



Dakota County

Legislation Details (With Text)

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Title: Approval Of Up To \$9 Million American Rescue Plan Funds To Dakota County Community Development Agency For Nicols Pointe Project And Amendment Of 2023 Non-Departmental Budget

Sponsors: Physical Development Administration

Indexes:

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Attachments: 1. CDA Board Resolution, 2. Written Justification for use of ARP funds

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|----------|--------|
| 3/14/2023 | 1 | Board of Commissioners | approved | Pass |

DEPARTMENT: Physical Development Administration

FILE TYPE: Regular Action

TITLE

Approval Of Up To \$9 Million American Rescue Plan Funds To Dakota County Community Development Agency For Nicols Pointe Project And Amendment Of 2023 Non-Departmental Budget

PURPOSE/ACTION REQUESTED

Approve up to \$9 million of American Rescue Plan (ARP) funds for Nicols Pointe project and amend the 2023 Non-Departmental Budget.

SUMMARY

Dakota County received \$83.3 million of ARP State and Local Fiscal Recovery Funds (SLFRF) in 2021. The SLFRF program provided resources to government entities to respond to the COVID-19 pandemic and support families and businesses struggling with its public health and economic impacts; maintain vital support services; and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

The U.S. Department of Treasury published a Final Rule on January 6, 2022, detailing ARP SLFRF eligible uses. The construction of affordable housing is an eligible use. The Final Rule states "... development, repair, and operation of affordable housing and services or programs to increase long-term housing security" is an enumerated eligible use to respond to the negative economic impacts of the pandemic on households and communities.

The Dakota County Community Development Agency (CDA) is seeking financing to develop, own,

and operate Nicols Pointe, a 24-unit apartment building in Eagan that will be affordable to persons aged 55 and up, with a preference for Veterans. All units will be income-restricted for households at or below 60 percent of the Area Median Income (AMI). The current 60 percent AMI for a one-person household is \$49,320.

The CDA Board of Commissioners authorized the CDA Executive Director to request up to \$9 million of ARP SLFRF from Dakota County for the project at their January 24, 2023 meeting (Resolution #23-6642). The project has received city approvals and is designed and ready to be built with anticipated bidding on the project in summer 2023 with construction to begin in fall 2023.

The Written Justification narrative required for the use of ARP SLFRF for capital expenditures of more than \$1 million is attached.

RECOMMENDATION

Staff recommends approving up to \$9 million of ARP SLFRF to the Dakota County CDA for the Nicols Pointe project and amending the 2023 Non-Departmental Budget.

EXPLANATION OF FISCAL/FTE IMPACTS

The 2023 Non-Departmental Budget will be amended to allocate \$9 million of ARP funding and expense budget to the Nicols Pointe project.

- None
- Current budget
- Other
- Amendment Requested
- New FTE(s) requested

RESOLUTION

WHEREAS, Dakota County received \$83.3 million of American Rescue Plan (ARP) State and Local Fiscal Recovery Funds (SLFRF) in 2021; and

WHEREAS, the U.S. Department of Treasury published a Final Rule on January 6, 2022, detailing ARP SLFRF eligible uses; and

WHEREAS, the construction of affordable housing is an eligible use of ARP SLFRF funds; and

WHEREAS, the Final Rule states "...development, repair, and operation of affordable housing and services or programs to increase long-term housing security" is an enumerated eligible use to respond to the negative economic impacts of the pandemic on households and communities; and

WHEREAS, the Dakota County Community Development Agency (CDA) is seeking financing to develop, own, and operate Nicols Pointe, a 24-unit apartment building in Eagan that will be affordable to persons aged 55 and up, with a preference for Veterans and income-restricted to households at or below 60 percent of Area Median Income; and

WHEREAS, the CDA is a well-established and respected developer that has developed 56 developments with 2,632 units located throughout Dakota County over the last 30 years.

NOW, THEREFORE, BE IT RESOLVED, That up to \$9 million of American Rescue Plan State and Local Fiscal Recovery Funds is approved for the Dakota County Community Development Agency's Nicols Pointe Project; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby amends the 2023 Non-Departmental Budget as follows:

Expense

| | |
|-----------------------------|---------------------|
| Dakota County ARP Expense | (\$ 9,000,000) |
| ARP - Nicols Pointe Project | <u>\$ 9,000,000</u> |
| Total Expense | \$0 |

Revenue

| | |
|-----------------------------|---------------------|
| Dakota County ARP Funding | (\$ 9,000,000) |
| ARP - Nicols Pointe Funding | <u>\$ 9,000,000</u> |
| Total Revenue | \$0 |

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: CDA Board Resolution

Attachment: Written Justification for use of ARP funds

BOARD GOALS

- A Great Place to Live
- A Successful Place for Business and Jobs
- A Healthy Environment
- Excellence in Public Service

PUBLIC ENGAGEMENT LEVEL

- Inform and Listen
- Discuss
- Involve
- N/A

CONTACT

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