023-01617/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104?utm_campaign=subscription+mailing+list&amp;utm_source=federalregister.gov&amp;utm_medium=email">https://www.federalregister.gov/documents/2023/02/14/2023-01617/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104?utm_campaign=subscription+mailing+list&amp;utm_source=federalregister.gov&amp;utm_medium=email</a>
HOTMA Implementation Notice, PIH 2023-27 <a href="https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf">https://www.hud.gov/sites/dfiles/OCHCO/documents/2023-27pihn.pdf</a>
Joint Statement of the Department of Housing and Urban Development and the Department of Justice, issued May 17, 2004 <del>C:\Users\solomonr\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\J3MRJNOI\</del> <a href="https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf">https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf</a>
<del>Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007</del> <del><a href="https://www.lep.gov/guidance/HUD_guidance_Jan07.pdf">https://www.lep.gov/guidance/HUD_guidance_Jan07.pdf</a></del>
<del>Notice PIH 2010-26 (HA), Nondiscrimination and Accessibility Notice</del> <del><a href="https://www.hud.gov/sites/documents/DOC_8993.PDF">https://www.hud.gov/sites/documents/DOC_8993.PDF</a></del>
Notice PIH 2017-12, Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System <a href="https://www.hud.gov/sites/documents/PIH2017-12EIVNOTICE.PDF">https://www.hud.gov/sites/documents/PIH2017-12EIVNOTICE.PDF</a>
VAWA Resources <a href="https://www.hud.gov/vawa">https://www.hud.gov/vawa</a>

## PART III: THE HCV ADMINISTRATIVE PLAN

### 1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

The administrative plan is required by HUD. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the CDA's agency plan. This administrative plan is a supporting document to the CDA agency plan and is available for public review as required by 24 CFR Part 903.

This administrative plan is set forth to define the CDA's local policies for operation of the housing programs in accordance with federal laws and regulations. All issues related to the HCV program not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices and other applicable law. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

The CDA is required by regulation to comply with the policies in the administrative plan. The CDA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

Administration of the HCV program and the functions and responsibilities of CDA staff shall be in compliance with the CDA's personnel policy and HUD regulations as well as all federal, state, and local fair housing laws and regulations.

### 1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54 [and](#) 24 CFR 983.10]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan [for the HCV program](#). They are as follows:

- Selection and admission of applicants from the CDA waiting list, including any CDA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the CDA waiting list (Chapter 4);
- Issuing or denying vouchers, including CDA policy governing the voucher term and any extensions of the voucher term. If the CDA decides to allow extensions of the voucher term, the CDA administrative plan must describe how the CDA determines whether to grant extensions, and how the CDA determines the length of any extension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the CDA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);
- Occupancy policies, including definition of what group of persons may qualify as a “family;” definition of when a family is considered to be “continuously assisted,” standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 [or other factors in accordance with 982.552, 982.554, and 982.555, and policies concerning residency by a foster child, foster adult, or live-in aide, including defining when CDA consent for occupancy by a foster child, foster adult, or live-in aide must be given or may be denied](#) (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);

- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12);
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards, [including whether the CDA has voluntarily adopted the use of Small Area Fair Market Rents \(SAFMRs\)](#) (Chapter 16);
- Policies on administering decreases and increases in the payment standard during the HAP contract term (Chapter 6);
- [If the CDA establishes different payment standard amounts for designated areas within its jurisdiction, including exception areas, the criteria used to determine the designated areas and the payment standard amounts for those designated areas](#) (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the CDA of amounts the family owes the CDA (Chapter 16);
- Interim redeterminations of family income and composition [the frequency of determinations of family income, and income-determination practices, including whether the CDA will accept a family declaration of assets](#) (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the Board of Commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
- Procedural guidelines and performance standards for conducting required housing quality standards inspections, [including any deficiency that the CDA has adopted as a life-threatening deficiency that is not a HUD-required life-threatening deficiency](#) (Chapter 8);
- [If the CDA adopts the initial inspection non-life-threatening deficiency option, the CDA's policy on whether the provision will apply to all initial inspections or a portion of initial inspections, the CDA's policy on whether the provision will be applied to only some inspections and how the units will be selected, and the CDA's policy on using withheld HAP](#)

funds to repay an owner once the unit is in compliance with housing quality standards (Chapter 8);

- If the CDA adopts the alternative inspection provision, the CDA’s policy on how it will apply the provision to initial and periodic inspections; the specific alternative inspection method used by the CDA; the specific properties or types of properties where the alternative inspection method will be employed; and, for initial inspections, the maximum amount of time the CDA will withhold HAP if the owner does not correct the HQS deficiencies within the cure period, and the period of time after which the CDA will terminate the HAP contract for the owner’s failure to correct the deficiencies, which may not exceed 180 days from the effective date of the HAP contract (Chapter 8);
- The CDA’s policy for charging a reinspection fee to owners (Chapter 8);
- The CDA’s policy for withholding HAP for units that do not meet housing quality standards (Chapter 8);
- The CDA’s policy on assisting families with relocating and finding a new unit (Chapter 10);
- CDA screening of applicants for family behavior or suitability for tenancy (Chapter 3);
- Whether the CDA will allow the family to submit more than one Request for Tenancy Approva at a time (Chapter 9);
- ~~Policies governing the project basing of voucher in both the standard Project-based Voucher (PBV) program (Chapter 17) and the RAD Project Based Voucher program (Chapter 17);~~  
and
- In the event of insufficient funding, taking into account any cost-savings measures taken by the CDA, a description of the factors the CDA will consider when determining which HAP contracts to terminate first (e.g. prioritization of PBV HAP contracts over tenant-based HAP contracts or prioritization of contracts that serve vulnerable families or individuals) (Chapter 12); and
- Special policies concerning targeted rental assistance programs (Chapter 18).

If the CDA exercises its discretion to operate a PBV program, the CDA’s administrative plan must also include the CDA’s local policies on PBV-related matters over which the CDA is exercising its policymaking discretion. At a minimum, the administrative plan must include the following CDA policies related to PBV, as applicable. All policies listed below may be found in Chapter 17.

- The definition of *project*;
- The program cap, including a description of the types and availability of services that will qualify units under the supportive services exception and the CDA’s policy limiting Family Unification Program (FUP) assistance normally available for eligible families and youth;
- A description of the circumstances under which the CDA will use the competitive and noncompetitive selection methods and the procedures for submission and selection of PBV proposals;

- The project cap, including the CDA's policy limiting FUP assistance normally available for eligible families and youth, and a description of the types and availability of services that will qualify units under the supportive services exception from the project cap;
- Site selection standards, including the CDA's standards for deconcentrating poverty and expanding housing and economic opportunities, and the PHA's site selection policy;
- The CDA PBV inspection policies, including the timing of an initial inspection of existing housing; whether the CDA adopts for initial inspection of PBV existing housing the non-life-threatening deficiencies option, the alternative inspection option, or both, and whether the CDA adopts for periodic inspection of PBV housing the alternative inspection option; the frequency of periodic inspections; and any verification methods other than on-site inspection for different inspection types or for different deficiencies;
- A description of the circumstances (if any) under which the CDA will establish additional requirements for quality, architecture, or design of PBV housing at the time of initial rehabilitation or new construction;
- A description of the circumstances (if any) under which the CDA will enter into a PBV HAP contract for newly constructed and rehabilitated housing without first entering into an Agreement or execute an Agreement after construction or rehabilitation that complied with applicable requirements;
- The CDA's policy on the form and manner in which the owner must submit evidence and certify that work has been completed;
- For rehabilitated housing developed after HAP contract execution, a description of the circumstances (if any) under which the CDA will enter a PBV HAP contract for rehabilitated housing that allows for development activity to occur after HAP contract execution; the timing of the initial inspection; the form and manner of owner notifications of changes in the status of contract units; and the period for compliance (if any) for development activity that has not been completed by the deadline;
- The CDA's policy on amending PBV HAP contracts to substitute or add contract units;
- The CDA's housing quality policies, including a description of the circumstances (if any) under which the CDA will establish additional requirements for continued compliance with quality, architecture, or design of PBV housing during the term of the HAP contract; the CDA's policy on the conditions under which it will withhold HAP and the conditions under which it will abate HAP or terminate the contract for units other than the unit with housing quality standards deficiencies; and the CDA's policy on assisting families with relocating and finding a new unit;
- A description of the CDA's waiting list policies for admission to PBV units, including any information on the owner waiting list policy;
- A description of the CDA's policy on whether to conduct tenant screening and offer information to an owner;
- The CDA's policy on continued housing assistance for a family that occupies a wrong-sized unit or a unit with accessibility features that the family does not require;

- [The CDA’s policy on a family's right to move, including the form of tenant-based rental assistance that the CDA will offer families, and the procedures for tenants to request tenant-based rental assistance to move;](#)
- [The CDA’s policy regarding which options it will take if a unit is no longer qualified for excepted status or the increased program cap;](#)
- [The CDA’s policy regarding continued occupancy of a unit under the increased program cap for supportive housing for persons with disabilities or elderly persons and units excepted based on elderly or disabled family status after a change in family composition removing the elderly family member or family member with a disability;](#)
- [The CDA’s policy regarding the CDA-determined amount it will use to calculate rent to owner;](#)
- [The CDA’s policy on the required timing and form of owner requests for a rent increase;](#)
- [The CDA’s policy on providing vacancy payments, including the required form and manner of requests for vacancy payments;](#)
- [The CDA’s policy on utility reimbursements; and](#)
- [The CDA’s policy on applying SAFMRs to its PBVs.](#)

## PART I: NONDISCRIMINATION

### 2-I.A. OVERVIEW

Federal laws require the CDA to treat all applicants and participants equally, providing the same opportunity to access services, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. State law prohibits discrimination in housing on the basis of race, color, sex, religion, familial status, age, disability, national origin, creed, sexual orientation, marital status, or receipt of public assistance. In addition, HUD regulations provide for additional protections regarding sexual orientation, gender identity, and marital status. The CDA will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Orders [11063 and 13988](#)
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- ~~[The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender](#)~~

[Identity Final Rule, published in the \*Federal Register\* February 3, 2012, and further clarified in Notice PIH 2014-20](#)

- Violence Against Women Act (VAWA)

When more than one civil rights law applies to a situation, the laws will be read and applied together.

Minnesota Statute Chapter 363A entitled Minnesota Human Rights Act

Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted will also apply.

## 2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes and other groups of people. State and local requirements, as well as CDA policies, can prohibit discrimination based on other factors.

The CDA shall not discriminate because of race, color, sex, religion, familial status, age, disability, national origin, creed, sexual orientation, marital status, or receipt of public assistance (called “protected classes”).

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The CDA will not discriminate on the basis of marital status, gender identity, or sexual orientation [FR Notice 02/03/12; Executive Order 13988] [\[24 CFR 5.105\(a\)\(2\)\]](#). [Enforcement of the \*Equal Access in HUD Program Regardless of Sexual Orientation or Gender Identity Final Rule\* has been halted. HUD has proposed the elimination of the \*Equal Access Rule\* regulation at 24 CFR 5.105\(a\)\(2\) to harmonize HUD regulations with Executive Order 14168. HUD has rescinded Notice PIH 2014-20 regarding \*Equal Access\* enforcement and has removed references to the rule from the \*HCV Guidebook\*. As of Spring 2026, elimination of the regulation is currently under review by OMB.](#)

## 2-I.C. DISCRIMINATION COMPLAINTS

### **General Housing Discrimination Complaints**

If an applicant or participant believes that any family member has been discriminated against by the CDA or an owner, the family should advise the CDA. The CDA should make every reasonable attempt to determine whether the applicant’s or participant’s assertions have merit and take any warranted corrective action.

In all cases the CDA will advise the family that they may file a fair housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

#### CDA Policy

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the CDA either orally or in writing.

Within 10 business days of receiving the complaint, the CDA will investigate and attempt to remedy discrimination complaints made against the CDA. The CDA will also advise

the family of their right to file a fair housing complaint with HUD's Office of Fair Housing and Equal Opportunity (FHEO). The fair housing poster, posted in conspicuous and accessible locations in CDA lobbies, will reference how to file a complaint with FHEO.

The CDA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)

### ~~Complaints under the Equal Access Final Rule [Notice PIH 2014-20]~~

~~Notice PIH 2014-20 requires an articulated complaint process for allegations of discrimination under the Equal Access Final rule. The Equal Access Final Rule requires that the CDA provides equal access regardless of marital status, gender identity, or sexual orientation. The CDA will be informed on these obligations by the HUD Field Office or FHEO when an Equal Access complaint investigation begins.~~

#### ~~CDA Policy~~

~~Applicants or tenant families who believe that they have been subject to unlawful discrimination based on marital status, gender identity, or sexual orientation under the Equal Access Rule may notify the CDA in writing.~~

~~Within 10 business days of receiving the complaint, the CDA will provide a written notice to those alleged to have violated the rule. The CDA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).~~

~~The CDA will attempt to remedy discrimination complaints made against the CDA and will conduct an investigation into all allegations of discrimination.~~

~~Within 10 business days following the conclusion of the CDA's investigation, the CDA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.~~

~~The CDA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)~~

### PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP) PERSONS

#### 2-III.A. OVERVIEW [OAG MEMO 7/14/25 AND EXECUTIVE ORDER 14224]

In March 2025, Executive Order 14224 revoked Executive Order 13166, which had directed agencies to enhance access to federal programs for persons with limited English proficiency (LEP) and required tailored guidance for recipients of federal funding under Title VI of the Civil Rights Act of 1964. Executive Order 14224 also declared English as the official language of the United States.

In response, on July 14, 2025, the Office of the Attorney General (OAG) issued a memo on the implementation of EO 14224, which rescinded all prior guidance to federal agencies regarding Title VI of the Civil Right Act's prohibition against national origin discrimination affecting LEP persons. The memo presents a legal analysis that finds language is not an immutable

characteristic entitled to Title VI protection and decoupling LEP persons from national origin discrimination. The memo states that, where allowed by law, agencies should determine which of their programs and policies might serve the public at large better if operated exclusively in English. The OAG memo also states that agencies are not required to amend, remove, or otherwise stop production of all multilingual documents, products, or other services prepared or offered. Further, many states and localities have laws regarding language services to be provided to non-English-speaking persons that may apply to the CDA.

~~Language for Limited English Proficiency Persons (LEP) can be a barrier to accessing important benefits or services, understanding, and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the Federal Register.~~

~~The CDA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).~~

~~LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.~~

~~In order to determine the level of access needed by LEP persons, the CDA will balance the following four factors: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons encounter the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the CDA and costs. Balancing these four factors will ensure meaningful access by LEP persons to critical services while not imposing undue burdens on the CDA.~~

~~The CDA has a Limited English Proficiency (LEP) Plan for agency-wide observance in its interactions with the public. This LEP Plan constitutes the CDA's policies with respect to this, addressing language barriers and is appended to this chapter as Exhibit 2-2.~~

### 3-I.K. FOSTER CHILDREN AND FOSTER ADULTS [24 CFR 5.603]

Foster children or adults are permitted to live in an assisted unit with the CDA's permission. A refusal to allow a family to have a foster child or children may constitute a violation of the familial status provisions of the Fair Housing Act.

A *foster adult* is a member of the household who is 18 years of age or older and meets the definition of a *foster adult* under state law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition, and is placed with the family by an authorized placement agency or by judgement, decree, or other order of any court of competent jurisdiction.

The term *foster child* is not specifically defined by the regulations.

A *foster child* is a member of the household who meets the definition of a *foster child* under state law. In general, a foster child is placed with the family by an authorized placement agency (e.g. public child welfare agency) or by judgement, decree, or other order of any court of competent jurisdiction.

Foster children and foster adults who are living with an applicant or who have been approved by the CDA to live with a participant family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603; HUD-50058 IB, p. 13].

[The administrative plan must include policies concerning residency by a foster child or adult, including defining when the CDA's consent for occupancy by a foster child or adult must be given or may be denied \[24 CFR 982.541\].](#)

#### CDA Policy

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home because of placement in foster care are discussed in Section 3-I.L.

### 3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

#### **Definitions of Temporarily and Permanently Absent**

#### CDA Policy

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

### 3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status for the family to qualify for any level of assistance.

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. ~~Where feasible, and in accordance with the CDA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.~~

#### **Declaration [24 CFR 5.508]**

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are ineligible noncitizens. For citizens, nationals, and eligible noncitizens the declaration must be signed personally by the head, spouse, co-head, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

### ***U.S. Citizens and Nationals***

[U.S. citizens or U.S. nationals \(or the parent/guardian for family members under age 18\) must sign a declaration of their status, under penalty of perjury.](#) In general, citizens and nationals are required to submit only a signed declaration as verification of their status. However, HUD regulations permit the CDA to request additional documentation of their status, such as a passport. [HUD strongly encourages the CDA to require that families provide proof of citizenship by such means as birth certificates, naturalization certificates, passports, or other documentation \[HUD Secretary Letter 12/16/25\].](#)

#### ***CDA Policy***

Family members who declare citizenship or national status will not be required to provide additional documentation unless the CDA receives information indicating that an individual's declaration may not be accurate.

### ***Eligible Noncitizens***

[Eligible noncitizens \(or the parent/guardian for family members under age 18\) must sign a declaration of their status, under penalty of perjury.](#) In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with CDA efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person's age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].

### ***Ineligible Noncitizens***

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family member listing, signed by the head, spouse, or co-head (regardless of citizenship status), indicating their ineligible immigration status. [Family members who do not sign a declaration of their status or provide the required supporting documentation will be considered ineligible for housing assistance. ~~The CDA is not required to verify a family member's ineligible status and is not required to report an individual's unlawful presence in the U.S. to the United States Citizenship and Immigration Services \(USCIS\).~~](#)

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This

prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

When reviewing applicants for assistance, if the CDA formally makes a finding of fact or conclusion of law, supported by a determination from the Department of Homeland Security (DHS) or the Executive Office of Immigration Review (e.g., a Final Order of Deportation), that an individual is not lawfully present in the United States, then the CDA must provide to DHS a report of the person’s name, address, and other identifying information that the CDA has. Note that a SAVE response of no service record or verification of an immigration status that makes the individual ineligible for housing assistance is not a finding of fact or conclusion of law that the individual is not lawfully present. At least four times annually, the CDA must provide such information to DHS. If the CDA has knowledge of an individual who is not lawfully present in the United States, they must provide a report to DHS within 45 days after the close of the appropriate calendar year quarter [HUD Secretary Letter 12/16/25].

### PART III: DENIAL OF ASSISTANCE

#### 3-III.A. OVERVIEW

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance. The CDA may deny assistance for an applicant because of the family’s action or failure to act as described in 24 CFR 982.552 or 982.553. In this section we will discuss other situations and circumstances in which denial of assistance is mandatory for the CDA, and those in which denial of assistance is optional for the CDA.

The regulations state that the CDA must prohibit admission for certain types of criminal activity and give the CDA the option to deny for other types of previous criminal history, ~~more recent HUD rules and OGC guidance must also be taken into consideration when determining whether a particular individual’s criminal history merits denial of admission.~~

~~When considering any denial of admission, the CDA may not use arrest records as the basis for the denial. Further, HUD does not require the adoption of “One Strike” policies, and reminds †The CDA of their obligation to should safeguard the due process rights of applicants and tenants [Notice PIH 2015-19].~~

~~HUD’s Office of General Counsel issued a memo on April 4, 2016, regarding the application of Fair Housing Act standards to the use of criminal records. This memo states that a CDA violates the Fair Housing Act when their policy or practice has an unjustified discriminatory effect, even when the CDA had no intention to discriminate. Where a policy or practice that restricts admission based on criminal history has a disparate impact on a particular race, national origin, or other protected class, that policy or practice is in violation of the Fair Housing Act if it is not necessary to serve a substantial, legitimate, nondiscriminatory interest of the CDA, or if that interest could be served by another practice that has a less discriminatory effect [OGC Memo 4/4/16]. HUD codified this stance on disparate impact and discriminatory effects in a final rule dated March 31, 2023. In doing so, HUD also standardized its long-practiced three-step approach to assessing burdens of proof.~~

~~CDA's who impose blanket prohibitions on any person with any conviction record, no matter when the conviction occurred, what the underlying conduct entailed, or what the convicted person has done since then will be unable to show that such policy or practice is necessary to achieve a substantial, legitimate, nondiscriminatory interest. Even a CDA with a more tailored policy or practice that excludes individuals with only certain types of convictions must still prove that its policy is necessary. To do this, the CDA must show that its policy accurately distinguishes between criminal conduct that indicates a demonstrable risk to resident safety and property and criminal conduct that does not.~~

## PART I: THE APPLICATION PROCESS

### 4-I.A. OVERVIEW

This part describes the CDA policies for making applications available, accepting applications, making preliminary determinations of eligibility, and the placement of applicants on the waiting list. This part also describes the CDA's obligation to ensure the accessibility of the application process to elderly persons, and people with disabilities, ~~and people with limited English proficiency (LEP).~~

### 4-I.B. APPLYING FOR ASSISTANCE [HCV GB, pp. 4-11 – 4-16, Notice PIH 2009-36]

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits the CDA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by the CDA. The CDA must include Form HUD-92006, Supplement to Application for Federally Assisted Housing, as part of the CDA's application.

#### CDA Policy

A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, the CDA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. Upon selection the family will be required to complete a full application and provide all information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

When the CDA is accepting applications, families will be required to apply using a web-based application. Applications must be complete to be accepted by the CDA for processing. As a reasonable accommodation, applications may be requested in an alternative format.

### 4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

#### **Elderly and Disabled Populations [24 CFR 8 and HCV GB, pp. 4-11 – 4-13]**

The CDA must take steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard CDA application process. This could include people with disabilities, and certain elderly individuals, ~~as well as persons with limited English proficiency (LEP).~~ The CDA must provide reasonable accommodation for the needs of individuals with disabilities. The application-taking facility and the application process must be

fully accessible, or the CDA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the CDA's policies related to providing reasonable accommodation for people with disabilities.

### **Limited English Proficiency**

~~The CDA is required to take reasonable steps to ensure equal access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the CDA's policies related to ensuring access to people with limited English proficiency (LEP).~~

#### 4-III.E. THE ELIGIBILITY DETERMINATION PROCESS

HUD recommends that the CDA obtain the information and documentation needed to make an eligibility determination through a face-to-face interview with a CDA representative [HCV GB, pg. 4-16]. Being invited to attend an interview does not constitute admission to the program.

Assistance cannot be provided to the family until all SSN documentation requirements are met. However, if the CDA determines that an applicant family is otherwise eligible to participate in the program, the family may retain its place on the waiting list for a period determined by the CDA [Notice PIH 2018-24].

Reasonable accommodation must be made for persons with disabilities who are unable to attend an interview due to their disability.

#### CDA Policy

- The CDA does not require attending an interview when selected from the waiting list.
- The head of household or spouse/co-head must provide acceptable documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity).
  - If the family representative does not provide the required documentation, they will be required to provide it within 10 business days.
  - ~~○ Pending disclosure and documentation of social security numbers, the CDA will allow the family to retain its place on the waiting list for 90 days.~~
    - ~~▪ If not, all household members have disclosed their SSNs by that time, the CDA will deny assistance and remove the family's name from the waiting list.~~

### PART I: BRIEFINGS AND FAMILY OBLIGATIONS

#### 5-I.A. OVERVIEW

HUD regulations require the CDA to conduct mandatory briefings for applicant families who qualify for a voucher. The briefing provides a broad description of owner and family responsibilities, explains the CDA's procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family's obligations under the program. ~~The CDA must take~~

~~reasonable steps to ensure meaningful access by persons with Limited English proficiency.~~

## 5-I.B. BRIEFING [24 CFR 982.301]

### **Notification of Briefing**

Prior to issuance of a voucher, the CDA must give the family an oral briefing and provide the family with a briefing packet containing written information about the program. Families may be briefed in individual face-to-face meetings, through group briefing sessions, or via remote briefing sessions.

#### CDA Policy

Families will be notified of their eligibility for assistance at the time they are invited to a briefing. The notice will be sent by email.

The notice will advise the family of the type of briefing, who is required to be present at the briefing, and the date and time of the briefing. The notice will also inform the family of any additional requirements for in-person or remote briefings in relevant policy elsewhere in this section.

### **In-Person Briefings**

At the briefing, the CDA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973) and ensure that the briefing site is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

#### CDA Policy

- Briefings will generally be conducted in group meetings.
- All adult members are encouraged to attend the briefing.
- Families that attend group briefings and still need individual assistance will be referred to a new admissions housing specialist.
- Briefings will be conducted in English. ~~For limited English proficient (LEP) applicants, the CDA will provide interpretation services in accordance with the CDA's LEP plan (See Chapter 2).~~
- If an applicant with a disability requires auxiliary aids to gain full benefit from the briefing, the CDA will furnish such aids where doing so would not result in a fundamental alteration of the nature of the program or in an undue financial or administrative burden. In determining the most suitable auxiliary aid, the CDA will give primary consideration to the requests of the applicant.
- An applicant unable to attend a briefing due to a disability may request a reasonable accommodation such as having the briefing presented at an alternate location.

### **Attendance**

#### CDA Policy

- Applicants who fail to attend a scheduled in-person briefing may be scheduled for another briefing. The CDA will notify the family of the date and time of the second scheduled briefing. Applicants who fail to attend two scheduled briefings without prior CDA approval, will be denied assistance (see Chapter 3).

#### Remote Briefings [Notice PIH 2020-32]

Remote briefings may be conducted via telephone, video conferencing, or through other virtual platforms.

##### CDA Policy

The CDA has the sole discretion to require that briefings be conducted remotely in case of local, state, or national physical distancing orders, and in cases of inclement weather or natural disaster. If the CDA schedules a remote briefing, the CDA will conduct a face-to-face briefing upon request of the applicant as a reasonable accommodation for a person with disability if safety and health concerns can be reasonably addressed.

In addition, the CDA will conduct a briefing remotely upon request of the applicant as a reasonable accommodation for a person with a disability. The CDA will consider other reasonable requests for a remote briefing on a case-by-case basis.

#### **Accessibility Requirements for Persons with Disabilities ~~and LEP Individuals~~**

As with in-person briefings, the platform for conducting remote briefings must be accessible and the briefing conducted in accordance with Section 504 and accessibility requirements. This includes ensuring any information, websites, emails, digital notifications, and other virtual platforms are accessible for persons with vision, hearing, and other disabilities. Further, providing effective communication in a digital context may require the use of individualized auxiliary aids or services, such as audio description, captioning, sign language and other types of interpreters, keyboard accessibility, accessible documents, screen reader support, and transcripts. Auxiliary aids or services must be provided in accessible formats, in a timely manner, and in such a way to protect the privacy and independence of the individual.

If no method of conducting a remote briefing is available that appropriately accommodates an individual's disability, the CDA may not hold against the individual their inability to participate in the remote briefing, and the CDA should consider whether postponing the remote briefing to a later date is appropriate or whether there is a suitable alternative.

Due to the individualized nature of disability, the appropriate auxiliary aid or service necessary, or reasonable accommodation, will depend on the specific circumstances.

~~Limited English Proficiency (LEP) requirements also apply to remote briefings, including the use of interpretation services and document translation. See Chapter 2 for a more thorough discussion of accessibility and LEP requirements, all of which apply in the context of remote briefings.~~

#### **Conducting Remote Briefings [Notice PIH 2020-32]**

The CDA must ensure that the lack of technology or inability to use technology for remote briefings does not pose a disadvantage to families that may not be apparent to the CDA. The

CDA must ensure that the family has appropriate technological access in order to fully participate in the remote briefing.

### CDA Policy

At least 10 business days prior to scheduling the remote briefing, the CDA will provide written notification via first class mail and/or email to families participating in the briefing to advise of technological requirements and to request the family notify the CDA of any known barriers. If any family does not respond within five business days, or if the written notification is returned by the post office or the email is rejected, the CDA will contact the family by telephone to identify potential technological barriers and to determine which technology resources are accessible to the family. The CDA will resolve any barriers using the guidance in Section 6 of Notice PIH 2020-32, including offering the family the opportunity to attend an in-person briefing or have a one-on-one briefing over the phone, as appropriate.

The CDA will conduct remote briefings via a video conferencing platform when available. If applicants are unable to adequately access the video conferencing platform, the briefing will be conducted by telephone conferencing call-in. If the family is unable to adequately access the telephone conferencing call-in, the remote briefing will be postponed, and an in-person alternative or one-on-one briefing over the phone will be provided.

The CDA will provide login information and/or conferencing call-in information and an electronic copy of the briefing packet via email at least five business days before the briefing. The CDA will provide a paper copy of the briefing packet upon family request and may reschedule the briefing to allow adequate time for the family to receive the physical briefing packet.

The CDA will ensure that all electronic information stored or transmitted as part of the briefing meets the requirements for accessibility for persons with disabilities ~~and persons with LEP~~, and is secure, including ensuring personally identifiable information (PII) is protected.

The CDA will ensure that families who participate in remote briefings can ask questions as part of the briefing.

If families lose connectivity during any remote briefing or otherwise feel they were unable to access information presented during the briefing, the family may request a one-on-one briefing over the phone or in person with the CDA.

### 5-I.C. FAMILY OBLIGATIONS

The obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The CDA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's

unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

### **Time Frames for Reporting Changes Required by Family Obligations**

#### CDA Policy

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the CDA of a change, notifying the CDA of the request or change within 10 business days is considered prompt notice.

When a family is required to provide notice to the CDA, the notice must be in writing.

### **Family Obligations [24 CFR 982.551]**

The family obligations of the voucher are listed as follows:

- The family must supply any information that the CDA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the CDA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family may be held responsible for a breach of Housing Quality Standards (HQS) caused by the family's failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

#### CDA Policy

Damages beyond normal wear and tear will be damages which could be assessed against the security deposit or presented to a court for judgment.

- The family must allow the CDA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family, any household member, or guest must not commit any serious or repeated violation of the lease. [Any incidents of actual or threatened domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim or as good cause to terminate the tenancy, occupancy rights, or assistance of the victim.](#)

#### CDA Policy

The CDA will determine if a family, household member, or guest has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, or an owner's notice of lease termination, police reports, and affidavits from the owner, neighbors, or other credible parties with direct knowledge.

Serious or repeated lease violations will include, but are not limited to, nonpayment of

rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used will be whether the reason for the eviction was the fault of the tenant or guests. ~~Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault, stalking, or human trafficking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(e)(1)].~~

#### ~~6.I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617, Streamlining Final Rule (SFR) Federal Register 3/8/16; Notice PIH 2023-27]~~

~~HOTMA removed the statutory authority for the EID. The EID is available only to families that are eligible for and participating on the program as of December 31, 2023, or before; no new families may be added on or after January 1, 2024. If a family is receiving the EID prior to or on the effective date of December 31, 2023, they are entitled to the full amount of the benefit for a full 24-month period. The policies below are applicable only to such families. No family will still be receiving the EID after December 31, 2025. The EID will sunset on January 1, 2026, and the CDA policies below will no longer be applicable as of that date or when the last qualifying family exhausts their exclusion period, whichever is sooner.~~

#### ~~Calculation of the Disallowance~~

~~Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with their "baseline income." The family member's baseline income is their income immediately prior to qualifying for the EID. The family member's baseline income remains constant throughout the period that they are participating in the EID.~~

#### ~~Calculation Method~~

##### ~~*Initial 12-Month Exclusion*~~

~~During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.~~

##### ~~——— CDA Policy~~

~~The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.~~

##### ~~*Second 12-Month Exclusion*~~

~~During the second exclusion period of 12 consecutive months, the CDA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.~~

##### ~~——— CDA Policy~~

~~During the second 12-month exclusion period, the CDA will exclude 50 percent of any increase in income attributable to new employment or increased earnings.~~

##### ~~*Lifetime Limitation*~~

~~The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time the initial exclusions period begins and ends 24 months later. During the 24-month~~

~~period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and housing choice voucher assistance, or have breaks in assistance. The EID will sunset on January 1, 2026. In no circumstance will a family member's exclusion period continue past January 1, 2026.~~

#### **6-I.FE. BUSINESS INCOME [24 CFR 5.609(b)(28) as updated for HOTMA; Notice PIH 2023-27]**

Annual income includes “the net income from the operation of a business or profession. *Net income* is gross income minus business expenses that allows the business to operate. *Gross income* is all income amounts received into the business, prior to the deduction of business expenses.

Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family”.

##### CDA Policy

To determine business expenses that may be deducted from gross income, the CDA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described herein.

#### **Independent Contractors**

Income received as an independent contractor is included in annual income, even if the source, date, or amount of the income varies [24 CFR 5.609 (b)(24)].

*An independent contractor* is defined as an individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done [24 CFR 5.603(b) as updated for HOMTA]. This may include individuals such as third-party delivery and transportation service providers and “gig workers” like babysitters, landscapers, rideshare drivers, and house cleaners. Income earned as an independent contractors is not considered nonrecurring income and is therefore included in annual income unless otherwise excluded by regulation.

#### **6-I.GF. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]**

##### **Introduction**

~~The treatment of student financial assistance depends on the HUD program, student/household characteristics, and the type of financial assistance received by the student. For public housing~~

~~residents, all income received under Title IV of the HEA must be excluded from income. Other student financial assistance may be included depending on the students actual covered costs to For Section 8 programs, including HCV, however, for over 10 years HUD appropriations have included a provision that for Section 8 students who are age 23 and under and without dependent children, any amounts received in excess of tuition and any other required fees and charges must be considered income. Under HOTMA, HUD has interpreted this limitation to apply when the student is the head of household or spouse, but not when the student resides with their parents [71 FR 18146].~~

~~For any funds from a year where HUD's appropriations continue to include this Section 8 student financial assistance limitation, if the student does not reside with their parents is the head of household, cohead, or spouse, and is under the age of 23 or without dependent children, then both the assistance received under Title IV HEA and other student financial assistance received by the student is included as income to the extent that it exceeds the total of tuition and any other required fees and charges.~~

~~In contrast, student financial assistance received by a Section 8 student who is the head of household, spouse, or cohead, and is over the age of 23 with dependent children, or a student who resides with their parents in a Section 8 unit, is governed by the HOTMA student rule, which is described below.~~

~~During years in which an appropriations act does not contain this Section 8 student financial assistance limitation (or any other such limitation), then the determination of student financial assistance for all Section 8 students defaults to the methodology for public housing.~~

### **HOTMA Student Financial Assistance Requirements [24 CFR 5.609(b)(9)]**

The regulations ~~under HOTMA~~ distinguish between two categories of student financial assistance paid to both full-time and part-time students. The first category is any assistance to students under section 479B of the Higher Education Act of 1956 (Title IV of the HEA) which must be excluded from the family's annual income [24 CFR 5.609(b)(9)(i)]. Examples of assistance under title IV of the HEA include:

- Federal Pell Grants;
- Teach Grants;
- Federal Work Study Programs;
- Federal Perkins Loans;
- Income earned in employment and training programs under section 134 of the Workforce Innovation and Opportunity Act (WIOA); or
- Bureau of Indian Affairs/Education student assistance programs
  - The Higher Education Tribal Grant
  - The Tribally Controlled Colleges or Universities Grant Program

The second category is any other grant-in aid, scholarship, or other assistance amounts an

individual receives for the actual covered costs charged by the institute of higher education (not otherwise excluded by the Federally mandated income exclusions) [24 CFR 5.609(b)(9)(ii)]. Other student financial assistance received by the student that, either by itself or in combination with HEA assistance, exceeds the actual covered costs is include in income.

*Actual covered costs* are defined as the actual costs of:

- Tuition, books, and supplies;
  - Including supplies and equipment to support students with learning disabilities or other disabilities
- Room and board; and
- Other fees required and charged to a student by the education institution.

For a student who is not the head of household or spouse/cohead, actual covered costs also include the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

Further, to qualify, other student financial assistance must be expressly:

- For tuition, book, supplies, room and board, or other fees required and charged to the student by the educational institution;
- To assist a student with the costs of higher education; or
- To assist a student who is not the head of household or spouse with the reasonable and actual costs of housing while attending the educational institution and not residing in an assisted unit.

The student financial assistance may be paid directly to the student or to the educational institution on the student's behalf. However, any student financial assistance paid to the student must be verified by the CDA.

The financial assistance must be a grant or scholarship received from:

- The Federal government;
- A state, tribal, or local government ;
- A private foundation registered as a nonprofit;
- A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or
- An institution of higher education.

Student financial assistance, does not include:

- Financial support provided to the student in the form of a fee for services performed; (e.g., a work study or teaching fellowship that is not excluded under section 479B of the Higher Education Act HEA);

- Gifts, including gifts from family or friends; or
- Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under the HEA, exceeds the actual covered costs of the student.

### **Calculating Income from Student Financial Assistance [HOTMA Student Financial Assistance Resource Sheet; Notice PIH 2023-27]**

~~There are two steps required as part of the calculation for Section 8 students. First, determine the student's relationship to the household, age, and whether they have dependent children. Second, calculate whether any excess student financial assistance should be included in the family's income.~~

~~If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance is considered when determining the student's total financial aid amount. Subtract the total tuition plus required fees and charges from the total student financial assistance (Title IV HEA assistance and any other student financial assistance). If the total tuition plus required fees and charges is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance is included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges must be included in annual income.~~

~~The formula for calculating student financial assistance~~  
~~If the student either lives with their parents or is over 23 with dependent children, then the calculation will use the HOTMA methodology for calculating financial assistance, which~~ always begins with deducting the assistance received under 479B of the HEA from the total actual covered costs, because the 479B assistance is intended to pay the student's actual covered costs. When a student receives assistance from both Title IV of the HEA and from other sources, the assistance received under Title IV of the HEA must be applied to the student's actual covered costs first and then other student financial assistance is applied to any remaining actual covered costs. Once actual costs are covered, any remaining student financial assistance is considered income.

#### CDA Policy

~~If the student does not live with their parents and is the head of household, cohead, or spouse, and is 23 or younger or does not have dependent children, then Title IV HEA assistance will be considered when determining the student's total financial assistance to be included in annual income. The CDA will use Notice PIH 2015-21 as a guide to determine the total amount of the student's tuition plus required fees and charges. The CDA will subtract the total tuition plus required fees and charges from the total student financial assistance. If the result is zero or exceeds the amount of total financial assistance from all sources, then no student financial assistance will be included in annual income. Any amount of student financial assistance that exceeds the total tuition plus required fees and charges will be included in annual income.~~

### Example 1

- ~~Tuition and required fees and charges: \$20,000~~
- ~~Title IV HEA assistance: \$10,000~~
- ~~Other student financial assistance: \$15,000~~
- ~~Total student financial assistance: \$10,000 + \$15,000 = \$25,000~~
- ~~Included income: \$25,000 in financial assistance – \$20,000 tuition and required fees = \$5,000~~

~~If a student is head, spouse, or cohead, and is over 23 with dependent children or lives with their parents, the following applies:~~

~~If a student only receives financial assistance under Title IV of the HEA and does not receive any other student financial assistance, the CDA will exclude the full amount of the assistance received under Title IV from the family's annual income. The CDA will not calculate actual covered costs in this case.~~

**Retirement Accounts [24 CFR 5.609(b)(26) as updated for HOTMA; Notice PIH 2023-27]**  
Any distributions of periodic payments from a retirement account is included in annual income at the time they are received by the family.

~~Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is not considered actual income from assets.~~

~~However, any distribution of periodic payments from such accounts is included in annual income at the time they are received by the family.~~

~~An asset moved to a retirement account held by a member of the family is not considered to be an asset disposed of for less than fair market value.~~

**6-I.K.J. CIVIL RIGHTS SETTLEMENTS [24 CFR 5.609(b)(25) as updated for HOTMA; FR Notice 2/14/23]**

Regardless of how the settlement or judgment is structured, civil rights settlements or judgments, including settlements or judgments for back pay, are excluded from annual income. This may include amounts received because of litigation or other actions, such as conciliation agreements, voluntary compliance agreements, consent orders, other forms of settlement agreements, or administrative or judicial orders under the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act (Section 504), the Americans with Disabilities Act, or any other civil rights or fair housing statute or requirement.

While these civil rights settlement or judgment amounts are excluded from income, the

settlement or judgment amounts will generally be counted toward the family's net family assets (e.g., if the funds are deposited into the family's savings account or a revocable trust under the control of the family or some other asset that is not excluded from the definition of *net family assets*). Income generated on the settlement or judgment amount after it has become a net family asset is not excluded from income. For example, if the family received a settlement or back pay and deposited the money in an interest-bearing savings account, the interest from that account would be income at the time the interest is received.

~~Furthermore, if a civil rights settlement or judgment increases the family's net family assets such that they exceed \$50,000 (as annually adjusted by an inflationary factor), then income will be imputed on the net family assets pursuant to 24 CFR 5.609(a)(2). If the imputed income, which HUD considers unearned income, increases the family's annual adjusted income by 10 percent or more, then an interim reexamination of income will be required unless the addition to the family's net family assets occurs within the last three months of the family's income certification period and the CDA or owner chooses not to conduct the examination.~~

***Lump-Sum Additions to Net Family Assets [24 CFR 5.609(b)(24)(viii) as updated for HOTMA; Notice PIH 2023-27]***

The regulations exclude income from lump-sum additions to family assets, including lottery or other contest winnings as a type of nonrecurring income.

In addition, lump sums from insurance payments, settlements for personal or property losses, and recoveries from civil actions or settlements based on claims of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family becoming a family member with a disability are excluded from income.

Further, deferred periodic amounts from Supplemental Security Income (SSI) and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts are also excluded from income.

However, these amounts may count toward net family assets. The CDA must consider any actual or imputed returns from assets as income at the next applicable income examination. ~~In the case where the lump sum addition to assets would lead to imputed income, which is unearned income, that increases the family's annual adjusted income by 10 percent or more, then the addition of the lump sum to the family's assets will trigger an immediate interim reexamination of income in accordance with Chapter 9. This reexamination of income must take place as soon as the lump sum is added to the family's net family assets unless the addition takes place in the last three months of family's income certification period and the CDA chooses not to conduct the examination.~~

For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.

CDA Policy

Any lump-sum receipts are only counted as assets if they are retained by a family in a form recognizable as an asset. [RHIIP FAQs]. For example, if the family receives a \$10,000 lump sum for lottery winnings, and the family immediately spends the entire amount, the lump sum will not be counted toward net family assets.

### ***Imputing Income from Assets [24 CFR 5.609(b)(3), Notice PIH 2012-29]***

When net family assets are \$5,000 or less, the CDA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the CDA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by an average passbook savings rate as determined by the CDA.

- Note: The HUD field office no longer provides an interest rate for imputed asset income. The “safe harbor” is now for the CDA to establish a passbook rate within 0.75 percent of a national average.
- The CDA must review its passbook rate annually to ensure that it remains within 0.75 percent of the national average.

### **CDA Policy**

The CDA initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

The CDA will review the passbook rate annually. The rate will not be adjusted unless the current CDA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

The effective date of changes to the passbook rate will be determined at the time of the review.

### ***Determining Actual Anticipated Income from Assets***

It may or may not be necessary for the CDA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account. However, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. ~~However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.~~

### ***Withdrawal of Cash or Liquidation of Investments***

~~Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement investment plan is~~

~~not counted as income until the family has received payments equal to the amount the family member deposited into the retirement investment plan.~~

***Trusts [24 CFR 5.609(b)(2) as updated for HOTMA]***

A *trust* is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).

The basis for determining how to treat trusts relies on information about who has access to either the principal in the account or the income from the account. There are two types of trusts, *revocable* and *irrevocable*.

When the creator sets up an *irrevocable trust*, the creator has no access to the funds in the account. Typically, special needs trusts are considered irrevocable. Irrevocable trusts not under the control of any member of the family are excluded from net family assets. The value of the trust continues to be excluded from net family assets so long as the fund continues to be held in a trust that is not revocable by, or under the control of, any member of the family or household [24 CFR 5.603(b)(4) as updated for HOTMA]. Further, where an irrevocable trust is excluded from net family assets, the CDA must not consider actual income earned by the trust (e.g., interest earned, rental income if property is held in the trust) for so long as the income from the trust is not distributed.

A *revocable trust* is a trust that the creator of the trust may amend or end (revoke). When there is a revocable trust, the creator has access to the funds in the trust account.

- A revocable trust that is under the control of the family is included in net family assets when the grantor is a member of the assisted family. If a revocable trust is included in the calculation of net family assets, then the actual income earned by the revocable trust is also included in the family's income. For example, interest earned or rental income if the property is held in the trust. ~~The CDA must calculate imputed income on the revocable trust if net family assets are more than the HUD-published threshold amount, which is adjusted annually and listed in HUD's Inflation Adjusted Values tables (\$50,000 for 2024, and \$51,600 for 2025), and actual income from the trust cannot be calculated (e.g., if the trust is comprised of farmland that is not in use).~~
- A revocable trust that is not under the control of the family is excluded from net family assets. This happens when a member of the assisted family is the beneficiary of a revocable trust, but the grantor is not a member of the assisted family. In this case the beneficiary does not "own" the revocable trust, and the value of the trust is excluded from net family assets. For the revocable trust to be considered excluded from net family assets, no family or household member may be the account's trustee.

For both irrevocable and revocable trusts, if the value of the trust is not considered part of net family assets, then distributions from the trust are treated as follows:

- All distributions from the trust's principal are excluded from income.
- Distributions of income earned by the trust (i.e., interest, dividends, realized gains, or other earnings on the trust's principal), are included as income unless the distribution is used to pay for the health and medical expenses for a minor.

**Retirement Accounts [24 CFR 5.609(b)(26) as updated for HOTMA**

**Company Retirement/Pension Accounts**

Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals is excluded. For example, actual interest or dividend income is not counted as anticipated income from the account on the Form HUD-50058. When the CDA includes the value of the retirement account as assets on the Form HUD-50058, if the total cash value of the family's assets exceeds \$5,000, imputed income will be calculated and included.

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, the CDA must know whether the money is accessible before retirement [HCV GB, p. 5-26].

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset [HCV GB, p. 5-26].

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate [HCV GB, p. 5-26], except to the extent that it represents funds invested in the account by the family member.

(For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

**IRA, Keogh, and Similar Retirement Savings Accounts**

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty [HCV GB, p. 5-25].

**6-I.Q. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]**

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

**Alimony and Child Support**

The CDA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

**CDA Policy**

The CDA will count court-awarded amounts for alimony and child support unless the CDA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments [HCV GB, pp. 5-23 and 5-47] the awarded amount is not being received.

The CDA considers historical patterns to be the best indicator of future income from alimony and child support; therefore, the CDA will anticipate child support income based on the payments received in the last 12 months unless documentation is provided by the family showing a permanent change in status (i.e., the death of the supporter or termination of the payment obligation).

Families who do not have court-awarded alimony and child support awards are not

~~required to seek a court award and are not required to take independent legal action to obtain collection.~~

#### 6-II.D. HEALTH AND MEDICAL CARE EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i) and 5.603(b) as updated by HOTMA]

Unreimbursed health and medical care expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

This health and medical care expense deduction is permitted only for families in which the head, spouse, or co-head is at least 62 or is a person with disabilities. If a family is eligible for a health and medical care expense deduction, the medical expenses of all family members are counted [VG, p. 28].

##### **Definition of *Medical Expenses***

HUD regulations define *health and medical care expenses* at 24 CFR 5.603(b) (as updated for HOTMA) to mean any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.” Health and medical care expenses may be deducted from annual income only if they are eligible under this definition and not otherwise reimbursed.

Although HUD revised the definition of *health and medical care expenses* to reflect the Internal Revenue Service (IRS) general definition of medical expenses, HUD is not permitting the CDA to specifically align their policies with IRS Publication 502. The CDA must review each expense to determine whether it is eligible in accordance with HUD’s definition. While the CDA policy may not specifically align with IRC Publication 502, HUD recommends the CDA use it as a standard for determining allowable expenses, and the CDA may list examples of allowable expenses in their policy provided they comply with HUD’s definition at 24 CFR 5.603as updated for HOTMA. The CDA may not define *health and medical care expenses* more narrowly than the regulation.

[In accordance with the Health Insurance Portability and Accountability Act \(HIPAA\) \(Pub. L. 104-191, 110 Stat. 1936\) and the Privacy Act of 1974 \(Pub L. 93-579, 88 Stat. 1896\), when requesting documentation to determine unreimbursed health and medical care expenses, the CDA may not request documentation beyond what is sufficient to determine anticipated health and medical care costs.](#)

##### CDA Policy

The CDA will use the most current IRS Publication 502 as a standard for determining if expenses claimed by eligible families qualify as health and medical care expenses. However, under no circumstance will the CDA deduct any expense listed in IRS Publication 502 that does not conform with HUD’s definition of *health and medical care expenses*.

<b>Summary of Typical Allowable Health and Medical Care Expenses</b>	
<p>Services of medical professionals</p> <p>Surgery and medical procedures that are necessary, legal, and non-cosmetic</p> <p>Services of medical facilities</p> <p>Hospitalization, long-term care, and in-home nursing services</p> <p>Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor</p> <p>Improvements to housing directly related to medical needs (e.g., ramps for a wheelchair, handrails)</p> <p>Medical insurance premiums or the cost of a health maintenance organization (HMO)</p> <p>Medicare Part B and Part D premiums</p>	<p>Substance abuse treatment programs</p> <p>Psychiatric treatment</p> <p>Ambulance services and some costs of transportation related to medical expenses. The CDA will use the most current medical mileage rate listed in IRS Publication 502.</p> <p>The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth)</p> <p>The costs of buying, training, and maintaining a guide dog or other service animal to assist a visually impaired or hearing disabled person, or a person with other physical disabilities. In general, this includes any costs, such as food, grooming, and veterinary care, incurred in maintaining the health and vitality of the service animal so that it may perform its duties.</p>
<p><b>Note:</b> This chart provides a summary of eligible health and medical care expenses only. In all cases, the CDA will consider whether health and medical expenses care expenses claimed by the family are eligible under HUD's definition.</p>	

[Before placing health, medical, or disability expense bills and documentation in the participant file, the CDA will redact all personally identifiable information.](#)

[If the CDA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the CDA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the CDA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will CDA include an applicant's or resident's medical records in the file \[Notice PIH 2010-26\].](#)

## 6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

### **Earned Income Limit on the Disability Assistance Expense Deduction**

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any income disallowances or income exclusions are applied.

#### CDA Policy

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the CDA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the CDA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

### **Eligible Disability Expenses**

Examples of auxiliary apparatus are provided in the *HCV Guidebook* as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work” [HCV GB, p. 5-30].

HUD advises The CDA to further define and describe auxiliary apparatus [VG, p. 30].

### ***Eligible Auxiliary Apparatus***

#### CDA Policy

[Auxiliary apparatus items may include expenses for wheelchairs, ramps, adaptations to vehicles, guide dogs, assistance animals, or special equipment to enable a person who is blind or has low vision to read or type or special equipment to assist a person who is deaf or hard of hearing \[Notice2023-27\].](#)

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not

maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

***Eligible Attendant Care.*** The family determines the type of attendant care that is appropriate for the person with disabilities.

CDA Policy

[Examples of attendant care expenses can include teaching a person with disabilities how perform day-to-day tasks independently like cleaning, bathing, doing laundry, and cooking. Attendant care can be 24-hour care, or care during sporadic periods throughout the day \[Notice PIH 2023-27\].](#)

Attendant care [also](#) includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 5A

**DEPARTMENT:** Finance

**FILE TYPE:** Regular - Consent

### TITLE

**Approval Of Record Of Disbursements – March 2026**

### PURPOSE/ACTION REQUESTED

Approve Record of Disbursements for March 2026.

### SUMMARY

In March 2026, the Dakota County Community Development Agency (CDA) had \$5,941,331.71 in disbursements and \$619,871.98 in payroll expenses. Attachment A provides the breakdown of disbursements. Additional detail is available from the Finance Department.

### RECOMMENDATION

Staff recommend approval of the Record of Disbursements for March 2026.

### EXPLANATION OF FISCAL/FTE IMPACTS

These disbursements are included in the Fiscal Year Ending June 30, 2026 budget.

None     Current budget     Amendment Requested     Other

### RESOLUTION

BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the March 2026 Record of Disbursements is approved as written.

### PREVIOUS BOARD ACTION

N/A

### ATTACHMENTS

Attachment A: Record of Disbursements – March 2026

### CONTACT

Department Head: Ken Bauer, Finance Director

Author: Chris Meyer, Assistant Director of Finance

**Dakota County CDA  
Record of Disbursements  
For the month of March 2026**

	Date	Amount	Total
<b>Common Bond Housing</b>			
	03/20/26	<u>\$ 5,558.66</u>	
			\$ 5,558.66
<b>Disbursing</b>			
	03/01/26	\$ 42,789.00	
	03/05/26	\$ 417,607.58	
	03/12/26	\$ 763,266.02	
	03/19/26	\$ 517,970.91	
	03/26/26	<u>\$ 859,299.36</u>	
			\$ 2,600,932.87
<b>Housing Assistance</b>			
	03/01/26	\$ 3,219,596.66	
	03/12/26	<u>\$ 79,383.00</u>	
			\$ 3,298,979.66
<b>Housing Development &amp; Renewal</b>			
	03/06/26	\$ 21,237.68	
	03/08/26	<u>\$ 14,622.84</u>	
			\$ 35,860.52
<b>Total Disbursements</b>			<u><u>\$ 5,941,331.71</u></u>
<b>March 2026 Payroll</b>			
	03/06/26	\$ 305,481.91	
	03/20/26	<u>\$ 314,390.07</u>	
<b>Total Payroll</b>			<u><u>\$ 619,871.98</u></u>

Disbursement detail is available in the Finance Office



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 5B

**DEPARTMENT:** Property Management

**FILE TYPE:** Regular - Consent

### TITLE

**Authorize Receipt Of Operating Subsidy Grant And Execution Of Grant Agreement With Minnesota Housing Finance Agency For Lincoln Place (Eagan)**

### PURPOSE/ACTION REQUESTED

Authorize the receipt of Operating Subsidy Grant and execution of grant agreement with the Minnesota Housing Finance Agency (MHFA) for Lincoln Place.

### SUMMARY

Annually, the CDA receives a subsidy grant in the amount of \$150,000 from MHFA to cover revenue shortfalls and front desk services related to the operation of youth supportive housing at Lincoln Place. The CDA provides \$100,000 of this grant to Wilder Foundation who is the on-site service provider and employs the front desk staff. The current grant ends in September 2026.

MHFA notified the CDA on March 27, 2026 that the Housing Trust Fund (HTF) Operating Subsidy (OS) grant for Lincoln Place is being extended for another year.

In order to close on this grant, MHFA requires the agency's Board of Commissioners to authorize the receipt of this operating subsidy grant and authorize the execution of a grant agreement with the Minnesota Housing Finance Agency through a Request for Board Action.

### RECOMMENDATION

Staff recommends accepting the receipt of this grant and authorizing the execution of a grant agreement with MHFA.

### EXPLANATION OF FISCAL/FTE IMPACTS

Amount is included in the FYE27 budget proposal and will be included in the FYE28 budget proposal.

None     Current budget     Amendment Requested     Other

### RESOLUTION

WHEREAS, on this 21st day of April 2026, it has been presented to the meeting of the Board of Commissioners of the CDA a resolution for the Dakota County CDA to receive a Housing Trust Fund Program Operating Subsidy Grant (the "Grant") from the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, 400 Wabasha Street North, Suite 400, St. Paul, Minnesota 55102 (the "Agency"), for Lincoln Place (the "Development"), in a sum not to exceed \$150,000, the terms and receipt of which will be evidenced by a Grant Agreement between the Dakota County CDA and the Agency.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the CDA is authorized to receive the Grant; and

BE IT FURTHER RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Agency is authorized to rely on the continuing force and effect of these Resolutions until receipt by the Commissioner of the Agency at its principal office of notice in writing from the Dakota County CDA of any amendments or alterations thereto.

**PREVIOUS BOARD ACTION**

24-6828; 4/24/24

**ATTACHMENTS**

Attachment A: Certified Copy of Resolution

**CONTACT**

Department Head: Anna Judge, Director of Property Management

Author: Anna Judge

**CERTIFIED COPY OF THE RESOLUTIONS ADOPTED BY THE  
BOARD OF COMMISSIONERS OF DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY**

**I HEREBY CERTIFY** that I am the duly elected Secretary and keeper of the records of the Dakota County Community Development Agency (CDA), a public body corporate and politic of the County of Dakota. The Dakota County CDA certifies that the following is a true and correct copy of the Resolutions duly and unanimously adopted by all of the members of the CDA on April 21, 2026, members of the CDA being present and constituting a quorum for the transaction of business; further, that such meeting was called in compliance with all applicable laws of the CDA; that such Resolutions do not conflict with any laws of the CDA nor have such Resolutions been in any way altered, amended or repealed and are in full force and effect, unrevoked and unrescinded as of this day, and have been entered upon the regular Minute Book of the CDA, as of the aforementioned date, and that members of the CDA have and at the time of adoption of such Resolution, had full power and lawful authority to adopt such Resolutions and to confer the powers thereby granted to the officer(s) therein named who has (have) full power and lawful authority to exercise the same:

**WHEREAS**, on this 21<sup>st</sup> day of April, 2026, there has been presented to the meeting of the Board of Commissioners of the CDA a resolution for the Dakota County CDA to receive a Housing Trust Fund Program Operating Subsidy Grant (the “Grant”) from the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota, 400 Wabasha Street North, Suite 400, St. Paul, Minnesota 55102 (the “Agency”), for Lincoln Place (the “Development”), in a sum not to exceed \$150,000.00, the terms and receipt of which will be evidenced by a Grant Agreement between the Dakota County CDA and the Agency;

**NOW THEREFORE**, be it resolved by the Board of Commissioners of the Dakota County CDA that the Dakota County CDA is authorized to receive the Grant; and

**BE IT FURTHER RESOLVED**, that the Agency is authorized to rely on the continuing force and effect of these Resolutions until receipt by the Commissioner of the Agency at its principal office of notice in writing from the Dakota County CDA of any amendments or alterations thereto.

**ATTEST:**

\_\_\_\_\_  
Commissioner Joe Atkins, CDA Board Chair

\_\_\_\_\_  
Commissioner Laurie Halverson, Secretary

Dated: \_\_\_\_\_, 20\_\_

**(SEAL)**



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 5C

**DEPARTMENT:** Community and Economic Development

**FILE TYPE:** Regular - Consent

### TITLE

**Approval of Contingent Redevelopment Incentive Grant Award For The City Of South St. Paul**

### PURPOSE/ACTION REQUESTED

Approval of \$175,000 Redevelopment Incentive Grant (RIG) project award for the City of South St. Paul.

### SUMMARY

The Dakota County CDA RIG program was created in 2006 to provide a flexible funding resource to Dakota County cities for the redevelopment of blighted and under-utilized areas. The RIG program supports three types of redevelopment grants: planning, environmental investigation, and project.

The City of South St. Paul (City) requests \$175,000 for the redevelopment of 4.25 acres located at 316 Malden Street (the Site). The Site is now vacant and owned by the South St. Paul Economic Development Authority (SSP EDA) but was previously occupied by various heavy commercial and industrial users. The SSP EDA has entered into a purchase agreement with Endeavor Holdings LLC (the Developer) to build a new 68,704 sq. ft. office-warehouse building (the Project). To facilitate the redevelopment, the existing obsolete building and parking lot will be demolished, and hazardous materials, including asbestos and contaminated groundwater and soils, will be removed. New utilities will be installed as part of the construction of the new building. Total redevelopment costs are estimated to be \$9,925,000. The City is providing funding, and there are DEED grants, a Metropolitan Council grant, and developer equity committed to the Project. The current assessed value is \$1,229,600 and the projected value of the Site after redevelopment in 2028 is approximately \$6.9 million, with estimated annual property taxes of approximately \$225,000. The redevelopment is expected to create 65 new jobs that pay over \$15 per hour.

The RIG program provides a maximum of \$250,000 for redevelopment project grants. Redevelopment projects must have a minimum leverage of 2:1 (\$2 dollar of non-RIG funding for every \$1 of RIG funding), City Council approval, City support for the mission of the CDA, and the application must demonstrate other funding resources are used, the project can be completed in 12 months the project has a defined economic benefit either through jobs or increased tax base, and/or the project improves or preserves the environment. The proposed Project meets the eligibility criteria. The requested RIG funds for the Project will be used for demolition and removal of the building and existing site improvements, and the removal of hazardous materials. Since the program began in 2006, the CDA Board has awarded over \$16 million to 75 redevelopment projects, 30 planning activities, and 12 environmental investigation activities. This includes \$2,622,419 previously awarded to the City of South St. Paul.

**RECOMMENDATION**

CDA staff recommends awarding the City of South St. Paul up to \$175,000 in RIG funds for eligible activities related to the redevelopment of the 4.26-acre site as described in the City’s application. The RIG award will be contingent on the applicant meeting all program guidelines, grant conditions, and entering into a grant agreement with the CDA.

**EXPLANATION OF FISCAL/FTE IMPACTS**

The current remaining budget for RIG is \$547,151 (\$250,000 from the CDA and \$297,151 from the County). If approved, this grant will be funded with the CDA’s allocation of RIG funding.

- None
- Current budget
- Amendment Requested
- Other

**RESOLUTION**

WHEREAS, the Dakota County Community Development Agency (CDA) established a Redevelopment Incentive Grant (RIG) program in 2007 to assist Dakota County cities with the redevelopment of blighted and underutilized areas; and

WHEREAS, to date, the RIG program has awarded over \$16 million to 75 redevelopment projects, 30 planning activities, and 12 environmental investigation activities; and

WHEREAS, of the total awards, \$2,622,419 has been awarded to the City of South St. Paul (the City) or developers operating in the city; and

WHEREAS, the CDA has \$250,000 of remaining available funds in its Fiscal Year Ending 2026 budget and Dakota County, through its Environmental Resources Department, has an additional \$297,151 of remaining available funds for RIG projects that require environmental investigation and/or remediation; and

WHEREAS, Dakota County cities can apply to receive up to \$250,000 per redevelopment project grant (one per local government) per fiscal year; and

WHEREAS, the City of South St. Paul (the City) submitted an application on March 13, 2026, requesting \$175,000 for the redevelopment of a 4.25-acre site at 316 Malden Street; and

WHEREAS, the City’s application meets the eligibility criteria to receive full funding as listed in the RIG Program Policy and Procedures Guide.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the City of South St. Paul is awarded a Redevelopment Incentive Grant of up to \$175,000 for the project described in the application contingent upon the grantee meeting program guidelines and entering into a grant agreement with the CDA, in form and content acceptable to the Executive Director of the CDA.

**PREVIOUS BOARD ACTION**

None.

**ATTACHMENTS**

Attachment A: South St. Paul RIG Project Application

**CONTACT**

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Margaret Dykes, Assistant Director of Community and Economic Development



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

**I. APPLICANT INFORMATION**

<u>Applicant</u>	Organization: South St. Paul EDA Contact Name: Monika Miller Address: 125 Third Avenue North Phone Number: 651-554-3273 Email: mmiller@southstpaul.org Authorized representative for execution of grant agreement and contract(s): Name: Ryan Garcia Title: Executive Director
<u>Project Request</u>	Name of Project: Concord Business Center Amount of RIG funding request: \$ 175,000.00 Total redevelopment costs: \$ 9,925,000

**II. AREA OR SITE CONDITIONS**

General location of Site (Property ID and/or Address):	316 Malden Street
Legal Description of Site:	All of Lots 1 – 16 Block 11 and All of Lots 1 – 5 Block 18 and All of Blocks 26 – 35 Block 18, Spring Park Addition, including vacated Alley in Block 18, Spring Park Addition
Site size (acres):	4.26 Acres
Number of parcels:	15
Number of buildings on Site:	1
Current Site owner:	City of South St. Paul
Current appraised or assessed value of the Project Area properties:	\$1,229,600 (Assessed EMV)
Current property taxes of the Project Area properties	\$0

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

**III. REDEVELOPMENT PROJECT INFORMATION**

<p>Describe the city’s goals and need for the Project including anticipated businesses, housing units, and other proposed components. Please explain the public benefit of the Project.</p>	<p>The City’s Economic Development Strategy identifies the following goals and strategic actions, all of which will be advanced by this project:</p> <ul style="list-style-type: none"> <li>* Attract new businesses &amp; developments to SSP</li> <li>* Diversify the City’s economic activity and tax base</li> <li>* Attract, retain &amp; support a workforce that is positioned for success in the 21<sup>st</sup> Century</li> <li>* Leverage and expand the City’s redevelopment toolbox</li> <li>* Pursue targeted redevelopment funding</li> <li>* Evaluate the real estate assets owned by the City and market such properties for high-quality development to grow the City’s tax base</li> </ul>
<p>Provide a brief history of the site including previous uses, activities, prior or existing contamination, and other attempts at redevelopment</p>	<p>The Subject Property is currently developed with a commercial office/garage building that was first constructed in the 1920s and has been vacant since the City purchased the property in 2023. The Subject Property was most recently occupied by Thompson’s Truck and Auto Parts, a trucking and auto parts salvage company. Outdoor equipment storage consisting of trailers and roll-off containers (owned by Capital Waste Systems, who leases the exterior storage yard until May 2026) is present at the Subject Property. A communications tower is present at the southeastern portion of the Subject Property.</p> <p>The existing Subject Property building was historically occupied by a streetcar repair shop from approximately the 1920s to the 1930s. A trucking/transit facility (Noble Transit) occupied the existing Subject Property building from the 1930s to the early 1980s and a trucking and auto parts salvage company (Thompson’s Truck and Auto Parts) occupied the building from 1983 to 2023.</p>
<p>Describe the Project including the type of redevelopment that will occur, how the Project will improve site conditions, how the Project will improve economic opportunity in the community.</p>	<p>The redevelopment will remove a blighted, obsolete building from a severely underutilized 4.25 Acre property along the City’s primary gateway. The site will be developed with a new, Class A 68,704 SF office-warehouse building that will house new business and light industry, creating dozens of new jobs and increasing the local property tax base.</p>
<p>Describe the specific components or activities that are part of the Project, e.g. soil remediation, removal of</p>	<ul style="list-style-type: none"> <li>• Removal of existing bituminous parking material</li> <li>• Demolition of current building on-site, including pre-demolition asbestos abatement</li> </ul>

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

obsolete structures, creation of new jobs, creation of new housing, etc.	<ul style="list-style-type: none"> <li>• Disposal, on-site management, and/or off-site reuse of contaminated soil</li> <li>• Dewatering and discharge of contaminated groundwater to the sanitary sewer</li> <li>• Installation/replacement of subgrade utilities</li> </ul>
What is the end use of the Project site? Please be specific.	Endeavor Development has agreed to purchase the site and develop (speculatively) a 68,704 square foot office-warehouse building consistent with the City's I-1 Zoning District.
After redevelopment is completed, will properties in the Plan Area be publicly or privately owned?	<input type="checkbox"/> Publicly owned <input checked="" type="checkbox"/> Privately owned
Is demolition of slum or blighted buildings or other structures an activity of the Project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please describe.	Although a formal blight analysis has not been conducted, the existing building on the site is in significant disrepair and functionally obsolete without substantial modification and investment. The building will be demolished to make way for a flexible industrial building.
Describe how the Project will make more efficient use of the site.	The current floor area ratio is 0.06. After construction, the site's floor area ratio will be 0.37. Currently the site's greatest utility is exterior storage of dumpsters. After construction, the site will house dozens of jobs, and provide capabilities for the production, warehousing, and distribution of goods and services throughout the world.
Post-redevelopment Site Owner(s):  <u><i>If end user has committed, attach documentation of commitment.</i></u>	Endeavor Holdings, LLC
Identify any other Project partners such as developers, consultants, and regulating/permitting agencies	City of SSP/SSP EDA, MPCA (RAP review and approval)

**IV. ELIGIBLE ACTIVITIES**

- Please check all activities that apply, briefly describe the activity, and provide the dollar amount requested for the activity. Please see the "**Redevelopment Incentive Grant Policy and Procedures Guide**" for a description of the eligible activities.

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

- Please provide any documents that support the need for the RIG funds, e.g. development plans, site plans, environmental documentation, etc.

<u>Eligible Activity</u>		<u>Description</u>	<u>RIG Funding Requested</u>
<input checked="" type="checkbox"/>	Acquisition	City acquired property in 2023	\$0
<input type="checkbox"/>	Relocation Payments	NA	\$0
<input checked="" type="checkbox"/>	Clearance and Demolition	Demolition of existing building, including asbestos abatement	\$175,000
<input checked="" type="checkbox"/>	Environmental Investigation	Phase I ESA, Phase II ESI, Vapor Sampling, RAP Development	\$0
<input checked="" type="checkbox"/>	Environmental Remediation	Subject to amended RAP, contaminated soil remediation, dewatering	\$0
<input type="checkbox"/>	Necessary Public Infrastructure	N/A	\$0
<input checked="" type="checkbox"/>	Geotechnical Soil Corrections	Replacement of substandard soils with compactable soil material	\$0

**V. ACQUISITION AND RELOCATION ACTIVITIES**

If the Project includes property acquisition, clearance and/or construction activities, describe how owners, tenants, and businesses will be temporarily or permanently relocated.	The building is vacant. The previous owner went out of business prior to selling the property to the City.
When has/will the acquisition be completed?	2023
Attach the relocation plan, if applicable.	N/A

**VI. PROJECT ENVIRONMENTAL INFORMATION**

Has an environmental assessment been completed for the Project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If so, what level of investigation was done as part of the Project?	Phase I, Phase II, Vapor, Hazardous/Asbestos Assessment
Has contamination been found on the Project Site or is contamination suspected to be on the Site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

<p>If contamination has been found or is suspected, please briefly describe the contamination.</p>	<ul style="list-style-type: none"> <li>• Regulated fill not meeting exceedances within the northern and south-central portions of the site consist of elevated PID readings (&gt; 10 ppm but &lt; 200 ppm), black staining, petroleum odors, and/or debris (glass, clinkers, ash and concrete</li> <li>• Regulated fill within the north-central and southern portions of the consist of DRO above the MPCA’s unregulated fill criteria of 100mg/kg, lead between the RR-SRV and CI-SRV, arsenic above the BTV and Screening SLV, and/or chromium above the BTV</li> <li>• Regulated fill north of the existing building at the northwest portion of the site consists of an elevated PID reading of 5,560 ppm</li> <li>• Regulated fill at the south-central portion of the site is contaminated with lead</li> <li>• Regulated fill at the south-central portion of the site at 6+ feet below grade may be disturbed for utilities or stormwater management; these soils consist of elevated PID readings (&gt; 10 ppm but &lt; 200 ppm), black staining, petroleum odors, and DRO/GRO above 100 mg/kg</li> <li>• Regulated fill at the northwestern and northeastern portions of the site at 6+ feet below grade consist of elevated PID readings (&gt; 200 ppm), DRO, and GRO concentrations. The northwestern portion is associated with a closed leak site.</li> <li>• Concentrations of DRO, GRO, and VOCs, including petroleum free product, were documented in groundwater above the MCES discharge limitatins in the northern portion of the Site</li> </ul>
<p>Does your Redevelopment Project include the cleanup of contaminated soils, hazardous waste or materials?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>If yes, please describe information on the type of cleanup, what measures have been taken to address the</p>	<p>While a RAP amendment is underway, it is anticipated that a combination of on-site testing, screening and clean capping / re-use, as well as excavation, removal, and regulated disposal, will be employed with impacted</p>

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

contamination, consultant reports, and/or Response Action Plan.	soils. Testing and discharge of any impacted groundwater encountered will be necessary through a special discharge permit with MCES. A previous leak was monitored from 2023 – 2025 and is now closed.
Describe positive environmental impacts of the activities that are part of the Project.	Abatement and proper disposal of Asbestos Containing Materials will support greater health outcomes for workers. Soil cleanup will allow for the site to be safely redeveloped (eliminating blight) and for the building to be occupied without inordinate risks to building occupants. Proper environmental infrastructure and stormwater management will alleviate impacts of leaching of contaminants into the groundwater and Mississippi River, directly east of this site.

**VII. HOUSING AFFORDABILITY INFORMATION**

Indicate the number of housing units planned in the Project, if any. *Attach separate sheet if necessary.*

Unit Type	Total # of Units	# of Owner Units	# of Rental Units	Proposed Rents/ Sales Prices
Single Family	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Townhouse	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Apartments/Condominiums	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Duplexes	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Other:	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Will there be any mechanisms to ensure long-term affordability?

- Yes  No

If yes, please describe. Not applicable – no housing proposed

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

**VIII. ECONOMIC BENEFITS**

Projected appraised or assessed value of the Site after redevelopment:	\$ 6,875,000 Pay Year: 2028
What will be the estimated property taxes after redevelopment?	\$ 225,491 Pay Year: 2028
Estimate the number of <u>new</u> jobs on the Project Site created after redevelopment.	Total new jobs (FTEs only) = 65
Number of new jobs with wages greater than \$15.00 per hour	65
Estimate the number of jobs <u>retained</u> on the Project Site after redevelopment.	Total retained jobs (FTEs only) = NA
Number of retained jobs with wages greater than \$15.00 per hour	NA

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

**IX. PROJECT SOURCES AND USES**

Itemize all funding sources for the Project and the Activities identified as part of the Project. **Please include the requested RIG funds in the total.**

Source of Funds	Amount	Committed	Pending
City of SSP (Acquisition)	\$2,000,000 (2023)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Developer Equity/Financing	\$ 6,490,500	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RIG	\$ 175,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEED Redevelopment	\$ 500,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEED Contamination Cleanup	\$ 500,000	<input type="checkbox"/>	<input checked="" type="checkbox"/>
TBRA	\$ 259,500	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Total:</b>	<b>\$ 9,925,000</b>		

Itemize all Project expenses for the Project and the Activities identified as part of the Project. Be as detailed as possible. **Please include the requested RIG funds in the Funding Sources column.**

Project Activities/Expenses	Amount	Funding Source
Acquisition	\$ 2,000,000	City of South St. Paul
Demolition	\$ 140,000	RIG
Asbestos Abatement	\$ 35,000	RIG
Environmental Remediation	\$ 865,000	Equity, DEED Contamination Cleanup, TBRA
Geotechnical Correction	\$ 630,000	Equity, DEED Redevelopment
Stormwater Management Infrastructure	\$380,000	Equity, DEED Redevelopment
Construction	\$ 5,875,000	Equity, Financing
<b>Total:</b>	<b>\$ 9,925,000</b>	

*The CDA reserves the right to seek additional information after initial review of the application.*



**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
REDEVELOPMENT INCENTIVE GRANT (RIG)  
PROJECT APPLICATION**

List other sources of funds requested or considered but not obtained for the Project, and explain why they were not obtained, to the best of your knowledge. (The purpose of this question is to ensure all other funding sources have been exhausted.)

Click or tap here to enter text.

**X. PROJECT READINESS TO PROCEED**

Please provide a detailed timeline of the Project with all actions, phases, and anticipated dates for completion.	Timeline Attached as exhibit A.				
Please indicate whether any of the following entitlement or due diligence actions are required or have been completed for the Project: <table border="0" style="width: 100%;"> <tr> <td data-bbox="134 709 773 793"> <input type="checkbox"/> Comprehensive plan amendment: Status: N/A         </td> <td data-bbox="773 709 1487 793"> <input type="checkbox"/> Environmental review: Status: N/A         </td> </tr> <tr> <td data-bbox="134 831 773 915"> <input type="checkbox"/> Zoning amendments or variances: Status: N/A         </td> <td data-bbox="773 831 1487 915"> <input type="checkbox"/> Market or feasibility study: Status: N/A         </td> </tr> </table>		<input type="checkbox"/> Comprehensive plan amendment: Status: N/A	<input type="checkbox"/> Environmental review: Status: N/A	<input type="checkbox"/> Zoning amendments or variances: Status: N/A	<input type="checkbox"/> Market or feasibility study: Status: N/A
<input type="checkbox"/> Comprehensive plan amendment: Status: N/A	<input type="checkbox"/> Environmental review: Status: N/A				
<input type="checkbox"/> Zoning amendments or variances: Status: N/A	<input type="checkbox"/> Market or feasibility study: Status: N/A				
If the activity that is to receive RIG funding will not be completed in 12 months, please explain why. (NOTE: The RIG program requires all RIG-funded activities to be completed within a 12-month period)	The funding will be put to work almost immediately.				

**REQUIRED ATTACHMENTS**

1. City Resolution approving application.
2. Location map of Site. Include property boundaries, north arrow, and bar scale.
3. Photos of the Site's current conditions.
4. Proof of property ownership, e.g. tax statement, purchase agreement, closing statement, etc.
5. Current and proposed Site Plan.
6. Copies of environmental investigation reports, if available.
7. Letter or report showing economic benefits of redevelopment project.

NOTE: The City of South St. Paul provided all required documents. These are available for review upon request.

*The CDA reserves the right to seek additional information after initial review of the application.*

South St. Paul Economic Development Authority  
Dakota County, Minnesota

**RESOLUTION NO. 2026-6**

**APPROVAL TO SUBMIT A REDEVELOPMENT INCENTIVE GRANT APPLICATION  
TO THE DAKOTA COUNTY CDA**

**WHEREAS**, the South St. Paul Economic Development Authority (the “EDA”) has identified a proposed project within the City of South St. Paul that meets the Dakota County Community Development Agency (CDA) Redevelopment Incentive Grant program’s purposes and criteria; and

**WHEREAS**, the EDA has established a Redevelopment Plan of which the proposed project is a component; and

**WHEREAS**, the EDA has the capability and capacity to ensure the proposed project be completed and administered within the Redevelopment Incentive Grant program guidelines; and

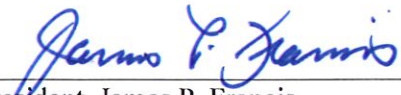
**WHEREAS**, the EDA has the legal authority to apply for financial assistance; and

**WHEREAS**, the EDA is supportive of affordable housing and of the CDA’s mission, to improve the lives of Dakota County residents through affordable housing and community development.

**NOW THEREFORE BE IT RESOLVED** that the South St. Paul Economic Development Authority approves the application for funding from the Dakota County CDA Redevelopment Incentive Grant program.

**BE IT FURTHER RESOLVED** that upon approval of its application by the Dakota County CDA, the President and Executive Director are hereby authorized to execute such agreements as are necessary to receive and use the funding for the proposed project.

Adopted this 16<sup>th</sup> day of March, 2026.

  
\_\_\_\_\_  
President, James P. Francis

  
\_\_\_\_\_  
Executive Director, Ryan Garcia

CERTIFICATION

STATE OF MINNESOTA  
COUNTY OF DAKOTA  
CITY OF SOUTH ST. PAUL

I do hereby certify the above resolution is a true and accurate copy of the Resolution adopted by the Economic Development Authority in and for the City of South St. Paul at an authorized meeting held on the 16<sup>th</sup> day of March as shown by the minutes of the meeting in my possession.



Dated this 16 day of March, 2026

Deanna Werner  
Deanna Werner, City Clerk

## ATTACHMENT A – PROJECT SCHEDULE

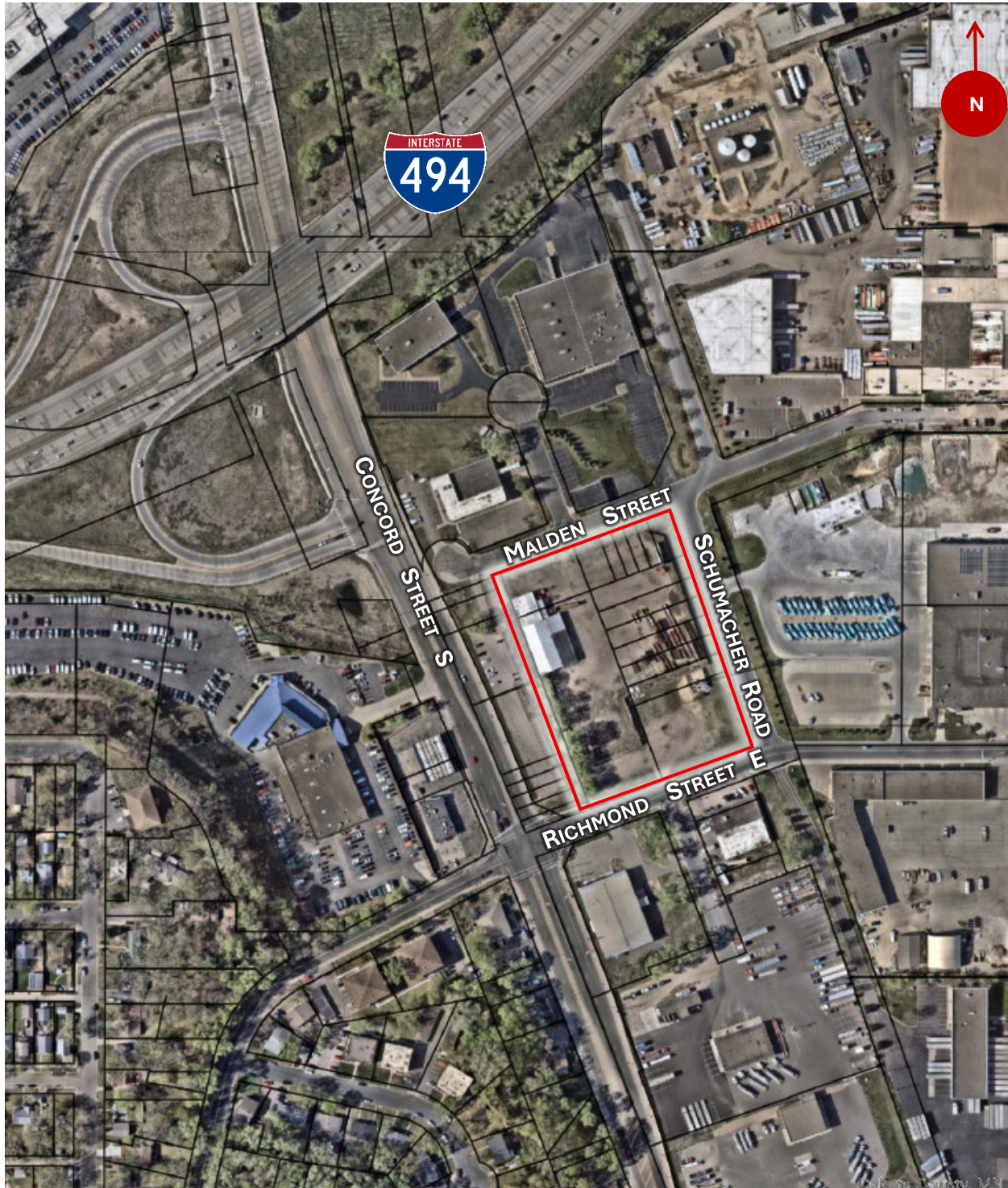
### 316 Malden Street Redevelopment – South St. Paul

#### Scheduled Tasks

Task	2026												2027											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
City Acquisition (June 2023)																								
Asbestos Abatement					X	X																		
Building Demolition						X	X																	
RAP Approval								X	X															
Developer Closing/Development Agreement											X	X	X											
Site Work / Cleanup Implementation														X	X	X	X							
Construction																X	X	X	X	X	X	X	X	
Certificate of Occupancy Obtained																								X

**ATTACHMENT B – Location Map**

**316 Malden Street Redevelopment – South St. Paul**



**1 inch equals 300 feet**

 : 316 Malden Street E.

**ATTACHMENT C – Site Photos**

**316 Malden Street Redevelopment – South St. Paul**

NOTE: CDA staff removed some photos due to the size of the file. Please contact staff if you wish to see the all photos of current conditions.



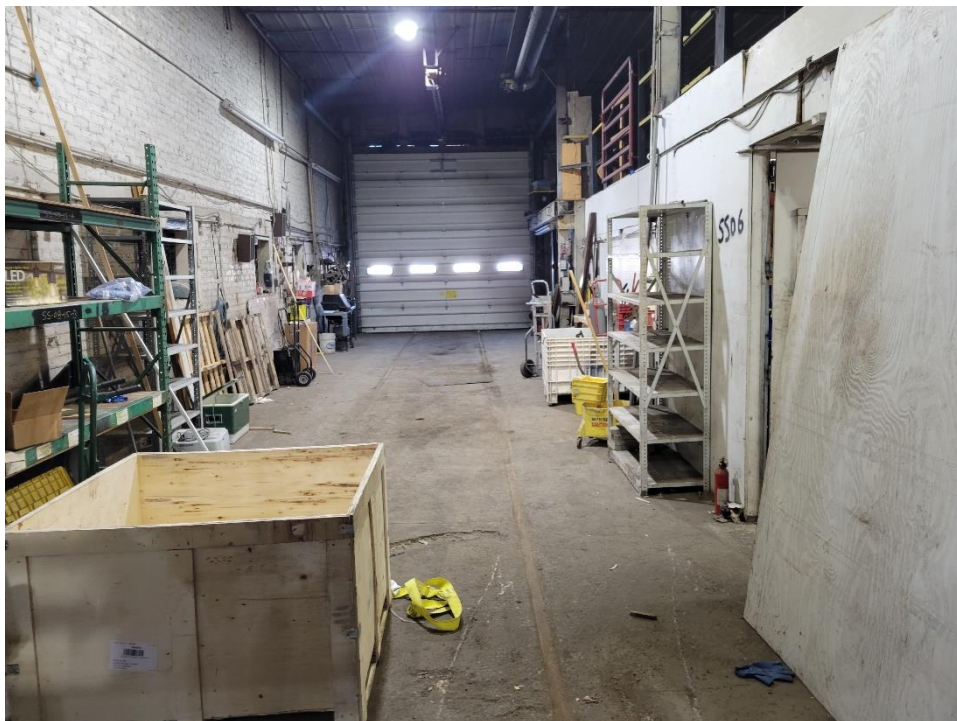
Subject Property building. Facing west.



Subject Property building facing southwest.



Bathroom in Subject Property building.



Abandoned streetcar tracks in older garage.



Miscellaneous storage in room adjacent to old garage.



A hollow pipe in the floor of room adjacent to old garage.



Trash disposal area, 55-gallon barrels present in newer garage.



Drum of used oil adsorbents in newer garage.



French drain connected to oil water separator in new garage



Absorbent applied to oil spill near oil water separator in newer garage.



Oil water separator in newer garage.



Welding storage area in newer garage



Used oil furnace and 400-gallon AST in newer garage.



Used oil furnace and used oil tote storage.



Old garage entrance. 1 of 4 monitoring wells on Subject Property.



Entrance to Subject Property building. 1 of 4 monitoring wells present on Subject Property.



Northeastern border of Subject Property. 1 of 4 monitoring wells present on Subject Property.



Metals waste and recycling storage on Subject Property laydown yard.



Subject Property building and pole-mounted transformer, facing southeast.



City parking lot, facing south.



Western edge of Subject Property building.



Northwestern border of Subject Property. 1 of 4 monitoring wells present on Subject Property.

ATTACHMENT F – Proposed Site Plan (Endeavor Concept)

316 Malden Street Redevelopment – South St. Paul





# Board of Commissioners

## Request for Board Action

Meeting Date: Choose Meeting Date

Agenda #: 5D

**DEPARTMENT:** Housing Development

**FILE TYPE:** Regular - Consent

### TITLE

**Award Contract For Elevator Modernization At Mississippi Terrace (Hastings)**

### PURPOSE/ACTION REQUESTED

- Authorize Deputy Executive Director to execute contract for Mississippi Terrace Elevator Modernization.
- Authorize Change Order Authority.

### SUMMARY

This contract is to modernize the elevator at Mississippi Terrace in Hastings. The process of modernization is to bring the elevator up to current codes, replace parts that are worn, obsolete, or prone to failure. This contract does not include any aesthetic upgrades, since it increases costs and the time that the elevator is out of service.

This project was publicly bid (Attachment A). Proposals were received from three contractors and Metro Elevator was the low bid (Attachment B).

### RECOMMENDATION

It is recommended that the Deputy Executive Director be authorized to enter into a contract with Metro Elevator in the amount of \$116,996 and to be authorized to sign change orders in amount not to exceed \$11,699 (this is 10% of the contract amount) for the Mississippi Terrace project. The solicitation of bids was done in accordance with public bidding requirements and the contractor has successfully completed similar projects in the past.

### EXPLANATION OF FISCAL/FTE IMPACTS

The \$116,996 (contract plus potential change order authority if needed) will be funded from the FYE26 Extraordinary Maintenance Budget for the Mississippi Terrace project.

None     Current budget     Amendment Requested     Other

### RESOLUTION

WHEREAS, formal bids were received on April 8, 2026 for the Mississippi Terrace Elevator Modernization; and

WHEREAS, Metro Elevator submitted a responsive, low bid of \$116,996.00 for the Mississippi Terrace elevator modernization contract; and

WHEREAS, the contractor is being recommended on their prior experience; and

WHEREAS, funds are available in the FYE26 Extraordinary Maintenance budget for this project.

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 with Metro Elevator for \$116,996; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to approve change orders in an amount not to exceed \$11,699 for the Mississippi Terrace project.

**PREVIOUS BOARD ACTION**

None.

**ATTACHMENTS**

Attachment A: Affidavit of Publication

Attachment B: Bid Tabulation

**CONTACT**

Department Head: Kari Gill, Deputy Executive Director

Author: Vince Markell, Capital Projects Manager

**Ad Proof**

Not Actual Size



EAST CENTRAL MINNESOTA

## -Public Notice Ad Proof-

This is the proof of your ad scheduled to run on the dates indicated below. Please proof read carefully. If changes are needed, please contact us prior to deadline at Cambridge (763) 691-6000 or email at [publicnotice@apgecm.com](mailto:publicnotice@apgecm.com)

Date: 03/09/26

Account #: 412621  
 Customer: DAKOTA COUNTY CDA

Address: 1228 TOWN CENTRE DR  
 EAGAN

Telephone: (651) 675-4400  
 Fax: (651) 287-8050

**Publications:**

Dakota County Tribune

Ad ID: 1523669  
 Copy Line: Elevator Senior Building BIDs

## PO Number:

Start: 03/13/26

Stop: 03/20/2026

Total Cost: \$257.40

# of Lines: 56

Total Depth: 6.35

# of Inserts: 2

Ad Class: 160

Phone # (763) 691-6000

Email: [publicnotice@apgecm.com](mailto:publicnotice@apgecm.com)

Rep No: SE710

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

**ADVERTISEMENT FOR BIDS**

**ELEVATOR MODERNIZATION AT  
MISSISSIPPI TERRACE SENIOR BUILDING**

Notice is hereby given that sealed bids will be received from qualified vendors for the **elevator modernization** at Mississippi Terrace Senior Building 301 Ramsey St. Hastings, MN 55033. Bids will be received by the Housing Development Office at the Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, MN 55123 until (before) **10:00 AM, Wednesday, April 8, 2026.**

At that time, the sealed bids will be publicly opened and read aloud. Bids received after this time and date will be rejected. No telephone bids, fax bids, or electronic bids will be accepted. Bids shall be on the forms provided for that purpose and according to the bid documents as prepared by the Dakota County CDA, or its representative. A bid tabulation or other bid result will be furnished to those that bid the project. Project information is available at our website <https://www.dakotacda.org/doing-business-with-the-cda/contracting-opportunities/>

Sealed bids shall be addressed to:

Dakota County CDA  
1228 Town Centre Drive  
Eagan, MN 55123  
Attn: Vince Markell/Mississippi Terrace Elev. Mod.

There is an optional on-site review: **March 26, 2026 at 10AM.**

Bid security in the amount of 5% of the bid must accompany each bid in accordance with the Instruction to Bidders.

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 Dakota County CDA.

Project contact:  
Vince Markell  
Dakota County Community Development Agency  
[vmarkell@dakotacda.org](mailto:vmarkell@dakotacda.org)  
651-675-4482

Published in the Dakota County Tribune  
March 13, 20, 2026  
1523669

Ad: 1

\$257.40

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

**ADVERTISEMENT FOR BIDS**

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MISSISSIPPI TERRACE SENIOR BUILDING**

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At that time, the sealed bids will be publicly opened and read aloud. Bids received after this time and date will be rejected. No telephone bids, fax bids, or electronic bids will be accepted. Bids shall be on the forms provided for that purpose and according to the bid documents as prepared by the Dakota County CDA, or its representative. A bid tabulation or other bid result will be furnished to those that bid the project. Project information is available at our website <https://www.dakotacda.org/doing-business-with-the-cda/contracting-opportunities/>

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There is an optional on-site review: **March 26, 2026 at 10AM.**

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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 Dakota County CDA.

Project contact:  
Vince Markell  
Dakota County Community Development Agency  
[vmarkell@dakotacda.org](mailto:vmarkell@dakotacda.org)  
651-675-4482

Published in the Dakota County Tribune  
March 13, 20, 2026  
1523669

**Bid Results : Mississippi Terrace Elevator Modernization**

<b>Contractor</b>	<b>Bid Bond</b>	<b>Addendum</b>	<b>Base Bid</b>	<b>Total Price</b>
1 <b>MEI (Minnesota Elevator)</b>	X	0	\$136,892.00	\$136,892.00
2 <b>Midwest Elevator</b>	X	0	\$169,870.00	\$169,870.00
3 <b>Metro Elevator</b>	X	0	\$116,996.00	\$116,996.00



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 5E

**DEPARTMENT:** Housing Development

**FILE TYPE:** Regular - Consent

### TITLE

**Award Contract For Access Control Replacement At Dakota Heights and River Heights Terrace (South St. Paul)**

### PURPOSE/ACTION REQUESTED

- Authorize Deputy Executive Director to execute a contract for Access Control Replacement at Dakota Heights and River Heights Terrace senior housing developments located in South St. Paul.
- Authorize Change Order Authority.

### SUMMARY

This contract is for the replacement of failing locks at Dakota Heights and River Heights Terrace Senior Housing developments. This is part of a long-term plan to roll out new technology and to replace the existing failing and obsolete locks.

On April 2 2026 at 10 a.m. a public bid opening was conducted at the Dakota County CDA office for this project. Multiple contractors were solicited to bid on the project in addition to being publicly advertised (Attachment A) and posted on the CDA's website. Four contractors showed interest in the project with two showing up to the walk-through. Two bids were received with Assured Security as the low bid, Base Bid plus Alternate #1; the bid tabulation is Attachment B. Both parties met the Certified Integrator (CI) and locksmith requirements.

The alternate was included to add matching apartment door levers (Alternate #1). The alternate came in at \$5,647.90 and it would be preferred that the CDA accept this alternate. The contract price, including the Base Bid and Alternate #1 is \$154,487.14; and there are funds available for this project in the current Extraordinary Maintenance budget. It is expected that the project would be completed by September 2026.

### RECOMMENDATION

It is recommended that the Deputy Executive Director be authorized to enter into a contract with Assured Security in the amount of \$154,487.14 and be authorized to sign change orders in amount not to exceed \$15,449 (this is 10% of the contract amount). The solicitation of bids was done in accordance with public bidding requirements and the contractor has successfully completed similar projects for the CDA in the past

### EXPLANATION OF FISCAL/FTE IMPACTS

The \$169,936.14 (contract plus potential change order authority) will be funded from the FYE26 Extraordinary Maintenance Budget and funds will be carried over to FYE27 to complete the project.

None     Current budget     Amendment Requested     Other

**RESOLUTION**

WHEREAS, formal bids were received on April 2, 2026 for the Access Control project at Dakota Heights and River Heights Terrace (South St. Paul) Senior Housing Developments in Dakota County; and

WHEREAS, Assured Security submitted a responsive bid of \$154,487.14; and

WHEREAS, the contract is being recommended by Property Management due to immediate need and the contractor is being recommended on their prior experience on similar projects with the CDA; and

WHEREAS, funds are available in the FYE26 Extraordinary Maintenance Budget for this project; and

WHEREAS, funds will be carried over to FYE27 to complete the project.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the Deputy Executive Director be authorized to sign a construction contract with Assured Security in the amount of \$154,487.14; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to approve change orders in an amount not to exceed \$15,449.

**PREVIOUS BOARD ACTION**

N/A

**ATTACHMENTS**

Attachment A: Public Advertisement

Attachment B: Bid Tabulation

**CONTACT**

Department Head: Kari Gill, Deputy Executive Director

Author: Troy Blakestad, Capital Projects Manager

Ad: 1

\$277.20

**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, Thursday, April 2, 2025**, 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 **Access Control Replacement Project at River Heights Terrace and Dakota Heights Senior Housing Developments in Dakota County, MN.**

**This Project is subject to Minnesota Statutes 2019, section 16C.285 (Responsible Contractor's Act) and therefore requires a Verification of Compliance form included with the bid.**

Bids received after this day and time will be rejected. No telephone bids nor faxed bids will be accepted. Bids shall be on the forms provided for this 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:

**Senior Housing Access Control Replacement Project-Public Bid  
c/o Dakota County CDA, 1228 Town Centre Drive, Eagan, MN 55123  
Attn: Troy Blakestad**

**A mandatory pre-bid walkthrough is scheduled for Wednesday, March 18th to tour both developments. This is required of ALL bidders.** Failure of a bidder to attend the walkthrough immediately subjects their bid to disqualification. Interested bidders can contact **Troy Blakestad @ 651-675-4475** of the Dakota County CDA to obtain bid documents and receive more information regarding the walkthrough and this project.

Bid security in the amount of 5% of the bid must accompany the bid in accordance with the Instruction to Bidders. Any bid not including a bid security will be considered disqualified. Payment and Performance Bonds will also be required of the awarded party.

The CDA hereby notifies all bidders 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.

Troy Blakestad, Capital Projects Manager, Dakota County CDA

Published in the Dakota County Tribune  
March 6, 13, 2026  
1522602

Project: Access Control Replacement Project  
 For Dakota Heights and River Heights Terrace  
 Bid Opening: Thursday, April 2, 2026: 10:00 a.m.  
 BID TABULATION

BIDDER	BID BOND	Addenda 1 Noted	BASE BID	Alternate #1
Safeguard Security	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 164,246.00	\$ 9,359.00
Assured Security	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	\$ 148,839.24	\$ 5,647.90



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 5F

**DEPARTMENT:** Housing Development

**FILE TYPE:** Regular - Consent

### TITLE

**Authorization To Execute Contract For Window and Roof Replacement At Dakota Heights (South St. Paul)**

### PURPOSE/ACTION REQUESTED

- Click or tap here to enter text. Authorize Deputy Executive Director to execute a contract for window and roof replacement at Dakota Heights in South St. Paul.
- Authorize change order authority.

### SUMMARY

This contract is for the window and roof replacement at Dakota Heights senior housing development in South St Paul. This renovation will include replacing the windows, roof, and cladding throughout the building.

On April 8, 2026 at 9 a.m. a public bid opening was conducted at the Dakota County CDA office for the Dakota Heights roof and window replacement project. The bid was publicly advertised (Attachment A) and posted on the CDA website. Eight contractors attended the site walk-through. Five bids were received at the public bid opening.

The lowest bid was submitted by KAT Construction. KAT Construction did not submit a valid bid bond at the time of the bid opening and failed to acknowledge the addendum issued. CNC Construction was the lowest responsive bidder on the project. See Attachment B for bid tabulation.

### RECOMMENDATION

It is recommended that the Deputy Executive Director be authorized to enter into a contract with the lowest responsive bid submitted by a responsible bidder, CNC Construction, in the total amount of \$605,000 (base bid). CNC Construction has performed satisfactorily on similar CDA projects in the past. In a project of this size, it is possible there may be change orders that would result in minor changes to the project. To deal with these change orders more efficiently, while avoiding delays in construction, staff recommends that the Deputy Executive Director be authorized to approve additional change orders up to the amount of \$60,500 (this is 10% of the contract amount).

### EXPLANATION OF FISCAL/FTE IMPACTS

Funds are available for this project in the FYE26 Common Bond budget.

None     Current budget     Amendment Requested     Other

## **RESOLUTION**

WHEREAS, formal bids were received on April 8, 2026 for the Window and Roof Replacement project at Dakota Heights Senior Housing Development in South St Paul; and

WHEREAS, the low bidder KAT Construction did not submit a valid bid bond at the time of bid opening and did not acknowledge the addendum issued for the project resulting in a non-responsive bid; and

WHEREAS, CNC Construction submitted the low, responsive bid of \$605,000; and

WHEREAS, the contractor is being recommended on both low bid result and their prior experience on similar projects for the CDA; and

WHEREAS, funding exists in the FYE 2026 Common Bond Fund Program for this project.

NOW, THEREFORE BE IT RESOLVED by the Dakota County Community Development Agency Board of Commissioners, That the low bid received from KAT Construction was non-responsive and is rejected; and

BE IT FURTHER RESOLVED, That the Deputy Executive Director be authorized to sign a construction contract on behalf of the Dakota County CDA with the low responsible bidder, CNC Construction, in the amount of \$605,000; and

BE IT FURTHER RESOLVED, that the Deputy Executive Director be authorized to approve change orders not to exceed \$60,500.

## **PREVIOUS BOARD ACTION**

N/A

## **ATTACHMENTS**

Attachment A: Public Notice

Attachment B: Bid Tabulation

## **CONTACT**

Department Head: Kari Gill, Deputy Executive Director

Author: Nick Sisterman, Capital Projects Manager

**Ad Proof**

Not Actual Size



EAST CENTRAL MINNESOTA

# -Public Notice Ad Proof-

This is the proof of your ad scheduled to run on the dates indicated below. Please proof read carefully. If changes are needed, please contact us prior to deadline at Cambridge (763) 691-6000 or email at [publicnotice@apgecm.com](mailto:publicnotice@apgecm.com)

<p>Date: 03/10/26</p> <p>Account #: 412621 Customer: DAKOTA COUNTY CDA</p> <p>Address: 1228 TOWN CENTRE DR EAGAN</p> <p>Telephone: (651) 675-4400 Fax: (651) 287-8050</p>	<p>Publications: Dakota County Tribune</p>
<p>Ad ID: 1523883 Copy Line: Window/Roof replaca BID</p> <p>PO Number: Start: 03/13/26 Stop: 03/20/2026</p> <p>Total Cost: \$297.00 # of Lines: 64 Total Depth: 7.5 # of Inserts: 2 Ad Class: 160 Phone # (763) 691-6000 Email: <a href="mailto:publicnotice@apgecm.com">publicnotice@apgecm.com</a> Rep No: SE710</p>	

**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 9:00 AM, Wednesday, April 8th, 2026 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 a Window and Roof Replacement Project at Dakota Heights senior housing apartment buildings in Dakota County.

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. 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 will be opened publicly and read aloud. A bid tabulation will be furnished to the Bidders. Bids shall be addressed to:

Dakota Heights Window and Roof Replacement Project - Public Bid  
c/o Dakota County CDA,  
1228 Town Centre Drive, Eagan, MN 55123  
Attn: Nick Sisterman

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 manager, 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. Payment and performance bonds will also be required of the awarded party. Only a bond issued by a surety, cashier's check or certified check will be accepted.

A mandatory pre-bid walk through is scheduled Wednesday, March 25th, 2026 at 10:00 AM and is required of all bidders. Prospective bidders must meet at the front entrance to Dakota Heights (337 15 th Ave N, South St Paul, MN 55075) no later than 10:00 AM. 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, Nick Sisterman at Dakota County CDA, 651-675-4480 no later than 7:00 AM Monday, March 25, 2026. Failure of a bidder to attend the walk through immediately subjects his/her bid to disqualification.

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 Manager, Dakota County CDA

Published in the Dakota County Tribune  
March 13, 20, 2026  
1523883

Ad: 1

\$297.00

**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 9:00 AM, Wednesday, April 8th, 2026 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 a Window and Roof Replacement Project at Dakota Heights senior housing apartment buildings in Dakota County.

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. 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 will be opened publicly and read aloud. A bid tabulation will be furnished to the Bidders. Bids shall be addressed to:

Dakota Heights Window and Roof Replacement Project - Public Bid  
c/o Dakota County CDA,  
1228 Town Centre Drive, Eagan, MN 55123  
Attn: Nick Sisterman

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 manager, 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. Payment and performance bonds will also be required of the awarded party. Only a bond issued by a surety, cashier's check or certified check will be accepted.

A mandatory pre-bid walk through is scheduled Wednesday, March 25th, 2026 at 10:00 AM and is required of all bidders. Prospective bidders must meet at the front entrance to Dakota Heights (337 15 th Ave N, South St Paul, MN 55075) no later than 10:00 AM. 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, Nick Sisterman at Dakota County CDA, 651-675-4480 no later than 7:00 AM Monday, March 25, 2026. Failure of a bidder to attend the walk through immediately subjects his/her bid to disqualification.

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 Manager, Dakota County CDA

Published in the Dakota County Tribune  
March 13, 20, 2026  
1523883

<b>BIDDER LIST &amp; BID TABULATIONS</b>
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**Public Bid Opening Date & Time:** Wednesday, April 8, 2026, 9:00 am

**Project:** Windows and Roof Replacement

**Project Address:** Dakota Heights

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**Company Name**

CNC Construction	<b>BASE BID \$</b> <u>605,000.00</u>
	<b>Alt #1</b> \$ <u>605,000.00</u>
<b>BID SECURITY</b> <u>  X  </u>	<b>Alt #2</b> \$ <u>522,000.00</u>
<b>VERIFICATION OF COMPLIANCE</b> <u>  X  </u>	<b>ADDENDA NOTED</b> 1 <u>  X  </u>

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**Company Name**

SMC Construction	<b>BASE BID \$</b> <u>634,067.96</u>
	<b>Alt #1</b> \$ <u>620,697.06</u>
<b>BID SECURITY</b> <u>  X  </u>	<b>Alt #2</b> \$ <u>452,930.07</u>
<b>VERIFICATION OF COMPLIANCE</b> <u>  X  </u>	<b>ADDENDA NOTED</b> 1 <u>  X  </u>

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**Company Name**

R J Marco Construction	<b>BASE BID \$</b> <u>1,042,105.00</u>
	<b>Alt #1</b> \$ <u>966,800.00</u>
<b>BID SECURITY</b> <u>  X  </u>	<b>Alt #2</b> \$ <u>861,596.00</u>
<b>VERIFICATION OF COMPLIANCE</b> <u>  X  </u>	<b>ADDENDA NOTED</b> 1 <u>  X  </u>

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# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 6A

**DEPARTMENT:** Community and Economic Development

**FILE TYPE:** Regular - Action

### TITLE

**Conduct A Public Hearing For The Issuance Of A Multifamily Housing Revenue Note, Adopt The Housing Finance Program, Authorize The Issuance Of Multifamily Housing Revenue Note, Allocation Of 4% Housing Tax Credits, And HOME Loan For Burnsville Family Apartments**

### PURPOSE/ACTION REQUESTED

- Conduct and close a public hearing for the issuance of Multifamily Housing Revenue Bonds.
- Adopt the Housing Finance Program related to the Multifamily Housing Revenue Bonds.
- Authorize the issuance of Multifamily Housing Revenue Bonds, the allocation of the 4% Low Income Housing Tax Credits, and HOME Loan.
- Authorize and approve the execution of related documents.

### SUMMARY

The Dakota County Community Development Agency (CDA) received applications from Reuter Walton Development, LLC, the managing general partner of the Burnsville Housing Limited Partnership, a Minnesota limited partnership (the "Borrower"), requesting financing to assist with the acquisition and construction of the 120-unit Old County Road 34 Apartments multifamily rental housing project located in Burnsville (the "Project"). The Project will be a four story general occupancy building with a level of underground parking and additional surface parking for residents and guests. All of the 25 one-bedroom, 63 two-bedroom and 32 three-bedroom units will be rented to households who earn 60% or less of the area median income (AMI). Site amenities include common areas such as a community room, fitness room, conference room, and outdoor walking paths, sport court and children's play area. A site map with a project summary is included in Attachment A.

The Borrower requests the CDA:

- Adopt the Housing Finance Program;
- Issue up to \$18,019,000 of multifamily housing revenue notes in one or more series (the "Note") and loan the proceeds thereof to the Borrower;
- Approve automatic 4% Low Income Housing Tax Credits (the "Tax Credits"); and
- Provide a HOME Loan (the "HOME Loan") in the amount not to exceed \$784,408.87.

The Note will be issued in a principal amount not to exceed \$18,019,000. The Note will be initially purchased by U.S. Bank, National Association and loaned by the CDA to the Borrower to finance the Project. The Note will be a special limited obligation of the CDA payable solely from the revenues generated by the Project. The Borrower has also applied to the CDA for an allocation of 4% low income housing tax credits, which do not require an allocation of any portion of the CDA's volume cap for low income housing tax credits.

The HOME Loan will be made in an aggregate principal amount not to exceed \$784,408.87. It will be funded with monies received by the CDA from U.S. Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships (HOME) Program. The HOME Loan will bear interest 1%, require a 20-year period of affordability for HOME-assisted units and is expected to match the term of the first mortgage, or be due upon the earlier sale or transfer of the Project.

Minnesota Statutes, Chapter 462C (the Act) requires that the Dakota County CDA adopt a Housing Finance Program relating to the Bonds and Section 147(f) of the Internal Revenue Code of 1986 (the Code), as amended, requires the Dakota County CDA to hold a public hearing prior to the issuance of the Bonds. The public hearing is intended to satisfy both of these requirements. The public notice of the hearing was published in the Star Tribune (Attachment B).

### **RECOMMENDATION**

Staff recommends the Board adopt the Housing Finance Program related to the Note; authorize the issuance of the Note; make certain findings that the finance project conforms to the CDA's Qualified Allocation Plan for low income housing tax credits; authorize the HOME Loan contingent upon completion of HOME Program requirements; and authorize the execution and delivery of related documents for the foregoing.

### **EXPLANATION OF FISCAL/FTE IMPACTS**

The Note will be a special limited obligation of the CDA payable solely from the Project revenues and other amounts pledged by the Borrower under the Note documents. No holder of the Note will ever have the right to compel the exercise of any taxing power of the CDA to pay the Note, or the interest thereon, or to enforce payment against any property of the CDA other than the CDA's interest in the Project. The Borrower will pay to the CDA an issuer fee at closing to cover CDA staff costs in processing this request. The Borrower will directly pay all legal and other costs in connection with the issuance of the Note. There are sufficient funds in the HOME Program to award up to \$784,408.87 to this project.

None     Current budget     Amendment Requested     Other

### **RESOLUTION**

WHEREAS, the Dakota County Community Development Agency (the "Dakota County CDA") is authorized by the laws of the State of Minnesota, particularly Minnesota Statutes, Chapters 462C and 474A, as amended (the "Act"), to issue its revenue obligations to finance multifamily rental housing developments pursuant to housing finance programs adopted by the Dakota County CDA and to enter into any agreements in connection therewith; and

WHEREAS, the Dakota County CDA proposes to finance to finance the acquisition, construction and equipping of an approximately 120-unit rental housing facility, designed for occupancy by low and moderate income households located at 2316 Old County Road 34 Place and 2420 Old County Road 34 Place in the City of Burnsville, Minnesota (the "Project"), through (i) the issuance of the Dakota County CDA's Multifamily Housing Revenue Note (Burnsville Family Apartments), 2026 Series A (the "Note"), and (ii) by making a HOME Loan in the amount up to \$784,408.87 (the "HOME Loan") to the Borrower; and

WHEREAS, the aggregate principal amount of the Note will not exceed \$18,019,000; and

WHEREAS, the Project will be owned by Burnsville Housing Limited Partnership, a Minnesota limited partnership (the "Borrower"); and

WHEREAS, the Note will be issued pursuant to a Funding Loan Agreement (the "Funding Loan Agreement"), between the Dakota County CDA and U.S. Bank, National Association, as funding lender (the "Funding Lender"), and will be secured by revenues of the Project pledged to the payment thereof and certain reserves established in connection with the issuance thereof and by a Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, made by the Borrower in favor of the Dakota County CDA (the "Mortgage"), as assigned by the Dakota County CDA to the Funding Lender pursuant to an Assignment of Mortgage (the "Assignment"); and

WHEREAS, proceeds of the Note will be loaned to the Borrower (the "Borrower Loan") pursuant to the terms of a Borrower Loan Agreement (the "Borrower Loan Agreement") between the Dakota County CDA and the Borrower; and

WHEREAS, pursuant to the Act, the Dakota County CDA has developed a Multifamily Housing Financing Program in the form attached hereto as Exhibit A (the "Program") providing for the issuance of the Note and has submitted the program to the Metropolitan Council as required by law; and

WHEREAS, on the date hereof, the Dakota County CDA held a public hearing, following publication of notice as required by law, regarding the adoption of the Program and the issuance of the Note; and

WHEREAS, the Borrower has applied to the Dakota County CDA for an allocation of "automatic" four percent low income housing tax credits for the Project (the "Tax Credit Application"); and

WHEREAS, the Dakota County CDA administers the HOME Investment Partnerships (HOME) Program for Dakota County; and

WHEREAS, proceeds of the HOME Loan will be made to the Borrower pursuant to the terms of a HOME Development Agreement solely from funds received from the U.S. Department of Housing and Urban Development (HUD) under the HOME Program; and

WHEREAS, prior to the commitment of HOME Program funds and the execution of HOME documents, HUD has provided the release of the HOME Program funds for the Project; and

WHEREAS, the Dakota County CDA intends to use remaining carryforward 2025 volume cap allocation in the aggregate amount of not to exceed \$18,019,000 to issue the Note.

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

1. *Public Hearing.* That a public hearing has been conducted in accordance with law and closed.
2. *Program.* The Program is hereby adopted.
3. *Findings.* The Dakota County CDA hereby finds that the issuance, sale and delivery of the Note and the loan of the proceeds thereof to the Borrower to finance the Project in accordance with the Program, the Funding Loan Agreement and the Borrower Loan Agreement are

consistent with the purposes of the Act. The Dakota County CDA further finds that the Project and the Borrower's Tax Credit Application comply with the applicable requirements of the Dakota County CDA's current Qualified Allocation Plan for four percent low income housing tax credits. The Dakota County CDA further finds that it is in the best interest of the public health, safety and welfare that it make the HOME Loan to the Borrower.

4. *Authorization of Issuance and Delivery of the Note.* In order to finance the Project and pay costs of issuance, the Dakota County CDA hereby authorizes the issuance and delivery of the Note. The Note shall be dated, shall mature, shall bear interest, shall be subject to redemption prior to maturity, and shall be in such form and have such other details and provisions as are prescribed in the Funding Loan Agreement and the Borrower Loan Agreement in substantially the forms now on file with the Dakota County CDA, subject to such changes not inconsistent with applicable law that are approved by the Executive Director. The issuance and delivery of the Note shall be conclusive evidence that the Executive Director has approved all provisions of the Note as issued and any changes to the form of the Note on file with the Dakota County CDA on the date hereof. The final terms of the Note will be determined by the Executive Director of the Dakota County CDA, with the aggregate principal amount of the Note expected not to exceed \$18,019,000.
5. *Special Obligations.* The Note shall be a special limited obligation of the Dakota County CDA payable solely from the revenues generated by the Project. The Note does not constitute an indebtedness, liability, general or moral obligation (except to the extent of the assets pledged to the holder of the Note pursuant to the Funding Loan Agreement or Borrower Loan Agreement) or a pledge of the faith and credit or any taxing power of the Dakota County CDA, Dakota County, the State of Minnesota, or any political subdivision thereof.
6. *Applicable Elected Representative.* The members of the Board of Commissioners of the Dakota County CDA are the elected members of the Dakota County Board of Commissioners. Accordingly, approval of the issuance of the Note by the Board of Commissioners constitutes approval by the applicable elected representative of the Dakota County CDA, as required by Section 147(f) of the Code.
7. *Authorization of HOME Loan.* In order to provide additional funds to finance the Project, the Dakota County CDA hereby authorizes up to \$784,408.87 in HOME Program funds for the Project and making the HOME Loan to the Borrower subject to award contingencies approved by the Executive Director. The HOME Loan shall be made on terms and pursuant to documents approved by the Executive Director (the "HOME Documents") in accordance with the requirements of the HOME Program.
8. *Documents.* The following documents have been submitted to the Dakota County CDA for approval:
  - a. the Funding Loan Agreement;
  - b. the Borrower Loan Agreement;
  - c. the Note;
  - d. the Assignment; and
  - e. a Regulatory Agreement between the Dakota County CDA, the Borrower, the Funding Lender, and the fiscal agent named therein.

The foregoing documents to be executed by the Dakota County CDA are hereinafter referred to as the "Note Documents."

9. *Approval and Execution of Documents.* The Executive Director of the Dakota County CDA, or in his absence, the Deputy Executive Director or any member of the Board of Commissioners of the Dakota County CDA (the "CDA Official"), is hereby authorized and directed to enter into, execute, and deliver the Note Documents, together with any other documents necessary or convenient in connection with the issuance of the Note and the HOME Documents (together with the Note Documents, the "Documents"), and is hereby authorized and directed to execute and deliver the Note in accordance with the terms of the Funding Loan Agreement. The Documents shall be substantially in the form now on file with the Dakota County CDA, with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Executive Director, in his discretion, shall determine, and the execution and delivery thereof by the CDA Official shall be conclusive evidence of such determination.

The Funding Loan Agreement and the Note shall provide the forms and conditions, covenants, rights, obligations, duties, and agreements of the holder of the Note and the Dakota County CDA, as set forth therein.

All the provisions of the Documents, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

10. *Additional Certificates, Instruments and Documents.* The CDA Official is hereby authorized to execute and deliver, on behalf of the Dakota County CDA, such other certificates, instruments, and other documents as are necessary, customary, or appropriate in connection with the issuance, sale, and delivery of the Note, or are necessary to establish the validity or enforceability of the Note, or are required by bond counsel to establish the validity or enforceability of the Note or the exclusion from gross income of interest on the Note for purposes of federal and State of Minnesota income taxation.
11. *Borrower Documents.* In connection with the issuance of the Note and the making of the Borrower Loan, the Borrower will be required to execute and deliver: (i) the Borrower Loan Agreement and the other Documents to be executed by the Borrower; (ii) the Mortgage, as subsequently assigned to the Funding Lender by the Dakota County CDA, pursuant to which the Borrower will provide a mortgage lien on the Project to secure the Borrower Loan and the Note; and (iii) other documents, instruments, and security of any nature required by the Dakota County CDA, Funding Lender or bond counsel.
12. *Volume Cap.* The Note will require volume cap. The Dakota County CDA has allocated a portion of its remaining 2025 volume cap allocation, in the aggregate amount of not to exceed \$18,019,000, available for qualified residential rental projects towards the issuance the Note.
13. *42(m) Letters.* The Executive Director is authorized and directed to execute and deliver to the Borrower, on behalf of the Dakota County CDA, a letter or letters required by Sections 42(m)(1)(D) or 42(m)(2)(D) of the Internal Revenue Code of 1986, as amended, and to take such other actions as may be necessary or convenient in connection with the allocation to the Project by the Dakota County CDA of "automatic" four percent tax credits.

14. *Limited Liability.* All covenants, stipulations, obligations, and agreements of the Dakota County CDA contained in this resolution and the aforementioned certificates, instruments, and Documents shall be deemed to be the covenants, stipulations, obligations, and agreements of the Dakota County CDA to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations, and agreements shall be binding upon the Dakota County CDA. No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned certificates, instruments, or Documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Board of Commissioners of the Dakota County CDA, or any officer, agent, or employee of the Dakota County CDA in that person's individual capacity, and neither the Board of Commissioners of the Dakota County CDA nor any officer or employee executing the Note shall be liable personally on the Note or be subject to any personal liability or accountability by reason of the issuance thereof.

No provision, covenant, or agreement contained in the aforementioned certificates, instruments, or Documents, or in the Note, or in any other document related to the Note, and no obligation therein or herein imposed upon the Dakota County CDA or the breach thereof, shall constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge upon its general credit or taxing powers. The Note shall never constitute indebtedness of the Dakota County CDA within the meaning of any provision or limitation of the Minnesota Constitution or statutes and shall not constitute or give rise to any pecuniary liability of the Dakota County CDA or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the Dakota County CDA has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Borrower Loan Agreement and which are to be applied to the payment of the Note, as provided therein.

15. *Third Parties.* Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the Dakota County CDA or any owner of the Note issued under the provisions of this resolution any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provision hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the Dakota County CDA and any owner from time to time of the Note issued under the provisions of this resolution.

16. *Invalid Provisions.* In case any one or more of the provisions of this resolution or any of the Documents shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or of the Documents, but this resolution and the Documents shall be construed and endorsed as if such illegal or invalid provision had not been contained therein.

17. *Bond Recital.* The Note, when executed and delivered, shall contain a recital that it is issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Note and the regularity of the issuance thereof and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Note, and to the execution of the aforementioned documents to happen, exist, and be performed precedent to and in the enactment of this resolution, and precedent to issuance of

the Note, and precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

18. *CDA Official.* The CDA Official is hereby authorized to do all acts and things required of him or her by or in connection with this resolution, the aforementioned certificates, instruments, or Documents, and the Note for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Note, the aforementioned certificates, instruments, and Documents, and this resolution. If any person whose signature appears on any of the foregoing certificates, instruments, or Documents shall cease to be a CDA Official before the date of issuance of the Note, such signature shall, nevertheless, be valid and sufficient for all purposes.
19. *Future Amendments.* The authority to approve, execute and deliver future amendments to the Documents relating to the Note is hereby delegated to the Executive Director, subject to the following conditions: (a) the holder of the Note has consented to such amendment (if such Noteholder consent is required); (b) such amendments do not materially adversely affect the interests of the Dakota County CDA; (c) such amendments do not contravene or violate any policy of the Dakota County CDA; (d) such amendments are acceptable in form and substance to bond counsel or other counsel retained by the Dakota County CDA to review such amendments; and (e) the Dakota County CDA has received an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character of interest on the Note. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this resolution. The execution of any instrument by the Executive Director shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof.

**EXHIBIT A**  
**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**  
**MULTIFAMILY HOUSING FINANCE PROGRAM**

Pursuant to Minnesota Statutes, Chapters 462C and 474A (together, the “Act”), the Dakota County Community Development Agency (the “CDA”) is authorized to undertake multifamily housing development projects and to issue its revenue bonds to finance such projects.

Minnesota Statutes, Section 462C.03, requires the adoption of a housing program following a public hearing prior to the issuance of conduit revenue bonds or other obligations under Section 462C.

Burnsville Housing Limited Partnership, a Minnesota limited partnership (the “Borrower”), has requested that the CDA adopt this Multifamily Housing Finance Program (the “Program”) in connection with the issuance by the CDA of its multifamily housing revenue bonds in one or more series of tax-exempt and/or taxable obligations (the “Bonds”) to finance the acquisition, construction and equipping of an approximately 120-unit rental housing facility, designed for occupancy by low and moderate income households to be located at 2316 Old County Road 34 Place and 2420 Old County Road 34 Place in the City of Burnsville, Minnesota (the “Project”), and to be owned and operated by the Borrower.

The Project will be acquired and constructed in accordance with the requirements of Subdivisions 1 and 2 of Section 462C.05 of the Act.

The CDA has determined that undertaking the Project furthers the CDA's local and regional housing policies and is in the best interest of the public health, safety and welfare of the people of Dakota County.

Section A. Program For Financing the Project. The CDA is establishing this Program to provide financing for acquisition and construction of the Project at such costs and upon such other terms and conditions as may be determined by the CDA in accordance with the Act. The proceeds of the Bonds and certain equity generated by low-income housing tax credits will be applied by the Borrower to finance the acquisition, construction and equipping of the Project and to pay the costs of issuing the Bonds.

Section B. Local Contributions To The Program. The Borrower expects to pay certain administrative costs of the Program from Bond proceeds and revenues generated by the Project. The Bonds will be secured by a pledge of specific revenues described in the indenture pursuant to which the Bonds will be issued. The CDA will not make any contribution to the cost of the Project. The CDA will not hire additional staff for the administration of this Program.

Section C. Standards and Requirements Relating to the Financing of the Project Pursuant to the Program. The following standards and requirements shall apply with respect to the operation of the Project by the Borrower:

- (1) Substantially all of the proceeds of the sale of the Bonds will be applied to the acquisition, construction and equipping of the Project and payment of costs of issuance. The proceeds will be made available to the Borrower pursuant to the terms of the Bond offering, which will include certain covenants to be made by the Borrower to the CDA regarding the use of proceeds and the character and use of the Project.
- (2) The Borrower, and any subsequent owner of the Project, will not arbitrarily reject an application from a proposed tenant because of race, color, creed, religion, national origin, sex, marital status, or status with regard to public assistance or disability.
- (3) Pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended, either 20% or more of the units in the Project shall be occupied by persons at 50% or less of the area median income or 40% or more of the units in the Project shall be occupied by persons at 60% or less of the area median income. Pursuant to Minnesota Statutes, Section 474A.047, Subd. 1, the maximum rent for at least 20% of the units in the Project will not exceed the area fair market rents or exception fair market rents for existing housing, if applicable, established by HUD.
- (4) Pursuant to Section 462C.05, Subd. 2 of the Act, at least 20 percent of units in the Project will be occupied by persons at 80 percent or less of the area median income.

Section D. Issuance of Bonds. To finance the Project pursuant to this Program, the CDA expects to issue the Bonds in one or more series of tax-exempt and/or taxable obligations in an aggregate principal amount not exceeding \$18,019,000. It is anticipated that the Bonds issued under

this Program will have a final maturity of twenty (20) years or less. The Bonds will be priced to the market at the time of issuance.

The cost of the Project may change between the date of preparation of this Program and the date of issuance of Bonds for the Project.

Section E. Severability. The provisions of this Program are severable and if any of its provisions, sentences, clauses or paragraphs shall be held unconstitutional, contrary to statute, exceeding the authority of the CDA or otherwise illegal or inoperative by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Section F. Amendment. The CDA shall not amend this Program, while Bonds authorized hereby are outstanding, to the detriment of the holders of such Bonds.

Section G. Volume Cap. The Bonds will require volume cap. The Issuer has carryforward allocation in the amount of \$44,419,798 available for qualified residential rental projects, a portion of which may be used to issue the Bonds.

**PREVIOUS BOARD ACTION**

25-7029; 11/18/2025

25-7047; 12/16/2025

26-7074; 2/17/2026

26-7089; 3/24/2026

**ATTACHMENTS**

Attachment A: Old County Road 34 Housing Project Summary

Attachment B: Affidavit of Publication

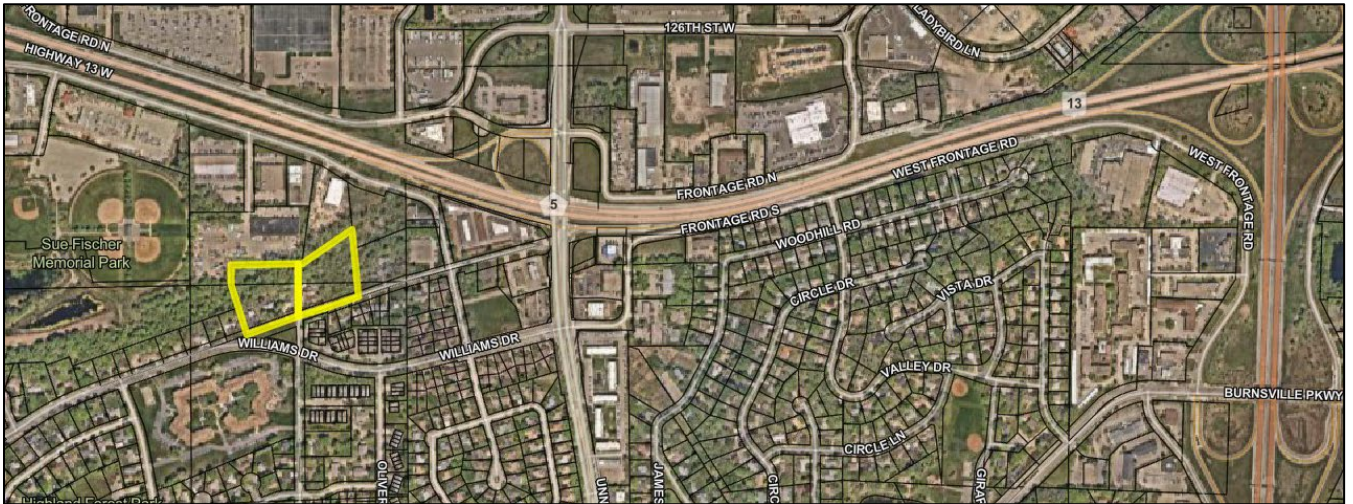
**CONTACT**

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Kathy Kugel, Housing Finance Manager

**Attachment A. Old County Road 34 Affordable Housing Project Summary**

Located at  
 2316 and 2420 Old County Road 34 Place, Burnsville, MN 55337



**Project Summary:**

- A single four-story elevator building with one level of underground parking
- 120 units of general occupancy rental housing:
  - 25 one-bedroom units (21% of all units)
  - 63 two-bedroom units (53% of all units)
  - 32 three-bedroom units (27% of all units)
- community amenities include a community room, fitness center, conference room and outdoor walking paths, sport court and children’s play area.

**Affordability Requirements:**

	All Units	Rent & Income Limits (MTSP)	(2025) Max Gross Rents (MTSP)	Tax Credit Units	Tax Exempt Bond Units	HOME Program Units
<b>Length of Affordability</b>				Min. 30 years	Min. 15 years	Min. 20 years
<b>Number of units</b>	120					3 units
<b>Percent of Total Units</b>	100%			100%	Min 20% of units	
<b>Rent Limits</b>				@ < 60% AMI	@< FMR	
1-bedroom	32	60%	\$1,490	32	0	1
2-bedroom	63	60%	\$1,788	63	0	1
3-bedroom	32	60%	\$2,062	32	32	1

\* AMI is Area Median Income

MTSP is Multifamily Tax Subsidy Projects

FMR is Fair Market Rents

**AFFIDAVIT OF PUBLICATION**

STATE OF MINNESOTA ) ss  
COUNTY OF DAKOTA

I do solemnly swear that the notice, as per the proof, was published in the edition of the

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 04/03/2026 and the last insertion being on 04/03/2026.

**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: Ann Gurs  
Designated Agent

Subscribed and sworn to or affirmed before me on 04/03/2026.

[Signature]  
Notary Public



**Rate Information:**

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

\$27.40 per column inch

Ad ID 1527995

**NOTICE OF PUBLIC HEARING ON A HOUSING FINANCE PROGRAM**

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY**

NOTICE IS HEREBY GIVEN that the Dakota County Community Development Agency (the "CDA") will meet on Tuesday, April 21, 2026, at or after 3:00 p.m. at 1228 Town Centre Drive, Eagan, Minnesota for the purpose of conducting a public hearing in accordance with Minnesota Statutes, Chapter 462C and Section 147(f) of the Internal Revenue Code of 1986, as amended, regarding the adoption of a housing finance program (the "Program") and a plan of finance, including the issuance of the Bonds described below. This public hearing was originally scheduled for December 16, 2025, and was opened and continued by the CDA until April 21, 2026. The Program provides for the issuance by the CDA of not to exceed \$18,019,000 of multifamily housing revenue bonds in one or more series of tax-exempt and/or taxable obligations (the "Bonds"), the proceeds of which will be loaned to Burnsville Housing Limited Partnership, a Minnesota limited partnership (the "Owner"), to finance the acquisition, construction and equipping of an approximately 120-unit rental housing facility, designed for occupancy by low and moderate income households (the "Project") located at 2316 Old County Road 34 Place and 2420 Old County Road 34 Place in the City of Burnsville, Minnesota.

The Bonds will be issued in an aggregate principal amount anticipated not to exceed \$18,019,000. The Bonds shall be limited obligations of the CDA and the principal and interest thereon shall be payable solely from the revenues and proceeds pledged to the payment thereof. No holder of any such Bonds shall ever have the right to compel the exercise of any taxing power of the CDA to pay the Bonds, or the interest thereon, nor to enforce payment against any property of the CDA except the Project.

All persons interested can participate in one or both of the following ways:

- All persons interested may appear and be heard at the time and place set forth above.
- The public may comment in writing or via voicemail. Any comments and materials submitted by 9:00 am of the day of the meeting will be attached to the public record and available for review by the Board. Comments may be submitted to the Clerk of the Board via email at [sjacobson@dakotacda.org](mailto:sjacobson@dakotacda.org) or by voicemail at 651-675-4434.

BY ORDER OF THE BOARD OF COMMISSIONERS OF THE DAKO-

TA COUNTY COMMUNITY DEVELOPMENT AGENCY

By /s/ Tony Schertler  
Executive Director

Published in the  
Dakota County Tribune  
April 3, 2026  
1527995



# Board of Commissioners

## Request for Board Action

Meeting Date: April 21, 2026

Agenda #: 6B

**DEPARTMENT:** Community and Economic Development

**FILE TYPE:** Regular - Action

### TITLE

**Public Hearing To Receive Comments And Adoption Of The 2027 Qualified Allocation Plan For Low Income Housing Tax Credits**

### PURPOSE/ACTION REQUESTED

- Conduct and close public hearing to receive comments on the 2027 Qualified Allocation Plan for Low Income Housing Tax Credits.
- Adopt the 2027 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 (Code) and Minnesota Statutes Sections 462A.221 through 462A.225, to allocate Low Income Housing Tax Credits (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 February 17, 2026 meeting to be held on April 21, 2026 and notice was published in the Dakota County Tribune on April 3, 2026, not less than 10 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 4,612 units of affordable rental housing in 73 developments in Dakota County (Attachment B).

The Housing Tax Credit Program is administered by Minnesota Housing 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. The QAP and Procedural Manual establish the procedure and selection criteria for a competitive application process for the 9% Tax Credits, as well as 4% Tax Credits allocated on a non-competitive basis to projects financed with tax exempt bonds. The application deadline for the competitive 9% 2027 Housing Tax Credits is tentatively set for July 9, 2026.

The CDA is currently authorized to allocate an estimated \$1,411,414 of 2027 9% Tax Credits. A summary of the 2027 QAP points is in Attachment C and the proposed 2027 QAP with changes redlined is Attachment D. In addition to the formatting and administrative revisions (including updating

dates, credit amounts, and clarifying text) to the 2027 QAP, the most substantive revisions to the QAP proposed for 2027 include:

**a. Selection Criteria**

**(a.1) Preservation of Federally Assisted Affordable Housing:**

Preserving existing affordable rental housing with federal project-based assistance is an important priority of the CDA. While new construction is important, the loss of affordable housing with federal assistance due to expiring affordability restrictions, physical deterioration, or market pressures is a continued concern in Dakota County. Properties with federal project-based rental assistance provide true affordability by linking rents directly to household income and allows lower income renter households to spend no more than 30% of their income on housing. To ensure these preservation projects are properly positioned as a priority project staff proposes increasing the number of points these federally assisted housing projects receive from 25 points to 35 points.

**(a.12) Homelessness/Permanent Supportive Housing Units:**

The homeless set-aside criteria was added to the 2019 QAP and since then Dakota County has set-aside 33 Tax Credit units in 9 properties for households who are homeless. Staff propose taking a pause from this scoring criteria and will remove this criteria and points. This will allow time for staff to review the criteria and its impact on property management and service providers.

**RECOMMENDATION**

Staff recommends adoption of the 2027 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 IMPACTS**

None.

- None
- Current budget
- Amendment Requested
- Other

**RESOLUTION**

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 (CDA) is authorized to allocate low income housing tax credits (the "Tax Credits"); and

WHEREAS, in accordance with Section 42 of the Code, the CDA Board held a public hearing on April 21, 2026 regarding a Qualified Allocation Plan (the "QAP") 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 10 days prior to the date hereof, which constitutes reasonable notice under the Code; and

WHEREAS, the CDA is currently authorized to allocate approximately \$1,411,414 of 9% 2027 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 9% 2027 Tax Credits by Minnesota Housing, which is expected to be July 9, 2026.

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

1. The public hearing has been conducted in accordance with the law and closed.
2. The QAP is hereby adopted in substantially the form on file with the CDA and staff are hereby authorized to prepare a Procedural Manual and a Program Compliance Guide 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 Minnesota Housing’s first round deadline.
3. 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.

**PREVIOUS BOARD ACTION**

26-7073; 2/17/2026

**ATTACHMENTS**

Attachment A: Affidavit of Publication

Attachment B: 9% and 4% Tax Credit Awards in Dakota County

Attachment C: 2027 Qualified Allocation Plan Point Summary

Attachment D: 2027 Qualified Allocation Plan with redlined changes

**CONTACT**

Department Head: Lisa Alfson, Director of Community and Economic Development

Author: Kathy Kugel, Housing Finance Manager

# AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA ) ss  
COUNTY OF DAKOTA

I do solemnly swear that the notice, as per the proof, was published in the edition of the

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 04/03/2026 and the last insertion being on 04/03/2026.

## 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:   
Designated Agent

Subscribed and sworn to or affirmed before me on 04/03/2026.

  
Notary Public



### Rate Information:

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

\$27.40 per column inch

Ad ID 1527494

## DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Dakota County Community Development Agency (the "Agency") will meet on Tuesday, April 21, 2026, at or after 3:00 p.m. at its offices located at 1228 Town Centre Drive, Eagan, Minnesota 55123, for the purpose of conducting a public hearing regarding the adoption of its 2027 Qualified Allocation Plan, which has been prepared in compliance with Section 42 of the Internal Revenue Code of 1986, as amended ("Code"). Section 42 of the Code authorizes housing credit agencies such as the Agency to allocate low income housing tax credits ("Tax Credits") to owners of qualified residential rental projects. The 2027 Qualified Allocation Plan establishes selection criteria to be used by the Agency in the allocation of Tax Credits in Dakota County.

Members of the public can participate in the public hearing in one of the following ways:

- All persons interested may appear and be heard at the time and place set forth above.
- The public may comment in writing or via voicemail. Any comments and materials submitted by 10:00 am of the day of the meeting will be attached to the public record and available for review by the Board. Comments may be submitted to the Clerk of the Board via email at sjacobson@dakotacda.org or by voicemail at 651-675-4434.

BY ORDER OF THE DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
By /s/ Tony Schertler  
Executive Director

Published in the  
Dakota County Tribune  
April 3, 2026  
152

Tax Credit Type	Allocation Year	Project Name	City	Owner/Developer	Type	Tax Credit Units	Total Units	Affordability End Date
9%	1988 & 1989	Wescott Hills	Eagan	Wescott V LP	New construction	16	16	2004
9%	1990	Parkside Townhomes	Burnsville	Dakota County CDA	New construction	22	22	2027
	1992 (MHFA)	Covington Court Apartments	West St. Paul	Goldmark Property Management, I	Rehabilitation	158	160	2023
9%	1991 & 1992	Glenbrook Place Townhomes	Apple Valley	Dakota County CDA	New construction	39	39	2023
9%	1994 (MHFA)	Spruce Pointe Townhomes	Inver Grove Heights	Dakota County CDA	New construction	24	24	2024
9%	1994 (MHFA)	Timber Ridge	Burnsville	Duffy	New Construction	48	49	2024
9%	1994	Lakeville Court Apartments	Lakeville	Sand Companies	New construction	50	52	2025
9%	1995	Oak Ridge Townhomes	Eagan	Dakota County CDA	New construction	42	42	2025
9%	1996	Pleasant Ridge Townhomes	Hastings	Dakota County CDA	New construction	31	31	2026
9%	1997	Cedar Valley Townhomes	Lakeville	Dakota County CDA	New construction	30	30	2027
9%	1998	Chasewood Townhomes	Apple Valley	Dakota County CDA	New construction	27	27	2028
9%	1998 & 1999	Farmington Townhomes	Farmington	Sherman Associates	New construction	16	16	2029
9%	1999 & 2000	Farmington Family Townhomes	Farmington	Hornig Companies	New construction	28	32	2031
9%	1999 & 2001	Country Lane Townhomes	Lakeville	Dakota County CDA	New construction	29	29	2030
9%	2000	Hillside Gables Townhomes	Mendota Heights	Dakota County CDA	New construction	24	24	2030
9%	2001	Hastings Marketplace Townhomes	Hastings	Dakota County CDA	New construction	28	28	2031
9%	2002	Burnsville HOC Townhomes	Burnsville	Dakota County CDA	New construction	34	34	2032
9%	2002	Clark Place Apts (fka Kaposia Terrace)	South St. Paul	DRS Investment VII LLC (orig was Real Estate Equities)	New construction	20	20	2032
9%	2003	Erin Place Townhomes	Eagan	Dakota County CDA	New construction	34	34	2033
9%	2003	Prairie Crossing Townhomes	Lakeville	Dakota County CDA	New construction	40	40	2034
9%	2004	LaFayette Townhomes	Inver Grove Heights	Dakota County CDA	New construction	30	30	2035
9%	2004	Haralson Apartments	Apple Valley	CHDC	New supportive & workforce	36	36	2035
9%	2005 & 2007	West Village Townhomes	Hastings	Dakota County CDA	New construction	21	21	2036
9%	2006	Chowen Bend Townhomes	Burnsville	Chris Cooper (orig was Dominion)	Preservation/Rehabilitation	32	32	2036
9%	2006 & 2008	Carbury Hills Townhomes	Rosemount	Dakota County CDA	New construction	32	32	2037
9%	2007	Cliff Hills Townhomes	Burnsville	Shleter Corporation	Preservation/Rehabilitation	32	32	2037
9%	2007 & 2008	Twin Ponds Townhomes	Farmington	Dakota County CDA	New construction	25	25	2038
9%	2007 & 2008	Rosemount Greens	Rosemount	TCHDC	Preservation/Rehabilitation	28	28	2036
9%	2008 & 2009 & 2010	Meadowlark Townhomes	Lakeville	Dakota County CDA	New construction	40	40	2039
9%	2009	Chancellor Manor	Burnsville	CHDC	Preservation/Rehabilitation	186	200	2039
9%	2010	Quarry View Townhomes	Apple Valley	Dakota County CDA	New construction	45	45	2040
9%	1990 & 1991 & 2008	Kidder Park Townhomes (fka Park Place)	Rosemount	Boisclair Corporation	New construction/ 2008 substantial rehab	36	36	2021 2041
9%	1994 & 2011 (MHFA)	Andrews Pointe	Burnsville	Shleter Corporation	New construction/2011 rehab	57	57	2022 & 2040
9%	2011	Twin Ponds (Phase II) Townhomes	Farmington	Dakota County CDA	New construction	26	26	2041
9%	2012	Northwoods Townhomes	Eagan	Dakota County CDA	New construction	47	47	2042
9%	2013	Inver Hills TH/ Riverview Ridge TH	IGH & Eagan	Dakota County CDA	New construction	51	51	2043
9%	2014 & 2015	Lakeshore Townhomes	Eagan	Dakota County CDA	New construction	50	50	2044
9%	2015	Keystone Crossing Townhomes	Lakeville	Dakota County CDA	New construction	36	36	2045
9%	2016	Artspace Hastings Lofts	Hastings	Artspace	New construction	37	37	2046
9%	2017	Lakeville Pointe	Lakeville	Ron Clark/Connelly Development	New construction	49	49	2046
9%	2018	Prestwick Place Townhomes	Rosemount	Dakota County CDA	New construction	40	40	2048
9%	2001 & 2002 and 2019	Guardian Angels Apartments & Townhomes	Hastings	CommonBond (2001 was Sherman Associates)	Substantial Rehab/Stabilization (2001)	33	33	2049
9%	2019 & 2020	Wexford Place Apartments	Rosemount	Ron Clark/Connelly Development	New construction	49	49	2054
9%	2020	Prairie Estates	Inver Grove Heights	TCHDC	Preservation/Rehab	40	40	2051
9%	2020 & 2021	Lexington Flats	Eagan	MWF Properties LLC	New construction	50	50	2050
9%	2021 & 2022	Babcock Crossing	Inver Grove Heights	Ron Clark/Connelly Development	New construction	49	49	2052
9%	2023 & 2024	Denmark Trail Townhomes	Farmington	Dakota County CDA	New construction	40	40	TBD
9%	2024 & 2025	Pillsbury Ridge	Burnsville	MWF Properties LLC	New construction	48	48	TBD
9%	2025 & 2026	Kenyon Green	Lakeville	Ron Clark/Connelly Development	New	49	49	TBD
9%	2026	Camber Hill Townhomes	South St. Paul	TCHDC	Preservation/Rehab	44	44	TBD
<b>Total 9%</b>	<b>50</b>					<b>Total 9%</b>	<b>2,078</b>	<b>2,101</b>
Tax Credit Type	Allocation Year	Project Name	City	Owner/Developer	Type	Tax Credit Units	Total Units	Affordability End Date
4%	2001	Clark Place Apts (fka Rose Apartments/aka Kaposia Apartments)	South St. Paul	DRS Investment VII LLC (orig was Real Estate Equities)	Acquisition/Rehab	48	48	2031
4%	2002	Grande Market Place	Burnsville	Sherman	New Construction	53	113	2033
4%	2004 (MHFA)	Cedar Villas	Eagan	Shleter Corporation	New Construction	21	104	2034 (HOPE 2049)
4%	2004 (MHFA)	Hearthstone Apartments (fka Regatta)	Apple Valley	Stonebridge Communities (Jankens)	New Construction	50	229	2034 (HOPE 6/1/2047)
4%	2005 (MHFA)	Blackberry Pointe Apartments (fka Bren	Inver Grove Heights	Michael Development (Jankens)	New Construction	88	219	2034 (TIF 1/28/2035)
4%	2006	Spruce Place Apartments	Farmington	CommonBond	Acquisition/Rehab	60	61	2035
4%	2006 (MHFA)	Oak Ridge Manor	Hastings	CommonBond	Preservation (202)/Rehab	109	109	2035
4%	2006 (MHFA)	Fairfield Terrace	Lakeville	CommonBond	Preservation (202)/Rehab	24	24	2035
4%	2006 (MHFA)	Mount Carmel Manor	West St. Paul	CommonBond	Preservation (202)/Rehab	60	60	2035
4%	2009 (MHFA)	Waterford Commons	Rosemount	Stonebridge Communities (Jankens)	New Construction	24	108	2038 (HOPE 9/1/2048)
4%	2015	The Sanctuary at WSP	West St. Paul	SCA Shelter	New Construction	164	164	2046
4%	2016	Legends at Apple Valley	Apple Valley	Dominium	New Construction	163	163	2047
4%	2017	Whitney Grove TH (fka Oaks of AV)	Apple Valley	CommonBond	Acquisition/Rehab	55	56	2046
4%	2018	Winslow (fka DARTS) Senior	West St. Paul	Real Estate Equities	New Construction	172	172	2049
4%	2020	Aster House	Eagan	Real Estate Equities	New Construction	204	204	2051
4%	2021	Hilltop at Signal Hills	West St. Paul	Dominium	New Construction	146	146	2052
4%	2021	Legacy Commons at Signal Hills	West St. Paul	Dominium	New Construction	247	247	2052
4%	2021	The Quill	Hastings	Real Estate Equities	New Construction	90	90	2051
4%	2022	The Villas at Pleasant Avenue	Burnsville	MWF Properties LLC	New Construction	150	150	2053
4%	2023	The Landing at Amber Fields	Rosemount	Real Estate Equities	New Construction	160	160	2054
4%	2022	The Villas at Pleasant Avenue II	Burnsville	MWF Properties LLC	New Construction	110	110	TBD
4%	2023	Croft at Roscott	Rosemount	Schafer Richardson	New Construction	164	164	TBD
4%	2024	Volta Apartments	Burnsville	Roers Companies	New Construction	172	172	TBD
<b>Total 4%</b>	<b>23</b>					<b>Total 4%</b>	<b>2,534</b>	<b>3,073</b>
<b>9% and 4%</b>	<b>73</b>					<b>Total 9% and 4%</b>	<b>4,612</b>	<b>5,174</b>

2027 Qualified Allocation Plan - Self-Scoring Worksheet Summary		
Description	Change from 2026	2027 Points
<b>a. Selection Criteria:</b>		
1. New construction to increase supply	Same	10 pts
2. Preservation - Federally Assisted Housing OR Preservation – near end of affordability requirements	Add 10 pts  Same	35 pts  OR 10 pts
3. Stabilization – trouble with occupancies/net revenues (points for #2 or #3)	Same	5 pts
4. Readiness – land use and zoning	Same	5 pts
5. Readiness – permanent funding sources secured	Same	Up to 15 pts
6. Community priority locations - gov't owned	Same	10 pts
7. Long Term Affordability	Same	Up to 8 pts
8. Larger Family Size Units	Same	Up to 6 pts
9. Accessible units	Same	5 pts
10. Ownership by Non-Profit or Government	Same	5 pts
11. Intermediary costs	Same	Up to 6 pts
<del>12. Homelessness/Permanent Supportive Housing Units</del> Set aside 5%– 9.99%, but no fewer than 2 Tax Credit units (5 points) Set aside 10% – 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) 4% Projects Only: Set aside 2 Tax Credit units (5 points)	Remove    Remove	<del>Up to 15 pts</del>    5 pts
<del>13.12.</del> Community Development Initiative	Same	5 pts
14.13. Eventual tenant ownership	Same	1 pt
<del>15.14.</del> Unacceptable practices	Same	Up to -50 pts
<del>16.15.</del> Access to transit	Same	Up to 5 pts
<b>b. Preference Priorities:</b>		
1. Previous Tax Credit commitment/reservation	Same	30 pts
2. Serves the lowest income tenants	Same	Up to 15 pts
3. Geographic Balance	Same	5 pts
	<b>Maximum Points</b>	<b>2026</b>
	New Construction	146
	Rehabilitation	161
		<b>2027</b>
		131
		156



Dakota County  
Community Development  
Agency

**DAKOTA COUNTY CDA**

**HOUSING TAX CREDIT**

**~~2026-2027~~ QUALIFIED ALLOCATION PLAN**

**~~(QAP) (Amended)~~**

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**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY  
LOW-INCOME HOUSING TAX CREDIT  
QUALIFIED ALLOCATION PLAN FOR ~~2026~~2027**

ARTICLE 1  
DEFINITIONS

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

- a. Act: Minnesota Statutes, Sections 462A.221 through 462A.225, as amended.
- b. Agency: The Dakota County Community Development Agency.
- c. Code: The Internal Revenue Code of 1986, as amended.
- 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(d)(6)(C), 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”).
- f. 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)(1)(B) of the Code in connection with the allocation of ~~2026~~2027 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.

- 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.
  
- l. Tax Credit Agencies: Any entity authorized by the State of Minnesota and Section 42 to allocate Tax Credits in Minnesota.
  
- 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 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 \$~~1,171,843~~1,411,414 of ~~2026-2027~~ Tax Credits pursuant to this Plan.<sup>1</sup>

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, 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.

<sup>1</sup> The estimated ~~2026~~2027 Tax Credit amount was provided by MHFA as of ~~February 7, 2025~~April 6, 2026.

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.

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

Section 3.4. 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 receiving the 4% Tax Credit.) 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”).

Pursuant to the Taxpayer Certainty and Disaster Tax Relief Act of 2020, Section 42(b)(3) of the Code was added to provide for a minimum 4 percent tax credit rate for both existing, acquired buildings and federally subsidized new construction and rehabilitation that, in general, are placed in service on or after January 1, 2021. This change in the tax credit percentage applies to buildings that are placed in service after January 1, 2021 .

#### 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 ~~2026~~2027 Tax Credits is tentatively scheduled for ~~July 10, 2025~~Jul y9, 2026, 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(e) 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. One remaining project of the following type: new construction or Substantial Rehabilitation multifamily housing project that is not restricted to persons who are 55 years old or older and that is 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 applying for 9% and 4% Tax Credits, must agree to waive the right to request a qualified contract for a minimum of 30 years as provided in the provisions of Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) which permits 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. All projects will be subject to a Declaration with a term of at least 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.
- 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 includes 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 AND ALLOCATION 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 to provide such Mayor and/or city staff with a reasonable opportunity to comment on the project.
- 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, the requirements of this Plan and the Procedural Manual, and the availability of Tax Credits during the competition round; 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 that can be addressed through an allocation of Tax Credits, sufficient to make the project financially feasible 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. To ensure cost reasonableness applicants will be required to provide an as-is appraisal acceptable to the Agency to substantiate the acquisition price reflected in the initial 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 project.

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.

Section 5.2. 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 allocation year for 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 (including land), 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 ~~2026~~2027 Tax Credits.

## 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 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 exist.

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 waive the provisions of Section 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. All projects will be subject to a Declaration with a term of at least 30 years.

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 25 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** in an amount sufficient, together with any tax-exempt volume limited bonds issued previously for the same project, to finance the minimum required percentage of the aggregate basis of the building(s) and the land it is located on. The "required minimum percentage" is established by federal law and is subject to changes in federal law. For each project, the Agency will determine and apply the minimum percentage required by federal law in accordance with federal effective dates. Subject to any future changes in federal law, the following required minimum percentages apply:

1. The required minimum percentage is 25%, if
  - a. a project is placed in service after December 31, 2025, and
  - b. at least 5% of the aggregate basis of the building and land is finance with bonds issued after December 31, 2025.
2. For all other projects, the required minimum percentage is 50%.

To the extent the Agency is also the bond issuer, it will also 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 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. 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, verifications of income from third parties such as employers or state agencies paying unemployment compensation). Anticipated income of all persons expecting to occupy the unit must be verified and included on a Tenant Income Certification **prior** to occupancy and annually recertified (if applicable) for continued eligibility. 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).

NOTE: Projects that are 100% low-income must have ALL identified noncompliance corrected before requesting an exemption to filing annual income recertifications. The Agency or its authorized delegate will determine whether a 100% low-income project is eligible for an exemption of future tenant income recertifications and will notify the owner.;

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.

The IRS has released its Guide for Completing Form 8823 Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition (the "8823 Guide"). The 8823 Guide does not change any Section 42 rules or policies. It is intended to provide guidance regarding what the IRS considers "in compliance" and for consistency in reporting "out of compliance" and "back in compliance" on IRS Form 8823. The Agency will monitor and report noncompliance according to instructions in the 8823 Guide.

Owners and property managers should read the 8823 Guide, and are responsible for monitoring updates to the 8823 Guide, and must make any required changes to policies and procedures.

- 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;
  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 and an Annual Student Certification from each low-income tenant and documentation to support that certification. In the case of a tenant receiving Section 8 housing assistance payments, the statement from a public housing authority described above, may be accepted as verification of the household's income. At annual recertification, owner has received an Annual Student Certification and, where applicable, a Tenant Income

Certification with supporting documentation from each low income household;

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 at least once every three years throughout the Compliance Period. The Agency will also review the tenant income certifications for the number of units as required in Treasury

Regulation 1.42-5 and the documentation the owner has received to support those certifications. Less frequent inspections may occur after the 15-year compliance period has expired.

3. 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 that an inspection will occur so that the owner may assemble records (i.e., 15 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 for the term of the Declaration 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, any units in the project, and 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.c 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. The Executive Director, in its sole discretion, may also make non-substantive changes to this Plan to update population changes, dates, other minor updating or to correct clerical errors.

# SCHEDULE 1

## **SELF-SCORING WORKSHEET** **~~2026-2027~~ 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 Dakota County Community Development Agency (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.

Applicants must demonstrate the project is eligible for not fewer than 25 points to qualify for the 4% Tax Credits under this Plan.

2. Extended Duration

*Projects requesting 9% and 4% 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.

3. Design Standards

The project must meet the Tax Credit Design Standards as specified in the Procedural Manual 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, including student eligibility 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.

## MINIMUM THRESHOLD REQUIREMENTS

All **9% Tax Credit** applicants must meet one of the seven (7) following threshold types. **To qualify for threshold #7 the applicant must have written approval from the Agency 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.

1.	<input type="checkbox"/>	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.
2.	<input type="checkbox"/>	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.	<input type="checkbox"/>	Substantial Rehabilitation projects in neighborhoods targeted by the applicable city for revitalization.
4.	<input type="checkbox"/>	<p>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):</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Persons with a serious and persistent mental illness as defined in Minnesota Statutes Section 245.462, Subd. 20(c);</li> <li><input type="checkbox"/> Persons with a developmental disability as defined in the United States Code, Title 42, Section 6001(8);</li> <li><input type="checkbox"/> 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;</li> <li><input type="checkbox"/> Persons with a brain injury as defined in Minnesota Statutes Section 256B.093, Subd. 4(a); <u>or</u></li> <li><input type="checkbox"/> 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</li> </ul>
5.	<input type="checkbox"/>	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.
6.	<input type="checkbox"/>	Projects financed by Rural Development which meet state-wide distribution goals.
7.	<input type="checkbox"/>	<p>In addition to Thresholds 1-6, the Agency may allocate Tax Credits to one remaining project that is a new construction or Substantial Rehabilitation multifamily housing project that is not restricted to persons 55 years of age or older and is located within one of the following areas at the time a reservation for Tax Credits is made:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> an area within one-half mile of a completed or planned light rail transitway, bus rapid transitway, or commuter rail station;</li> <li><input type="checkbox"/> an area within one-fourth mile from any stop along a high-frequency local bus line;</li> <li><input type="checkbox"/> an area within one-half mile from a bus stop or station on a high-frequency express route;</li> <li><input type="checkbox"/> an area within one-half mile from a park and ride lot; <u>or</u></li> <li><input type="checkbox"/> an area within one-fourth mile of a high-service public transportation fixed route stop;</li> </ul> <p>For purposes of this section, the following terms have the meanings given them:</p>

	<p>(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;</p> <p>(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</p> <p>(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.</p> <p>(Minnesota Statutes Section 383D.41, Subdivision 11)</p> <p><b>Note: To qualify for Threshold #7 the applicant must have written approval from the Agency prior to submission of the application.</b></p>
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DAKOTA COUNTY CDA ADDITIONAL THRESHOLD REQUIREMENTS		
All <u>9% and 4% Tax Credit</u> applicants must meet the following additional threshold requirements. Check boxes below to indicate the acceptance of these requirement:		
8.	<input type="checkbox"/>	<input type="checkbox"/> The project satisfies the Agency's underwriting standards and the Agency determines the owner has sufficient experience. <input type="checkbox"/> The application demonstrates reasonable operating expenses relative to comparable projects in the past, <input type="checkbox"/> The project complies with applicable building, land use and zoning ordinances, <input type="checkbox"/> The project is consistent with a Market Study, <u>and</u> <input type="checkbox"/> The costs of intermediaries meet the criteria set forth in the Procedural Manual.
9.	<input type="checkbox"/>	Applicants must agree to utilize public housing waiting lists in Dakota County in marketing units to the public.
10.	<input type="checkbox"/>	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.	<input type="checkbox"/>	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.	<input type="checkbox"/>	The applicant agrees to enter into a Declaration in form and substance acceptable to the Agency and legal counsel appointed by the Agency.
13.	<input type="checkbox"/>	The applicant agrees to apply resident screening criteria as provided in the Declaration.
14.	<input type="checkbox"/>	For 9% and 4% Tax Credit projects, the applicant agrees to waive the provisions of Sections 42(h)(6)(E)(i)(II) and 42(h)(6)(F) which permits the owner to terminate the rent and income restrictions under the Declaration at the end of the initial 15-year compliance period. All Tax Credit projects must maintain the low-income use for a minimum of 30 years.
15.	<input type="checkbox"/>	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.
16.	<input type="checkbox"/>	<p>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.</p> <p>*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.</p>

## SELECTION PRIORITIES

SELECTION PRIORITIES			
a.	<b>SELECTION CRITERIA</b>		
	<p>Check the box to the left of the descriptions below to indicate selection and/or preference priority points expected. The Agency will determine actual points to be awarded, based on the application and the documentation submitted. All applicants for 9% Tax Credits will be scored competitively against other applications received. All applicants for 4% Tax Credits with tax exempt volume cap bonds must meet a minimum score of 25 points.</p>	<b><u>Developer Claimed</u></b>	<b><u>Agency Awarded</u></b>
<b>New Construction (10 Points)</b>			
1.	<p><del>Points are awarded to New</del> construction <u>projects</u> which increases the supply of affordable rental housing in Dakota County (10 points).</p>		
<b>Preservation and Stabilization of Affordable Housing (Up to <del>25-35</del> Points)</b>			
2.	<p>Preservation of Affordable Housing:</p> <p><input type="checkbox"/> Preservation of Federally Assisted Housing (<del>25-35</del> Points): Points are awarded to projects that preserves low-income housing receiving assistance under Section 8, <del>or</del> Section 236 or other similar <u>Federal</u> project-based subsidy 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.</p> <p>OR</p> <p><input type="checkbox"/> Preservation (10 Points): Points are awarded to projects that preserve the rent and income restrictions under an existing <u>housing</u> use agreement which, due to expiring affordability periods <u>or a proposed qualified contract application, could</u><del>would</del> convert to market rate use. The Agency, in its sole discretion, will verify that a market exists for a conversion to market rate housing.</p> <p>Applicant must agree in writing to continued renewals of the existing project-based housing subsidy payment contract for as long as assistance is available.</p>		
3.	<p>Stabilization of Affordable Housing (5 Points)</p> <p>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, <u>that are not also claiming points in the Preservation of Affordable Housing category</u> which are experiencing trouble with occupancies and/or net revenues which need to be stabilized.</p> <p>Applicants must provide narratives to support the approach of a planned, long term and cost effective stabilization that meets all of the following criteria:</p> <p>i) Suitability for long term stabilization:</p> <p style="margin-left: 20px;">a. 18 or more years have passed since initial loan closing or most recent Tax Credit placement in service date; and</p> <p style="margin-left: 20px;">b. Operating feasibility shows duration of at least 20 years.</p> <p>AND</p> <p>ii) Collaborative relationship in place Points claimed and deemed eligible for Financial Readiness to Proceed, minimum of 6 points.</p> <p>AND</p> <p>iii) Affordability and Cost Effectiveness Points claimed and deemed eligible in Preference Priorities b.2 (Serves Lowest Income Tenants/Rent Reduction)</p>		

		<u>Developer Claimed</u>	<u>Agency Awarded</u>
<b>Readiness to Proceed (Up to 20 Points)</b>			
4.	Points are awarded to projects that, at the time of application, have received final land use entitlements up to and including preliminary plat approvals, final Comprehensive Plan amendments (if any), final zoning approvals and site plan authorization. (5 points)		
5.	<p>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.</p> <p>The calculation below must exclude all first mortgage financing and anticipated Tax Credit proceeds from the current Tax Credit request.</p> <p>Committed syndication proceeds from previously reserved Tax Credits may be included in the calculation. Acceptable documentation of <u>committed</u> 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 must: (1) be current and dated within 15 days of application; (2) contain a projected closing date; (3) contain a projected equity price 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.</p> <p>Total eligible funding secured, awarded or committed (exclude first mortgage and <u>proposed</u> syndication proceeds as described above)      \$ _____</p> <p>Divided by total development cost less first mortgage and excluded syndication proceeds      \$ _____</p> <p>Equals percentage of funds committed, rounded to the nearest tenth      _____ %</p> <p>Check box that applies:  <input type="checkbox"/> 70.1% or more of gap funds committed or no gap (15 points)  <input type="checkbox"/> 50.1 – 70.0% of gap funds committed (10 points)  <input type="checkbox"/> 30.1 – 50.0% of gap funds committed (6 points)  <input type="checkbox"/> 10.1 – 30.0% of gap funds committed (2 points)</p> <p><b>Please see the Procedural Manual Section VIII. A. for details.</b></p> <p>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.</p>		
<b>Community Priority Locations (10 Points)</b>			
6.	Points are awarded to projects located on property fully/entirely owned by the Agency, Dakota County, or a municipality in Dakota County at the time of application. (10 points)		

		<u>Developer Claimed</u>	<u>Agency Awarded</u>
<b>Long Term Affordability (Up to 8 Points)</b>			
7.	<p>Points are awarded to projects that agree to extend the long-term affordability of the project and maintain the duration of low-income use beyond the required minimum of 30 years by agreeing to:</p> <p>Check box that applies:</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>35 years</b> (2 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>40 years</b> (4 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>45 years</b> (6 points)</p> <p><input type="checkbox"/> Extend the long-term affordability of the project and maintain the duration of low-income use for a minimum of <b>50 years</b> (8 points)</p>		
<b>Large Family Housing (up to 6 points)</b>			
8.	<p>Points are awarded to projects that promote family housing that is not restricted to persons 55 years old or older for the term of the Declaration, where 25% or more of the Tax Credit units in the project have 3 or more bedrooms.</p> <p>Check box that applies:</p> <p><input type="checkbox"/> At least 30% of the Tax Credit units have 3 or more bedrooms (3 points)</p> <p><input type="checkbox"/> At least 50% of the Tax Credit units have 3 or more bedrooms (6 points)</p>		
<b>Accessible Units (5 Points)</b>			
9.	<p>At least 25% of the Tax Credit 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. (5 points)</p>		
<b>Ownership by Non-Profit or Governmental Unit (5 Points)</b>			
10.	<p>A qualified non-profit or a governmental unit is the sole general partner/managing member. (5 points)</p> <p>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. Points will only be awarded to local non-profits. To be eligible for points, the non-profit must be a qualified non-profit tax-exempt organization within Code Section 501(c)(3) at the time of application, and must also meet the requirements of Section 42(h)(5)(C) of the Code. For a non-profit, a copy of the Certificate of Incorporation from the Secretary of State of Minnesota and organization documentation evidencing the 501(c)(3) status <u>must</u> be submitted at the time of application.</p> <p>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/managing member of a project that converted units to market rate units in the past three (3) years without the consent of the issuing public agency within Minnesota.</p>		



		<u>Developer Claimed</u>	<u>Agency Awarded</u>
<b>Community Revitalization (5 Points)</b>			
<del>131</del> 2.	<p>Community Development Initiative (5 points)</p> <p>Points are awarded to projects that contribute to the active implementation of a Community Development Initiative to address locally identified needs and priorities, with active engagement by local stakeholders. The initiative can be created by, and involve engagement from, a wide variety of public and private local community development partners such as cities, counties, employers, private foundations, public housing authorities, or other community stakeholders. The plan must contain more components than the project itself. Documentation must be provided that addresses the requirements of a Community Development Initiative as set forth in Exhibit I of the Procedural Manual.</p> <p>For projects located in a <u>Qualified Census Tract (QCT)</u>, to be eligible for these points, the application must provide additional evidence that demonstrates a strategy for obtaining commitments of public and/or private investment in non-housing efforts to demonstrate that the project contributes to a concerted community revitalization plan.</p>		
<b>Eventual Tenant Ownership (1 Point)</b>			
<del>141</del> 3.	This point is awarded to projects that include a plan for eventual tenant ownership of 100% of the units. (1 point)		
<b>Unacceptable Practices (Up to -50 Points)</b>			
<del>151</del> 4.	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.		
<b>Access to Transit (Up to 5 Points)</b>			
<del>161</del> 5.	<p>Points are awarded to projects located within <u>walking distances</u> of public transit stations and stops. (up to 5 points)</p> <p><input type="checkbox"/> Project is located within ½ mile of Orange Line transitway stations (including the Burnsville Center station and all stations north) or Red Line transitway stations (including the Apple Valley Transit Station and all stations north) (5 points); <b>OR</b></p> <p><input type="checkbox"/> 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).</p> <p>At the time of application, the applicant must submit a map identifying the location of the project with exact <u>walking distances</u> to the eligible public transit station/stop and include a copy of the route.</p>		

<b>b.</b>	<b><u>PREFERENCE PRIORITIES</u></b> Points received through Preference Priorities will be included in the application's score and will be used to break ties in overall scoring for the competitive selection of applicants, as detailed in Section 8.2.	<b><u>Developer Claimed</u></b>	<b><u>Agency Awarded</u></b>
1.	Previous Tax Credit Commitment/Reservation (30 points). 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.		
2.	Points are 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 and agree to maintain the deeper rent structure for the duration of the Declaration. <i>(Up to 15 Points)</i>  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. <input type="checkbox"/> 100% of Tax Credit units at the rents for 50% of AMI: 15 points <input type="checkbox"/> 75% of Tax Credit units at the rents for 40% of AMI: 15 points <input type="checkbox"/> 75% of Tax Credit units at the rents for 50% of AMI: 10 points <input type="checkbox"/> 50% of Tax Credit units at the rents for 40% of AMI: 10 points <input type="checkbox"/> 50% of Tax Credit units at the rents for 50% of AMI: 5 points		
3.	Geographic Balance (5 points). Points are awarded to projects for proposed projects that are located in a city that have not received a 9% or 4% Tax Credit award from Dakota County CDA or Minnesota Housing for new affordable housing development in the last 3 years.		

<b>TOTAL POINTS:</b>	<b><u>Developer Claimed</u></b>	<b><u>Agency Awarded</u></b>
	_____	_____

**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: \_\_\_\_\_



# Board of Commissioners

## Request for Board Action

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Meeting Date: April 21, 2026

Agenda #: 6C

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**DEPARTMENT:** Administration

**FILE TYPE:** Regular - Informational

### TITLE

**Discussion Of CDA Housing Development Plan**

### PURPOSE/ACTION REQUESTED

- Presentation of future development plans for Dakota County CDA housing including capital maintenance of existing housing portfolio and new developments.

### SUMMARY

The Dakota County Community Development Agency (CDA) has been directly developing affordable senior and workforce housing since the 1990s. Today, the CDA manages over 2,900 units of housing that includes 887 units of family townhomes, 1,731 units of senior housing, Nicols Pointe (senior housing with a Veterans preference), Lincoln Place (youth supportive housing), general occupancy housing (Gateway Place), and public housing. In May 2026, construction will start on another senior apartment building, Crestview Pointe in Inver Grove Heights.

Need for additional affordable housing in Dakota County was presented as part of the updated Housing Needs Assessment report completed by Bowen National Research and presented to the CDA Board in March 2025.

The CDA has future development sites in the pipeline and Attachment A is a drafted project timeline taking into consideration funding, current staff capacity, and city support.

### PREVIOUS BOARD ACTION

N/A

### ATTACHMENTS

Attachment A: New Development Project Timeline

### CONTACT

Department Head: Tony Schertler, Executive Director

Author: Sara Swenson

## Development Analysis / Projection

<u>CDA Owned Sites</u>	<u>Start Date</u>	<u>Housing Type</u>	<u>Est. Units</u>	<u>Funding Source</u>
<b>Crestview (IGH)</b>	<b>2026</b>	<b>Senior</b>	<b>57</b>	<b>CommonBond</b>
<b>Gateway 2 (WSP)</b>	<b>2027</b>	<b>Senior</b>	<b>54</b>	<b>Common Bond</b>
<b>Poplar St. (SSP)</b>	<b>2027</b>	<b>Family</b>	<b>6</b>	<b>Section 18 / LAHA</b>
<b>Radio Tower Site (Hstgs)</b>	<b>2028</b>	<b>Family</b>	<b>40</b>	<b>9% LIHTC (apply 2027)</b>
<b>Concord Square (IGH)</b>	<b>2029</b>	<b>Senior</b>	<b>60</b>	<b>Common Bond</b>
<b>Central Commons (Eagan)</b>	<b>2030</b>	<b>Senior</b>	<b>120</b>	<b>Common Bond</b>
<b>Central Commons (Eagan)</b>	<b>2031</b>	<b>Family</b>	<b>40</b>	<b>9% LIHTC (apply 2030)</b>
<b>CDA Office (Eagan)</b>	<b>2035</b>	<b>TBD</b>	<b>24</b>	<b>TBD</b>
<b>160<sup>th</sup> Pleasant Dr. (Hstgs)</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>
<b><u>CDA Prospects**</u></b>				
<b>Fischer Site (Lakeville)</b>	<b>2032</b>	<b>Senior</b>	<b>120</b>	<b>Common Bond</b>
<b>Metcalf (Eagan)</b>	<b>2033</b>	<b>Senior</b>	<b>120</b>	<b>Common Bond</b>
<b>Former Health Ptrs (AV)</b>	<b>2034</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>

**Estimated Units      641**

*\*\*Prospect sites could advance sooner than projected dates. (TBD)*

