

**Grantee: Dakota County, MN**

**Grant: B-08-UN-27-0002**

**October 1, 2009 thru December 31, 2009 Performance Report**

**Grant Number:**

B-08-UN-27-0002

**Obligation Date:**

03/13/2009

**Grantee Name:**

Dakota County, MN

**Award Date:**

03/13/2009

**Grant Amount:**

\$2,765,991.00

**Contract End Date:**

03/13/2013

**Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**QPR Contact:**

Stephanie Newburg

## Disasters:

### Declaration Number

NSP

## Plan Description:

Dakota County is situated in the southeast corner of the Twin Cities Metropolitan area, it is the third most populous county in the state of Minnesota, at approximately 400,000 persons. Dakota County maintains a land use mixture of 1/3 urban, 1/3 suburban, and 1/3 rural. The median home price in Dakota County has increased 21.7% over a five year period from \$192,000 (2002) to \$233,650 (2006). Dakota County has the second highest number of foreclosures among Minnesota counties. Foreclosure sales have alarmingly increased in the past five years, highlighting the increase in need for mortgage delinquency counseling. There were 222 foreclosure sales in 2002, and the number dramatically increased to 1,610 sales in 2007; a 725% increase in five years. Dakota County is projecting 2,200 foreclosure sales in 2008. Dakota County also has a high number of subprime mortgages. In addition, the FBI has identified the Twin Cities as one of the 10 worst areas of the United States for mortgage fraud and has a number of current investigations underway. In 2007 and 2008, the U.S. Attorneys office charged 23 defendants who have either pleaded guilty or have been sentenced for mortgage fraud and related crimes. Ten percent of homes currently listed for sale in Dakota County are bank owned. While foreclosures have occurred throughout all parts of the county, there are areas with greater concentrations of foreclosed, bankowned homes. Dakota County has delineated areas of greatest need of stabilization activities, also referred to as target areas, on the map in Exhibit A. This data is set across census tract block groups and zip code areas. In determining the areas of greatest need, Dakota County CDA used data provided by HUD. The CDA mapped the census tract blocks where the foreclosure and abandonment risk score was 6 or greater. The CDA also mapped the census tract block groups where the underlying 18-month predicted foreclosure problem rate was higher than 4%. Since the predicted 18-month values were given by HUD as a percentage, the percentages were divided into ranges (1-10) based on Natural Breaks (Jenks Optimization) method. This gave a single score for each percentage range for the risk score and the problem rate, allowing both data sets to match. The two fields were then added together to get the combined risk score, the 1-10 value from each field, for a total possible score of 20. The areas of highest priority include portions of South St. Paul, Eagan, Burnsville, and Hastings. Areas of medium high priority are portions of Farmington, Lakeville, Apple Valley, and West St. Paul. Portions of Inver Grove Heights, Rosemount, Northfield and small cities in the County have been identified as areas of medium priority. All census tracts which did not meet the criteria set by the Dakota County CDA will not be eligible for Neighborhood Stabilization Funding. All funds have been budgeted for eligible uses and activities as identified in the Activity Type section. Activities will occur from January 1, 2009 to June 30, 2011. The Dakota County CDA will be sole responsible organization in carrying out all activities within the NSP program.

## Recovery Needs:

The funds will be used in five primary activities, plus administration:

1. Homeownership assistance for low-, moderate-, and middle-income (120% of area median income, or AMI) households purchasing foreclosed upon homes totalling \$525,000. Twenty-seven home purchases will be assisted for homebuyers at or below 120% AMI.
2. Acquisition of foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$462,000. Five homes will be purchased for households at or below

50% AMI.

3. Rehabilitation of acquired foreclosed and/or abandoned homes and residential properties resulting in the rental or resale to low-income (50% of AMI) households totalling \$230,000. Five homes will be rehabbed for occupancy by households at or below 50% AMI.

4. Acquisition of foreclosed and/or abandoned homes and residential properties for the purpose of establishing a land bank totalling \$1,051,250. Ten foreclosed properties will be acquired and land-banked.

5. Demolition of blighted structures totalling \$226,750. Twelve blighted homes will be cleared.

6. Administration of the program will not exceed 10% of the NSP grant and 10% of any program income.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$2,765,991.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,765,991.00
<b>Program Funds Drawdown</b>	\$663,645.93	\$1,917,860.96
<b>Obligated CDBG DR Funds</b>	\$571,171.32	\$1,917,860.96
<b>Expended CDBG DR Funds</b>	\$608,169.91	\$1,905,589.02
<b>Match Contributed</b>	\$0.00	\$22,092.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
<b>Minimum Overall Benefit Percentage</b>	99.99%	30.769%
<b>Minimum Non-Federal Match</b>	\$0.00	\$22,092.00
<b>Limit on Public Services</b>	\$414,898.65	\$0.00
<b>Limit on Admin/Planning</b>	\$276,599.10	\$123,568.32
<b>Limit on State Admin</b>	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

As of December 31, 2009 the Dakota County CDA drew down almost 70% of its NSP allocation. NSP-1, Homebuyer Financing has drawn 94% of its budget, and NSP-4, Acquisition for Land Banking has drawn 93% of its budget.

NSP-1 has assisted a YTD total of 37 households by providing up to \$15000 in a zero interest deferred loan to put towards the purchase of a foreclosed home. This activity has one outstanding loan that will be processed during the next quarter. After that, this activity is complete unless additional funds are added.

NSP-4 has acquired a YTD total of 14 vacant, foreclosed properties. Thirteen of these properties have been demolished through NSP-5. Costs are now related to land holding expenses.

With two activities very near completion, focus is shifting to acquiring properties suitable for rehabilitation that will either be used to provide rental housing for income eligible households or sold to eligible buyers.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$663,645.93	\$2,765,991.00	\$1,917,860.96

## Activities

**Grantee Activity Number:** NSP-1

**Activity Title:** NSP-1

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

BCKT

**Projected Start Date:**

01/01/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Bucket Project

**Projected End Date:**

06/30/2011

**Responsible Organization:**

Dakota County CDA

**Overall**

**Oct 1 thru Dec 31, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$567,060.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$567,060.00
<b>Program Funds Drawdown</b>	\$266,516.57	\$519,086.77
<b>Obligated CDBG DR Funds</b>	\$251,516.57	\$565,026.77
<b>Expended CDBG DR Funds</b>	\$236,516.57	\$519,086.77
Dakota County CDA	\$236,516.57	\$519,086.77
<b>Match Contributed</b>	\$0.00	\$15,652.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Financing mechanisms (zero interest deferred loan) for homebuyers at or below 120% AMI to acquire vacant foreclosed upon homes and residential property.

**Location Description:**

NSP targeted areas

**Activity Progress Narrative:**

Sixteen households received up to \$15000 in zero interest deferred loans to acquire foreclosed homes. Five appraisals were done during the reporting period. Currently, there is one loan outstanding that will likely be issued next quarter. Once the outstanding loan is issued, this activity is completed unless additional funds are added.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
<b># of Households benefitting</b>	0	8	16	0/0	17/0	34/25

**Activity Locations**

Address	City	State	Zip
30966 Jamestown Ave	Lakeville	NA	55044
1532 139th St W	Rosemount	NA	55068
17120 Hayes Ave	Lakeville	NA	55044
14716 Burnell Park Dr	Burnsville	NA	55337
8420 144th St	Apple Valley	NA	55124
3935 72nd St E	Inver Grove Heights	NA	55076

7770 157th St	Apple Valley	NA	55124
8349 Corcoran Circle	Inver Grove Heights	NA	55076
8251 Cleadis Ave	Inver Grove Heights	NA	55076
2006 Westview Dr	Hastings	NA	55033
3223 Valley Ridge Dr	Eagan	NA	55121
1809 Southcross #2604	Burnsville	NA	55337
15511 Garnet Way	Apple Valley	NA	55124
6873 Folkestone Rd	Apple Valley	NA	55124
14 Hickory St	Farmington	NA	55024
1209 Elm St	Farmington	NA	55024

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NSP-1a

**Activity Title:** NSP-1a

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

BCKT

**Projected Start Date:**

01/01/2009

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Bucket Project

**Projected End Date:**

06/30/2011

**Responsible Organization:**

Dakota County CDA

**Overall**

**Oct 1 thru Dec 31, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$60,940.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$60,940.00
<b>Program Funds Drawdown</b>	\$15,000.00	\$45,940.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$15,000.00	\$30,350.00
Dakota County CDA	\$15,000.00	\$30,350.00
<b>Match Contributed</b>	\$0.00	\$6,440.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Financing mechanisms (zero interest deferred loan) for homebuyers at or below 50% AMI to acquire vacant foreclosed upon homes and residential property. This activity was added Feb 2010 for the purpose of showing the amount of NSP funds provided as a financing mechanism that assisted buyers of foreclosed properties with incomes at or below 50% AMI.

**Location Description:**

NSP targeted areas.

**Activity Progress Narrative:**

One household received up to \$15000 in zero interest deferred loans to acquire foreclosed homes. This program is completed unless another eligible low income buyer of an eligible property is identified.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Households benefitting	1	0	1	3/3	0/0	3/3

**Activity Locations**

Address	City	State	Zip
15579 Foghorn Lane	Apple Valley	NA	55124

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

**Other Funding Sources****Amount**

No Other Funding Sources Found

Total Other Funding Sources

**Grantee Activity Number: NSP-2****Activity Title: NSP-2****Activity Category:**

Acquisition - buyout of residential properties

**Activity Status:**

Under Way

**Project Number:**

BCKT

**Project Title:**

Bucket Project

**Projected Start Date:**

01/01/2009

**Projected End Date:**

06/30/2011

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Dakota County CDA

**Overall****Oct 1 thru Dec 31, 2009****To Date****Total Projected Budget from All Sources**

N/A

\$447,000.00

**Total CDBG Program Funds Budgeted**

N/A

\$447,000.00

**Program Funds Drawdown**

\$148,271.06

\$148,721.06

**Obligated CDBG DR Funds**

\$148,271.06

\$148,721.06

**Expended CDBG DR Funds**

\$148,271.06

\$148,721.06

Dakota County CDA

\$148,271.06

\$148,721.06

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

Purchase vacant, foreclosed homes and/or small apartment building to use as rental or owner occupied property. If an acquired property is used as rental, the Dakota County CDA will act as owner and property manager. Tenants of rental units must income qualify at or below 50% AMI based on family size. If an acquired property is used as owner occupied housing, a non-profit may act as the initial owner/developer. Buyers of these properties must also income qualify at or below 50% of AMI based on family size and must occupy the home as their principal residence. Project soft costs are included in the budget.

**Location Description:**

NSP identified target areas.

**Activity Progress Narrative:**

One property was acquired during this quarter. Two appraisals were also done during the quarter, one for the property that was purchased and one for another property of interest.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	1/4



## Activity Locations

Address	City	State	Zip
17150 Hemlock	Lakeville	NA	55044

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

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**Grantee Activity Number:** NSP-3

**Activity Title:** NSP-3

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Planned

**Project Number:**

BCKT

**Project Title:**

Bucket Project

**Projected Start Date:**

01/01/2009

**Projected End Date:**

06/30/2011

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Dakota County CDA

**Overall**

**Oct 1 thru Dec 31, 2009**

**To Date**

**Total Projected Budget from All Sources**

N/A

\$230,000.00

**Total CDBG Program Funds Budgeted**

N/A

\$230,000.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Obligated CDBG DR Funds**

\$0.00

\$0.00

**Expended CDBG DR Funds**

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

Rehabilitation of the vacant, foreclosed properties acquired with NSP funding. The Dakota County CDA will coordinate all rehabilitation activities. Once rehabilitated, the properties will be used either to provide rental housing to households at or below 50% AMI based on family size, or will be sold to income eligible buyers (at or below 50% AMI based on family size). For properties that may be sold as owner occupied, a non-profit may act as owner/developer. Project soft costs are included in budget.

**Location Description:**

NSP identified target areas.

**Activity Progress Narrative:**

There was no activity during this quarter.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

**Grantee Activity Number:** NSP-4

**Activity Title:** NSP-4

**Activity Category:**

Acquisition - buyout of residential properties

**Activity Status:**

Under Way

**Project Number:**

BCKT

**Project Title:**

Bucket Project

**Projected Start Date:**

01/01/2009

**Projected End Date:**

06/30/2011

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Dakota County CDA

### Overall

### Oct 1 thru Dec 31, 2009

### To Date

<b>Total Projected Budget from All Sources</b>	N/A	\$991,250.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$991,250.00
<b>Program Funds Drawdown</b>	\$74,450.82	\$922,597.17
<b>Obligated CDBG DR Funds</b>	\$67,438.68	\$922,597.17
<b>Expended CDBG DR Funds</b>	\$71,859.80	\$922,316.57
Dakota County CDA	\$71,859.80	\$922,316.57
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

### Activity Description:

Acquisition of vacant, foreclosed properties for the purpose of establishing a land bank.

### Location Description:

NSP identified target areas.

### Activity Progress Narrative:

One property was acquired during the reporting period. Unless more funds are added to this activity, the acquisition aspect is complete. Expenses now relate to land holding costs.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	14/10

### Activity Locations

Address	City	State	Zip
1410 Evans Ave	South St Paul	NA	55075

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NSP-5

**Activity Title:** NSP-5

**Activity Category:**

Clearance and Demolition

**Project Number:**

BCKT

**Projected Start Date:**

01/01/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Bucket Project

**Projected End Date:**

06/30/2011

**Responsible Organization:**

Dakota County CDA

**Overall**

**Oct 1 thru Dec 31, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$203,750.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$203,750.00
<b>Program Funds Drawdown</b>	\$108,863.40	\$161,546.30
<b>Obligated CDBG DR Funds</b>	\$57,975.35	\$161,546.30
<b>Expended CDBG DR Funds</b>	\$85,978.40	\$161,546.30
Dakota County CDA	\$85,978.40	\$161,546.30
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Demolish vacant, foreclosed properties acquired by the CDA as well as other properties deemed appropriate as a way to stabilize a neighborhood. The cleared land will become land bank inventory.

**Location Description:**

NSP identified target areas.

**Activity Progress Narrative:**

6 properties were demolished during this quarter.

**Performance Measures**

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
<b># of Properties</b>	0	0	6	0/0	0/0	13/12

**Activity Locations**

Address	City	State	Zip
135 9th Ave N	South St Paul	NA	55075
415 5th St	Hastings	NA	55033
805 1st St	Northfield	NA	55057
617 3rd St	Farmington	NA	55024
214 Winona St	West St Paul	NA	55118
401 Main St	Farmington	NA	55024

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NSP-6

**Activity Title:** NSP-6

**Activity Category:**

Administration

**Project Number:**

BCKT

**Projected Start Date:**

10/01/2008

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Bucket Project

**Projected End Date:**

12/31/2011

**Responsible Organization:**

Dakota County CDA

**Overall**

**Oct 1 thru Dec 31, 2009**

**To Date**

**Total Projected Budget from All Sources**

N/A

\$265,991.00

**Total CDBG Program Funds Budgeted**

N/A

\$265,991.00

**Program Funds Drawdown**

\$50,544.08

\$119,969.66

**Obligated CDBG DR Funds**

\$45,969.66

\$119,969.66

**Expended CDBG DR Funds**

\$50,544.08

\$123,568.32

Dakota County CDA

\$50,544.08

\$123,568.32

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

General program administration of Dakota County's allocation of NSP funding.

**Location Description:**

Dakota County, Minnesota

**Activity Progress Narrative:**

Administration of NSP funded activities continues. Focus has shifted to maintaining land bank and acquiring properties that can be rehabilitation and added to the CDA's public housing inventory and/or rehabilitating and selling to an eligible homeowner.

**Performance Measures**

**No Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources

