

DAKOTA COUNTY

2015-2019 CONSOLIDATED PLAN AND 2015 ACTION PLAN



EXECUTIVE SUMMARY

DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY

COMMUNITY AND ECONOMIC DEVELOPMENT

3/6/2015

Executive Summary

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

1. Introduction

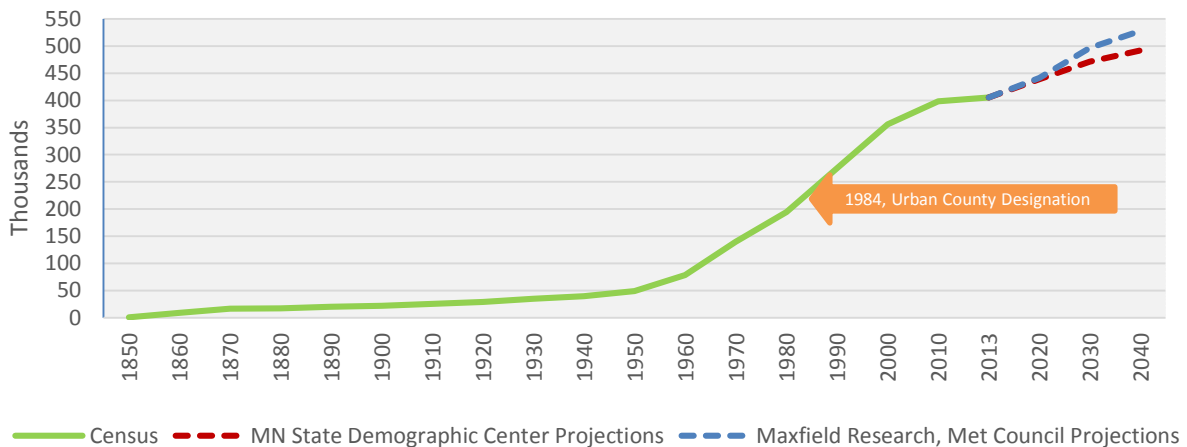
In 1974, when Congress enacted the Housing and Community Development Act or HCDA, they declared the nation's cities, towns and urban communities faced critical social, economic and environmental problems resulting from:

- 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.

Population of Dakota County



Source: Decennial Census, 2011-2013 ACS, Mn State Demographic Center, Maxfield Research Inc., Met Council

In order to receive federal funding from the U.S. Department of Housing and Urban Development (HUD), Dakota County is required to prepare a 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 {formally Shelter} Grant (ESG).

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 the next five year period.

Dakota County receives CDBG and ESG funds as an entitlement jurisdiction and receives HOME funds as a part of a consortium of counties that include Anoka, Ramsey and Washington as well as the cities of Coon Rapids and Woodbury.

Dakota County is designated as the lead agency for the Dakota County HOME Consortium, therefore 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 sub-recipients) but provides the managerial oversight of the numerous activities implemented with CDBG resources.

The Dakota County Community Development Agency (CDA) has been the administrating 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 in which the funds can be utilized. The CDA is charged with ensuring the requirements are met and will continue to provide the administrative guardianship of all three programs through its 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 intention, Congress has set forth 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. As of 2014, the area median income for Dakota County was \$82,900 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 and its residents.

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.
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.

As part of the evaluation of to determine the priority goals for the 5-year Consolidated Plan, HUD requires the jurisdiction to look at the needs of the community. Dakota County CDA looked at Census and American Community Survey (ACS) data, the projection of future household growth by both the Metropolitan Council and State of Minnesota Demography Center. Additionally, the CDA had commissioned a housing needs assessment study in 2013 completed by Maxfield Research, Inc. and conducted a sample survey of Dakota County residents to solicit their opinion of the needs.

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



The chart on the following page details the strategies.

6 Support planning efforts that address the housing, community and economic development needs of Dakota County and continue to foster partnerships with community stakeholders.	1 Increase the affordable housing choices for low-and moderate-income households.	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 d. Create additional permanent supportive housing units e. Support creation or renovation of shelter facilities for homeless 	Planning and Administration a. Support all of the goals and strategies with planning and administration	<ul style="list-style-type: none"> • 100 Rapid Rehousing Assistance • 50 Homeless 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. Provide rental assistance to families and singles e. Support fair housing activities 		<ul style="list-style-type: none"> • 350 Rental Units constructed • 100 Rental Units rehabilitated • 90 Households Assisted with rental assistance
	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. Provide homeowner counseling and short term assistance f. Support fair housing activities 		<ul style="list-style-type: none"> • 750 Homeowner Units rehabilitated • 500 Direct Financial Assistance to Homebuyers • 15 Homeowner Units (re)constructed
		Community Development	<ul style="list-style-type: none"> a. Assist in the development of centers and recreational parks b. Assist LMI homeowners with street assessments c. Assist LMI homeowners with water/sewer improvements d. Improve sidewalk accessibility and safety e. Beautification 		<ul style="list-style-type: none"> • 1500 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 (food and shelter) for people who are low-income and/or homeless b. Support programs for youth c. Support programs for seniors d. Support transportation services 		<ul style="list-style-type: none"> • 17,000 Persons benefited from public services
		Neighborhood Revitalization	<ul style="list-style-type: none"> a. Address vacant, substandard properties that may or may not be suitable for rehab b. Acquire blighted properties and lots for demolition and redevelopment activities c. Address contamination clean up issues 		<ul style="list-style-type: none"> • 150 Households assisted • 5 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. Support businesses to start up or expand d. Provide financial assistance to businesses 		<ul style="list-style-type: none"> • 5 Direct Financial Assistance to Businesses • 5 Façade treatment/business building rehabilitation
		5 Support economic development that enhances the workforce and businesses.			

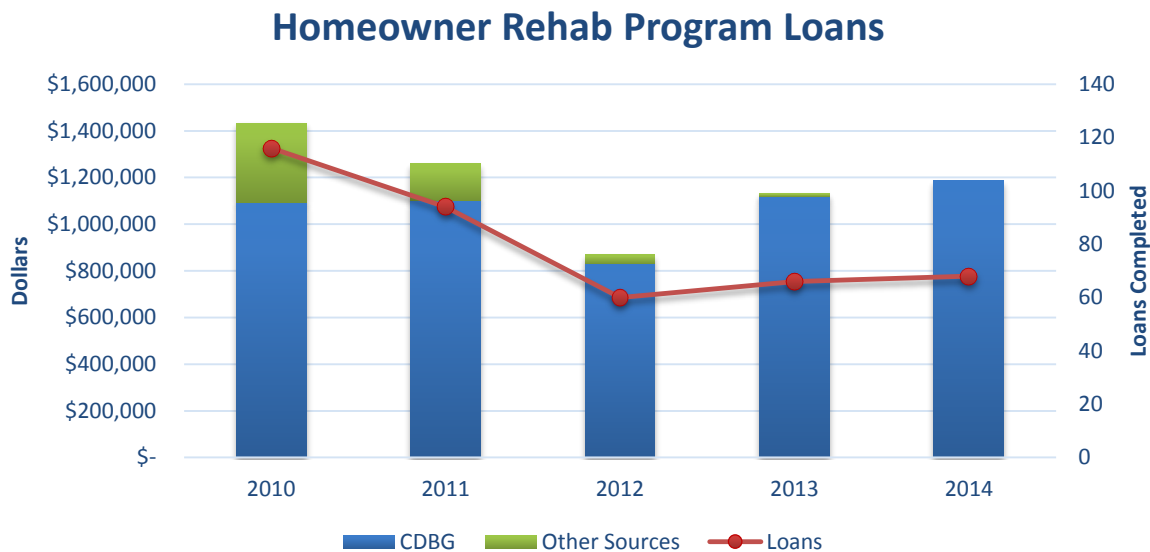
3. Evaluation of past performance

Despite fluctuations in funding levels, Dakota County has done well in meeting or exceeding most of the goals that were established in the 2010-2014 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. Subsequently, the 2014 program year will not be completed until June 30, 2015; therefore, the accomplishments highlight the beneficiaries and the attainment of goals through a designated period of the 2014 program year.

Homeowner Rehabilitation Program

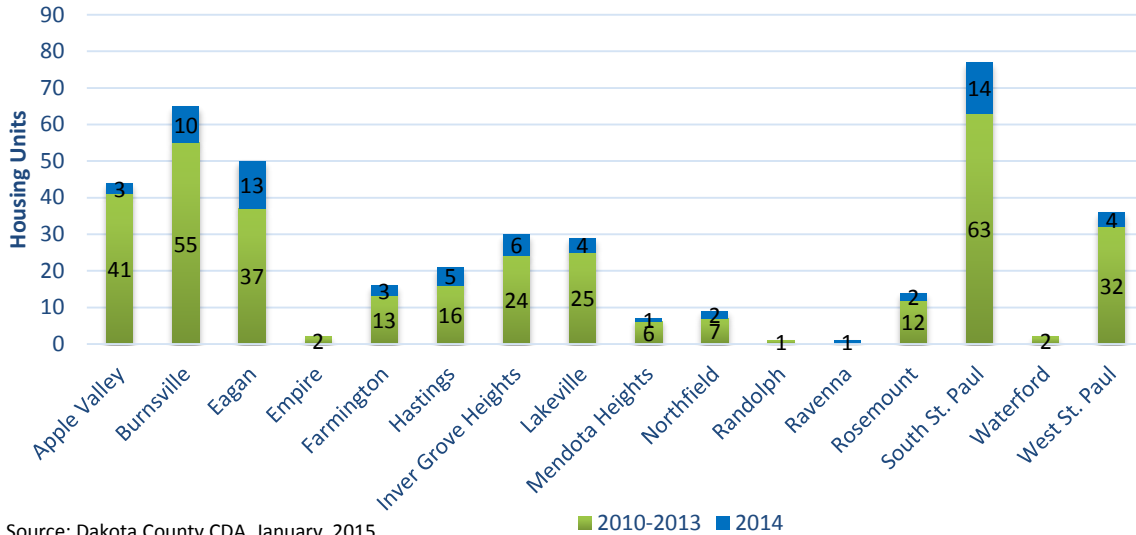
As of the end of January 2015, over 400 single family homes had been rehabilitated throughout Dakota County. An approximate \$5.88 million dollars in CDBG funds has been utilized to provide low-to-moderate income homeowners rehab loans to complete projects ranging from window, roofing and siding replacement to HVAC updates to kitchen or bathroom remodels. The loans are 0% deferred, meaning the homeowner does not need to repay the loan until they sell or if they choose to refinance and the loan does not accrue interest, thus the homeowner only pays back the principle amount loaned.



Source: Dakota County CDA

To date this program year (2014) 68 homeowners have completed their rehabilitation projects, receiving an average loan of \$17,400.

Homeowner Rehab Program by City

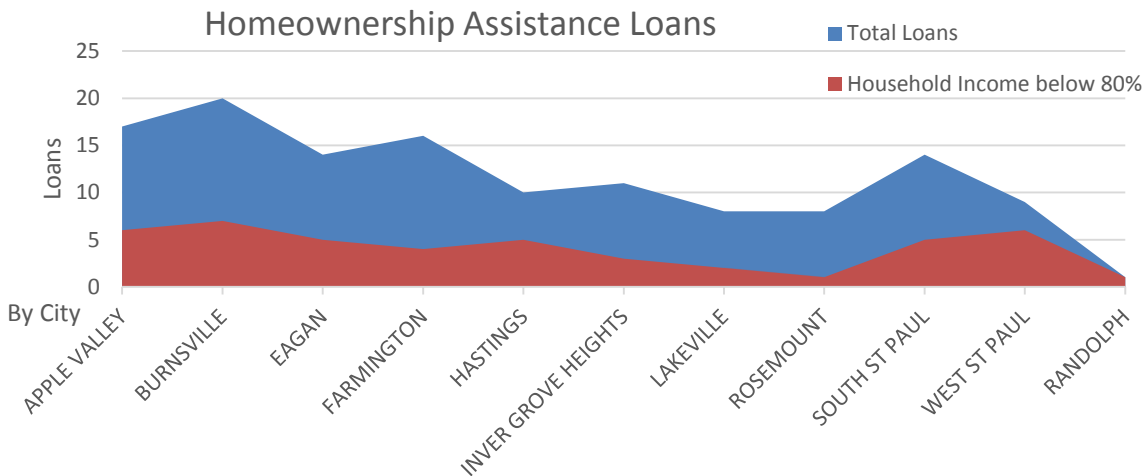


Source: Dakota County CDA, January 2015

First Time Homebuyer Program

For households that are looking to become homeowners, the first time homebuyer program has provided homeownership assistance to 125 homebuyers since the program was re-launched at the end of November 2012. In previous Consolidated Plans, HOME funds were the traditional funding source used to finance the program; Dakota County received American Dream Downpayment Initiative {ADDI} funds as part of the HOME allocation from 2003-2007. Currently, HOPE funds (a local source of funds) are the primary source of funding along with CDA General Fund and financing from Minnesota Housing Finance Agency.

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

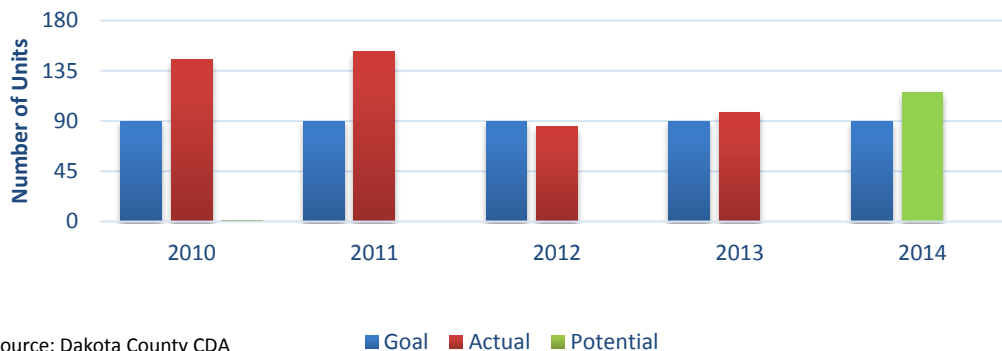


Source: Dakota County CDA, January 2015

New Affordable Housing Construction

Dakota County has prioritized spending HOME funds, approximately \$550,000 each year, on the development of new affordable housing units. By the fourth program year (2013), 480 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 600 units will have been added, exceeding the goal of 450 units by 32%.

New Affordable Housing Units



Additional developments close to completion in 2014 will add 116 more units for those who have incomes at or below 80% of area median income (AMI). HOME funds have been dedicated to build additional workforce housing units in Lakeville within the next two years.

Lakeshore Townhomes started construction in July 2014 and is anticipated to be completed spring 2015. This is a 50-unit property with 5-units being designated as HOME units.

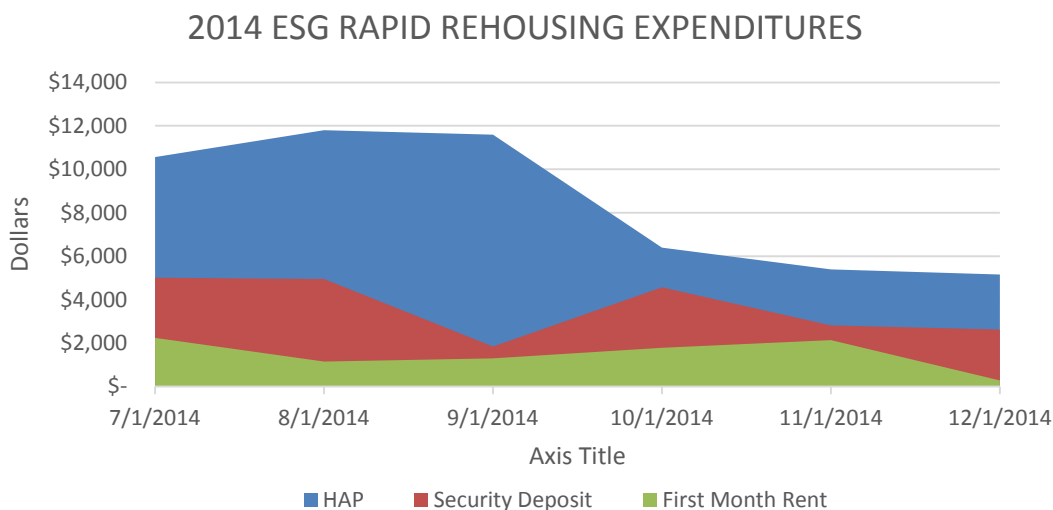


(Lakeshore Townhome site map and photo courtesy of Dakota County CDA)

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. Those 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.

The ESG grant is a new source of funding for Dakota County. The 2013 program year was the first year Dakota County received a direct allocation. Prior to 2013, Dakota County competitively applied for the grant funding through the State of Minnesota. Forty-five households were provided assistance in some manner described above with ESG funds in the first year. As of December 2014, 60 households had been provided assistance in program year 2014. The largest expense for ESG was providing housing assistance payments (HAP), 62%, while 27% has gone toward security deposits and the remaining 11% to first month's rent. The average amount of assistance provided for security deposits in 6 months was \$838 and the average HAP amount was \$605.



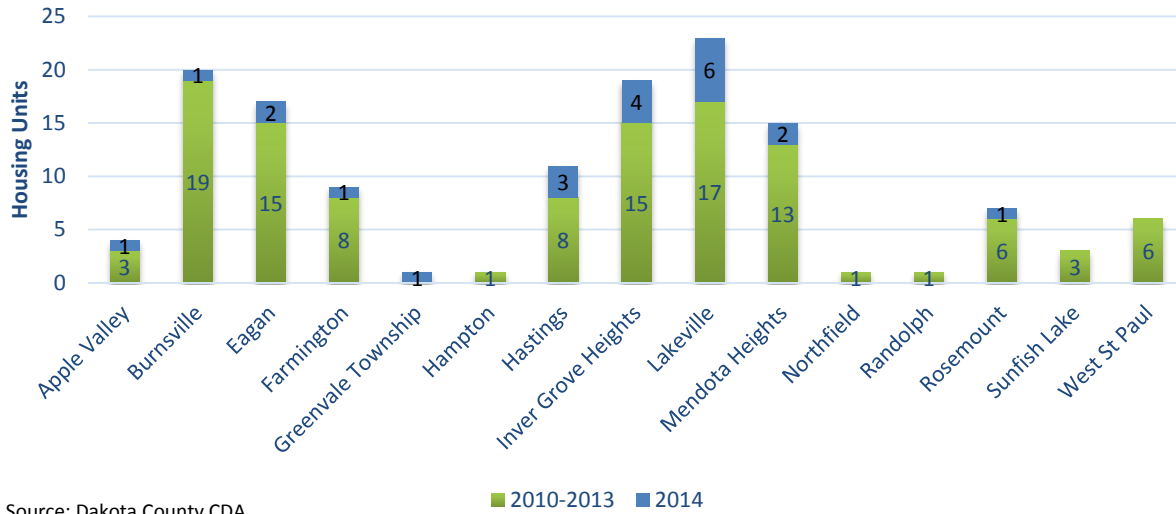
Source: Dakota County CDA

Well Sealing Grant Program

Lastly, a final accomplishment to highlight is the countywide well sealing grant program that reimburses Dakota County homeowners one-half 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 the water. A total of 140 wells have been properly sealed over the last five years (as of January 2015), with an average reimbursement grant of \$840 for the property owner. This program combines private funds with CDBG funding; for every dollar of CDBG spent, one dollar of non-CDBG

money is spent. Therefore the total amount of \$117,000 of CDBG funding has been expended from 2010 to present pooled with an additional \$117,000 in private funding.

Countywide Well Sealing by City



Source: Dakota County CDA

4. Summary of citizen participation process and consultation process

Dakota County utilized several methods to engage citizens in the development of the Consolidated Plan as well as consulted a variety of community stakeholders within the last year. The conversation began in March of 2014 when the Dakota County Board of Commissioners, acting in their role as the CDA Board of Commissioners, were notified CDA staff had begun working on the plan and detailed some of the community engagement efforts that were planned to take place over the course of the next year.

A majority of the feedback received from citizens was received in the latter half of 2014. The following highlights the engagement process conducted:

1. Dakota County Fair (August 2014) - Dakota County CDA had a booth located in the commercial building at the Dakota County Fair. Staff members requested fair goers to complete a short survey on likes/dislikes for their community. A paper version was able to be completed at the fair or a 3x5 post card was handed out with a link to the online version of the survey. Additionally, the post card was placed in the information bags that fair attendees could take from the booth.

A total of 18 responses were collected at the fair or online.

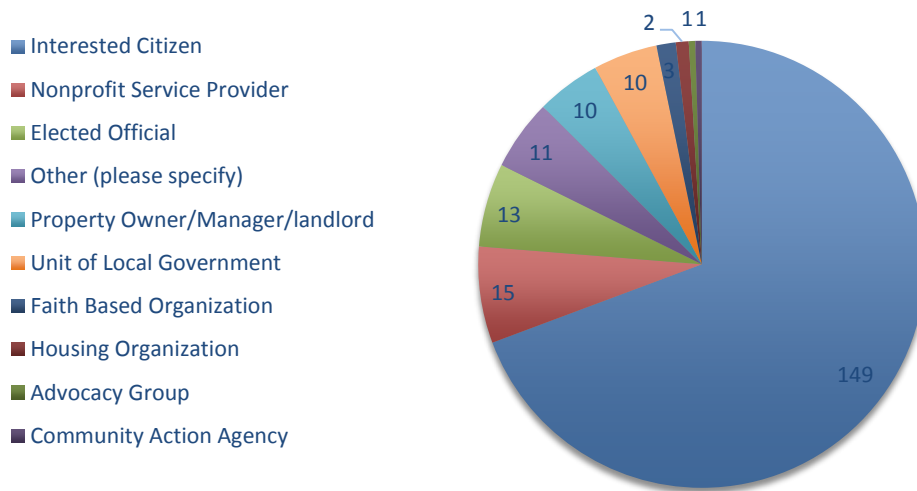
2. Community Needs Survey (October 2014) – Dakota County CDA designed an online survey for citizens, service providers, faith organizations, elected officials, businesses, and local and county

government staff to complete. The same survey format was used for all with small modifications when it came to demographics about the respondent.

The survey was distributed and marketed multiple ways:

- Over 600 printed versions of the survey was mailed to all public housing residents in Dakota County (Dakota County CDA and South St. Paul HRA).
- 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.
- 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 city web designers to publish on their city sites or use their social media to advertise to survey.
- A print ad was published in the Dakota County Tribune.
- An advertisement flyer was posted at the front desk of the CDA office with printed versions of the survey available for completion.

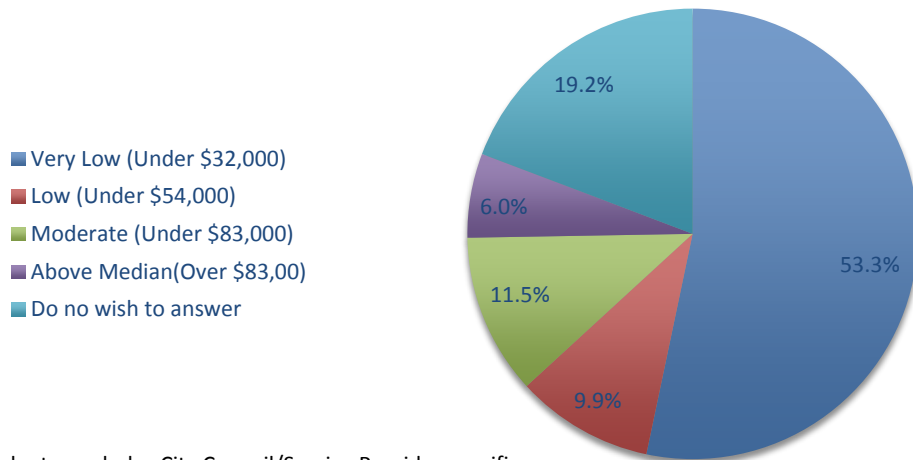
Community Survey Participation



Source: Dakota County CDA

A total of 215 citizens and community partners completed the survey; and 13 city/township community development staff¹. Seventy-five percent of the respondents (182)² identified themselves as having a low-to-moderate income, 53% alone identified themselves as having very low income.

Community Survey Respondent Income level



≠ 182 respondents, excludes City Council/Service Provider specific survey
 Source: Dakota County CDA

- Community partner consultations – Dakota County CDA consulted with the following Dakota County departments - Environmental Resource Department, Office of Planning, and Community Social Services Department.

In addition, regular consultation with the Affordable Housing Coalition, especially during the December 2014 meeting that was dedicated to identifying affordable housing needs, greatly assisted with the creation of the Consolidated Plan.

CDA staff will also seek the consultation of the Dakota County Planning Commission in April 2015.

- Presentations (February 2015) – Dakota County CDA presented a draft of the priorities and goals established to the Economic Development Management Group, comprised of several city and county staff. A similar presentation was conducted that the Affordable Housing Coalition meeting.

¹ The survey responses from the city/township staff were isolated as they are municipal sub-recipients of CDBG funding.

² Demographics of survey respondents excludes those that completed the survey tailored to City Council Officials and Service providers as those questions were not asked in those specific surveys.

5. Open House (March 2015) – As of the summary publishing has not occurred. A notification flyer was mailed to all public housing residents and included in the rent statements for households currently residing in a CDA workforce housing development or senior property.
6. Public Hearing and Comment Period (March 2015) – As of the summary publishing has not occurred. Public notices were published in three papers, Dakota County Tribune, Hasting Star Gazette and the South-West Review. Additionally, notification was post on the Dakota County CDA website and Dakota County website.
7. Public Hearing (May 2015) – A second public hearing will be held at the May 2015 Dakota County Board of Commissioners meeting prior to adopting the 2015-2019 Consolidated Plan and authorizing the submission of the plan to the U.S. Department of Housing and Urban Development Minneapolis Field Office.

5. Summary of public comments

No comments have been submitted prior to the summary publishing.

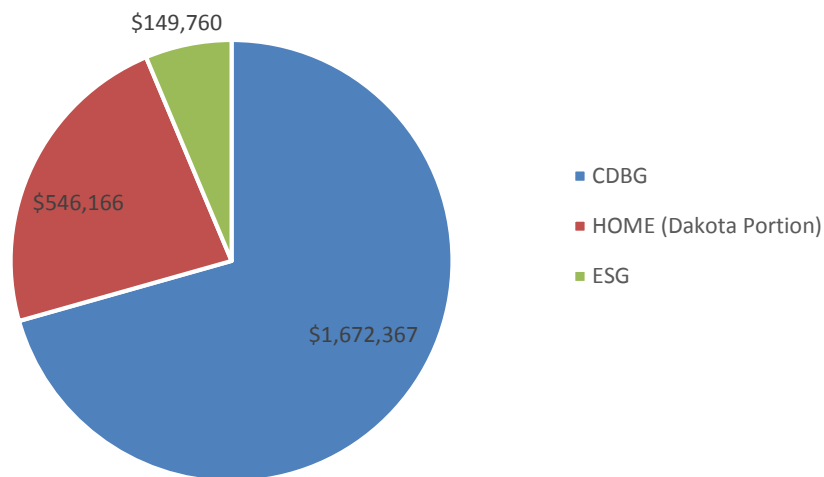
6. Summary of comments or views not accepted and the reasons for not accepting them

There have been no comments made as of the summary publishing.

7. Summary of Program Year 2015 Funds and Activities

The following table and graphs detail the intended activities and uses of CDBG, HOME and ESG funds for Program Year 2015 and year one of the 2015-2019 Consolidated Plan. Dakota County has been allocated \$2.368 million between the three programs, the greatest being CDBG funding. Funding was cut in CDBG 0.46% and HOME 4.62% compared to Program Year 2014, ESG will see a 23% increase over last year.

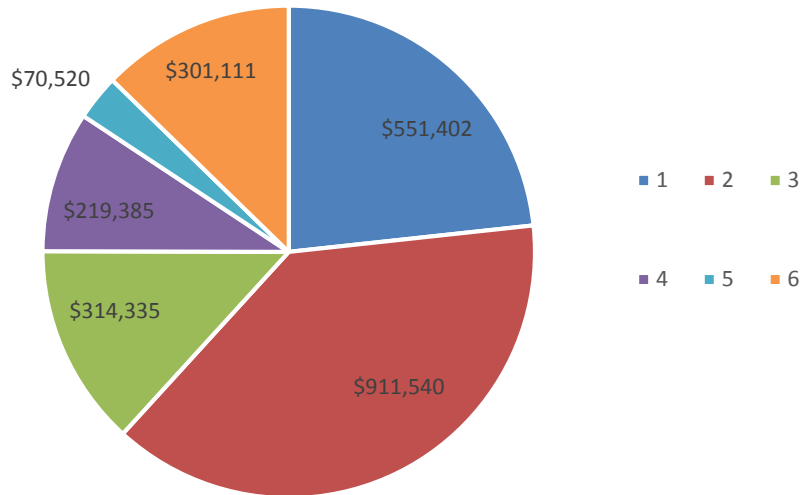
2015 Program Year - \$2,368,293 Total Funding



Source: Dakota County CDA

A majority of the funding, around 1.46 million (62%) will be directed towards meeting the affordability of housing objectives. Then respectively, making the living environment more suitable (23%), supporting planning and the administration of activities (12%) and economic opportunity (3%). It is intended 44 identified activities will take place either within a specified city or at a county-wide basis.

2015 Program Year Funding by Objective



Source: Dakota County CDA

Draft Dakota County FY 2015 CDBG/HOME/ESG Activity Statement

Draft CDBG Budget with .46% (\$7,746) decrease from 2014
 Draft HOME Budget with 4.62% (\$26,430) decrease from 2014
 Draft ESG Budget with 23% (\$25,583) increase from 2014

Dakota County 2015 CDBG

Small Cities and Townships:

City/Township	Project	2015 Budget
Greenvale Township	Township Buildable Site Inventory Plan	\$ 3,000
Hampton	Park Improvement Plan Update	\$ 3,000
Waterford Township	Zoning Ordinance Update	\$ 5,000
Randolph	Park Improvements (Mulch, Light & Drinking Fountain)	\$ 20,050
Total		\$ 31,050

Large Cities:

City	Project	2015 Budget
Apple Valley	Public Services (Seniors)	\$ 12,000
	Homeowner Rehabilitation	\$ 113,051
Total		\$ 125,051

City	Project	2015 Budget
Burnsville	Public Services (The GARAGE)	\$ 45,000
	Public Services (360 Communities)	\$ 5,000
	Public Services (EMS Grants)	\$ 10,000
	Public Services (Seniors)	\$ 47,000
	Homeowner Rehabilitation	\$ 127,926
Total		\$ 234,926

City	Project	2015 Budget
Eagan	Public Services (Youth)	\$ 22,000
	Public Services (Seniors)	\$ 13,000
	Weatherization Plus	\$ 5,000
	Historic Rehabilitation	\$ 100,000
	Homeowner Rehabilitation	\$ 53,033
Total		\$ 193,033

City	Project	2015 Budget
Farmington	Commercial Rehabilitation	\$ 42,520
Total		\$ 42,520

City	Project	2015 Budget
Hastings	Assessment Abatement	\$ 68,609
Total		\$ 68,609

City	Project	2015 Budget
Inver Grove Heights	Property Acquisition & Clearance (Doffing Floodplain)	\$ 56,385
	Homeowner Rehabilitation	\$ 56,500
Total		\$ 112,885

City	Project	2015 Budget
Lakeville	ADA Compliance	\$ 20,000
	Commercial Rehabilitation	\$ 28,000
	Homeowner Rehabilitation	\$ 65,797
	Planning Economic Development	\$ 10,000
Total		\$ 123,797

City	Project	2015 Budget
Mendota Heights	Housing Rehabilitation	\$ 23,963
Total		\$ 23,963

City	Project	2015 Budget
Northfield	Housing Rehabilitation	\$ 69,487
Total		\$ 69,487

City	Project	2015 Budget
Rosemount	Park Improvement (Shelter ADA Repairs)	\$ 51,676
Total		\$ 51,676

City	Project	2015 Budget
South St. Paul	Property Acquisition (Rediscover SSP)	\$ 40,000
	Homeowner Rehabilitation	\$ 39,897
	Total	\$ 79,897

City	Project	2015 Budget
West St. Paul	Homeowner Rehabilitation	\$ 81,528
	Total	\$ 81,528

County Wide

	Project	2015 Budget
Dakota County	Homeowner Rehabilitation (Including \$400,000 of repayment of loans revolved back into the program)	\$ 593,433
	Well Sealing	\$ 23,000
	Robert Street Transit Plan	\$ 17,337
	Park Use and Equity Research Plan	\$ 5,175
	Fair Housing	\$ 3,250
	CDA General Administration	\$ 191,750
	FY15 CDBG, Total Grant Allocation <small>(excludes revolving loan funds for Homeowner Rehabilitation)</small>	\$ 1,672,367
	FY15 CDBG, Cities/Twps	\$ 1,238,422
	FY15 CDBG, County-wide	\$ 433,945

Dakota County 2015 HOME

	Project	2015 Budget
Dakota County (33.4% Share)	Affordable Housing Development	\$ 409,624
	Community Housing Development Organization (Undesignated)	\$ 81,925
	CDA General Administration	\$ 54,617
	FY15 HOME, Draft Grant	\$ 546,166

Dakota County 2015 ESG

	Project	2015 Budget
Dakota County	Rapid Re-Housing Assistant Payments	\$ 95,000
	Housing Relocation and Service Assistance	\$ 43,528
	General Administration	\$ 11,232
	FY15 ESG, Draft Grant	\$ 149,760