

# Dakota County Program Year 2021 Consolidated Annual Performance and Evaluation Report (CAPER)



July 2021 to June 2022

To be submitted to HUD  
on September 28, 2022

Prepared by the Dakota  
County CDA



## **Executive Summary**

Dakota County is a grantee designated to receive federal funding through the U.S. Department of Housing and Urban Development (HUD) for the following entitlement programs: Community Development Block Grant (CDBG); HOME Investment Partnerships (HOME); and Emergency Solutions Grant (ESG). Dakota County is designated as the lead agency for the Dakota County HOME Consortium (the Consortium) and assumes the role of monitoring and oversight of the HOME funds for the Consortium, which includes Anoka, Dakota, Ramsey, and Washington counties and the city of Woodbury. As the grantee of CDBG funds, Dakota County directly works with the various municipalities (municipal subrecipients) within the County to provide access to this funding stream.

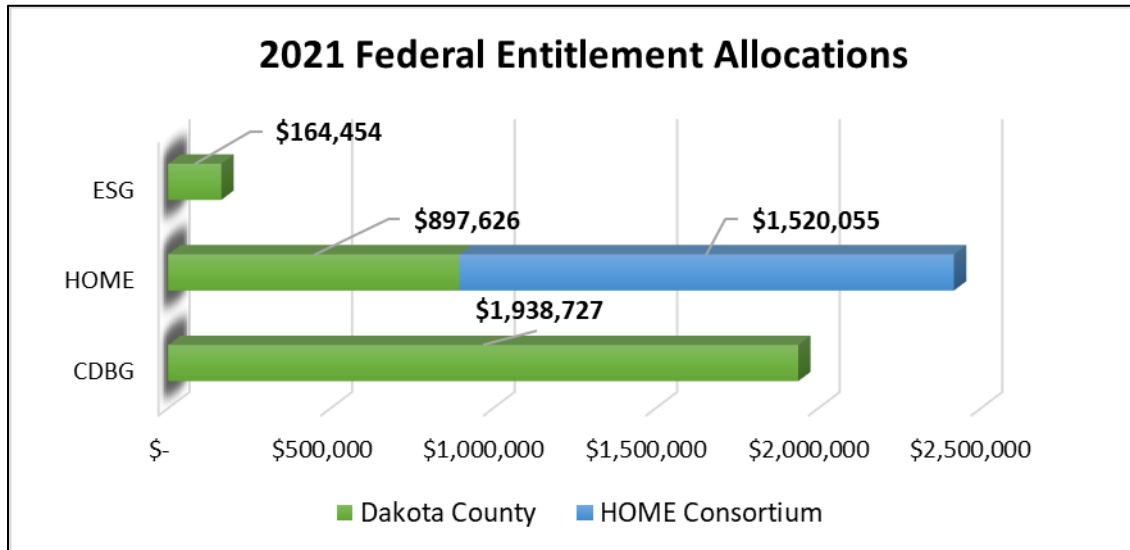
The Dakota County Community Development Agency (the CDA) has administered these federal funds on behalf of Dakota County since the County became an entitlement jurisdiction in 1984. Each of the three entitlement programs has eligible activities in which the funds can be utilized. The CDA directly partners with the municipalities, consortium members, and Dakota County Community Services and Physical Development departments to implement the programs. The CDA is charged with ensuring the rules and regulations are met and will continue to provide the administrative guardianship of the three programs through its agreement with Dakota County.

Each grantee must prepare a Consolidated Plan and subsequent Annual Action Plans to receive this federal funding which helps further affordable housing and community development activities. As a follow up to these plans, each grantee must also prepare a Consolidated Annual Performance and Evaluation Report (CAPER) detailing the progress the grantee has made towards achieving the goals and meeting the objectives outlined in the Annual Action Plan. This CAPER covers the 2021 Action Plan, the second year of the approved 2020-2024 Consolidated Plan for Dakota County. The 2020-2024 Consolidated Plan covers Program Years 2020 (July 1, 2020-June 30, 2021) through Program Year 2024 (July 1, 2024-June 30, 2025).

The 2020-2024 Consolidated Plan and the 2021 Action Plan identified objectives, priorities, strategies, and outcomes to achieve the housing and community development needs of the residents of Dakota County. The accomplishments of Dakota County for Program Year 2021 (July 1, 2021 through June 30, 2022) are listed in the report.

## Allocations

The chart below details the federal funding allocated to Dakota County for Program Year (PY) 2021.



The Dakota County HOME Consortium was allocated \$2,417,681. Dakota County's share of this allocation was 37.1 percent or \$897,626.

## Priorities and Outcomes

Below are the priorities established by Dakota County in its Consolidated Plan and the anticipated outcomes the County expects to have achieved at the completion of the Five-year plan on June 30, 2025.

### 1) Reduce Homelessness

- a) 200 households provided Rapid Rehousing assistance
- b) 100 households provided Homelessness Prevention funds

### 2) Affordable Rental Housing

- a) 360 rental units constructed
- b) 20 rental units rehabilitated

### 3) Affordable Homeowner Housing

- a) 300 homeowner units rehabilitated
- b) Six (6) rental units (re) constructed

### 4) Public Facilities

- a) 13,000 persons benefited from a public facility or infrastructure improvement

**5) Public Services**

- a) 15,000 persons benefited from public services

**6) Neighborhood Revitalization**

- a) 150 households assisted
- b) Three (3) buildings demolished

**7) Economic Development**

- a) 20 workforce trainees served

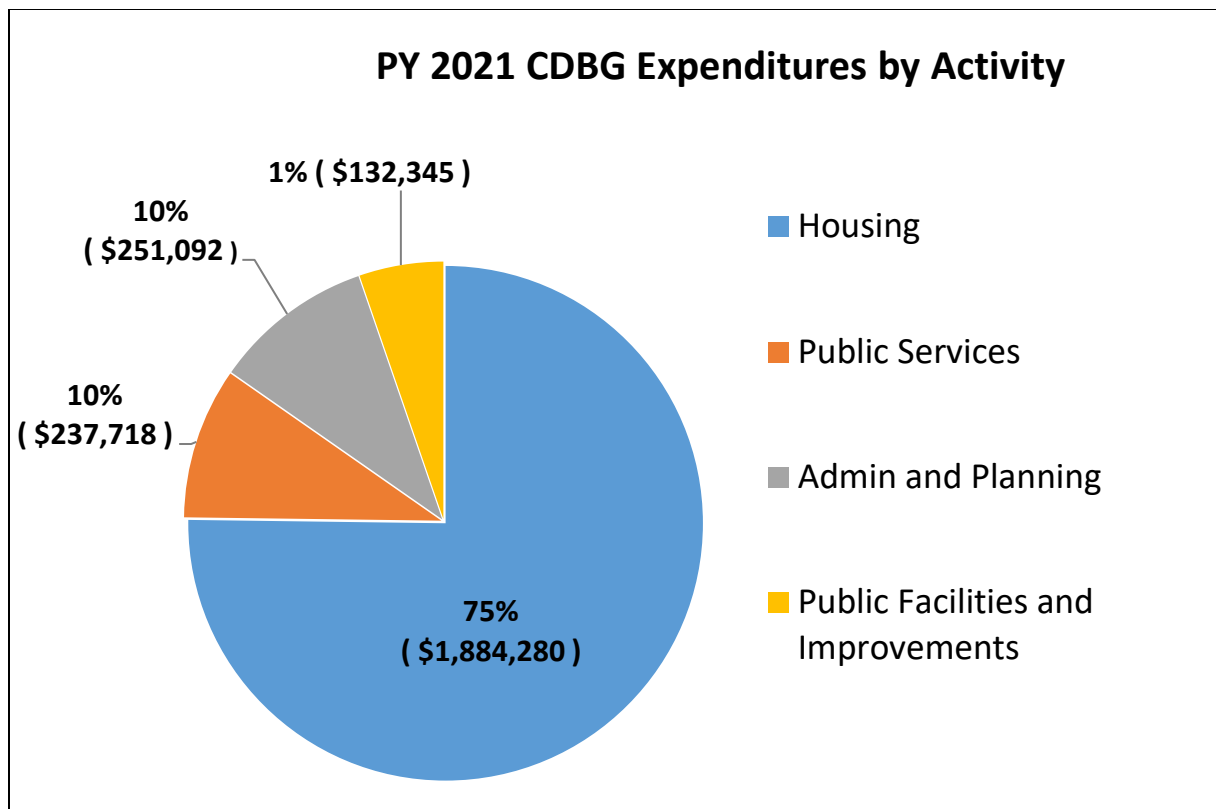
**8) Planning and Administration**

## **Expenditures by Program**

### **Community Development Block Grant (CDBG)**

Dakota County's CDBG allocation for Program Year (PY) 2021 was \$1,938,727. In PY 2021, the CDA received \$1,033,142.83 in program income, which was generated primarily from the CDA-administered Home Improvement Loan program. The combined total available from the PY 2021 allocation and program income was \$2,971,869.83. The total expenditure for PY 2021 was \$2,467,226.94.

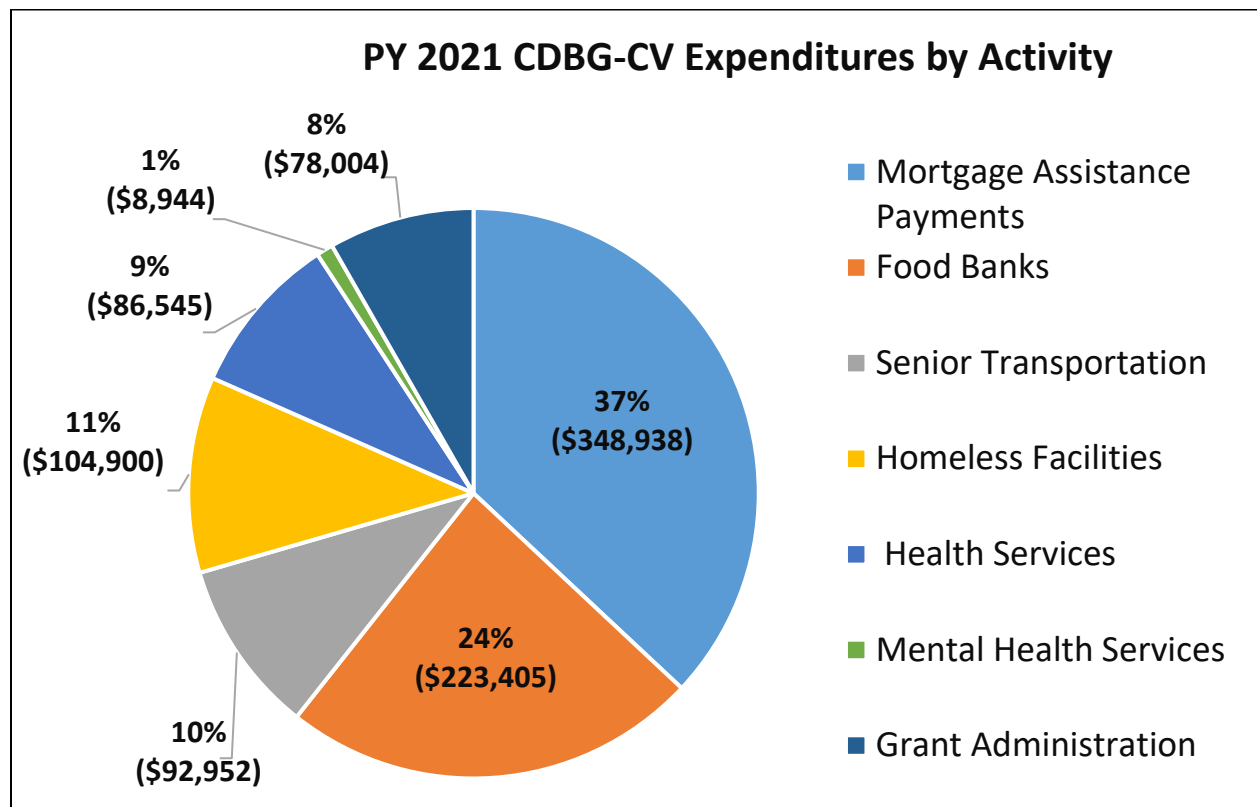
The chart below shows the percentages of those funds expended for each activity.



In 2020, Dakota County received an allocation of Community Development Block Grant Coronavirus (CDBG-CV) funds totaling \$2,913,485 to assist the County in responding to Covid-19. The County Board approved the use of the one-time CDBG-CV funds on the following activities:

| <b>CDBG-CV Activity</b>      | <b>Activity Budget</b> |
|------------------------------|------------------------|
| Mortgage Assistance Payments | \$ 1,185,266           |
| Food Banks                   | \$ 603,301             |
| Senior Transportation        | \$ 233,800             |
| Homeless Facilities          | \$ 378,000             |
| Health Services              | \$ 164,645             |
| Mental Health Services       | \$ 66,473              |
| Grant Administration         | \$ 282,000             |
| <b>TOTAL</b>                 | <b>\$ 2,913,485</b>    |

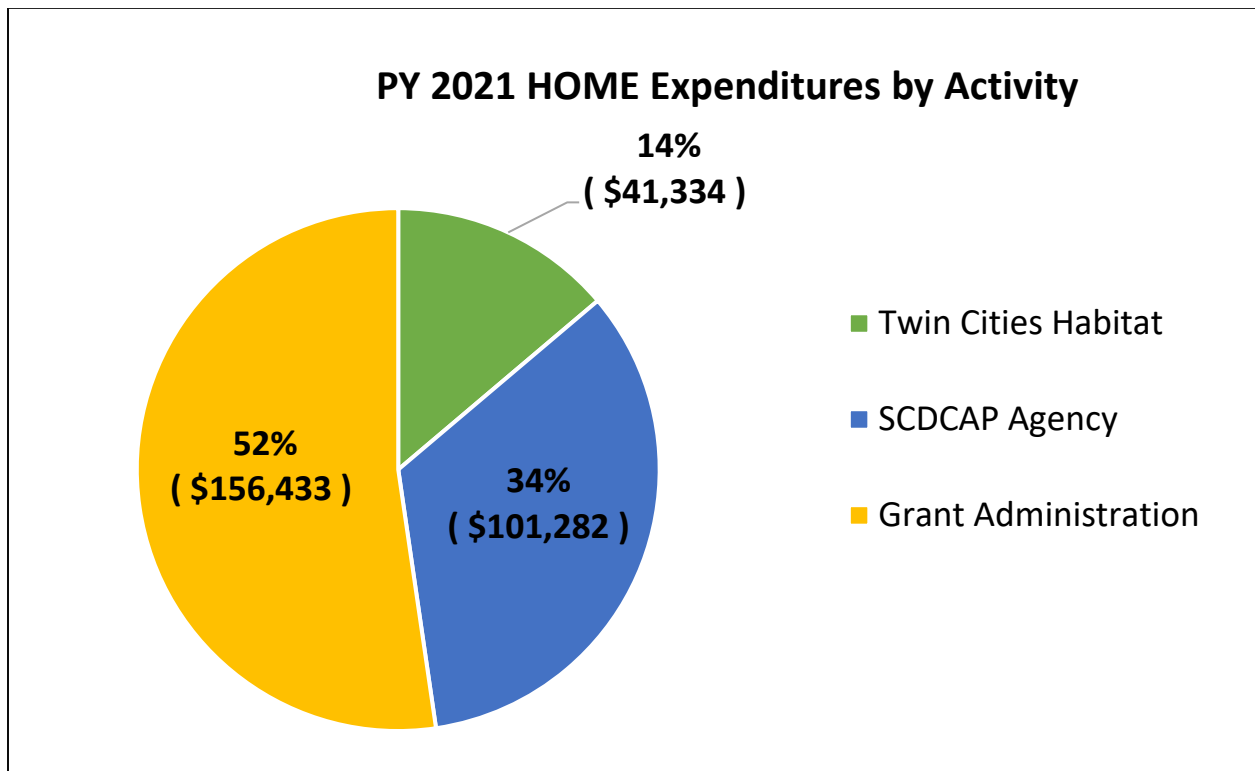
In PY 2021, \$943,688 of CDBG-CV funds were expended on the approved activities. The chart below details the expenditures.



## HOME Investment Partnerships (HOME)

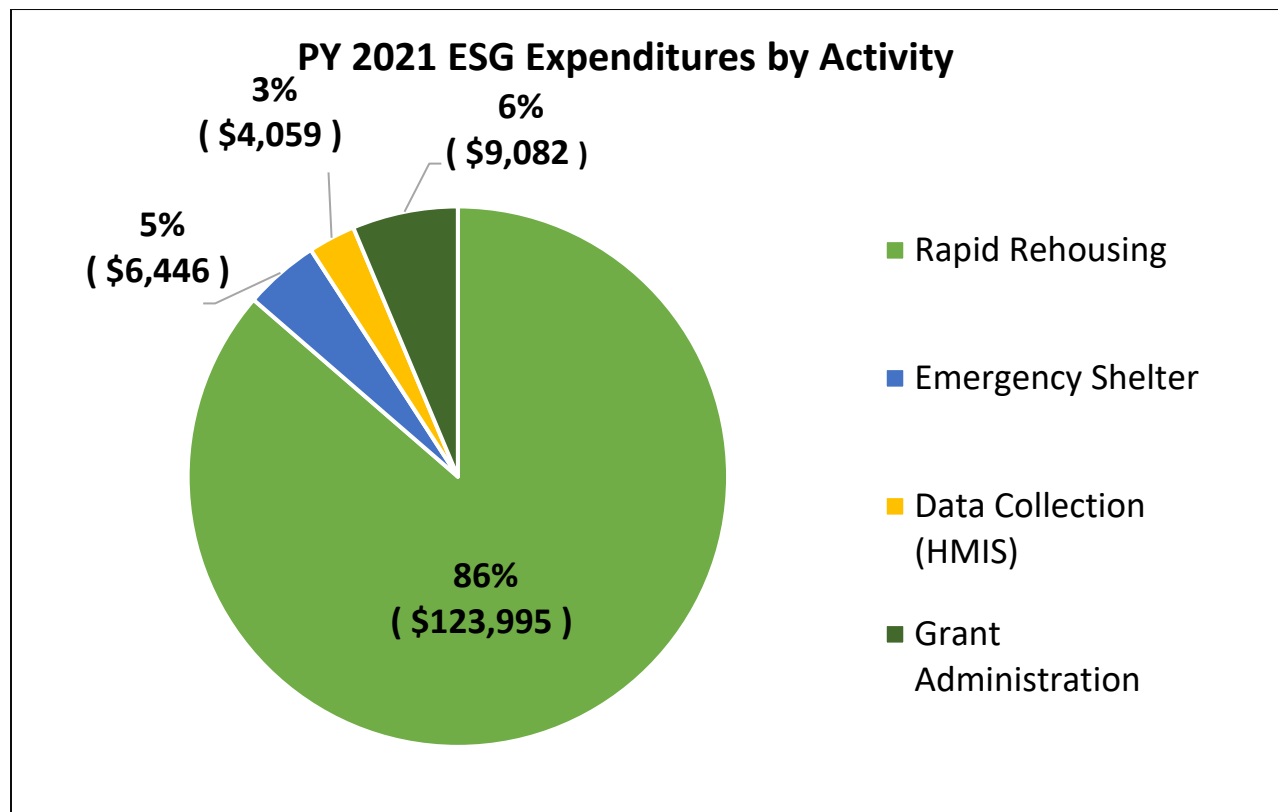
HOME funds were used for the construction of one Twin Cities Habitat for Humanity (TCHFH) single family home in Farmington, which was completed in PY 2021. The bulk of the \$299,049 of PY 2021 HOME funds expended in PY 2021 were spent on grant administration, which includes staff time, attorney fees, closing costs, and similar. Much time was spent preparing for several projects that will be completed in PY 2022, on which most of the County's HOME funds will be spent. Thirty-four (34%) of PY 2021 HOME funding was used to start Scott Carver Dakota CAP Agency's preservation of an 8-unit apartment building.

The following chart shows the expenditures for the two HOME-funded activities completed in PY 2021.



## Emergency Solutions Grant (ESG)

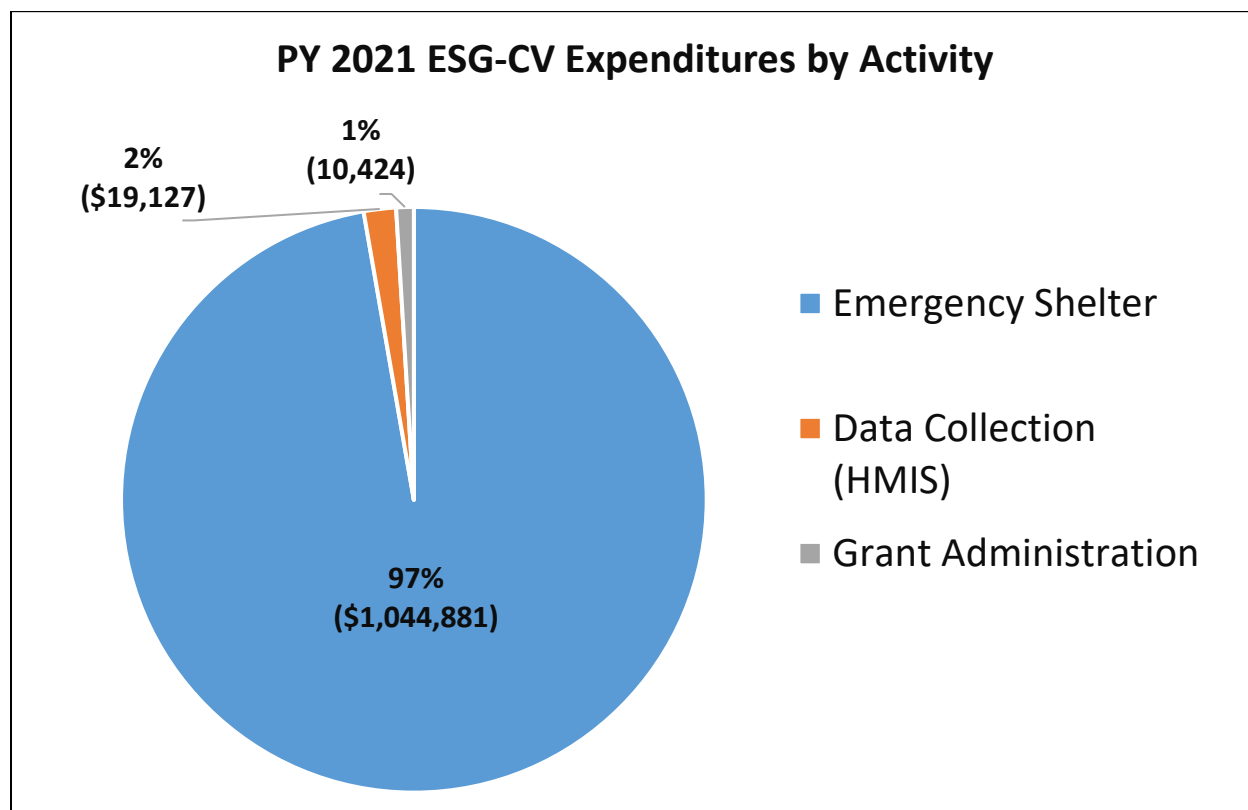
Funds expended in PY 2021 for the ESG program were dedicated to rapid rehousing, data collection (Homeless Management Information System or HMIS), emergency shelter and grant administration costs. A total of \$143,582.70 was expended on eligible ESG activities with \$123,995 expended on rapid rehousing, which includes on-going rental assistance payments as well as one-time payments for security deposits and first month's rent. The following chart details the ESG expenditures by activity.



In 2020, Dakota County received an allocation of Emergency Solutions Grant Coronavirus (ESG-CV) funds totaling \$2,109,564 to help address the needs of individuals or families who are homeless or are at risk of homelessness because of the coronavirus; and to support those eligible activities that mitigate the impacts of Covid-19. The County Board approved the use of the one-time activities on the following activities:

| ESG-CV Activity                        | Activity Budget     |
|--|---------------------|
| Emergency Shelter Operations           | \$ 1,879,481        |
| Homeless Management Information System | \$ 19,127           |
| Grant Administration                   | \$ 210,956          |
| <b>TOTAL</b>                           | <b>\$ 2,109,564</b> |

Since the funds were allocated, Dakota County has spent \$1,084,744. In PY 2021, \$1,074,431 of ESG-CV funds were expended on the approved activities. The chart below details the expenditures.



## Accomplishments by Priority

### Reduce Homelessness

ESG funds are one resource available to people experiencing homelessness. Dakota County Social Services and Hearth Connection, a private social services provider, deliver direct service to individuals and families referred through the Coordinated Entry system.

In PY 2021, Dakota County served 16 households through rapid rehousing and emergency shelter. In addition to providing rental assistance payments, the rapid rehousing component assists ESG participants with first month's rent, security deposits, and application fees. Dakota County has identified rapid rehousing as the most efficient and effective use of ESG funds, and the bulk of ESG funds are used for this activity.



| Indicator                         | Unit of Measure     | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|-----------------------------------|---------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Rental Assistance/Rapid Rehousing | Households Assisted | 200             | 49             | 24%        | 40            | 16          | 40%        |
| Homelessness Prevention           | Persons Assisted    | 100             | 0              | 0.00%      | 20            | 0           | 0.00%      |

## Affordable Rental Housing

The Consortium added twelve HOME Rental Units in PY 2021. This was completed through new construction of four units and rehab of eight units.

The following chart breaks down the progress on the Affordable Rental Housing priority.

| Indicator                  | Unit of Measure        | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|----------------------------|------------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Rental Units Constructed   | Household Housing Unit | 360             | 44             | 12%        | 20            | 4           | 20%        |
| Rental Units Rehabilitated | Household Housing Unit | 20              | 262            | 1,290%     | 0             | 8           | 800%       |

## Affordable Homeowner Housing

Affordable Homeowner Housing is the focal point of Dakota County's CDBG program with homeowner rehabilitation being the main activity of the program. In 2021, \$1,532,761.03 (62 percent) of CDBG funds were expended on homeowner rehabilitation. The CDA completed on 52 homeowner rehabilitation projects, and closed on 60 loans, which will be expended in PY 2022.

One homebuyer was assisted through Ramsey County's down payment assistance (DPA) program and one homebuyer was assisted through Northfield's down payment assistance (DPA) program. HOME funds were also used to add five units of affordable homeowner housing through new construction. HOME funds were also used to add two units of affordable homeowner housing through acquisition, rehabilitation, and sale to qualified homebuyers.

| Indicator                                 | Unit of Measure        | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|---|------------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Homeowner Housing Rehabilitated           | Household Housing Unit | 300             | 114            | 38%        | 60            | 54          | 90%        |
| Homeowner Units Constructed               | Households Assisted    | 6               | 10             | 150%       | 3             | 5           | 167%       |
| Direct Financial Assistance to Homebuyers | Households Assisted    | 1               | 11             | 1,100%     | 1             | 2           | 200%       |

## Public Facilities

No public facilities activities were completed in PY 2021.

| Indicator   | Unit of Measure  | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|---|------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit Homelessness Prevention | Persons Assisted | 13,000          | 208            | 1%         | 6,000         | 0           | 0%         |

## Public Services

The cities of Apple Valley, Burnsville, Eagan, Farmington, and Lakeville allocated funding to a variety of public services in PY 2021. Public Services provided by these communities include senior services, youth services, and senior transportation services.

| Indicator  | Unit of Measure  | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|--|------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Public Service Activities Other than LMI Housing Benefit | Persons Assisted | 15,000          | 7,397          | 49.3%      | 3,500         | 3,393       | 97%        |

## Neighborhood Revitalization

One of the strategies of Dakota County's Neighborhood Revitalization is to address water and sanitation hazards. As part of this strategy, the Dakota County Environmental Services Division has sealed 32 abandoned residential wells and repaired one septic tank

to protect against groundwater contamination. Additionally, assessment abatement was provided to 17 households in Hastings.

| Indicator            | Unit of Measure        | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|----------------------|------------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Households Assisted  | Household Housing Unit | 150             | 75             | 50%        | 69            | 50          | 72%        |
| Buildings Demolished | Buildings              | 3               | 0              | 0%         | 0             | 0           | 0%         |

## Economic Development

In PY 2021, no eligible applications were received for economic development activities. These funds are available for use in PY 2022.

| Indicator          | Unit of Measure    | 5-Year Expected | 5-Year To Date | % Complete | 2021 Expected | 2021 Actual | % Complete |
|--------------------|--------------------|-----------------|----------------|------------|---------------|-------------|------------|
| Workforce Trainees | Workforce Trainees | 20              | 0              | 0.00%      | 0             | 0           | 0.00%      |

## Administration and Planning

Marshan Township used CDBG funds for updates to its zoning code. The City of Lakeville developed an Americans with Disabilities Act (ADA) Analysis Plan to bring city-owned property into ADA compliance.

| Indicator | Unit of Measure | 5-Year Expected | 5-Year Actual | % Complete | 2021 Expected | 2021 Actual | % Complete |
|-----------|-----------------|-----------------|---------------|------------|---------------|-------------|------------|
| Other     | Other           | 10              | 5             | 50%        | 3             | 2           | 67%        |