

DAKOTA COUNTY

2020-2024 CONSOLIDATED PLAN AND 2020 ACTION PLAN

DRAFT



EXECUTIVE SUMMARY
DAKOTA COUNTY COMMUNITY
DEVELOPMENT AGENCY
Last updated – February 20, 2020

Executive Summary

ES-05 Executive Summary - 91.200(c), 91.220(b)

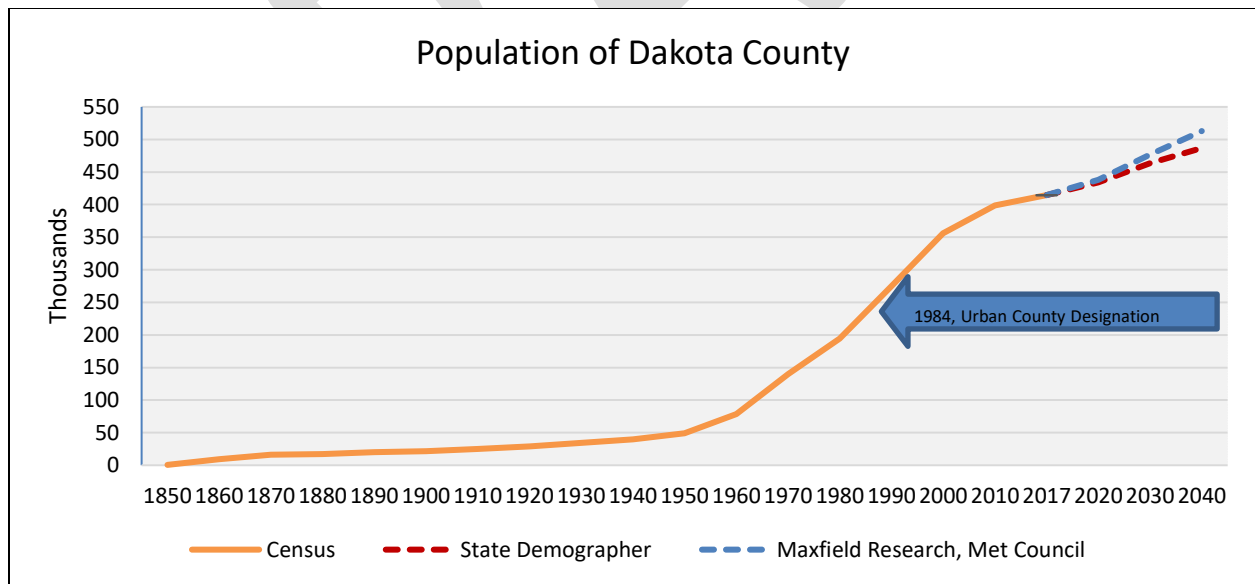
1. Introduction

In 1974, Congress enacted the Housing and Community Development Act or HCDA, stating the nation’s cities, towns and urban communities faced critical social, economic and environmental problems resulting from:

- Population growth and concentrations of lower income persons;
- Inadequate investment and reinvestment in housing and other physical facilities resulting in the growth and persistence of slum and blight; and
- Increased energy costs which undermined the quality and effectiveness of the local community and housing development.

The response was to consolidate several overlapping competitive community development funding programs for communities, into one consistent system of federal aid with communities (entitlement jurisdictions) directly allocated a portion of financial assistance on an annual basis.

Dakota County first became eligible to receive a direct allocation of federal funding in 1984 after being designated an “Urban County”. An Urban County is defined as a county with a population of 200,000 or more.



In order to receive federal funding from the U.S. Department of Housing and Urban Development (HUD), Dakota County is required to prepare a Five-Year Consolidated Plan, as well as subsequent Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPERs), for the following entitlement programs:

Community Development Block Grant (CDBG); HOME Investment Partnerships Program (HOME); Housing Opportunities for Persons with AIDS (HOPWA) and Emergency Solutions Grant (ESG). Dakota County does not receive HOPWA funds.

The Consolidated Plan lays out the objectives, priority goals and outcomes Dakota County has established to provide decent affordable housing; suitable living environments; and expand economic opportunities; for principally low- and moderate-income households over a five-year period.

Dakota County receives CDBG and ESG funds as an entitlement jurisdiction and receives HOME funds as a part of a consortium that include Anoka, Ramsey and Washington Counties and the City of Woodbury.

Dakota County is designated as the lead agency for the Dakota County HOME Consortium, assuming the role of monitoring and oversight of the HOME funds for the Consortium. As the grantee of CDBG funds, Dakota County directly works with the various cities within the County to provide access to this funding stream (municipal subrecipients) but provides the managerial oversight of the numerous activities implemented with CDBG resources.

The Dakota County Community Development Agency (CDA) has been the administering entity for these federal funds on behalf of Dakota County since Dakota County became an entitlement jurisdiction. Each of the three entitlement programs have eligible activities for which the funds can be used. The CDA is charged with ensuring the statutory requirements of all three programs are met. This is done through an annual agreement with the County.

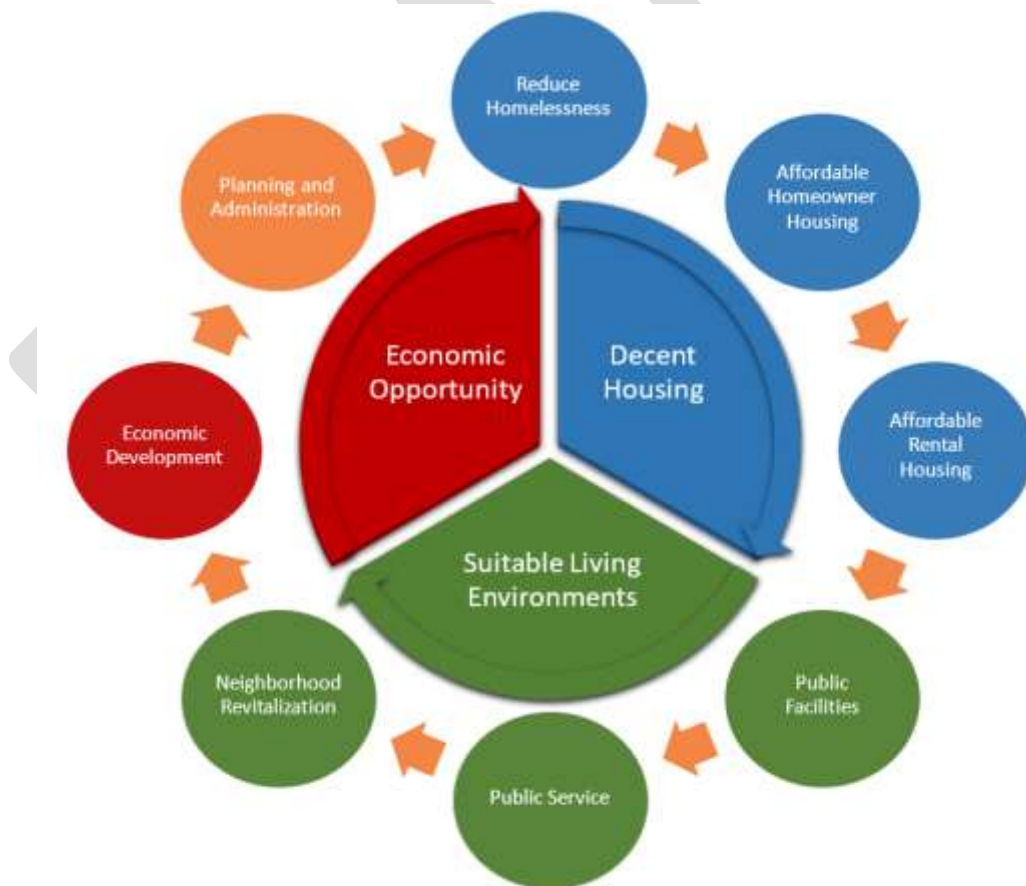
2. Summary of the objectives, priority goals and outcomes identified in the Plan

The primary objective of Title 1 of the Housing and Community Development Act is the development of viable urban communities. To achieve this, Congress stated three basic goals for the entitlement programs: provide decent housing, provide a suitable living environment, and expand economic opportunities to benefit predominantly low-and moderate-income persons. The U.S Department of Housing and Urban Development (HUD) defines low-and moderate-income households as having an annual gross income at or below 80% of the area median income. For 2019, the area median income for Dakota County was \$100,000 for a four-member household.

With the outcomes established by Congress in mind and guided by the mission statements of Dakota County and Dakota County CDA, the following objectives were identified to achieve the housing and community development needs of Dakota County communities.

1. Increase the affordable housing choices for low-and moderate-income households.
2. Preserve and improve existing housing to maintain affordability.
3. Increase access and quality of living by providing public services and supporting public facilities and infrastructure.
4. Support community development that revitalizes neighborhoods and removes safety and blight hazards.
5. Support economic development that enhances the workforce and businesses.
6. Support planning efforts that address the housing, community and economic development needs of Dakota County and continue to foster partnerships with community stakeholders.

The following illustration shows how the proposed County objectives align with the National Objectives laid out by Congress.



As part of determining the priority goals for the five-year Consolidated Plan, HUD requires the jurisdiction to look at the needs of the community. The Dakota County CDA reviewed U.S. Census and American Community Survey (ACS) data, and the projection of future household growth by both the Metropolitan Council and State of Minnesota Demography Center. Additionally, the CDA commissioned a housing needs assessment study in 2019 completed by Maxfield Research & Consulting and conducted a survey of Dakota County residents to solicit their opinions of the priority needs.

The priority goals and the strategies to achieve the desired outcomes of decent housing, suitable living environments and economic opportunity were then developed to serve the broad range of households and to provide benefit to as many persons possible given the parameters of the funding programs.

To support the County's objectives for the federal programs, specific strategies are needed that will help the County meet its goals. The strategies are further refined into specific outcomes. The chart on the following page details the proposed strategies and outcomes for the three programs.

DRAFT 2020-2024 Consolidated Plan - Dakota County

Objective		Priority	Strategy		Outcome		
6	Support planning efforts that address the housing, community and economic development needs of Dakota County, support fair housing choice and continue to foster partnerships with community stakeholders.	1	Increase the affordable housing choices for low- and moderate-income households.	Reduce Homelessness	<ul style="list-style-type: none"> a. Support the implementation and operation of coordinated access entry sites for families, youth and singles b. Support housing stabilization initiatives for homeless populations c. Support the operation of emergency shelter facilities 	Planning and Administration a. Support all of the goals and strategies with planning and administration	<ul style="list-style-type: none"> • 200 Households provided Rapid Rehousing Assistance • 100 Homelessness Prevention
				Affordable Rental Housing	<ul style="list-style-type: none"> a. Assist households to secure housing through new construction b. Improve energy efficiency of rental units c. Rehabilitate and preserve affordability in multifamily units d. Support fair housing activities 		<ul style="list-style-type: none"> • 360 Rental Units constructed • 20 Rental Units rehabilitated
		2	Preserve and improve existing housing to maintain affordability.	Affordable Homeowner Housing	<ul style="list-style-type: none"> a. Assist households to become homeowners b. Increase supply of affordable homeowner housing c. Improve energy efficiency of owner-occupied housing units d. Rehabilitate and preserve affordability in single family units e. Support fair housing activities 		<ul style="list-style-type: none"> • 300 Homeowner Units rehabilitated • 6 Homeowner Units (re)constructed
				Public Facilities	<ul style="list-style-type: none"> a. Assist in the development of centers and recreational parks for Low/Mod Areas b. Assist MI homeowners with street assessments c. Improve sidewalk accessibility and safety, in compliance with ADA d. Improve accessibility for Public Facilities, in compliance with ADA 		<ul style="list-style-type: none"> • 13,000 Persons benefited from public facility or infrastructure improvement
		3	Increase access and quality of living by providing public services and supporting public facilities.	Public Services	<ul style="list-style-type: none"> a. Support programs that fulfill basic needs for persons who are low-income, homeless, and/or limited clientele b. Support programs for low- and mod-income youth c. Support programs for seniors d. Support transportation services 		<ul style="list-style-type: none"> • 15,000 Persons benefited from public services
				Neighborhood Revitalization	<ul style="list-style-type: none"> a. Address vacant or substandard properties that may or may not be suitable for rehab b. Address water and sanitation hazards, such as sealing abandoned wells or replacing failing septic systems 		<ul style="list-style-type: none"> • 150 Households assisted • 3 Buildings demolished
		4	Support community development that revitalizes neighborhoods and removes safety and blight hazards.	Economic Development	<ul style="list-style-type: none"> a. Support work initiatives that assist residents to access living wage jobs b. Support initiatives that help low-income people gain work skills, jobs and employment history c. Provide financial assistance to businesses to address building deficiencies (exterior façade improvements) 		<ul style="list-style-type: none"> • 20 Workforce Trainees
		5	Support economic development that enhances the workforce and businesses.				

3. Evaluation of past performance

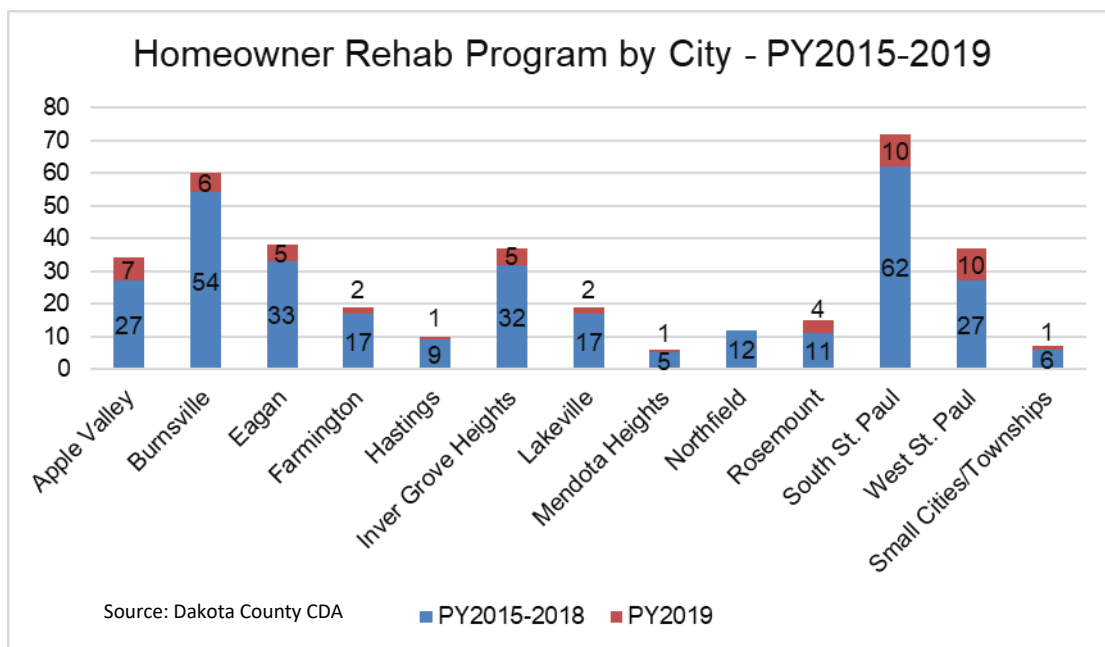
Dakota County has done well in meeting or exceeding most of the goals that were established in the 2015-2019 Consolidated Plan. As the fifth year of the Consolidated Plan and final year action plan nears completion, the following narrative and graphics highlight the outcomes Dakota County was able to achieve with CDBG, HOME and ESG funding.

Note for the reader: The program year for the funding sources discussed in this plan operate from July 1st to June 30th. Because the 2019 program year will not be completed until June 30, 2020, the accomplishments highlight the beneficiaries and the attainment of goals through a designated period of the 2019 program year.

- **Homeowner Rehabilitation Program**

As of March 2020, there were over 358 single family homes rehabbed throughout Dakota County. Since July 2015, approximately \$8.24 million dollars in CDBG funds have been used to provide low-to-moderate income homeowners rehab loans to complete projects including window, roofing and siding replacement, HVAC updates, and kitchen or bathroom remodels. The loans are zero percent interest and deferred until the homeowner sells the home or refinances their mortgage. Because the loan does not accrue interest, the homeowner only pays back the principal amount loaned.

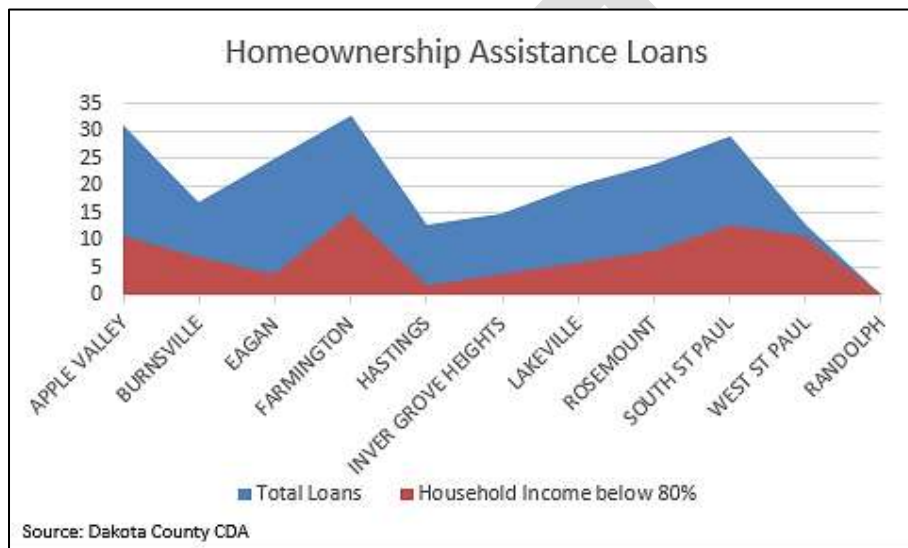
As of March 2020, 54 homeowners have completed rehabilitation projects on their homes, receiving an average loan of \$28,526.



- **First Time Homebuyer Program**

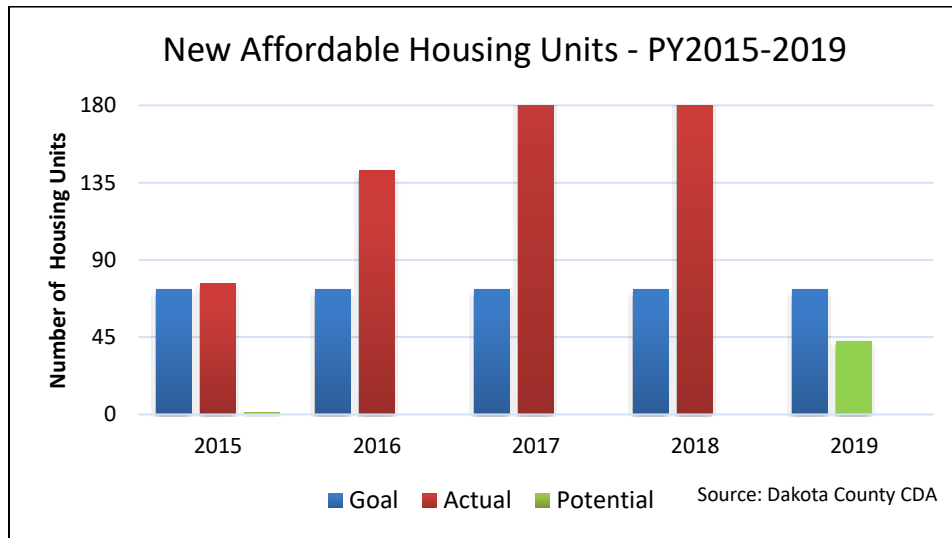
For households looking to become homeowners, the first-time homebuyer program has provided homeownership assistance to 99 homebuyers from 2015 through September 2019. In previous Consolidated Plans, HOME funds were the traditional funding source used to finance the program. Currently, CDA General Funds are the primary source of funding for this program, along with HOPE funds (a CDA-levy funding source). Federal funds are no longer used.

The other funding sources invested into the homebuyer program allow for households to be serviced above the 80 percent area median income threshold.



- **New Affordable Housing Construction**

Dakota County has prioritized spending HOME funds, approximately \$540,000 each year, on the development of new affordable housing units. By the middle of PY2019, 695 new units of affordable housing had been added in Dakota County, with new housing developments still in the pipeline. At the end of the current Consolidated Plan, almost 700 units will have been added, exceeding the goal of 365.



Additional developments close to completion in 2019 will add 43 more units for those who have incomes at or below 80 percent of area median income. Cahill Place started construction in September 2019 and is anticipated to be completed late 2020. This is a 40-unit property with four units designated as HOME units. Prestwick Place, shown in the photo below, was completed in October 2019 adding 40 workforce housing units.



(Photo provided by Dakota County CDA)

- **Rapid Re-Housing Assistance**

For households in Dakota County that are currently homeless or at-risk of becoming homeless, ESG funds have been assigned to conduct rapid rehousing activities, data collection, emergency shelter, and administration. The rapid rehousing activities include assistance with application fees, security deposits and first month’s rent, in addition to on-going rental assistance payments to provide households permanent housing.

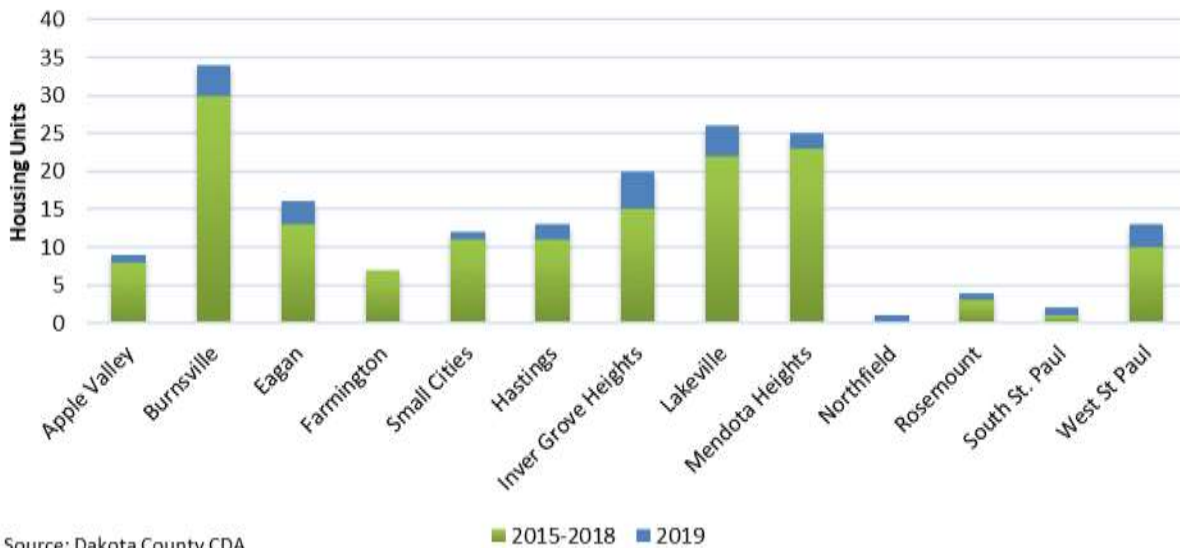
Payment of rental arrears is also an approved action to help a household gain access to permanent housing.

Dakota County began receiving ESG funds as a direct allocation in 2013. In PY2018, 231 households were provided assistance with ESG funds. As of November 2019, 62 households had been provided assistance in program year 2019.

- **Well Sealing Grant Program**

The Countywide well sealing grant program reimburses Dakota County homeowners a portion of the total cost to seal an unused and/or abandoned well. Unused or abandoned wells are a potential threat to health, safety and the environment. Wells can provide safe water for many years, but as wells age, they may deteriorate and lose their ability to keep contaminants out of groundwater. A total of 182 wells have been properly sealed over the last five years (as of March 2020), with an average reimbursement grant of \$1,031 for the property owner. This program leverages private funds with CDBG funding by requiring the homeowner to provide a one-to-one match. The total amount of \$187,713 of CDBG funding that has been expended since 2015 including has leveraged an additional \$187,713 in private funding.

Countywide Well Sealing by City



4. Summary of citizen participation process and consultation process

The process followed to develop the current Consolidated Plan included citizen participation along with stakeholder consultation to assist in identifying community needs and strengthen partnerships. Staff developed an outline for the process in January 2019 and began collecting citizen and stakeholder input in June 2019. The process identified for the 2020-2024 Consolidated Plan was first to identify the needs of the community by soliciting input from the community and then analyze various data sources¹ to complete the needs assessment.

I. Citizen Participation (Ongoing).

A majority of the feedback received from citizens was received in the summer of 2019. The following highlights the engagement process conducted:

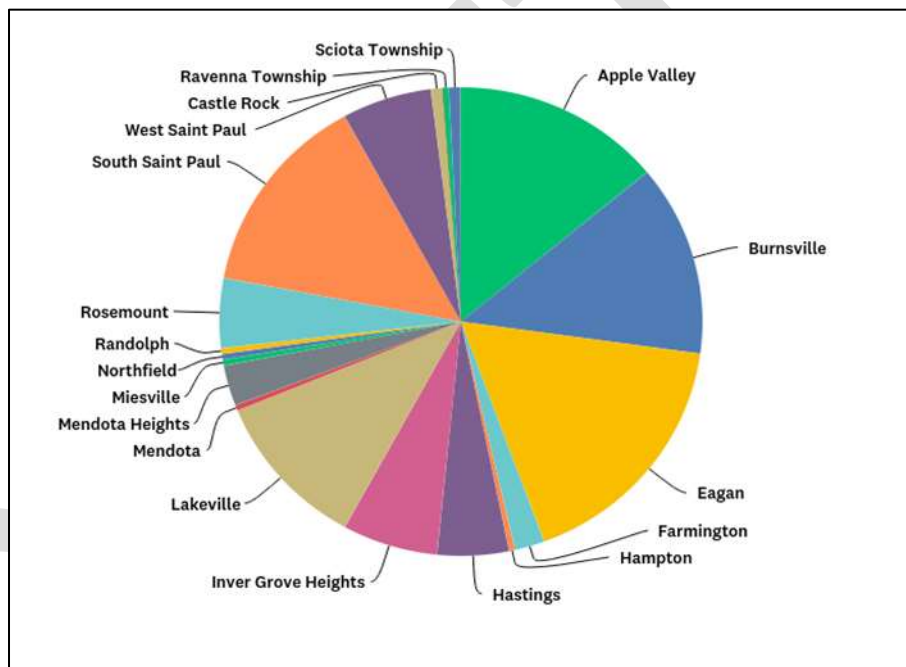
1. Dakota County Fair (August 2019) – The Dakota County CDA had a booth located on one of the main thoroughfares at the Dakota County Fair. Staff members requested fairgoers complete a short survey on priorities for their community. The survey was completed by placing a dot on the issue that the citizen deemed most important. Additionally, a postcard was available if individuals wanted to provide more information or take a visual preference survey. A total of 56 responses were received at the Fair.
2. Community Needs Survey (June – August 2019) – Dakota County CDA designed a visual preference online survey for any citizens to complete. The survey was distributed and marketed multiple ways
 - More than 600 printed flyers were mailed to all public housing residents in Dakota County through the Dakota County CDA.
 - A survey link was prominently displayed on the front page of the Dakota County CDA website.
 - A link to the survey was e-mailed to the Affordable Housing Coalition (AHC), the local advisory body for several housing issues and funding, most notably the Continuum of Care. The e-mail list-serve includes service providers, elected officials and advocates of affordable housing in Dakota County. Recipients were encouraged to notify their clients to complete the survey via the Dakota County CDA website.

¹ US Census and American Community Survey (ACS) data; Comprehensive Housing Affordability Strategy (CHAS) data; Metropolitan Council; State of Minnesota Demography Center; Dakota County Needs Assessment Study completed by Maxfield Research Inc.

- The survey link was e-mailed to current city council elected officials requesting their participation; city and township community development/planning staff; and Dakota County staff.
- A press release was created and e-mailed to all the cities in Dakota County to publish on their city websites or use in their social media to advertise the survey.
- Post cards with the survey link were available at the front desk of the CDA office.

A total of 250 citizens and community partners completed the survey.

Q1 City/Township Respondent Lives In



Of those who participated in the survey, 33 percent of the respondents identified themselves as having a low-to-moderate income, 39 percent identified themselves as over 80 percent AMI, and the remaining portion chose not to answer the question.

II. Community partners consultation (July 2019 – December 2019).

1. The development timeline and process of the Consolidated Plan were discussed at the annual CDBG workshops held between November 14-21, 2019. Each municipality is required to formally apply for CDBG funding and request funding for activities that would best serve their community needs. Applications were provided to city staff mid- November 2019, and were placed on the CDA's

website. Applications were due back to the CDA by January 17, 2020. It should be noted that 2020 applications for CDBG funding were first guided by the priorities established in the 2015-2019 Consolidated Plan and reviewed with the priorities proposed in the current Plan.

2. CDA staff regularly attend the monthly meetings held by the Affordable Housing Coalition and consulted the members of the coalition, specifically at its meeting of the October 28, 2019. The meeting was dedicated to identifying affordable housing needs for the Consolidated Plan. This discussion and feedback were helpful in better understanding the needs of the communities today and during the next five years.
3. CDA staff attended the September 2019 Township Hall meeting and shared information about the Consolidated Plan. No comments were received.
4. CDA staff consulted with the following Dakota County departments on the goals and objectives: the Physical Development department, specifically, the Environmental Resources division, and the Community Services department. The departments provided feedback on the proposed goals and objectives.
5. The Dakota County Planning Commission will review the draft Executive Summary at its meeting of November 21, 2019. Comments from the Commission will be included.
6. The following additional public meetings will be held to receive comments about the proposed Consolidated Plan and Action Plan:
 - a. The City-County Economic Development group – November 2019
 - b. The Affordable Housing Coalition – February 2020
 - c. The Dakota County Physical Development Committee – February 2020
 - d. Dakota County Board of Commissioners – the public hearing is slated for April 21, 2020, and expected approval on May 5, 2020, barring any adverse public comments.

5. Summary of public comments

The CDA will continue to solicit public comments on the draft Consolidated Plan but the official public comment period for the 2020-2024 Consolidated Plan will open in March 2020. Comments received during the public comment period will be recorded and included in the final 2020-2024 Consolidated Plan and 2020 Action Plan.

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments received will be accepted.

7. Summary of Program Year 2020 Funds and Activities

HUD released the FY 2020 grant amounts on February 19, 2020. The CDBG, HOME Consortium, and ESG grant allocations increased from FY 2019 amounts. Dakota County and the HOME Consortium were allocated approximately \$4.5 million between CDBG, HOME, and ESG for FY 2020. Dakota County will receive approximately \$3 million in grant allocations, with the largest being CDBG. For the 2020 program year, Dakota County has set funding for 39 activities to take place either within a specified city or on a Countywide basis. The breakout is 32 activities are funded with CDBG, four activities are funded with ESG, and three activities are funded with HOME including program administration.

The other members of the Dakota County HOME Consortium have designated \$879,717 of the FY 2020 Entitlement allocation and \$432,152 of FY 2020 Program Income towards eight activities, excluding the administration activity. Remaining Consortium HOME funds are unallocated at this time.

The following activity statement and graphs detail the intended uses (activities) of CDBG, HOME and ESG funds for Program Year 2020.

Dakota County FY 2020 CDBG/HOME/ESG Activity Statements

Final CDBG Budget with 2.1% (\$40,765) increase from FY 2019

Final HOME Budget with 6.1% (\$140,408) increase from FY 2019

Final ESG Budget with 0.7% (\$1,115) increase from FY 2019

2020 Dakota County CDBG Activity Statement

Small Cities and Townships:

City/Township	Project	2020 Budget
Marshan Twp	Zoning Ordinance Update	\$ 12,000
	Total	\$ 12,000

City/Township	Project	2020 Budget
Mendota	Zoning Ordinance Update	\$ 15,000
	Total	\$ 15,000

City/Township	Project	2020 Budget
Randolph	Water Supply Plan	\$ 10,000
	Total	\$ 10,000

Large Cities:

City	Project	2020 Budget
Apple Valley	Home Improvement Loan	\$ 144,090
	Public Service - DARTS Senior Chore Service	\$ 19,000
	Total	\$ 163,090

City	Project	2020 Budget
Burnsville	Home Improvement Loan	\$ 226,491
	Public Service - Burnsville Youth Collaborative	\$ 53,000
	Total	\$ 279,491

City	Project	2020 Budget
Eagan	Home Improvement Loan	\$ 149,560
	Public Service - Pre-School Program	\$ 3,500
	Public Service - Youth After School Programs	\$ 18,000
	Public Service - Dakota Woodland Youth	\$ 5,500
	Public Service - Senior Services	\$ 8,000
	Public Service – DARTS Senior Services	\$ 5,000
	Total	\$ 189,560

2020 Dakota County CDBG Activity Statement Cont'd.

City	Project	2020 Budget
Farmington	Home Improvement Loan	\$ 33,897
	Public Service - Senior Services	\$ 5,000
	Total	\$ 38,897

City	Project	2020 Budget
Hastings	Assessment & Abatement	\$ 75,065
	Total	\$ 75,065

City	Project	2020 Budget
Inver Grove Heights	Home Improvement Loan	\$ 141,124
	Total	\$ 141,124

City	Project	2020 Budget
Lakeville	Home Improvement Loan	\$ 57,471
	ADA Compliance Improvements	\$ 35,000
	Public Service - Senior Transportation	\$ 25,000
	Public Service - Senior Services	\$ 20,000
	Total	\$ 137,471

City	Project	2020 Budget
Mendota Heights	Home Improvement Loan	\$ 23,329
	Total	\$ 23,329

City	Project	2020 Budget
Northfield	Home Improvement Loan	\$ 35,840
	Down Payment Assistance	\$ 29,472
	Total	\$ 65,312

City	Project	2020 Budget
Rosemount	Home Improvement Loan	\$ 55,588
	Total	\$ 55,588

City	Project	2020 Budget
South St. Paul	Home Improvement Loan	\$ 92,363
	Total	\$ 92,363

2020 Dakota County CDBG Activity Statement Cont'd.

City	Project	2020 Budget
West St. Paul	Home Improvement Loan	\$ 110,110
	Total	\$ 110,110

Countywide	Project	2020 Budget
Dakota County	Home Improvement Loan Estimated Revolving Loan	\$ 600,000
	Planning & Admin - CDA General Grant Administration	\$ 202,883
	Countywide Home Improvement Loan	\$ 202,310
	Well Sealing Grants	\$ 35,000
	Planning & Admin - Fair Housing Activities	\$ 4,750
	Multi-family Rehab Activity	\$ 75,000
	FY 2020 CDBG Total Budget (excluding program income)	\$ 1,928,343
	FY 2020 CDBG Small Cities/Townships	\$ 37,000
	FY 2020 CDBG Countywide	\$ 519,943

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Dakota County HOME Consortium 2020 Activity Statement

Participating Jurisdiction	Project	2020 Budget
Anoka County <i>24.1% Share</i>	TC Habitat Scattered Site Acquisition & Rehab	\$ 140,000.00
	TBRA – Youth	\$ 24,000.00
	Uncommitted Funds	\$ 276,732.00
	Community Housing Development Organization	\$ 88,146.00
	Grant Administration	\$ 44,073.00
	Total	\$ 572,951.00

Participating Jurisdiction	Project	2020 Budget
Dakota County <i>36.9% Share</i>	Multifamily Housing Activity	\$ 673,545.00
	Community Housing Development Organization	\$ 134,709.00
	Multifamily Housing Activity – Program Income	\$ 42,672.95
	Grant Administration	\$ 128,257.00
	Grant Administration – Program Income	\$ 14,480.63
	Total	\$ 993,664.58

Participating Jurisdiction	Project	2020 Budget
Ramsey County <i>23.0% Share</i>	Loden SV Phase II	\$ 400,000.00
	Community Housing Development Organization	\$ 83,899.00
	Roseville Common Bond Senior	\$ 19,495.00
	Roseville Common Bond Senior – Program Income	\$ 330,505.00
	Down Payment Assistance – Program Income	\$ 47,158.77
	Grant Administration	\$ 41,949.00
	Grant Administration – Program Income	\$ 28,272.53
	Total	\$ 951,279.30

Participating Jurisdiction	Project	2020 Budget
Washington County <i>12.5% Share</i>	Habitat – New Construction	\$ 139,028.00
	TRCLT	\$ 90,000.00
	Community Housing Development Organization	\$ 45,806.00
	Habitat – New Construction – Program Income	\$ 27,000.00
	Grant Administration	\$ 22,903.00
	Grant Administration – Program Income	\$ 2,250.00
	Total	\$ 326,987.00

Dakota County HOME Consortium 2020 Activity Statement Cont'd.

Participating Jurisdiction	Project	2020 Budget
City of Woodbury 3.5% Share	Down Payment Assistance	\$ 67,194.00
	Down Payment Assistance – Program Income	\$ 27,870.56
	Grant Administration	\$ 3,500.00
	Community Housing Development Organization	\$ 12,854.00
	Total	\$ 111,418.56

Consortium Totals	Project	2020 Budget
	Grant Administration	\$ 240,682.00
	Community Housing Development Organization	\$ 365,414.00
	Prior Year Program Income	\$ 520,210.44
	FY 2020 HOME Total Grant	\$ 2,436,090.00
	FY 2020 HOME Total Grant and Program Income	\$ 2,956,300.44

2020 Dakota County ESG Activity Statement

Dakota County	Activity	2020 Budget
	Rapid Re-Housing/Stabilization Services	\$ 126,668
	Emergency Shelter Operations	\$ 26,000
	HMIS	\$ 750
	Grant Administration	\$ 12,439
	FY 2020 ESG Total Budget	\$ 165,857