

July 15, 2009

Office of Block Grant Assistance  
U.S. Department of Housing and Urban Development  
451 Seventh Street S.W., Room 7286  
Washington, DC 20410

RE: APPLICATION FOR NSP2 FUNDING

Dear Block Grant Assistance Staff:

The Dakota County CDA as Lead Applicant of the Suburban Twin Cities Consortium is pleased to submit this application and request for Neighborhood Stabilization Program 2 funding in response to the Notice of Funding Availability (NOFA) dated May 4, 2009. The Suburban Twin Cities Consortium is requesting \$19,600,000 to assist 435 units of housing and stabilize neighborhoods devastated by foreclosure.

The Consortium has prepared this application in the format prescribed by the NOFA and has included a checklist to ensure all documents have been included for your review. The Consortium meets and exceeds the threshold criteria of minimum request and minimum capacity.

If you have any questions on this application, please contact me at (651) 675-4467.  
Thank you for your consideration.

Sincerely,



Melissa Taphorn  
Assistant Director of Community Revitalization

Enclosures

**Suburban Twin Cities Consortium**  
**Neighborhood Stabilization Program 2009 (NSP2) Application Checklist**

Application #383375329

**a. Application Forms:**

- SF-424, Application for Federal Assistance
- SF-424 Supplement, Survey on Ensuring Equal Opportunities for Applicant
- NSP2 Non-profit Organization Qualification
- Consortium Agreement
- Program Summary

**b. Narrative Statements Addressing:**

- Factor 1 – Need and Market Conditions
- Factor 2 – Demonstrated Capacity
- Factor 3 - Soundness of Approach
- Factor 4 - Leveraging, integration, removal of negative effects
- Factor 5 - Energy efficiency
- Factor 6- Neighborhood transformation and economic opportunity

**c. Disclosures:**

- SF-LLL, Disclosure of Lobbying Activities
- HUD-2880, Applicant/Recipient Disclosure/Update Report

**d. Appendices:**

- A copy of your code of conduct
- Leveraging documentation—firm commitment letters
- Signed Certifications
- Calculation of removal of negative effects using HUD provided rubric
- Summary of citizen comments including URL where plan is posted

**Application for Federal Assistance SF-424**

Version 02

**\*1. Type of Submission:**

- Preapplication
- Application
- Changed/Corrected Application

**\*2. Type of Application**

- New
- Continuation
- Revision

\* If Revision, select appropriate letter(s)

\*Other (Specify) \_\_\_\_\_

3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

\*5b. Federal Award Identifier:

**State Use Only:**

6. Date Received by State:

7. State Application Identifier:

**8. APPLICANT INFORMATION:**

\*a. Legal Name: Dakota County Community Development Agency

\*b. Employer/Taxpayer Identification Number (EIN/TIN):  
41-1253302

\*c. Organizational DUNS:  
96-310-8121

**d. Address:**

\*Street 1: 1228 Town Centre Drive  
Street 2: \_\_\_\_\_  
\*City: Eagan  
County: Dakota  
\*State: MN  
Province: \_\_\_\_\_  
\*Country: USA  
\*Zip / Postal Code: 55123

**e. Organizational Unit:**

Department Name: Community Revitalization

Division Name: \_\_\_\_\_

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: Ms. \*First Name: Melissa  
Middle Name: M.  
\*Last Name: Taphorn  
Suffix: \_\_\_\_\_

Title: Assistant Director of Community Revitalization

Organizational Affiliation: \_\_\_\_\_

\*Telephone Number: (651) 675-4400

Fax Number: (651) 675-4444

\*Email: mtaphorn@dakotacda.state.mn.us

OMB Number: 4040-0004

Expiration Date: 01/31/2009

**Application for Federal Assistance SF-424**

Version 02

**\*9. Type of Applicant 1: Select Applicant Type:**

c. County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\*Other (Specify)

**\*10 Name of Federal Agency:** U.S.. Department of Housing and Urban Development

**11. Catalog of Federal Domestic Assistance Number:**

14.256

CFDA Title:

Neighborhood Stabilization Program (Recovery Act Funded)

**\*12 Funding Opportunity Number:**

FR-5321-C-01

\*Title:

Neighborhood Stabilization Program 2

**13. Competition Identification Number:**

\_\_\_\_\_  
Title:  
\_\_\_\_\_

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Census Tracts hardest hit by foreclosure in the Minnesota counties of Anoka, Chisago, Dakota, Ramsey (excluding City of Saint Paul), Scott and Washington.

**\*15. Descriptive Title of Applicant's Project:**

Suburban Twin Cities Consortium application for NSP2 Funds

OMB Number: 4040-0004  
Expiration Date: 01/31/2009

**Application for Federal Assistance SF-424**

Version 02

**16. Congressional Districts Of:**

\*a. Applicant: MN-002

\*b. Program/Project: MN-002, MN-004, MN-006 & MN-008

**17. Proposed Project:**

\*a. Start Date: 12/01/2009

\*b. End Date: 11/30/2012

**18. Estimated Funding (\$):**

*a. Federal	\$19,600,000
*b. Applicant	\$950,000
*c. State	\$160,000
*d. Local	\$1,000,000
*e. Other	
*f. Program Income	\$7,000,000
*g. TOTAL	\$28,710,000

**\*19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on \_\_\_\_\_
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

**\*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes  No

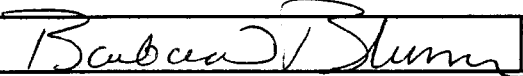
21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix: Ms. \_\_\_\_\_ \*First Name: Barbara \_\_\_\_\_  
Middle Name: \_\_\_\_\_  
\*Last Name: Blumer \_\_\_\_\_

Suffix: _____	
*Title: Chair, Dakota County CDA Board of Commissioners	
*Telephone Number: (651) 675-4400	Fax Number: (651) 675-4444
* Email:	
*Signature of Authorized Representative: 	*Date Signed: 7/14/09

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)  
Prescribed by OMB Circular A-102

OMB Number: 4040-0004  
Expiration Date: 01/31/2009

**Application for Federal Assistance SF-424**

Version 02

**\*Applicant Federal Debt Delinquency Explanation**

The following should contain an explanation if the Applicant organization is delinquent of any Federal Debt.

NA

## CONSORTIUM AGREEMENT

THIS AGREEMENT, made this 14<sup>th</sup> day of July, 2009 between and among the DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY, the ANOKA COUNTY HOUSING AND REDEVELOPMENT AUTHORITY, the CHISAGO COUNTY HOUSING AND REDEVELOPMENT AUTHORITY – ECONOMIC DEVELOPMENT AUTHORITY, the RAMSEY COUNTY HOUSING AND REDEVELOPMENT AUTHORITY, the SCOTT COUNTY COMMUNITY DEVELOPMENT AGENCY, and the MINNESOTA COUNTY OF WASHINGTON (collectively, the "**Consortium Members**" or the "**Consortium**"), each being governmental units of the State of Minnesota, and is made pursuant to *Minnesota Statutes*, Section 471.59.

### WITNESSETH:

**WHEREAS**, Title III of the Housing and Economic Recovery Act of 2008 authorized the Neighborhood Stabilization Program ("**NSP**") to provide emergency assistance for the redevelopment of abandoned and foreclosed homes; and

**WHEREAS**, the American Reinvestment and Recovery Act of 2009 (the "**Act**") allocated additional funding for NSP to be allocated among eligible state and local governments ("**NSP2**"); and,

**WHEREAS**, on May 4, 2009, the United States Department of Housing and Urban Development ("**HUD**") issued a Notice of Fund Availability ("**NOFA**") for NSP2 funding; and

**WHEREAS**, the Act requires that a consortium be formed for the purpose of submitting a single application to HUD for NSP2 funding whenever two or more governmental entities have the individual capacity and experience to carry out the proposed NSP2 activities in the target geography; and

**WHEREAS**, the Consortium Members are each statutorily created local units of government and represent geographically contiguous portions of the Minneapolis St-Paul Standard Metropolitan Statistical Area and each has sufficient legal authority and administrative capacity and experience to carry out the purposes of the Act; and

**WHEREAS**, each Consortium Member desires that Dakota County Community Development Agency to act as the lead member (the "**Lead Member**") in representing the Consortium for purposes of submitting an application to HUD for NSP2 funding under the Act.

**NOW THEREFORE**, in consideration of the mutual covenants and promises contained in the Agreement, the parties mutually agree to the following terms and conditions.

1. The Dakota County Community Development Agency is hereby appointed the Lead Member of the Consortium.
2. The Lead Member shall submit the application (the "**Application**") requesting NSP2 funding of those activities described in the Application (the "**NSP2 Activities**") and, if selected for funding, shall execute a funding agreement with HUD on behalf of the Consortium (the "**HUD Funding Agreement**").
3. If the Application is selected for funding under the Act, prior to the award of the grant by HUD (but in no event later than December 1, 2009), the Lead Member shall enter into separate funding agreements with each Consortium Member (the "**Member Funding Agreements**").
4. The Lead Member shall ensure that the Member Funding Agreements (a) describe each Consortium Member's specific contributions and responsibilities with respect to NSP2 Activities, including timetables for completion, (b) provide for the division of NSP2 funding and (c) bind each member to NSP2 program requirements.
5. Each Consortium Member shall individually and cooperatively carry out the NSP2 Activities described in the HUD Funding Agreement and the Lead Member shall assume overall responsibility for ensuring that the NSP2 Activities are carried out in compliance with all of the requirements set forth in the Act, the NOFA, related regulations, the Application and the HUD Funding Agreement.
6. This Agreement shall be effective when approved by the governing board of each Consortium Member and executed by the appropriate authorized representative thereof.
7. This Agreement may be amended only with the approval of the governing body of each Consortium Member. Amendments shall be effective on the date stated in the amendment or, if no effective date is stated, on the date of approval of the amendment by the last Consortium Member.
8. This Agreement shall terminate if the Application is denied.

**IN WITNESS WHEREOF**, the Anoka County Housing and Redevelopment Authority, the Chisago County Housing and Redevelopment Authority – Economic Development Authority, the Ramsey County Housing and Redevelopment Authority, Scott County Community Development Agency, Washington County and the Dakota County Community Development Agency have each caused this Agreement to be executed on its behalf by their duly authorized representatives and have caused their official seals, if any, to be affixed hereto, all as of the day and year first above written.

Dated this 14<sup>th</sup> day of July, 2009.

(seal)

ANOKA COUNTY HOUSING AND  
REDEVELOPMENT AUTHORITY

BY

Paul M. [Signature]

ITS

Chair

BY

[Signature]

ITS

Executive Director

APPROVED AS TO FORM:

Anthony C. Polumbo

Its:

Attorney

Execution Page of Anoka County Housing and Redevelopment Authority for the  
Joint Powers Consortium Agreement  
between  
Anoka County Housing and Redevelopment Authority,  
Chisago County Housing and Redevelopment Authority – Economic Development Authority,  
Ramsey County Housing and Redevelopment Authority,  
Scott County Community Development Agency,  
Washington County, and  
Dakota County Community Development Agency

Dated this 30<sup>th</sup> day of June, 2009.

(seal)

BOARD OF COMMISSIONERS  
CHISAGO COUNTY HOUSING AND  
REDEVELOPMENT AUTHORITY –  
ECONOMIC DEVELOPMENT  
AUTHORITY

BY James [Signature]

ITS Chairman

ATTESTED BY [Signature]

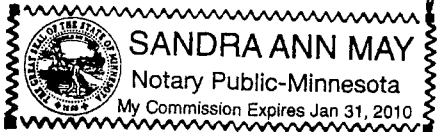
ITS SECRETARY

APPROVED AS TO FORM:

N/A  
Its: \_\_\_\_\_

Execution Page of Chisago County Housing and Redevelopment Authority – Economic  
Development Authority for the  
Joint Powers Consortium Agreement  
between  
Anoka County Housing and Redevelopment Authority,  
Chisago County Housing and Redevelopment Authority – Economic Development Authority,  
Ramsey County Housing and Redevelopment Authority,  
Scott County Community Development Agency,  
Washington County, and  
Dakota County Community Development Agency

Dated this 14<sup>th</sup> day of July, 2009.

(seal) Sandra Ann May  
  
SANDRA ANN MAY  
Notary Public-Minnesota  
My Commission Expires Jan 31, 2010

BOARD OF COMMISSIONERS  
RAMSEY COUNTY

BY Julie Kleinschmidt  
ITS County Manager and Director, RCURA  
BY M. Bruce Pollock  
ITS CE/URA staff

APPROVED AS TO FORM:

Sandra J. [Signature]  
Assistant County Attorney

Execution Page of <sup>Ramsey</sup>~~Anoka~~ County for the  
Joint Powers Consortium Agreement  
with  
Anoka, Chisago,  
Ramsey, Scott and Washington Counties  
and  
The Dakota County Community Development Agency

Dated this 14th day of July, 2009.

(seal)

BOARD OF COMMISSIONERS  
SCOTT COUNTY COMMUNITY  
DEVELOPMENT AGENCY

BY *Marjorie R. Henderson*  
Marjorie R. Henderson  
ITS Board Chair

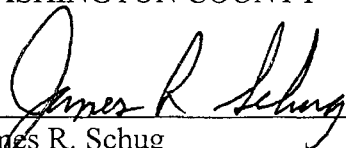
BY *Jane E. Victorey*  
Jane Victorey  
ITS Board Secretary

Execution Page of Scott County Community Development Agency for the  
Joint Powers Consortium Agreement  
between  
Anoka County Housing and Redevelopment Authority,  
Chisago County Housing and Redevelopment Authority – Economic Development Authority,  
Ramsey County Housing and Redevelopment Authority,  
Scott County Community Development Agency,  
Washington County, and  
Dakota County Community Development Agency

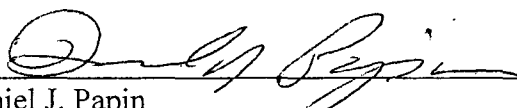
Dated this 30<sup>th</sup> day of June, 2009.

(seal)

BOARD OF COMMISSIONERS  
WASHINGTON COUNTY

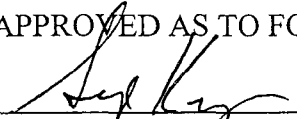
BY   
James R. Schug

ITS County Administrator

BY   
Daniel J. Papin

ITS Community Services Director

APPROVED AS TO FORM:

  
Assistant County Attorney

Execution Page of ~~Washington~~ County for the  
Joint Powers Consortium Agreement  
with  
Anoka, Chisago,  
Ramsey, Scott and Washington Counties  
and  
The Dakota County Community Development Agency

Dated this 13<sup>th</sup> day of July, 2009.

(seal)

BOARD OF COMMISSIONERS  
DAKOTA COUNTY COMMUNITY  
DEVELOPMENT AGENCY

BY Barbara Blum  
ITS Chair

BY Mark  
ITS Executive Director

Execution Page of Dakota County Community Development Agency for the  
Joint Powers Consortium Agreement  
between  
Anoka County Housing and Redevelopment Authority,  
Chisago County Housing and Redevelopment Authority – Economic Development Authority,  
Ramsey County Housing and Redevelopment Authority,  
Scott County Community Development Agency,  
Washington County, and  
Dakota County Community Development Agency

**Suburban Twin Cities Consortium**  
**Neighborhood Stabilization Program 2009 (NSP2) Application**

**Lead Applicant:** Dakota County Community Development Agency (CDA)

**Consortium Members:** The Anoka County Housing and Redevelopment Authority (HRA), the Chisago County Housing and Redevelopment Authority - Economic Development Authority (HRA-EDA), the Dakota County CDA, the Ramsey County Housing and Redevelopment (HRA), the Scott County Community Development Agency (CDA), and the Minnesota County of Washington (collectively, the "**Suburban Twin Cities Consortium Members**" or the "**Consortium**"), each being governmental units of the State of Minnesota, and is made pursuant to *Minnesota Statutes*, Section 471.59.

**Program Summary:**

The Suburban Twin Cities Consortium requests \$19,600,000 in federal funding to carry out NSP2 activities that will impact an estimated 435 units. The funds will be targeted to census tracts hardest hit by foreclosures as identified by the U.S. Department of Housing and Urban Development (HUD). The funding will be used to implement the following key strategies to stabilize the Consortium areas of greatest need:

- Financing mechanisms in the form of soft second mortgages to assist buyers with the purchase and renovation of foreclosed upon properties;
- Acquisition and rehabilitation of foreclosed upon or abandoned residential property for both resale or rental, depending on market conditions of neighborhood;
- Establishment and operation of land banks for foreclosed upon properties;
- Demolition of blighted structures where absolutely necessary; and,
- Redevelopment of vacant residential properties into productive, affordable housing.

The Consortium's neighborhood stabilization and recovery plan integrates the following principles: Targeting and reconnecting neighborhoods, rapidly arrest decline, exceeding deep income targeting requirements, and ensuring long term affordability. The plan supports activities that will be aggressive to achieve the long term goals of restoring the housing market with increase home sales and stable home values, ensuring economic vitality to the Suburban Twin Cities.

While the cities of Minneapolis and St. Paul are an important part of the region, the foreclosure crisis in the core cities is unfolding in a different way than in many of the Twin Cities suburban jurisdictions. While the inter-related issues of foreclosure and vacant housing are concerns through the region, vacant housing is more of a problem in the core cities than in the suburban jurisdictions. The suburban economy is much more reliant on the households in the communities; therefore, the stability of housing is the most critical factor in restoring a strong economy and attractive business environment. For these reasons the neighborhood stabilization strategies may vary and the Suburban Twin Cities counties have chosen to submit a separate NPS2 application. This suburban regional approach provides jurisdictions with additional resources to stabilize neighborhoods that contribute to smart growth and development.

## **Factor 1: Need/Extent of the Problem**

### **a. Target Geography**

The Consortium is comprised of governmental entities representing six of the eleven counties which make up the Minneapolis-St. Paul Metropolitan Statistical Area, commonly referred to as the Twin Cities Metro Area. The Consortium covers Anoka, Chisago, Dakota, Ramsey, Scott and Washington counties. While the City of St. Paul is located in the County of Ramsey, the Consortium only covers the suburban areas of the County. The counties share similar housing markets, demographics, as well as job markets and have agreed to a shared recovery plan.

The Consortium identified sixty-one census tracts which contain areas at risk of destabilization and in need of governmental intervention. The neighborhood stabilization scores of the identified census tracts range from 15 to 20, with an average index score of 18, based predominately on the HUD Foreclosure Risk Score. The target census tracts are listed and mapped in Appendix A with detail on both the foreclosure and vacancy risk scores established by HUD. The Consortium has experienced a significant increase in the number of foreclosures due to overbuilding, overvaluation, and increased unemployment.

According to the 2008 Foreclosure Counseling Program Report dated April 2009, the mortgage crisis that has gripped the nation continues to affect Minnesota. The number of foreclosures has risen precipitously over the past three years. Between 2005 and 2008, the number of foreclosures more than quadrupled, with one in every 32 households in Minnesota experiencing foreclosure. During 2008, over 26,000 households in Minnesota lost their home through foreclosure. The Consortium is dealing with the affects of increased foreclosures which in turn increased the vulnerability of neighborhood decline and instability.

Throughout the Consortium, the number of foreclosures has escalated significantly over a four year period. From 2005-2008, the average percentage increase is 386%.

<b>INCREASE IN FORECLOSURES</b>			
<b>Suburban Twin Cities Consortium Target Areas, 2005-2008</b>			
	<b>Foreclosure Sales</b>		<b>Percent Increase</b>
	<b>2005</b>	<b>2008</b>	<b>2005 - 2008</b>
<b>Anoka County</b>	520	2,285	339%
<b>Chisago County</b>	108	370	243%
<b>Dakota County</b>	454	2,063	354%
<b>Ramsey County</b>	579	3,023	422%
<b>Scott County</b>	148	952	543%
<b>Washington County</b>	244	1,257	415%

*Sources: Housing Link, County Sheriffs' Offices*

The Consortium Members and their municipalities are experiencing both the direct and indirect effects of the high foreclosure rates in the form of increasingly vacant homes and increasingly deteriorated homes. As a result of these effects, various consequences have surfaced.

Municipalities report higher crime rates, lower revenues from unpaid property taxes and utility payments, and increased costs related to code enforcement. School districts in the Consortium report a higher rate of students entering and exiting schools as a result of families in foreclosure having to move. The current market of a large supply of properties at historically low values is very attractive to real estate speculators who convert or keep properties for rental without making any repairs to the properties.

From Quarter 1 of 2008 through Quarter 1 of 2009, the Consortium Members ranked within the top 12 Minnesota counties for number of foreclosures. During Quarter 1 of 2009, an estimated 1,351 foreclosures have occurred in the Consortium counties as reflected below.

<b>FORECLOSURE SALES</b>						
<b>2009 Quarter 1 (January 1, 2009 – March 31, 2009)</b>						
<b>Number of Foreclosure Sales</b>						
	<b>Anoka County</b>	<b>Chisago County</b>	<b>Dakota County</b>	<b>Ramsey County</b>	<b>Scott County</b>	<b>Washington County</b>
<b>Foreclosure Sales</b>	464	84	323	579	196	249
<b>Rank of MN Counties</b>	3	12	4	2	7	5

*Sources: Housing Link; County Sheriffs' Offices*

An analysis of the Consortium's credit needs performed by the Minnesota Housing Finance Agency shows that the census tracts with higher foreclosure risk scores have had access to credit but overextended themselves financially. The analysis examined three measures of credit: 1) the number of prime and subprime lenders originating a loan in a census tract per 100 homeowners in the tract, 2) the percentage of mortgage originations in the census tract that were subprime, and 3) the percentage of mortgage applications that result in origination through data provided under the Home Mortgage Disclosure Act (HMDA). The analysis showed a correlation between higher foreclosure risk scores (18 and above) and the number of prime lenders and mortgage originations. It is assumed that suburban homebuyers are likely to have higher incomes and easier access to credit. Many of these buyers probably could have afforded a more modest mortgage but overextended themselves by buying a home that was too expensive. This is likely true for both owner-occupants and investors.

## b. Market Conditions and Demand Factors

### 1. Market Absorption

According to Steven Havig, President of the Minneapolis Area Association of Realtors, a large inventory of bank owned properties are currently on the market. In 2008, the Minneapolis Area Association of Realtors documented that 31.7% of all home sales in that year were lender-mediated. This compares to only 10.4% in 2007, less than 5.0% in 2006 and less than 2.0% in years previous. If additional funding is not received, particularly in the suburban market where resources are very limited, the current market for absorbing foreclosed properties will likely remain or worsen.

ABSORPTION ESTIMATES						
Bank-Owned, Foreclosed Residential Properties in Target Areas, 2009						
Absorption Estimates	Number of Months Inventory					
	Anoka County	Chisago County	Dakota County	Ramsey County	Scott County	Washington County
<b>Avg. Total Absorption</b>	24 mos	12 mos	18 mos	24 mos	12 mos	12 mos

*Sources: Realty Trac; County Sheriffs' Offices; Mpls Area Association of Realtors; Maxfield Research Inc.*

Maxfield Research, Inc. estimates that based on current sales trends throughout the Consortium over the past year it will require 12 to 24 months for the foreclosed homes in the target areas that are currently bank-owned to be absorbed into the market and/or purchased by an owner other than the bank. This is a concern in many of the markets where there are a lot of speculators purchasing homes for the purpose of renting the property out with minimal to no maintenance. The Consortium and its municipalities are particularly concerned for those homes that have been vacant and are experiencing deferred maintenance issues such as mold, water damage, and possible code violations. If these homes are purchased by speculators and are not renovated, their condition will cause continued health and safety concerns and will decrease neighborhood values further.

### 2. Over-building, Over-Valuation, Loss of Employment

The suburban Twin Cities housing market has been significantly affected by the overall decline in housing values. According to the data released by Standard and Poor's Schiller Price Home Index, the Twin Cities Metro Area experienced the largest percentage drop of home prices in one month of any Metro Area in the history of the index. Home prices fell 6.1% from February 2009 to March 2009.

In the Consortium counties, there have been large drops in sales for homes priced above \$350,000, which is also where there are higher jumbo mortgage rates being charged to borrowers. In May 2008, the supply of suburban Twin Cities homes priced under \$150,000 was up 87.2% with sales up 49.8% compared to May 2007. In May 2009, the inventory of homes for

sale was down, except for homes selling for less than \$120,000 where inventory is still up 38% from 2008. The new construction inventory in May 2008 for the Twin Cities was 21.7% lower than the year before. The number of month supply of inventory was up only 2.8% to 11.4 months compared to a 24% increase for previously owned homes. The average price of all Suburban Twin Cities homes sold in the period May 2008-May 2009 fell by 16%. Average price per square foot dropped from \$136 to \$112 for all homes sold, for a decrease of 17%. The number of homes on the market in the lower price ranges, less than \$120,000, has risen by nearly 40%.

According to the State of Minnesota Demographer's Office, the housing stock in the Twin Cities Metropolitan Area has changed substantially since 1985: homes now have about 1/3 more square feet, second and third bathrooms, and central air-conditioning. Among homes built since 2007, almost half have 3,000 or more square feet. The larger sized homes have higher entry costs and monthly operating costs. The ratio of housing value to household income grew from 2.2 to 3.4. However, rapidly falling home values are leaving many homeowners upside down on their mortgages and with little or no equity.

The Consortium is experiencing housing value decline due to overbuilding and overvaluation. The majority of the foreclosures were likely related to the un-affordability of housing purchases, and overbuilding situations where developers were unable to sell residential properties and/or complete proposed developments.

**Overbuilding** is a factor related to suburban growth, to rapid value increases, and now to value declines and vacant homes. The Twin Cities Metro Area has historically been a very attractive place to both live and work. It rates among the top ten consistently for its strong and diverse economy, livable and healthy cities, and high education levels. As such, many housing developers took a "build it and they will come" approach. Unfortunately, many developers were caught at the wrong point of the economic downturn. All of the target areas in the Consortium experienced overbuilding as reflected below.

- The Anoka County target cities have experienced a decline in the number of residential building permits issued since 2004. There are some exceptions, as some areas received storm damage over the past 5 years; so naturally, there was an increase in building permits as residents repaired their homes. For the cities that did not experience storm damage and therefore have reliable statistics for residential building permits, the percentage change ranged from a minimal increase of 7.14% in the City of Coon Rapids, to a dramatic decrease of 80.48% in the City of Andover.
- In the Chisago County target cities, residential building activities have declined every year since 2004 with 488 units of building permit activity to 53 units in 2008. This is an 89% decrease over this time span. Only 3 housing unit building permits have been issued in the first quarter of 2009.
- In the Dakota County target cities, there was an 80% decline in residential building permit activity from 2004 to 2009. While permits were pulled for 2,456 residential units in 2004, that number decreased to 495 units in 2008. Based on numbers for the first four months of 2009, it is projected that permits for only 150 residential units will be pulled in 2009. There

are approximately 36 acres of abandoned subdivisions in the target area with an estimated market value of \$6,000,000.

- Scott County was cited as the twelfth fastest growing county in the nation in 2002 and 8th fastest in 2003 according to the Census Bureau. With the population increase in Scott County, overbuilding has been a critical contributing cause to the number of foreclosures in Scott County's target area. In 2004, there were 1,690 resident building permits issued while there were only 459 in 2008, which is a 73% decline during this period.
- In Washington County, within the six target cities, the amount of residential building permits issued has fallen from 2,282 in 2004 to 692 in 2008, a decrease of 70%.

**Over-valuation** is also a critical contributing cause to the number of foreclosures in the Consortium's target markets. Overvalued, over appraised homes coupled with historically low interest rates and liberal mortgage underwriting caused many borrowers to push the affordability envelope. The market began to correct itself in 2007. As property values have declined, many homeowners owe more than their home is worth.

- In the census tracts being targeted in Anoka County, a significant decline of 35% in average home sales prices has occurred since 2007. Declines range from 22% (Andover) to 56% (Bethel). The targeted census tracts experienced an overall increase of 19.4% from 2007 in the number of days a home was on the market. The first half of 2009 saw an average days on the market of 184 days. The average median home value is \$184,973.
- Chisago County experienced rapid growth since 2000 with a 23% increase in population and overall home value increase of 47%. However, between 2008 to 2009 there was an overall 20% decline in home values from a median sales price of \$175,000 in 2008 to \$140,000 in 2009 with an average 87 days on the market in 2008 and 2009.
- In Dakota County, the median home value by 2009 Assessed Market Value in the target census tracts is \$199,881. Median residential homestead values have declined 10.4% from 2007 to 2009 in the target cities (Dakota County Assessing Services). According to the Southern Twin Cities Association of Realtors, the median home sales price from January to May 2009 was \$169,950.
- In suburban Ramsey County over the past year, the average price of homes for sale in the target area was \$161,700 with average days on the market approximately 149 days. In the entire suburban Ramsey census tracts targeted, the median home sales price between 2007 and 2009 has declined an average of 35%. White Bear Township (CT401.0) - declined 45% to \$177,500. Maplewood (CT 425.02) - declined 15.1% to \$159,750. Vadnais Heights (CT 406.03 406.04) - declined 31.2% to \$147,900
- In Scott County, according to the Northstar Multiple Listing Service (MLS), the current median home value in the target area is \$199,685. This is a 136% decline from the median home value in 2007, which was \$271,985. The average cumulative days a home is on the market until sale in Scott County is 166. The average time a residential property is on the vacant registry is 422 days (USPS).
- In Washington County housing values in the targeted census tracts have seen property value increases anywhere from 51% to 80% since 1999. Within the six cities the average home value increased 67% from \$141,533 in 1999 to \$236,266 in 2008. The increase in home values peaked in 2007 at \$252,728 and in 2008 the average home value fell 6.3%.

**Unemployment rate increase and job loss** are the top reasons homeowners default on their mortgage. Homeowners working fewer hours or experiencing a total loss of income are primary reasons for foreclosures. In the current economic crisis, once a homeowner is unemployed, it is difficult to obtain new employment. Contributing to the problem is a lack of financial resources and the fact that homes are not selling quickly enough for homeowners to avoid foreclosure.

According to Minnesota's Department of Employment and Economic Development (DEED), employers do not expect to increase employment levels in the near future. DEED's Job Vacancy Survey for 4<sup>th</sup> Quarter 2008, states that eight percent of employers in the Twin Cities Metropolitan Area will increase employment, 83.5% will remain constant, and 8.4% will decrease employment, essentially predicting a flat economy. Another critical factor is job loss. According to the Regional MLS of Minnesota and National Association of Realtors' Economic and Market Watch Report, 1<sup>st</sup> Quarter 2009, job losses are increasing, creating a drag on buyer confidence.

The Twin Cities Metropolitan Area job vacancy rate was 1.1% for Quarter 4 of 2008 and has remained at this level as of June 2009 (DEED). Compared to one year earlier, the number of job vacancies decreased by 40.5% in the Twin Cities. There were 5.1 unemployed people per job vacancy in the Twin Cities Metropolitan Area. The area has been hit by a large number of significant lay-offs affecting residents of the Consortia; including lay-offs by Northwest Airlines, 3M Companies, Best Buy, and Target Corporation.

The Consortium therefore has experienced a significant increase in unemployment, with the highest being Chisago County at 12.3% and the lowest being Dakota County at 8.3%. The individual county rates are all higher than the 7.5% unemployment rate of the Twin Cities Metropolitan Area.

<b>INCREASE IN UNEMPLOYMENT</b>			
<b>Suburban Twin Cities Consortium Target Areas, 2008-2009</b>			
	<b>Unemployment Rate</b>		<b>Percent Increase</b>
	<b>January 2008</b>	<b>March 2009</b>	<b>1/2008 – 3/2009</b>
<b>Anoka County</b>	5.5%	9.4%	70.9%
<b>Chisago County</b>	5.8%	12.3%	112.1%
<b>Dakota County</b>	5.6%	7.3%	30.4%
<b>Ramsey County</b>	4.7%	8.1%	72.3%
<b>Scott County</b>	5.1%	8.3%	62.7%
<b>Washington County</b>	4.7%	8.2%	74.5%

*Sources: Minnesota Department of Employment & Economic Development*

The growing unemployment rate and decreasing household income results in an increase in foreclosures and neighborhood destabilization. In addition, there are many reports of an increase in foreclosure prevention as a result of loss of employment. According to the Minnesota Home Ownership Council, 50% of the people receiving foreclosure prevention counseling in 2008 attributed their foreclosure situation to a loss and/or reduction of income.

### 3. Income Characteristics of Households - Housing Cost Burden

According to the State of Minnesota Demographer's Office, between 1998 and 2007, median monthly housing costs rose 74% while median incomes rose only 37%. As a result, the percent of income spent on housing changed radically. In addition, 41% of homeowners with mortgages had 2 or more mortgages in 2007.

According to a 2008 report released by the Wilder Foundation, one in three Twin Cities Metropolitan Area families is cost burdened. That is, they pay more than 30% of their income for housing. The study found that 75% of all low-income households are cost burdened, compared to 33% of households from all income levels. According to the report, 10% of Twin Cities' homeowners are cost burdened, up from 5% in 2000.

According to the American Community Survey for 2005-2007, in the Consortium counties, an average of 35% of owners with mortgages, 12% of owners without mortgages and 44% of renters spent 30% or more of their income on housing costs as summarized below.

County	Median Monthly Housing Costs			% Cost Burdened (Spent >30% of income on housing)		
	Mortgaged owners	Nonmortgage owners	Renters	Mortgaged owners	Nonmortgage owners	Renters
Anoka	\$1,575	\$433	\$814	34%	12%	45%
Chisago	\$1,681	\$448	\$695	44%	12%	45%
Dakota	\$1,684	\$473	\$870	32%	11%	46%
Ramsey	\$1,524	\$465	\$773	36%	13%	49%
Scott	\$1,810	\$470	\$841	33%	12%	35%
Washington	\$1,749	\$490	\$924	32%	10%	44%
<b>Averages</b>	<b>\$1,670.50</b>	<b>\$463.17</b>	<b>\$819.50</b>	<b>35.17%</b>	<b>11.67%</b>	<b>44.00%</b>

Utilizing the median home sale price for each Consortium Member county, the following table shows the proportion of owner-occupied households in each of the target areas that are **cost burdened** (pay more than 30% of their income for housing) at different income levels. Income limits utilized reflect that maximum income limit for a four-person household at each of the income qualification categories (30%, 50%, 80%, 120% of area median income (AMI)).

ESTIMATED PERCENT OF COST-BURDENED HOUSEHOLDS (>30% OF INCOME SPENT ON HOUSING)					
Suburban Twin Cities Consortium Target Areas, 2008					
HOMEOWNERS					
Cost-Burdened Homeowners	% OF HOUSEHOLDS WITH INCOMES AT OR BELOW				Median Sales Price
	30% AMI	50% AMI	80% AMI	120% AMI	2006
<i>Target Areas - Anoka</i>	2%	4%	4%	0%	
<b>Anoka County</b>	6%	7%	8%	5%	\$238,000
<i>Target Areas - Chisago</i>	7%	5%	1%	0%	
<b>Chisago County</b>	5%	5%	1%	0%	\$224,250
<i>Target Areas - Dakota</i>	5%	5%	3%	0%	
<b>Dakota County</b>	5%	6%	6%	6%	\$270,000
<i>Target Areas - Ramsey</i>	4%	4%	2%	1%	
<b>Ramsey County</b>	8%	7%	6%	7%	\$224,000
<i>Target Areas - Scott</i>	5%	5%	6%	10%	
<b>Scott County</b>	5%	5%	7%	11%	\$281,000
<i>Target Area - Washington</i>	7%	8%	8%	8%	
<b>Washington County</b>	5%	6%	7%	8%	\$297,000
<i>Twin Cities Metro Area</i>	6%	7%	7%	6%	\$278,462

Income limits based on a 4-PP household at maximum income limit.  
Sources: HUD; American Community Survey; Maxfield Research Inc.

Utilizing the average rent for each Consortium Member county, the following table shows the proportion of households in each of the target areas that would be cost burdened when renting. Income limits utilized reflect that maximum income limit for a four-person household at each of the income qualification categories (30%, 50%, 80%, and 120% of AMI).

The percentages of renters who are cost burdened are higher among all counties than the number of homeowners who are cost burdened. This is consistent with census data which indicates there is a higher cost burden for families with lower incomes. Households with lower incomes are more likely to be renters than home owners.

ESTIMATED PERCENT OF COST-BURDENED HOUSEHOLDS (>30% OF INCOME SPENT ON HOUSING)					
Suburban Twin Cities Consortium Target Areas, 2008					
Renters					
Cost-Burdened	% OF HOUSEHOLDS WITH INCOMES AT OR BELOW				Average Rent
	30% AMI	50% AMI	80% AMI	120% AMI	2006
<b>Homeowners</b>					
<i>Target Areas - Anoka</i>	12%	10%	1%	1%	
<b>Anoka County</b>	25%	18%	2%	0%	\$854
<i>Target Areas - Chisago</i>	23%	9%	2%	0%	
<b>Chisago County</b>	15%	8%	2%	0%	\$741
<i>Target Areas - Dakota</i>	15%	8%	6%	1%	
<b>Dakota County</b>	12%	3%	4%	0%	\$943
<i>Target Areas - Sub. Ramsey</i>	10%	5%	1%	0%	
<b>Ramsey County</b>	32%	12%	1%	0.2%	\$1,063
<i>Target Areas - Scott</i>	27%	7%	2%	1%	
<b>Scott County</b>	23%	7%	2%	0.7%	\$946
<i>Target Areas - Washington</i>	33%	15%	5%	2%	
<b>Washington County</b>	22%	13%	5%	2%	\$1,003
<i>Twin Cities Metro Area</i>	29%	14%	3%	1%	

Income limits based on a 4-PP household at maximum income limit.  
*Sources: HUD; American Community Survey; Maxfield Research Inc.*

#### 4. Social, Governmental, Educational, or Economic Factors Contributing to Local Market Conditions and Neighborhood Decline/Instability

The economic impact in the communities within the target geography includes an increase in unemployment coupled with overvaluation and the recent market decline. This has caused many households to foreclose on their homes and become displaced. In addition, these areas currently lack the level of housing market-driven demand that will help stabilize the housing stock on its own. The intervention by the public sector to provide down payment and rehab assistance as well as acquisition and renovation of vacant and abandoned properties will provide new housing opportunities and will lure additional private investment throughout the suburban market.

Another indicator of the affect of unemployment, loss of income and inability to pay home mortgage leading to neighborhood instability is the increase in the number of free and reduced school lunches within all of the Consortium's target areas. The following is a summary of the average % increase in free and reduced school lunches within the target areas of the Consortium.

INCREASE IN FREE AND REDUCED SCHOOL LUNCHES						
Percent Increase of School Districts in Target Areas, 2005-2009						
Percent Increase 2005-2009						
	Anoka County	Chisago County	Dakota County	Ramsey County	Scott County	Washington County
Avg. Percent Increase	21.7%	17.2%	4.3%	32.5%	14.7%	27.7%

Sources: School Districts

- In Anoka County, the school districts with the highest percentages of free and reduced school lunches are Columbia Heights and Fridley, with 58.6% and 44.8% respectively. Accordingly, these are two of the target areas that have the most severe foreclosure rates and other related factors.
- In Chisago County, there are three school districts located within the foreclosure tracts. All three districts report declining student population numbers with the highest percentage of free and reduced school lunches reported in Rush City area at 27%.
- In Dakota County, the average for all school districts eligible for receiving free and reduced school lunches is 24%. However, one of the districts Tarek Ibn Ziyad Academy has the highest percentage of any district in the Consortium at 77%.
- In Scott County, the school district with the highest percentage of free and reduced school lunches is Shakopee at 29%.
- Suburban Ramsey and Washington Counties share one of the same school districts with the highest percentage of school free and reduced lunches at 35%.

### 5. NSP Activities to Stabilize Neighborhoods

The Consortium includes a large geographical area with differing needs and housing markets. In order to arrest further decline in a quick manner and stabilize the target areas, a comprehensive approach is required. If awarded NSP2 funds, the Consortium will allocate funds to all eligible activities in order to best address the different needs. The NSP2 funds requested will further expand successful efforts being implemented within the Consortium using NSP1 funds. The target area of NSP2 funds differs from that allowed by NSP1; providing an opportunity to address issues related to foreclosed homes in more areas.

The Consortium will use financing mechanisms for providing incentives for owner occupants to purchase foreclosed homes. This is an essential strategy to stabilizing each and every census tract in the target areas. NSP2 funding will provide homebuyers with **down payment assistance** in all of the counties and provide **rehabilitation loans** to stabilize the home values when purchased. Given the falling home prices, current low interest rates, and shrinking incomes, NSP2 down payment assistance programs will motivate buyers to purchase foreclosed units, thereby stabilizing the housing market. Many of the local down payment assistance programs currently being offered by counties and the state are limited to households at or below 80% of AMI. NSP2 funds will allow assistance to households at or below 120% of AMI and

therefore increase access to down payment assistance by moderate income households to help remove higher priced homes from the inventory. Combining down payment assistance with rehabilitation funding will permit purchase of unmortgageable homes. Coupled with FHA203K and Minnesota Housing's new Housing Opportunities Program (HOP), homes left decimated may be made occupiable for new families. Ongoing owner rehabilitation programs offered by Consortium Members will further address improvements once homes are re-occupied.

The Consortium identified target areas in Anoka, Dakota, Ramsey and Washington counties that have a high number of foreclosed properties and absorption rates between 2.0 to 4.0. The strategic approach for those areas is **acquisition and rehabilitation** of both single family and multi-unit properties. This will allow stabilization of the market and ensure that properties will be adequately renovated prior to repurchase or rental. In addition, these properties will remain affordable as long as possible, in accordance with the HOME program affordability requirements.

In areas where the absorption rate is under 1.5 and the number of months inventory exceeds 36 months, the Consortium will use acquisition and land banking as a strategy to re-stabilize these neighborhoods. The Consortium has identified three census tracts in Dakota County where the supply of bank-owned, foreclosed-upon homes exceeds the market's ability to correct. Where land-banked properties are beyond salvageable or it is unfeasible to rehabilitate, the Consortium will clear properties through the demolition activity to control the decline of the surrounding properties and neighborhood.

The Consortium has chosen to use redevelopment as a strategy to stabilize neighborhoods where the absorption rate is close to a normal rate and the number of foreclosed properties is reasonably low but there is a larger number of vacant properties. There are four census tracts in Dakota and Washington counties with redevelopment opportunities.

## **Factor 2: Demonstrated Capacity of the Applicant and Relevant Organizational Staff**

### **a. Past Experience**

Each Consortium Member has various experience levels providing neighborhood stabilization programs similar to the activities proposed under NSP2. The Consortium Members will work together to use each Member's experience and expertise to achieve the highest possible success rate. The Consortium counties have stabilized a total of 1,852 units over the past 24 months through the following tasks as follows:

**Suburban Twin Cities Consortium Experience Thresholds  
Completed Activities (07/01/2007 – 06/30/2009)**

<b>Activity</b>	<b>County with experience in activity</b>	<b># of Units</b>	<b>Collective experience, skills, and resources</b>
<b>Down Payment &amp; Rehab Loans</b>	Anoka	118	<ul style="list-style-type: none"> <li>• Down payment assistance programs designed to assist first-time home buyers purchase homes more affordably.</li> <li>• Implementation of home owner rehabilitation programs resulting in homes with improved energy efficiency, conditions and code compliance.</li> <li>• Tasks include determining applicant eligibility, cording process with private lenders, reviewing/approving loan closing documents, evaluating property condition, identifying rehabilitation needs, coordinating contractor bidding, and monitoring work progress and completion.</li> <li>• The Homebuyers Club of Scott County CDA received a National Award of Merit in Program Innovation from NAHRO.</li> </ul>
	Chisago	16	
	Dakota	340	
	Ramsey	81	
	Scott	8	
	Washington	51	
	<b>Subtotal</b>	<b>614</b>	
<b>Acquisition and Rehabilitation (Single-Family)</b>	Anoka	22	<ul style="list-style-type: none"> <li>• Partnerships with various agencies (Habitat for Humanity, etc.) to develop properties for 30-50% AMI residents to purchase or to use as affordable rental property.</li> <li>• Planning, design, and management of rehabilitation and acquisition of home, rental, and commercial projects.</li> <li>• Various funding sources such as CDBG, HOME, MHFA, PHA, and other local programs.</li> </ul>
	Chisago	4	
	Dakota	60	
	Ramsey	1	
	Scott	4	
	Washington	43	
	<b>Subtotal</b>	<b>134</b>	
<b>Acquisition and Rehabilitation (Multi-Family)</b>	Anoka	4	<ul style="list-style-type: none"> <li>• Developments include senior housing, public housing and subsidized units.</li> <li>• Renovated with new windows, flooring, lighting fixtures, appliances, etc.</li> <li>• Skills include developing scopes of work, public and competitive bidding, project management, and cost and public benefit analysis.</li> </ul>
	Dakota	127	
	Ramsey	120	
	Washington	168	
	<b>Subtotal</b>	<b>419</b>	

Activity	County with experience in activity	# of Units	Collective experience, skills, and resources
<b>Acquisition and Land Bank</b>	Dakota	353	<ul style="list-style-type: none"> <li>Acquired vacant land; hold land for varying time periods (2-7 years) until affordable housing can be absorbed.</li> <li>Skilled in appraisal analysis, purchase negotiations, title review, and finance structuring.</li> <li>Funded by various sources: NSP1, CDA, HOME, TIF, and tax levy funds.</li> </ul>
	<b>Subtotal</b>	<b>353</b>	
<b>Demolition</b>	Dakota	29	<ul style="list-style-type: none"> <li>Properties include blighted single family homes, multi-family homes, and commercial units.</li> <li>Results have been redevelopment for housing or commercial uses, floodplain restoration, and land-banking.</li> <li>Skills include abatement and clearance specification writing, competitive and public bidding, cost analysis, and contract and construction management.</li> </ul>
	Scott	22	
	<b>Subtotal</b>	<b>51</b>	
<b>Redevelopment</b>	Anoka	5	<ul style="list-style-type: none"> <li>Redevelopment projects on vacant land to affordable housing, senior rental, affordable work force housing, and family rental units.</li> <li>Redevelopment of former manufactured home park into 128-unit mixed income, mixed use housing development (Washington)</li> <li>Various funding sources used: HRA bonding authorities, tax credits, HOME, tax levy funds.</li> <li>Skills include complex financing, public bidding, construction and project management, leasing and marketing.</li> </ul>
	Dakota	81	
	Scott	67	
	Washington	128	
		<b>Subtotal</b>	
	<b>Grand total</b>	<b>1,852</b>	

## 1. Regional Planning

The Consortium Members have collaborated in many ways over the years in support of regional planning and neighborhood stabilization. These regional planning efforts include participation in the Minnesota Foreclosure Partners Council and collaboration on the use and allocation of

HOME funds through the Dakota County HOME Investment Partnership Consortium which includes the collaboration of Anoka, Dakota, Washington and Ramsey counties. Additional regional planning efforts include the following:

- The Anoka County HRA works closely with its 21 cities and townships including the review and comment on the Metropolitan Council Comprehensive plan. Technical assistance is provided to all cities regarding housing, redevelopment and economic development projects. The Anoka County HRA administers CDBG and HOME program funds.
- The Chisago County HRA-EDA assists ten cities and nine townships providing housing and economic development program assistance. With the cities' and townships' involvement, the Chisago County Strategic Economic Development Plan was completed in 2008.
- The Dakota County CDA is involved with a number of regional planning efforts. The Dakota County CDA heads up the Economic Development strategic planning for Dakota County. The agency coordinates a regional Community Revitalization Group to address a variety of housing, development and redevelopment initiatives in addition to facilitating housing, commercial and industrial market studies. The Dakota County CDA authors the Dakota County Consolidated Plans and PHA Plans, planning for all federally funded housing programs in the County. The Agency is a participant in the Metropolitan Council's Livable Communities.
- Ramsey County HRA recently completed the housing section of its county Comprehensive Plan and reviewed and commented on each of the 13 suburban community comprehensive plans as well as the City of Saint Paul's plan. Since Ramsey County is fully incorporated, planning, zoning and land use are under the purview of local municipalities.
- The Scott County CDA also facilitates periodic county-wide housing market and economic development studies that assist the county and cities in updating their comprehensive plans as required by the regional planning body, the Metropolitan Council.
- Washington County recently completed its 2030 Comprehensive Plan as required by the Metropolitan Council. In addition to meeting the goals and requirements of the Metropolitan Council related to regional planning, Washington County participates in the Metropolitan Fair Housing Implementation Council and the Dakota County HOME Consortium.

## 2. Acquisition and Disposition Of Foreclosed Real Estate

The Consortium has extensive experience in the acquisition and disposition of foreclosed real estate through the use of NSP1 funds and in coordination with local units of government. A total of \$12,423,650 of NSP1 funds have been allocated and are being spent within the Consortium with specific experience provided by each county below. The Consortium has expended 25% (\$3.1 million) of its NSP1 funds to date.

- The Anoka County HRA received \$2,377,310 as a direct allocation under NSP1 and received an additional \$2,506,643 as a state NSP1 allocation. The Anoka County HRA has extensive experience in activities relevant to NSP including successful completion of 37 down payment assistance loans and 81 acquisition and rehabilitation projects. In addition, Anoka County has a partnership with Habitat for Humanity and together the agencies have developed 20 properties in the past 2 years. Anoka County has worked with Two Rivers

Community Land Trust to acquire two properties in Anoka County during the last 6 months. Rehabilitation activities are underway on these properties and upon completion the properties will be placed into a land trust and sold to a homebuyer who is at or below 50% of area median income. Anoka County has utilized NSP funding to acquire foreclosed homes. Rehabilitation and demolition projects are in the process of receiving bids.

- Dakota County received a direct NSP1 allocation of \$2.8 million, which is operated by the Dakota County CDA as a sub grantee. The Dakota County CDA was awarded another \$1.0 million of the state's NSP1 funding. Dakota County accomplishments for NSP2 acquisition & rehabilitation activity over the past 24 months include 153 single family housing rehabilitation loans and 11 single family acquisitions. Tasks include determining applicant eligibility, evaluating property condition, identifying rehabilitation needs, coordinating contractor bidding, and monitoring work progress and completion. Results were over 150 homes with improved conditions and code compliances, and over 10 blighted homes acquired and removed to stabilize neighborhoods.
- Ramsey County HRA implemented a pilot foreclosure remediation program and purchased, rehabilitated and will sell a foreclosed single family home in Maplewood using HOME Investment Partnership Program funds and is preparing to purchase another foreclosed property before the end of the third quarter of 2009.
- The Scott County CDA has a variety of experience managing NSP activities. Over the past 24 months, the Scott County CDA has been awarded funding through NSP 1 to acquire, rehabilitate and rent five units in the City of Shakopee. The Agency is also set to close in July 2009 on a 24-unit Rural Development property that it will rent to income qualified households. With hundreds of housing units in its inventory already, the Scott County CDA has the experience of negotiating contracts, closing on properties, and rehabilitation of the units in order to provide, safe, sanitary homes for low to moderate income renters.
- Washington County has overseen the acquisition of 16 single family units and 27 townhome units since July 17, 2007. Washington County has extensive experience in the planning, design and management of housing rehabilitation and acquisition with CDBG, HOME, MHFA, PHA, and other local funds. For NSP 2 the county will continue the same tasks as it is undertaking in NSP 1. These tasks include acquiring, rehabilitating and selling single family homes to income eligible buyers. With NSP 2 the county will add the activities of establishing a down payment assistance program and rehabilitation loan program similar to existing programs administered within the county.

### **3. Rehabilitation of Housing**

The Consortium has extensive experience in the rehabilitation of both single family and multi-family housing utilizing state, county and federal funds.

- Anoka County HRA has operated a single family rehabilitation program for 28 years. In addition, a multi-family rehabilitation program has been re-implemented in the past year. The Anoka County HRA works closely with non-profit and for-profit organizations to acquire and rehabilitate housing throughout the county.
- Chisago County HRA-EDA has relied on and worked closely with the other counties and partners like the Greater Minnesota Housing Fund to assist developers with acquisition and

rehabilitation programs. The HRA-EDA has carried out housing, rental and commercial rehabilitation programs throughout the county.

- Dakota County CDA has both assisted the private acquisition and rehabilitation of multi-family structures through the use of the agency's bonding authority, its local Housing Opportunities Enhancement (HOPE) program, allocation of low income housing tax credits and HOME funds and rehabilitated the rental property owned by the agency. The Dakota County CDA has owned, managed and maintained public housing, senior housing, and family rental housing since 1980.
- Ramsey County HRA has operated single family rehabilitation and weatherization programs for nearly 30 years representing improvements to in excess of 500 homes. During the same period, Ramsey County has also rehabilitated another 500 multi-family units.
- The Scott County CDA partners with several organizations to facilitate more effective learning including past participants, lenders, realtors, crime free-multi-housing officers and maintenance staff. The Homebuyers Club has been offered by the Scott County CDA since 1998. The Homebuyers Club received a National Award of Merit in Program Innovation from NAHRO.
- Washington County since July 17, 2007 has overseen the rehabilitation of 168 units of multi-family housing and the rehabilitation of 40 single family homes.

#### 4. Redevelopment of Vacant Property

Various redevelopment activities have been successfully accomplished by the Consortium over the past 24 months using various funding mechanisms such as CDBG, HOME, Tax Increment Financing and NSP1 funds for large redevelopment projects to small infill redevelopment. These efforts include purchase, demolition and redevelopment in compliance with federal and state regulations, processes and procedures as necessary. Many of the counties in the Consortium own affordable rental and senior housing that were developed as a result of redevelopment efforts.

- CDBG funding has allowed local non-profit partners who will again work with the Anoka County HRA on the NSP 2 program to build single family and multi-family homes on vacant property. The Anoka County HRA, using its bonding authority, has developed four sites consisting of 5 multi-family projects as redevelopment projects on vacant property. CDBG and HOME funding has also made it possible for cities, non-profits and for-profits in Anoka County to clear blighted properties and complete significant redevelopment projects ranging from housing, to commercial and mixed used development.
- The Dakota County CDA has redeveloped numerous sites since its inception in 1971. The agency has developed affordable housing on both undeveloped and previously developed land. Redevelopment efforts have included site assembly, clearance of blighted properties, relocation of households and businesses, and brownfield remediation. Agency staff members are very experienced in home purchase financing, housing rehabilitation and property acquisition (following federal regulations as necessary). In addition, CDA staff manages over 2,100 affordable rental housing units, and works directly on redevelopment projects related to acquisition, relocation and demolition. Ground was broken on June 4, 2009, on redeveloped land for Lincoln Place which will provide 24 units of affordable housing with supportive services for youth ages 18-25. Lincoln Place is anticipated to open

in spring 2010 and will be the first permanent youth housing in the Twin Cities Metropolitan Area.

- Ramsey County HRA is for the most part fully developed; however the HRA has partnered with Habitat for Humanity to construct 11 very affordable single family homes on in-fill sites as well as with suburban communities to create additional single family and multifamily units.
- In addition to the acquisition, rehabilitation and rental of properties, the Scott County CDA has demolished 22 units in Scott County in order to redevelop the land and construct new rental units. However, with 83% of the housing in Scott County built in 1970 or later, demolition is not needed in this area to address the foreclosure problem.
- Washington County is in the final stages in the redevelopment of a former manufactured home park into a 128 unit mixed income, mixed use housing development.

## 5. Program Marketing and Management of Waiting Lists for Potential Residents

The Consortium has extensive experience in program marketing and management of waiting lists for potential residents. These efforts include marketing of single family affordable homes for purchase and the ownership and management of public housing and Section 8 vouchers. The marketing activities are achieved through use of web sites, brochures, local articles and television programming.

- Anoka County HRA has extensive experience in program marketing and management of waiting lists for potential residents. The HRA senior housing projects all maintain waiting lists for residents. Single family rehabilitation programs typically have long waiting lists that must be managed. Marketing of all CDBG and HRA projects is achieved by the use of brochures, articles placed in the local and metropolitan newspapers, and cooperation with the Anoka County Public Information Department which produces newsletters, television shows and heavily promotes the programs available to county residents.
- The Chisago County HRA-EDA maintains waiting list for MHFA assistance programs and during development of two senior apartment complexes.
- The Dakota County CDA has operated a variety of successful housing programs since 1971. The Dakota County CDA owns and manages 324 units of Public Housing, 2,100 Housing Choice Vouchers, 21 senior apartment buildings (1,190 units), and 16 rental townhome properties (487 units). The waiting lists for all programs are maintained by CDA staff. The CDA employs a Communications Specialist to plan and produce quality marketing plans. The CDA won 4 Awards of Merit and Excellence from the Minnesota Association of Government Communicators in 2009 for promotional projects.
- The Metro HRA maintains the Section 8 waiting list for properties in suburban Ramsey County and the availability of NSP2 for Section 8 households will be marketed through the Metro HRA as well as to graduates of transitional housing programs in the East Metro area. Ramsey County is also developing an eligible buyer list for NSP1 and will be marketing NSP2 to the real estate brokers and lenders in targeted suburban communities.
- The Scott County CDA operates the Public Housing Program, Housing Choice Voucher Program and Rural Development Federally Subsidized Housing Programs. The Housing Choice Voucher program accepted 1,200 applications in June of 2007 for its program while the Public Housing Program accepted over 600 applications between November 2008 and

January 2009 for its program. In addition, the Scott County CDA has developed 268 senior properties and owns and manages a number of unsubsidized but affordable rental units. The Scott County CDA also encourages participation in a variety of self-sufficiency offerings through the agency. The program is marketed through information on Scott County CDA's web site, flyers to its clients, and to a number of agencies and organizations throughout the county including the CAP Agency, Human Services, cities, landlords, realtors, and lenders.

- Washington County through its HRA currently owns and manages 960 units of affordable housing. Although the leasing function is contracted out to a private company, senior Washington County HRA staff is involved in the day to day operations of marketing and leasing apartments and townhomes. The Washington County HRA maintains both a waiting list for Section 8 Housing Choice Vouchers and Public Housing. In addition, the Washington County HRA manages a waiting list for several senior properties that it owns.

## 6. Accessing Operating and Investment Capital

The Consortium has various levels of accessing operating and investment capital using their individual levy and bonding authorities to carry out housing plans and neighborhood stabilization efforts as summarized below:

- The Anoka County HRA has levy authority and typically uses the funding for housing projects. Bonding for projects is available using the AAA rating of Anoka County.
- The Chisago County HRA-EDA has levy authority and uses funding for housing projects and economic development through Chisago County.
- The Dakota County CDA has been able to diversify its revenue sources with levy authority, tax increment financing abilities, and bonding authority with the General Obligation backing of Dakota County (AAA rating). The Dakota County CDA is the recipient of a number of different federal programs including CDBG, HOME, NSP1, Section 8 Housing Choice Vouchers, and Capital Funds for Public Housing. The Dakota County CDA is a Sub-Allocator of the Low Income Housing Tax Credit program.
- The Ramsey County HRA is in a unique situation with respect to levy authority in that Saint Paul, with its own HRA, comprises two-thirds of the levy opportunity. Several of the suburban communities have housing and redevelopment authorities as well and Ramsey County is precluded from levying without explicit permission. There are no unincorporated areas in Ramsey County. Moreover, the timing of the application is such that it falls outside the County's budget process. The County is able to bond with its AAA rating.
- The Scott County CDA also collaborates with the County Transit Advisory Board and provides operating and investment capital to assist municipal redevelopment projects through a local special benefit tax levy and the sale of tax exempt revenue bonds.
- Washington County oversees several federal programs that include CDBG, HOME, NSP1, and the Section 108 loan programs. These funds provide both investment and operating capital for Washington County. Additionally the Washington County HRA is a tax credit Sub-Allocator, regularly issues tax exempt bonds, capitalizes and administers an affordable housing gap financing program. Lastly, the Washington County HRA also has access to a line of credit and ability to obtain construction financing from local banks.

## 7. Working Productively With Other Organizations

The Consortium Counties work cooperatively together as is reflected in this joint application as well as previous joint powers and cooperative agreements for HUD HOME fund allocations.

- The Anoka County HRA has worked with local non-profits, other county housing and redevelopment agencies, cities and for-profit developers for 30 years. Joint power and cooperation agreements are common among Anoka County and the 21 communities it serves.
- The Chisago County HRA-EDA has partnered with for-profit developers to provide affordable housing development throughout the county. The HRA-EDA also partners with MHFA and DEED through its various programs to provide rehabilitation for single family owner-occupied homes, multi-family rental properties, and commercial properties.
- The Dakota County CDA has forged successful relationships with housing, financing, regulatory, federal, state, and local governmental, non-profit, for-profit, and economic development agencies in order to accomplish the goals and mission of the agency. The Dakota County CDA serves as the lead agency in the HOME Consortium of Anoka, Dakota, Ramsey and Washington counties. The Dakota County CDA is the sub-grantee of the county's urban county CDBG funds. As a result of its partnership with the cities, four urban cities who could receive direct entitlements have chosen to remain with the county. The agency works with Minneapolis Office of HUD, Minnesota Housing Finance Agency, Family Housing Fund, Dakota-Scott Financial Literacy Collaborative, Minnesota Foreclosure Partners Council, Minnesota DEED, Twin Cities Habitat for Humanity, Greater Minneapolis Housing Corporation, and Minnesota Home Ownership Center. The Dakota County CDA is active in professional organizations including National Association of Housing and Redevelopment Officials (NAHRO) and the National Association of County Community and Economic Developers (NACCED).
- The Ramsey County HRA has close working relationships with the following agencies: Greater Minnesota Housing Corporation (GMHC) for housing rehabilitation, senior regeneration project; the Neighborhood Energy Connection for weatherization; and, Rondo Community Land Trust, its suburban communities, and the Minnesota Housing Finance Agency.
- The Scott County CDA has been recognized as a leader in successful innovation among government and non-profits in collaborative housing partnerships, redevelopment activities and client services over the past three decades. Notable recognition at the National NAHRO level includes top 100, Innovations in American Government, in the Harvard University, and John F. Kennedy School of Government.
- Washington County and the Washington County HRA work with several organizations in supportive housing, homeownership programs and the development of multi-family housing development.

The Consortium Members Dakota County CDA and Ramsey County HRA are part of the Minnesota Foreclosure Partners Council which was convened in January 2007 to facilitate a rapid, coordinated response to the mortgage foreclosure crisis affecting the metropolitan area and outstate Minnesota. The goal of the Minnesota Foreclosure Partners Council, in collaboration with many other key private, non-profit, and public partners, is to identify, fund, and implement coordinated policies and programs that effectively address the impact of the

recent surge in mortgage foreclosures on families, neighborhoods, and communities. The work of the Council is focused in six areas: data collection, homeowner and tenant counseling, targeted outreach, product development, neighborhood and community recovery, and legal and legislative solutions. Partners confront the practice and consequences of predatory and inappropriate lending by taking specific, innovative, and collaborative action including changes in policies and practices and the provision of resources. The efforts of Partners are undertaken both individually as well as in concert with other Partners and the broader prevention and development communities. The Minnesota Foreclosure Partners Council is a national model and, in 2008, was recognized with a Partners in Affordable Housing: Outstanding Collaboration Award. The Council and its efforts are more fully described in *The Coordinated Plan to Address Foreclosures in Minnesota* that is available at <http://www.mnforeclosurerecovery.org/downloads/CoordinatedPlan.pdf>.

Other activities of the Foreclosure Partners Council that the Consortium supports include the following:

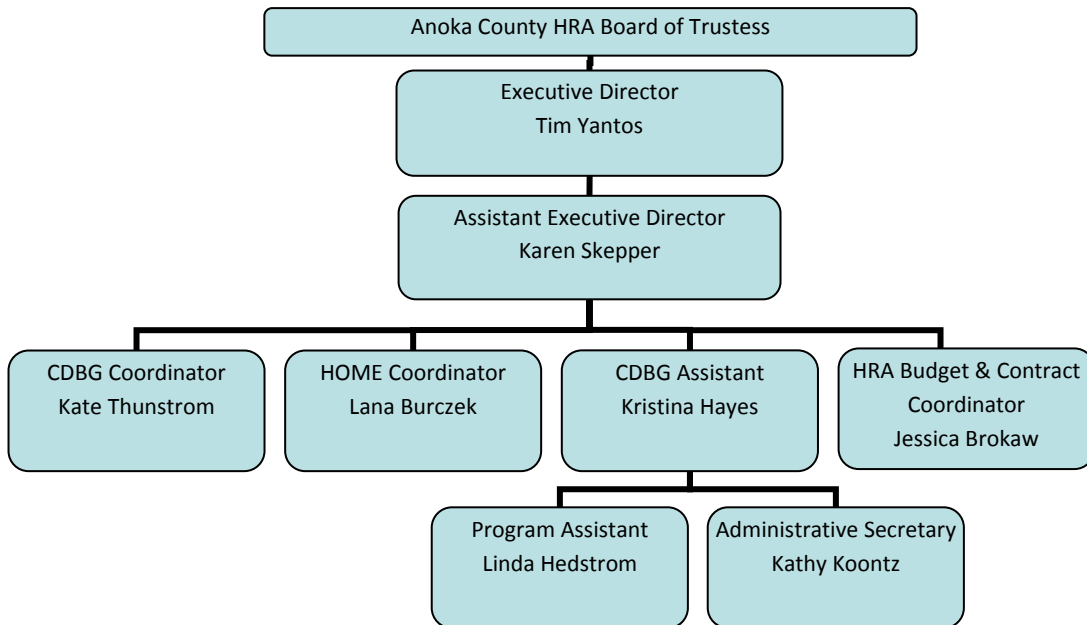
- The Family Housing Fund launched the Home Prosperity Fund in 2008 with initial investment loans of \$16 million from Wells Fargo, US Bank, TCF Bank, Thrivent Financial, and Minnesota Housing for strategic acquisition and rehabilitation and programs to assist affordable sustainable homeownership throughout the Twin Cities. New 2009 commitments from The McKnight Foundation and Wells Fargo put the total pool at \$24 million.
- Minnesota Housing released \$9.2 million in federal HOME funds to provide down payment and entry cost assistance with the acquisition of foreclosed homes by new homeowners as a primary target.
- Minnesota Housing implemented the *Homeownership Opportunity Program* to provide a bridge loan to enable homeowners to acquire and rehabilitate either foreclosed homes or homes in danger of foreclosure.
- Several cities employ point of sale ordinances that require properties be brought to certain standards upon resale.
- *First Look Program*, developed by the National Community Stabilization Trust, is being implemented throughout the Twin Cities Metropolitan Area and greater Minnesota to help restore neighborhoods hardest hit by foreclosures by allowing cities to acquire foreclosed properties before they are put on the market.

## **b. Management Structure**

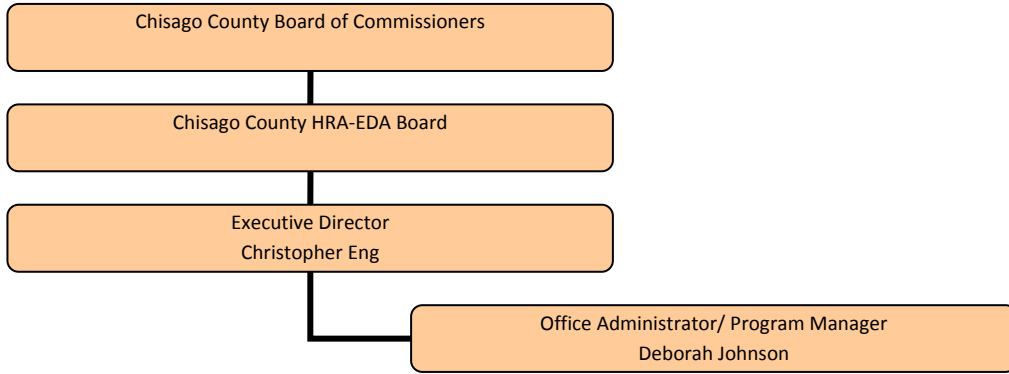
The management structure of the Suburban Twin Cities Consortium will have the Dakota County CDA, as the Lead Applicant, serve as the liaison to HUD, the Internal Auditor, and the main contact for the consortium. Per the Consortium Agreement, Dakota County CDA will ensure that the activities outlined in the NSP2 application will be carried out and will execute a funding agreement with HUD on behalf of the Consortium, if selected. The Consortium Members have identified one staff person with their organization to be the point of contact for the Consortium. Those contacts are Melissa Taphorn, Assistant Director of Community Revitalization for the Dakota County CDA; Karen Skepper, Assistant Executive Director of the Anoka County HRA; Chris Eng, Executive Director of the Chisago County EDA-HRA; Denise Beigbeder, Program Specialist of the Ramsey County HRA; Julie Siegert, Housing Director of the Scott County CDA; and Joshua Beck,



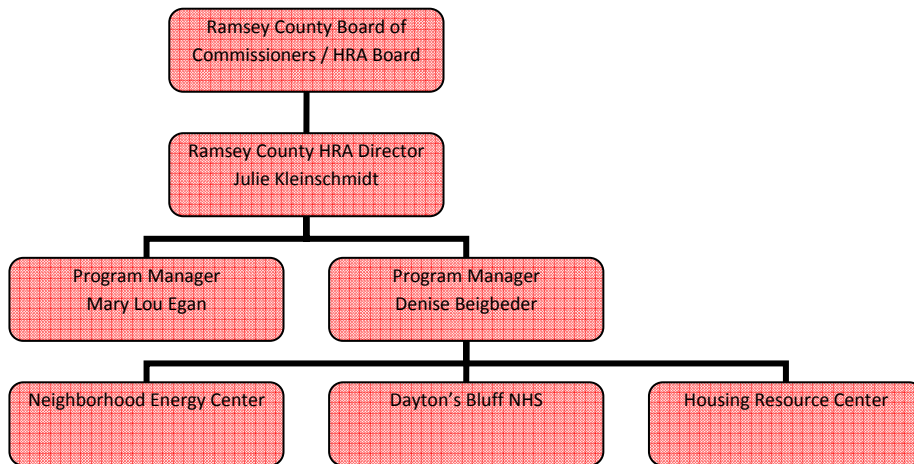
- Anoka County HRA is governed by a board of seven Commissioners each representing the district they reside in. The HRA is staffed with an Executive Director, Tim Yantos; an Assistant Executive Director, Karen Skepper; a Budget and Contract Manager, Jessica Brokaw; and an administrative assistant, Kathy Koontz. In addition, the Anoka County Board of Commissioners granted authority for the HRA to assume all responsibility for the CDBG and HOME programs. In effect this means that the 6 staff persons in the Community Development Department are coordinating CDBG, HOME and HRA projects. Key NSP 2 staff from Anoka County will be Karen Skepper and Kate Thunstrom. These are the same persons working on the NSP1 funding currently being expended.



- Chisago County HRA-EDA currently has two employees, Christopher Eng, Executive Director and Deborah Johnson, Office Administrator/Program Manager, and is overseen by a five member Board of Directors which includes a liaison and alternate County Commissioners (non-voting). Chisago County HRA-EDA operates independently of Chisago County. Chisago County appoints the Chisago County HRA-EDA Board of Directors. The Chisago County Executive Director has over 16 years in direct CDBG program experience and previously administered the Small Cities CDBG Program for the Minnesota Department of Employment and Economic Development. The Office Administrator/Program Manager has been directly administering CDBG program funds as well as Minnesota Housing Finance Agency Rehabilitation Program for 11 years.

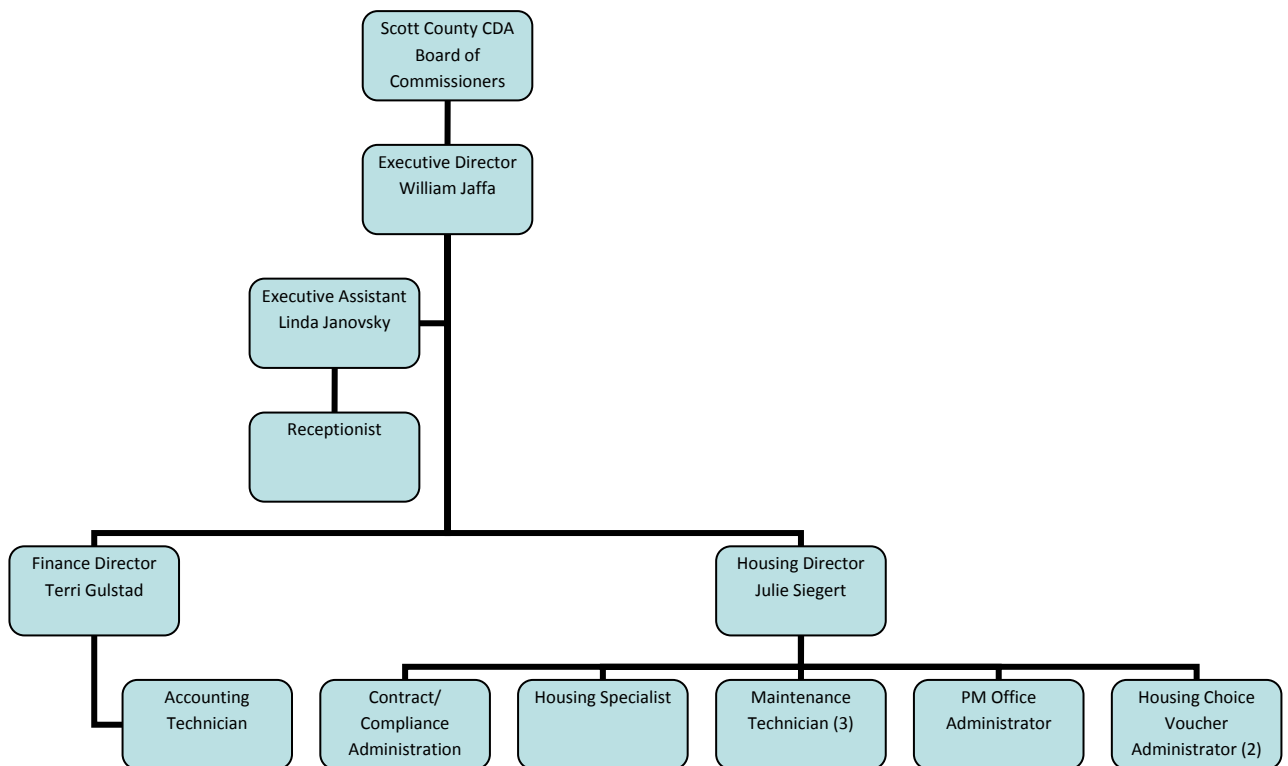


- Ramsey County HRA will administer and manage the NSP 2 activities outlined in the application. The Authority has successfully administered CDBG and HOME Investment Partnership Programs for more than 20 years. Ramsey County will engage private intermediaries to acquire, rehabilitate, and/or sell residential properties. Ramsey County HRA has two full time professional staff, Mary Lou Egan and Denise Beigbeder, who have more than 30 years experience administering Housing, Community Development and Economic Development programs in local government, for profit and non profit sectors. The County’s Office of Budget and Accounting provide financial support. The County Manager is currently serving as the HRA Director. The Ramsey County Board of Commissioners sits as the HRA Board. There are seven members, four represent suburban areas and three represent the City of Saint Paul.



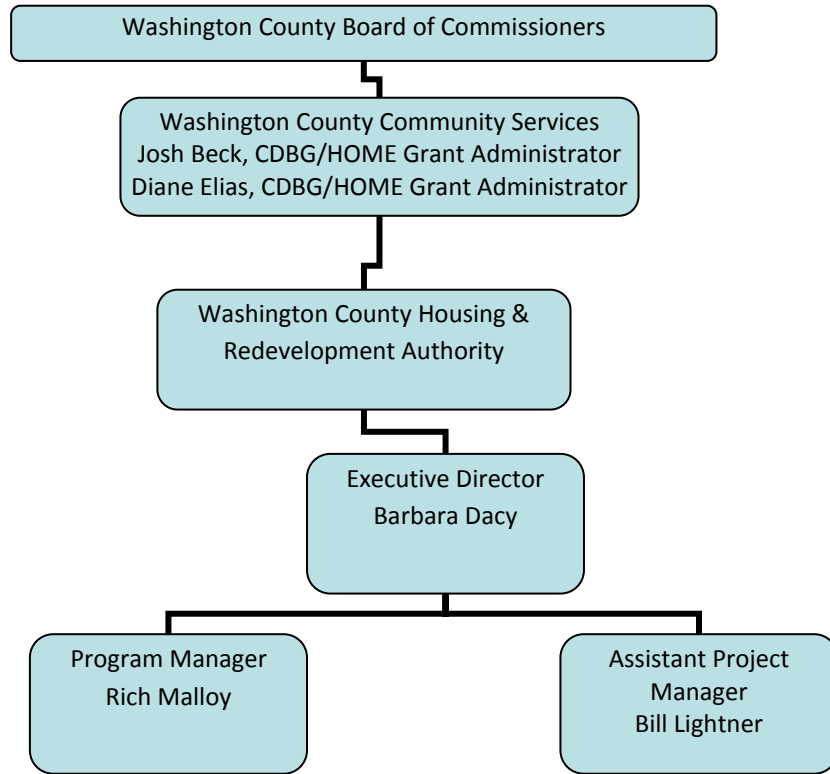
- Scott County CDA has 5 staff members that will administer and manage the NSP2 activities outlined in the application. The staff includes William I. Jaffa, Executive Director who will have general oversight of NSP2 program activities, Mr. Jaffa performs complex executive and professional work administering and managing County housing and redevelopment programs including financial, physical and social dimensions, agency functions which include monitoring and negotiating contracts, program budget and administration, establishing working relationships with other units of government, local businesses and community organizations. Terri Gulstad, Finance Director will provide accounting for NSP2 activities as well as internal audits. Ms. Gulstad performs complex professional and difficult administrative work planning, organizing and directing the financial activities of the Agency. Julie Siegert, Housing Director

will have direct management responsibilities for NSP2 program activities. Ms. Siegert performs difficult professional and administrative work directing the administration and management of the housing programs operated by the Agency. Nicole Horner, HCV/Homebuyers Club Administrator administers all aspects of Homebuyers Club including, but not limited to, coordinating and conducting training sessions, processing funding requests, maintaining accurate and thorough records and monitoring and promoting participation. Ms. Horner is certified by the Neighbor Works Center for Homeownership Education and Counseling. NSP2 program activities will include confirming eligibility and processing funding requests for down payment assistance or rehabilitation loans on foreclosed residential units within program guidelines. Linda Janovsky, Executive Assistant will provide administrative support for NSP2 program activities. Ms. Janovsky performs intermediate administrative work by ensuring the smooth flow of operations, procedures, and coordinating development activities.



- Washington County* will partner with the Washington County Housing and Redevelopment Authority (HRA) to carry out the activities outlined in the NSP2 application. The staff includes Josh Beck and Diane Elias, CDBG/HOME Grant Administrators, Washington County Community Services who will manage and administer grant compliance with HUD including Davis Bacon, Environmental Review Compliance, Uniform Relocation Act. Rich Malloy, Deputy Executive Director, Washington County HRA will lead project management to coordinate the acquisition, rehabilitation and resale of properties. Bill Lightner, Development Associate, Washington County HRA will assist the project manager to coordinate the acquisition, rehabilitation and resale of properties. The key staff in Washington County involved in administering NSP, CDBG, HOME, Tax Credit and PHA projects hold advanced degrees in city planning and public administration. Of the key staff;

2 have received American Institute of Certified Planner certification (AICP), 3 hold certification in Housing Development Finance from the National Development Council (HDFP), and 2 hold HUD HOME certification. All staff are knowledgeable and skilled in managing projects that include obtaining land use and zoning approvals and meet urban design standards.



## 2. References

The following two references are available to speak to the quality of experience held by the Lead Applicant, the Dakota County CDA, as well as the Consortium Members.

- Katy Lindblad, Minnesota Housing, 400 Sibley Street, Suite 300, St. Paul, MN 55101, 651-297-3617, [katy.lindblad@state.mn.us](mailto:katy.lindblad@state.mn.us).
- Elizabeth Ryan, Family Housing Fund, 801 Nicollet Mall, Suite 1650, Minneapolis, MN, 612-375-9644, [Elizabeth@fhfund.org](mailto:Elizabeth@fhfund.org)

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### **Factor 3: Soundness of Approach**

#### **a) Proposed Activities**

##### **1. Overall Neighborhood Stabilization Plan Description**

The Consortium is proposing a comprehensive approach to stabilizing the Suburban Twin Cities Consortium neighborhoods. As discussed in earlier sections of the application, the target areas have higher rates of foreclosure but not as high rates of vacancy risk. Therefore, the activities are streamlined to return homes to owner-occupied status and in some cases provide opportunities for rental housing. The overall neighborhood stabilization program will encompass both a buyer driven approach through down payment assistance and rehabilitation assistance and a proactive purchase and rehabilitation approach of single and multi-family homes for resale and rental. These efforts using NSP2 funds will expand many of the Consortium efforts currently being implemented using NSP1 funding. Measurable short term program outcomes will include a reduction in the vacant units, an increase in the number of owner occupied homes, and a reduction in the number of blighted residences. The long term outcomes may include, but are not limited to, increased sales of residential property in targeted neighborhoods, increased median market values of real estate in targeted neighborhoods, and sustained affordability for the length of homeownership.

The Consortium is using two highly innovative tools to respond to the foreclosure crisis through two specific tools that will help to providing neighborhood stabilization as quickly and effectively as possible. As one tool, the Consortium is participating in the establishment of a community land bank that operates across the seven county metropolitan area of the Twin Cities, covering seven counties and numerous cities. Twin Cities Community Land Bank is designed to operate on a large scale, over a broad geographic area, with a long view toward development and re-building communities, and as a public-private partnership coordinating across multiple communities of interest. It coordinates housing policies and programs with broader community development objectives, including jobs, economic opportunities, transportation, public safety, schools, human services, green design, and homeownership counseling and support. As a nonprofit limited liability company, it is designed to be highly flexible and responsive and to leverage public and private dollars to accomplish the goals of neighborhood stabilization and recovery. Twin Cities Community Land Bank has raised and committed \$30 million to advance neighborhood recovery in the Twin Cities metropolitan area; this funding has been allocated across the metropolitan area, yet concentrated in targeted neighborhoods where real change can be achieved because of this concentration.

The second innovative tool that will be used by the Consortium is the National Community Stabilization Trust's (NCST) REO acquisition program, also known as *First Look* and *Targeted Bulk Purchase*. The NCST program was launched in the Twin Cities Metropolitan Area, attesting to the Twin Cities' highly regarded, coordinated, and effective community approach to the foreclosure crisis. The NCST *First Look* program provides an efficient and cost effective mechanism for transferring vacant and foreclosed properties directly from banks and servicers to the Consortium or other approved buyers at an adjusted and highly favorable price and before properties go on the market. The *Targeted Bulk Purchase* program provides an opportunity to

purchase clustered properties, thus magnifying the opportunity to radically improve a neighborhood. Two nonprofit organizations have been managing this program in the Twin Cities; Twin Cities Community Land Bank will assume the Twin Cities metropolitan Area role as manager of the NCST program on August 1, 2009.

The Consortium proposes allocating \$4.745 million of NSP2 funds for **Financing Mechanisms** to assist with the purchase and rehabilitation of 281 properties. The Consortium will provide homebuyer downpayment and closing cost assistance with an average of \$15,000 per homebuyer to be applied to up to 50% of the required down payment, closing costs, and/or buy down of the first mortgage principal. The loans will be 0% deferred and repaid when home is sold or refinanced. A second mortgage (repayment agreement) will be recorded against the property with no subordinations allowed. When a property is sold or refinanced, the loan amount is repaid to replenish the revolving loan fund in order to make recycled loans available to additional applicants purchasing foreclosed properties.

Financing tools will encourage qualified homebuyers to purchase a home in a neighborhood that is recovering. Value in the purchase price will encourage homebuyers to select homes in the target neighborhoods rather than those not as highly impacted where homebuyer financing tools are not available. NSP2 funds used in combination with NSP1 funding and city foreclosure programs are already starting to make a difference in some communities. Cities are very anxious to stabilize the highly impacted neighborhoods. This activity will closely resemble existing programs being implemented within the counties with NSP1 funds and/or through existing CDBG, HOME and local levy funding sources.

The purchase assistance program will be structured similar to the lead agency's (Dakota County CDA) Silver Lining program, funded with a NSP1 grant. The Consortium will provide buyer rehabilitation loans with an average of \$25,000 per homebuyer in the target areas in Ramsey, Scott and Washington counties. The loans will be 0% deferred and repaid when home is sold or refinanced. This program will be used to target the older homes and bring them up to Housing Quality Standards (HQS) or better prior to occupancy of the home. Many of the homes in the target markets require appliances or rehabilitation due to deferred maintenance from prior owners where the homes were abandoned and are vacant for extended periods of time.

The Consortium proposes to allocate \$7 million toward the **Purchase/Rehabilitation** activity to assist 87 foreclosed upon homes in the target areas of Anoka, Dakota, Ramsey, and Washington counties. The Consortium will use an average of \$75,000 per single family unit and \$100,000 per multi-family unit to provide development value gap financing to for-profit/non-profit developers or for the agencies to cover the difference between the cost of purchase and rehabilitation of a foreclosed and/or abandoned property and the sale price. The rehabilitated properties will be sold to income qualified owner-occupants. In some cases, the assistance will also be used to support the new buyer. In addition, some of the properties will be retained by Consortium Members and rented to income qualified renters where appropriate. Also, many of the rehabilitated multi-family properties will be sold to owners who will rent the properties to those with incomes at or below 50% of the area median income.

The Consortium proposes to allocate \$1.2 million of NSP2 funds for **Land Banking** activities to purchase 15 properties in target areas of Dakota County and in support of the operation of the Twin Cities Community Land Bank (TCC Land Bank). TCC Land Bank is a newly organized, non-profit, limited liability company established by the Family Housing Fund to assemble, manage, and dispose of property and vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of vacant property. A portion of the NSP2 funds will be used by the TCC Land Bank to establish and operate the TCC Land. Once established, the TCC Land Bank will be available for the Consortium to utilize if a county wants to purchase and set aside properties for future redevelopment. TCC Land Bank's funds will be used for acquisition, holding costs for properties that are banked for varying terms based on market absorption, and rehabilitation/ redevelopment. TCC Land Bank will be an interim acquisition lender for the Consortium, advancing funds to allow the Consortium to respond quickly and strategically to acquisition and redevelopment opportunities, and a lender to nonprofit developers undertaking rehabilitation and new construction. TCC Land Bank intends to employ a state-of-the-art asset management and reporting system developed by Mercy Housing, or a similar system.

The Consortium will strategically acquire foreclosed or abandoned properties that cannot be rehabilitated due to cost or condition, demolish them, and hold them as vacant parcels (land banks) until the market is ready to absorb new development. A portion of the NSP2 funds will be used to support land banking activities, including the efforts of the TCC Land Bank.

Finally, TCC Land Bank will provide additional community services to address barriers to community revitalization, such as developing creative homeownership financial products and coordinated neighborhood marketing. These approaches will assist with the over-abundance of properties in the market and alleviate costs associated with long-term holding of property by the applicable Consortium Member.

The Consortium proposes the allocation of \$244,500 for the **Demolition** of 15 blighted, foreclosed upon, vacant properties in target areas of Dakota County. The neighborhoods where demolition is needed will not stabilize without a reduction in supply and the arrest of blight. This will be a continuation of the Dakota County CDA's efforts funded through NSP1 and the Rediscover South St. Paul program funded by CDBG and City of South St. Paul funds. Any properties in these neighborhoods that can be rehabilitated will be addressed through acquisition and rehabilitation. The Dakota County CDA will not demolish or convert any low- or moderate- income housing units. The Dakota County CDA will not exceed the 10% limit on demolition. Only those properties that have deteriorated beyond any realistic rehabilitation efforts will be demolished. This effort that will affect only 1.3% of the total properties addressed using NSP2 funds and will result in providing replacement housing and reduced neighborhood deterioration.

The Consortium proposes to allocate \$4.44 million for **Redevelopment** activities to provide 37 housing units in the target areas of Dakota County and Washington County. In the identified neighborhoods, there are a number of sites where development was halted by developer bankruptcy and foreclosure creating deterioration of the existing homes in the development and surrounding neighborhoods. The strategy includes redevelopment of selected sites for multi-

family or smaller single family affordable homes. This is an expansion of the existing efforts to ensure that a mix of housing types and values are provided within new developed neighborhoods.

Most recently, the Dakota County CDA has redeveloped a former school site into a senior apartment complex and 8 single family lots and a former dump site into affordable family rental housing. Previous redevelopment efforts in Dakota County have been funded through local levy funds, bond revenues, tax credit investments, state, local, CDBG, and HOME funds. With additional funding through NSP2 these efforts can continue and provide stabilization of these target areas. The program would provide an average development gap of \$120,000 per property for new construction at an affordable price.

The Consortium proposes to allocate \$1,745,500, approximately 8.9% for **Administration** of the NSP2 funds. NSP2 will be administered by qualified staff and monitored for compliance with federal and state requirements within each Consortium county. Administrative costs incurred under the program are covered under an allowable administrative fee of ten percent. As Lead Applicant, the Dakota County CDA will collect 2.5% of the administrative fees for the other Consortium Members, as outlined in the Consortium Agreement.

**2. Uses of Funds and Firm Commitments**

- a) Each county within the Consortium has agreed to commit to carrying out the program activities as identified above and per the **Source and Uses Table** below.

<b>Neighborhood Stabilization Program 2009 (NSP 2)</b>														
<b>Foreclosure Recovery Plan Sources &amp; Uses</b>														
<b>NSP 2 Eligible Use</b>	<b>Anoka County</b>		<b>Chisago County</b>		<b>Dakota County</b>		<b>Suburban Ramsey County</b>		<b>Scott County</b>		<b>Washington County</b>		<b>Consortium Total</b>	
	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>	<b>Funds</b>	<b>Units</b>
A. Establish <b>financing mechanisms</b> for purchase and redevelopment of foreclosed upon homes and residential properties for low- and moderate-income homebuyers														
- A.1. <b>Purchase Assistance Loans</b> @ \$15,000 per loan	\$ 750,000	50	\$ 450,000	30	\$ 750,000	50	\$ 300,000	20	\$ 750,000	50	\$ 420,000	28	\$ 3,420,000	228
- A.2. <b>Rehabilitation Loans</b> @ \$25,000 per loan							\$ 625,000	25	\$ 250,000	10	\$ 450,000	18	\$ 1,325,000	53
B. <b>Purchase and rehabilitate</b> homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties														
- B.1. <b>Single Family</b> @ \$75,000 average per unit value gap	\$ 1,875,000	25			\$ 1,500,000	20	\$ 525,000	7			\$ 1,200,000	16	\$ 5,100,000	68
- B.2. <b>Multi Family</b> @ \$100,000 average per unit value gap					\$ 1,000,000	10	\$ 200,000	2			\$ 700,000	7	\$ 1,900,000	19
C. Establish and operate <b>land banks</b> for homes that have been foreclosed upon														
- C.1. Operate land bank @ \$225,000 for 3 years <sup>1</sup>					\$ 130,500		\$ 27,000				\$ 67,500		\$ 225,000	
- C.2. Acquire properties to land bank @ \$80,000 per unit					\$ 1,200,000	15							\$ 1,200,000	15
D. <b>Demolish</b> blighted structures @ \$16,300 per demolition					\$ 244,500	15							\$ 244,500	15
E. <b>Redevelop</b> demolished or vacant residential properties as housing														
					\$ 3,000,000	25					\$ 1,440,000	12	\$ 4,440,000	37
Subtotal	\$ 2,625,000	75	\$ 450,000	30	\$ 7,825,000	135	\$ 1,677,000	54	\$ 1,000,000	60	\$ 4,277,500	81	\$ 17,854,500	435
F. Administration	\$ 196,900		\$ 33,800		\$ 993,200		\$ 125,800		\$ 75,000		\$ 320,800		\$ 1,745,500	
<b>TOTAL<sup>2</sup></b>	<b>\$ 2,821,900</b>	<b>75</b>	<b>\$ 483,800</b>	<b>30</b>	<b>\$ 8,818,200</b>	<b>135</b>	<b>\$ 1,802,800</b>	<b>54</b>	<b>\$ 1,075,000</b>	<b>60</b>	<b>\$ 4,598,300</b>	<b>81</b>	<b>\$ 19,600,000</b>	<b>435</b>
<b>25% Requirement<sup>3</sup></b>	<b>\$ 705,475</b>		<b>\$ 120,950</b>		<b>\$ 2,204,550</b>		<b>\$ 450,700</b>		<b>\$ 268,750</b>		<b>\$ 1,149,575</b>		<b>\$ 4,900,000</b>	
<b>Footnotes</b>														
<sup>1</sup> Funds for the operation of the Twin Cities Community Land Bank.														
<sup>2</sup> There may be duplication in the total unit count (i.e. Use of Activity A.1 and A.2 for same property and use of activity C.2 and D for same property).														
<sup>3</sup> NSP2 requires that 25% of the funds received must be targeted to households at or below 50% of area median income. The Consortium will meet or exceed this requirement.														
<b>Assumptions</b>														
A. Financing: \$15,000 loans per homebuyer for purchase assistance and \$25,000 loans for rehabilitation assistance.														
B. Purchase and Rehabilitate: \$75,000 per unit average for value gap for single family units and \$100,000 per unit average of value gap for multifamily units.														
C. Land Bank: \$75,000 per year for three years to support operation of the Twin Cities Community Land Bank and \$80,000 average per property for acquisition, demolition and holding costs.														
D. Demolition: Dakota County CDA will use NSP2 funds to demolish properties with an average \$16,300 cost per property. Demolition activity is 1.2% of the total funding.														
E. Redevelopment: Dakota County CDA and Washington County will use NSP2 funds for redevelopment with an average of \$120,000 per residential property.														
F. Administration: Dakota County CDA will earn 5% of the full grant as the Lead Applicant. Other Consortium Members will earn 7.5% of the amount allocated to their jurisdiction. Administration is 8.9% of the total funding.														

## b) Description of Funds

Information on the proposed activities, range of interest rates, duration of assistance, tenure of beneficiaries by activity and general location information is contained in paragraph a, subparagraph 1 of Factor 3, above.

## c) Commitment of Leverage Funds

Additional commitment of leverage funds provided by several of the Consortium Members and the Twin Cities Community Land Bank is provided through commitment letters noted in Factor 4 of this application and are summarized below.

- Anoka County HRA will continue to use its allocation of NSP1 fund within the target areas that are coterminous with the NSP2 application. In addition, cities within the county have committed funding to compliment neighborhood stabilization including downpayment assistance in the City of Columbia Heights for \$160,000 committed through local HRA Levy funding funds from the City of Coon Rapids to encourage the modernization of 1950's style rambler homes, targeting foreclosed homes.
- The Dakota County CDA has the following sources of funds committed as leveraged funds for NSP2-funded activities:
  - \$125,000 in HOPE funds, a local county funding source based on tax levy amounts, from the first-time homebuyer down payment assistance program to be combined with the NSP2 funded down payment assistance.
  - \$125,000 in CDA General funds from the first-time homebuyer down payment assistance program to be combined with the NSP2 funded down payment assistance.
  - \$100,000 in HOPE funds to be used for the acquisition and rehabilitation of housing units for households at or below 50% AMI. A target of \$20,000 per unit for 5 units of acquisition and rehabilitation is planned.
  - \$100,000 in funds from the CDA Rental Rehabilitation programs from a combination of non-federal funds, including HOPE, CDA General Fund, and TIF, to be used in the acquisition and rehabilitation of single-family or multi-family housing units.
  - \$400,000 in TIF funds to be used in conjunction with NSP2 grant funded redevelopment activities.
- Scott County CDA has committed \$100,000 in local levy funds to neighborhood stabilization as indicated in the attached commitment letter.
- The Twin Cities Community Land Bank will commit to an allocation of \$1 million of non-federal monies to support neighborhood stabilization and redevelopment in the targeted area of the Suburban Twin Cities Consortium. The Twin Cities Community Land Bank had a firm commitment from the National Community Stabilization Trust of \$10 million to fund the activities of the Twin Cities Community Land Bank in support of the Minneapolis/St. Paul metropolitan area.

**d) Demolition and Preservation**

The Consortium is proposing both demolition and preservation of residential properties in the target areas.

- i. The neighborhoods where demolition is needed will not stabilize without a reduction in supply and the arrest of blight. Any properties in these neighborhoods that can be rehabilitated will be addressed through acquisition and rehabilitation.
- ii. The Consortium will not demolish or convert any low- or moderate- income housing units.
- iii. The Consortium will not exceed the 10% limit on demolition. Only those properties that have deteriorated beyond any realistic rehabilitation efforts will be demolished. This effort that will affect only 1.3% of the total properties addressed using NSP2 funds and will result in providing replacement housing and reduced neighborhood deterioration.

**b. Project Completion Schedule**

<b>Time Milestone</b>	<b>Critical Actions</b>	<b>Dollars Expended</b>	<b>Cumulative Percent Expended</b>
Months 1-2	Procurement of External Services	\$0	0%
Months 3-6	15 Acquisition, 2 demolitions, 31 Buyer Loans, Assist Land Bank	\$2,022,700	10.3%
Months 6-12	15 Acquisitions, 9 Rehabilitations, 3 Demolitions, 55 Buyer Loans, 6 Resales & 3 Rentals	\$2,397,400	22.5%
Months 13-18	15 Acquisitions, 19 Rehabilitations, 5 Demolitions, 50 Buyer Loans, 6 Resales & 6 Rentals, Assist Land Bank	\$2,433,190	34.9%
Months 19-24	15 Acquisitions, 28 Rehabilitations, 5 Demolitions, 50 Buyer Loans, 17 Redeveloped Units, 18 Resales & 10 Rentals	\$4,590,300	58.3%
<b>Two Year Deadline to Expend 50% Funds</b>			
Months 25-30	34 Acquisitions, 28 Rehabilitations, 50 Buyer Loans, 50 Buyer Loans, 20 Redeveloped Units, 18 Resales & 2 Rentals, Assist Land Bank	\$6,619,500	92.1%
Months 31-36	8 Acquisitions, 45 Buyer Loans, 12 Resales	\$1,536,910	100.0%
<b>TOTAL</b>		<b>\$19,600,000</b>	

**c. Income Targeting for persons at 120% and 50% of the area median income**

The programs proposed using NSP2 funds will target households with incomes at or below 120% of the area median income and 25% of the total funds received for neighborhood stabilization within

each county in the Consortium will serve households with incomes at or below 50% AMI. It is estimated that 75 units of single family and multi-family units will be for those at that income level for a total of \$4.85 million in NSP2 funds. To satisfy this requirement and achieve the mission of each of the counties in the Consortium, several strategies will be employed.

For **financing mechanism activities**, Scott County CDA and Chisago County HRA-EDA will ensure that 24 households have incomes at or below 50% of the area median income.

- Chisago County HRA-EDA will issue, during the three year grant cycle, 8 of its 30 loans to families at the 50% AMI level to meet the 25% requirement. The market values in the target areas are such that households of low income will be able to purchase units affordable at their income range.
- Scott County CDA will issue 5 loans per year (15 of its 60 total loans) to families at 50% AMI to meet the 25% requirement. Targeting the program to the more rural areas of the county including Jordan, Belle Plaine, New Prague and Elko New Market, will help to meet the requirement as these are the areas that had the highest number of households eligible for the free-reduced school lunch program in the targeted area. In addition, effective January 1, 2010, the Scott County CDA will have a Section 8 Homeownership program with the potential of combining NSP2 funds with that program. The mission of the Scott County CDA is to serve households with low to moderate incomes. Therefore, through its regular business activities, the Scott County CDA interacts with a number of income eligible households. The Homebuyers Club is an excellent program the Scott County CDA already has in place to meet the requirement of serving 25% of the grant amount to families at 50% AMI.

For **acquisition, rehabilitation and redevelopment strategies**, the Anoka County HRA, Dakota County CDA, Ramsey County HRA and Washington County will target the purchase of properties to those not likely to be purchased by the private market due to deferred maintenance, significant rehabilitation or multiple foreclosed properties on the block. The Consortium's collective experience with NSP1 has shown that these deteriorating foreclosed homes can be purchased and rehabilitated at an average cost of \$125,000. This would allow most homeowners at or below 120% AMI to become homeowners.

In addition, to meet and exceed the 25% of funds expended to house families at or below 50% AMI, the Consortium counties of Anoka, Dakota, Washington and Ramsey will target the acquisition and rehabilitation of multi-family units for rental and/or sell units to local community land trusts or Habitat for Humanity. This strategy will result in at least 50 units being available to lower incomes families. Specifically, each county's strategy is as follows:

- The Anoka County HRA has three partners that will assist in providing housing options for persons at or below 50% AMI. All three of these partners serve clients with incomes at or below 50% AMI and are willing to assist in meeting program requirements of making at least 25% of our funding available to persons at the 50% AMI with approximately 10 units.
  - Habitat for Humanity has developed more than 25 properties in the past 5 years within the county.
  - Anoka County Community Action Program, Inc. (ACCAP) has developed or rehabilitated more than 30 properties in the past 5 years.

- Two Rivers Community Land Trust has acquired two homes in Anoka County in the past month that will be rehabilitated and placed into the land trust.
- The Dakota County CDA will exceed the requirement to expend 25% of the funds to house families at or below 50% AMI through acquiring and rehabilitating and then renting these units to income qualifying households as well as through the redevelopment to include new construction of housing affordable to families at 50% AMI.
- Ramsey County HRA expects to be meet the 25% requirement through two strategies. First, to enter into a purchase and resale in partnership with Rondo Community Land Trust. Second, through the purchase and rental of a multi-family apartment complex. These strategies will result in service to at least 5 households whose incomes are at or below 50% AMI.
- The Washington County plans to purchase foreclosure apartment building(s) and rent it to tenants at 50% AMI as a part of the Washington County HRA’s rental portfolio to satisfy this requirement. The Washington County HRA currently owns and manages 960 affordable rental units.

**d. Continued Affordability**

"Continued affordability" shall be in accordance with the HOME program standards at 24CFR 92.252(a), (c), (e), and (f) for rental properties and 24 CFR 92.254 for homeownership housing. "Affordable rents" shall mean the Maximum Allowable High HOME Rents as published by HUD from time to time. These rents also include utilities. If the tenant pays utilities, a utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent.

**1. Continued Affordability for 120% AMI Households**

Continued affordability for persons whose household incomes do not exceed 120% AMI will be accomplished by having a portion of the homes under NSP2 affordable in perpetuity through deed restrictions or land trust models. Other homes under this activity will use the HOME program method of recapture. This recapture will be triggered through placing the mortgage on the property and will be full recapture if net proceeds allow. Although that program will no longer have continued affordability, the recapture will provide future program incomes to produce additional affordable units.

**2. Continued Affordability for 50% AMI Households**

Continued affordability to persons whose incomes do not exceed 50% AMI will be accomplished through deed restrictions, on rental housing produced through NSP2. Any homeownership opportunities made available to households at this income level will also be done through Habitat for Humanity or Land Trust model that enforce perpetual affordability through deed restrictions.

<b>NSP Investment</b>	<b>Affordability Period</b>
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

For down payment, closing cost, and rehabilitation loans, the recapture method will be used to ensure that if an owner sells the property within the period of affordability it will be to an income qualified buyer or the money has been repaid.

**e. Consultation, Outreach, Communications**

**1. Consultation with Others**

The Consortium, prior to forming said consortium, consulted with other counties, cities, and other partners to determine the need for and interest in additional resources to address neighborhood stabilization. The Minnesota Foreclosure Partners Council, comprised of city, county, state, and non-profit organizations, was instrumental in assisting the consortium during this process. Each Consortium Member worked directly with the cities which have with target areas to assess the existing efforts and resources. The Consortium requested comments from the public by posting the general NSP Plan on each Consortium Member's web sites and by publishing in newspapers covering the target markets.

**2. Ensuring Qualified Families have Access to Programs**

Conduct outreach efforts that include using media outlets such as the local and regional newspapers, the internet via newspapers, purchasing keywords on search engines, distributing flyers and brochures to local community organizations and public institutions, announcing at county and city board meetings, providing flyers to its current partners including lenders, realtors, and other agencies and organizations. All Members will follow their agency Affirmative Marketing Plans and Limited English Proficiency Plans to ensure equal participation, including emerging markets.

**3. Continual Communications Regarding NSP Plan**

The process for communicating the design and the process for the program will include posting the program on each of the county's Web sites and the Web sites of the cities participating in the program. In addition many of the counties maintain waiting lists for affordable housing specific to geographic location. Each county will make use of these lists to notify the public of the availability of affordable housing. All comments and/or complaints will be addressed no more than 15 days by the corresponding Consortium Member.

**f. Performance and monitoring**

**1. Monitoring Plan**

For the Consortium participants, all units will be monitored for continued affordability during their required period. In the event a homeowner does not fulfill the required period of affordability, repayment to the NSP2 Program will be required and funds will be used for another NSP-eligible unit. All units subject to a Declaration of Covenants will be maintained as affordable housing until said Declaration is satisfied. All rental housing created will be subject to ongoing monitoring of its physical condition and adherence to Housing Quality Standards

(HQS) for its predetermined period of affordability. Monitoring of NSP properties will follow HOME standards requiring that: properties of 1-4 units be monitored every 3 years; 5-25 unit properties be monitored every 2 years; and, properties with 26 or more units be monitored annually.

## **2. Internal Auditor Designation**

The Dakota County CDA will be monitoring the activities of all counties within the consortium. The internal auditor will be Melissa Taphorn of the Dakota County CDA. Ms. Taphorn will employ the same techniques and strategies the CDA uses to identify high risk activities within its CDBG program and will annually monitor activities of all consortia members. In addition, each county has existing monitoring plans for their CDBG and HOME fund programs. These plans include quarterly reports from contractors, sub recipients, bi-monthly site visits, and an open communication system with all participants within the programs. These monitoring plans will match all the needs of the NSP2 program.

### **Factor 4: Leveraging Other Funds, or Removal of Substantial Negative Effects**

#### **a. Leveraged Funds**

The leverage ratio is 10.8%. The Suburban Twin Cities Consortium is applying for \$19,600,000. The Consortium Members have firm commitments of \$2,110,000 million in leveraged funds (as defined in the NSP2 NOFA). The leveraged funds are summarized in Factor 3 of this application. Letters of commitment are included as Appendix C.

#### **b. Value of Negative Elements Rubric**

The value of the removal of negative elements through acquisition and rehabilitation and demolition efforts of the NSP2 program is 0.15. This calculation is further detailed in Appendix E.

### **Factor 5: Energy Efficiency Improvements and Sustainable Development Factors**

#### **a. Transit Accessibility**

The access to transit varies throughout the Consortium counties and target census tracts. The following is a summary of the transit accessibility within each county.

- In *Anoka County*, all neighborhoods within the NSP2 target areas are within 10 miles of public transportation. Bus service is readily available in the southern portion of the county and residents are able to use public transportation located on major roads such as Highway 65, University Ave., Interstate 35W, and Highway 10. In addition, the Northstar Commuter rail will begin operation in the fall of 2009 with station stops in the cities of Coon Rapids, Anoka, Fridley and potentially Ramsey - all cities identified within the target areas. These stations will make commuter rail available and within a 5 mile distance from all target areas with the

exception of Bethel. There are plans for a second rail line that will go from Minneapolis to Duluth and go directly through the City of Bethel. When this line is complete commuter rail will connect the entire county with the core cities.

- In Chisago County, transit is available door to door, as well as designated routes throughout Chisago County provided by Chisago County Heartland Transportation. Chisago County Heartland Transportation serves all four of the target areas in Chisago County. There are several independently owned private cab services available as well.
- In Dakota County public transit consists of bus transit with express routes within census tracts that provide alternative transportation methods to regional employment centers. Bus service is provided through Metro Transit and Minnesota Valley Transit Authority within the target areas. Bus Rapid Transit (BRT) is a new form of public transportation for the Twin Cities Metropolitan Area that uses public roads, right-of-way and transit advantages to provide dependable, high-speed bus service regardless of weather or traffic conditions. BRT will begin operation along the Cedar Avenue and I-35W corridors in late 2009, as part of the region's Urban Partnership Agreement: *Innovative Choices for Congestion Relief*. The BRT routes will run through five target areas. Station-to-station service will begin operating after roadway improvements are completed on Cedar Avenue, likely in 2011 or 2012. Scheduled door-to-door and daily route transit for seniors is provided in the target areas by DARTS. DARTS provides transportation and supportive services to older adults and their families in Dakota County. DARTS makes connections and create possibilities for people experiencing transitions in their lives. There are 343 bus stops in the target areas with 27 express routes, and 22 local routes.
- Throughout suburban Ramsey County public transit routes are designed so that passengers can reach their destinations in a reasonable time and with a minimum of transferring. Three transit hubs serve the NSP2 Target Area neighborhoods: Little Canada with 4 routes, Maplewood with 7 and Sunray with 6. Additionally, several communities offer sub-transit opportunities and operate their own regular bus service and/or dial-a-ride. Major freeways tie the suburbs together and to the central cities; therefore, carpooling and public transit is encouraged through numerous Park-and-Ride locations.
- In Scott County bus transit systems are in place to provide transportation within each community for shopping, commerce, and employment. There are also commuter buses to serve individuals working in the downtown urban areas. Scott County Transit provides Dial-A-Ride, ADA service to those with disabilities, and regular fixed route services. These services are available to the local area and also can be coordinated to transit connections for routes throughout the seven-county metro area. Rides to a specific destination can be scheduled in advance and are affordable for the general public with a discount to those 65 years and older. Rides can be scheduled as needed for medical and other appointments or on a fixed schedule to provide transportation to local employment or a Park-and-Ride facility for commuting. In addition, all the communities within Scott County provide free transportation to local shopping at least once a week, and to larger retail shopping centers at least on a monthly basis. The Shakopee Transit Circulator offers fixed, hourly circulating service to major civic, retail, and population centers. During the warm months, there is a "summer shuttle" that circulates between the transit centers, local shopping and entertainment. The Blue Xpress bus (operated jointly by Shakopee Transit, Laker Lines, and Scott County Transit) provides affordable transportation from Park-and-Ride lots to employment in downtown Minneapolis. Currently, there are two Park-and-Ride lots centrally located within Scott County at Southbridge Crossings (Shakopee) and Shepherd of the Lake (Prior Lake). During the fall of 2009, an additional Park-

and-Ride lot will be constructed near the intersection of Highways 16 & 21 in Shakopee. When that is complete, these lots will accommodate a minimum of 1,075 commuters. Although this service is only two years old, the demand for public transportation continues to grow and buses and routes are being added as needed. Scott County has an active Transit Planning Team that is continually improving options for public transportation.

- In *Washington County*, transit access varies considerably by each census tract. Three tracts are serviced very relative to the rest of the county with two bus lines. However, four other tracts have only one bus lines, while three tracts have no service at all. Service is provided by Metro Transit. Service provides both regional express routes and local routes. Park-and-Ride lots are located through Washington County.

#### **b. Green Building Standards**

The Consortium is committed to being leaders in the Green building community. The Consortium Members have been actively involved in a regional effort to develop rehabilitation standards which meet the Green Communities criteria and also meet Minnesota Building Codes and climate specific requirements. Rehabilitation activities will follow specifications given by Minnesota Green Communities for Single Family Housing Rehabilitation. Green Communities is a collaboration of the Greater Minnesota Housing Fund, the Family Housing Fund, and Enterprise. Moderate rehabilitation will meet green rehabilitation standard with a systems guided approach; energy retrofits will consist of Energy Star products and appliances only. Remediation of mold, radon and asbestos will be implemented on a need basis per single family home.

The following is a link to the Green Rehabilitation Specifications:

<http://www.mngreencommunities.org/publications/download/Specifications-for-Housing-Rehabilitation.doc>

#### **c. Re-Use of Cleared Site**

The Consortium will attempt to redevelop and put to productive re-use sites cleared with NSP2 funds but must respect the market conditions of the areas targeted for clearance; therefore, the Consortium cannot certify all cleared sites will be re-used within the grant period.

#### **d. Deconstruction**

The Consortium certifies that it will use deconstruction techniques during demolition activities. The Consortium will salvage materials as appropriate. The Dakota County CDA, who will be completing all demolition work within the Consortium, has extensive experience with deconstruction techniques and is familiar with experienced contractors.

#### **e. Other Sustainable Development Practices**

The Consortium is committed to using sustainable development practices for acquisition and rehabilitation and redevelopment activities. The Consortium incorporates many of the recommended Energy Efficient and Environmentally-Friendly Green Elements in their

rehabilitation and new construction efforts. The following elements will be considered in all rehabilitation and redevelopment activities:

- *Renewable Energy* – Orient the building interior with respect to surrounding context to make the greatest use of passive solar heating and cooling.
- *Transportation Choices* – Locate projects within a one-quarter mile of at least two, or one-half mile of at least four community and retail facilities.
- *Connections to Surrounding Neighborhoods* – Provide three separate connections from the development to sidewalks or pathways in surrounding neighborhoods.
- *Sustainable site design* – Protect environmental resources, erosion and sediment control, sustainable and energy efficient landscaping, impervious surface reduction, use of native trees, shrubs, plants and grasses, and use of best management practices for construction.
- *Water conservation* – Provide Energy Star compliant water conservation replacement appliances.
- *Energy efficient materials* – Durable materials, resource efficient materials, heat absorbing materials, and local source materials.
- *Healthy Homes* – The use of green label certified floor covering, healthy flooring materials (reducing dust), sealing joints, and tub and shower enclosures (moisture prevention).
- *Resident Orientation* – Provide a guide for homeowners and renters that explains the intent, benefits, use and maintenance of Green building features, and encourages additional Green activities such as recycling, gardening and use of healthy cleaning materials and provide a walk-through and orientation to the homeowner or new tenants.

## **Factor 6: Neighborhood Transformation and Economic Opportunity**

### **1. Consistency with Coordinated Plans**

The Metropolitan Council is the regional planning agency that serves the Twin Cities metropolitan area. Every 10 years, all cities in the Twin Cities, including cities within the Consortium Counties - with the exception of Chisago County - must prepare comprehensive land use plans and submit them to the Metropolitan Council for review and approval to ensure each jurisdiction's comprehensive plan in the region is complete and is consistent with the regional plan.

Every city's comprehensive plan provides a statement of community goals and policies that direct the logical and coordinated physical development of the city. With these goals in mind, proposed foreclosure redevelopment activities in this NSP2 proposal are aligned with the components of the comprehensive plans.

Each county within the Consortium has comprehensive, regional and multi-jurisdictional plans of which the activities outlined in the application help to carry out those plans, as described below. Each county within the Consortium is certifying that proposed NSP2 strategies and activities are consistent with the comprehensive plans within the target cities.

- The plans and stabilization activities identified in the *Anoka County* NSP1 application and the Minnesota Housing Finance Agency NSP1 application, both of which were funded, are

consistent with the activities identified in the NSP2 Consortium Application. The documents can be accessed on the Anoka County Web site [www.anokacounty.us](http://www.anokacounty.us). These funds have started the transformation of some of the hardest hit neighborhoods. Concentrating efforts in these areas reduced the ability to provide assistance to some of the other hard hit areas.

- *Chisago County HRA-EDA* is member of the Foreclosure Partners Council, represented by the co-chair organization of the Greater Minnesota Housing Fund. In addition, Chisago began a partnership with representatives from the cities and townships within the county in 2007 to develop a county wide economic development plan of which the activities in the NSP2 Consortium application are consistent to stabilize neighborhoods and to provide adequate and safe housing for residents. The plan was completed in 2008 and can be reviewed at <http://chisagocounty.org/pdf-files/StrategicPlan2008-complete.pdf>.
- *Dakota County CDA* has an approved Consolidated Plan (2005-09) and Annual Action Plans for CDBG and HOME expenditures. Those plans all identify the following activities as high priorities: (1) acquisition of real property, (2) single unit residential rehabilitation, and (3) direct homeownership assistance. For housing, renters and owners with incomes between 30-50% AMI were identified as high priorities for assistance. Housing objectives in the plans are to increase homeownership rates among households with incomes at or below 80% AMI and preserve the existing housing stock. Plans are available for reading at: <http://www.dakotacda.org/reports.htm>.
- Each of the suburban communities within *Ramsey County* have and/or are in the process of developing new comprehensive plans of which the proposed activities are consistent with those plans and they may be found at: [www.ci.vadnaisheights.mn.us](http://www.ci.vadnaisheights.mn.us), [www.white-bear-township.mn.us](http://www.white-bear-township.mn.us), [www.ci.maplewood.mn.us](http://www.ci.maplewood.mn.us), [www.co.ramsey.mn.us/cm](http://www.co.ramsey.mn.us/cm)

## 2. Increased Effectiveness of Plans

Within each plan to which the Consortium is a partner, there is a housing and neighborhood stabilization component. The programs, initiatives, and activities identified in each plan are continually underfunded with cuts in federal, state, and local programs and the decreased contributions available to non-profit partners. The addition of NSP2 funds for the eligible activities will ensure these actions occur and impact the goals of all other plans. The NSP2 application activities address many of the Minnesota Foreclosure Partners Council's suggested calls to action such as down payment assistance, rehabilitation loans, acquisition and rehabilitation, resale and rental to income qualified households, strong local ordinances including many communities with point of sale ordinances and support of the coordinated twin cities land bank.

Further, the Consortium's NSP2 plan increases the effectiveness of the Consortium cities' comprehensive plans in the areas of housing, transportation, sustainable development, economic revitalization, and floodplain.

**Housing:** The activities for which NSP2 funds are requested are consistent with the comprehensive plans because the plans generally call for continuing to work to improve and protect of the quality and character of residential neighborhoods and structures. Much of the housing stock in the consortium's target areas need to be maintained and the promotion of homeownership is a priority in the various communities to create more stable neighborhoods. NSP2 increases the effectiveness

of the housing goals of the comprehensive plans by providing funding to help preserve the existing neighborhoods.

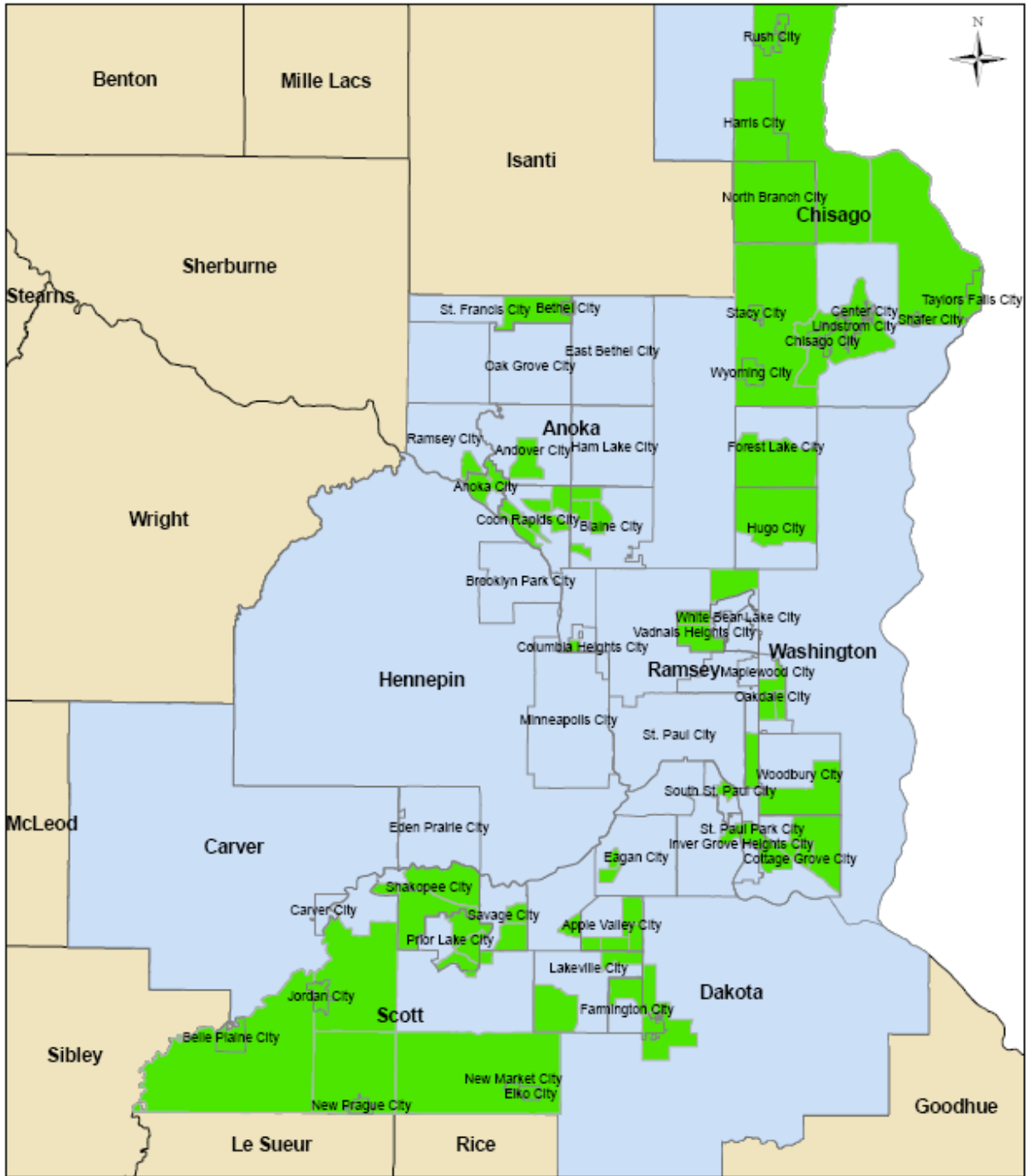
**Transportation:** Consistent with regional planning policy, the comprehensive plans support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities; encourage and support housing development along commercial and community corridors, and in and near growth centers, activity centers, retail centers, transit station areas, and neighborhood commercial nodes; and engage in dialogue with communities about appropriate locations for housing density, and ways to make new development compatible with existing structures and uses. As the market improves, NSP2 redevelopment activities will seek development of single family, owner-occupied housing; and, where density is encouraged, NSP2 activity will support development of multi-unit housing along transit corridors.

**List of Census Tracts of Twin Cities Consortium Target Areas**


Census Tract – City	Foreclosure Risk Score	Vacancy Risk Score	Maximum Risk Score
<b>Anoka County</b>			
0502.20 - Andover	18	11	18
0505.05 – Andover	18	12	18
0504.00 - Anoka	18	17	18
0508.05 – Blaine	19	11	19
0508.06 – Blaine	18	16	18
0508.10 – Blaine	18	13	18
0508.14 – Blaine	18	11	18
0514.00 – Columbia Heights	18	18	18
0506.10 – Coon Rapids	19	14	19
0506.05 – Coon Rapids	18	14	18
0506.07 – Coon Rapids	18	15	18
0507.12 – Coon Rapids	18	16	18
0507.11 – Coon Rapids	18	13	18
0507.04 – Coon Rapids	19	14	19
0502.27 – Ramsey	18	14	18
0501.08 – Bethel/St. Francis	18	13	18
<b>Chisago County</b>			
1102.00 – Harris/Rush City	18	16	18
1103.00 – North Branch	20	13	20
1104.00 – Stacy/Wyoming	20	12	20
1105.00 – Chisago City/Lindstrom	20	16	20
1107.00 – Taylors Falls/Almelund	16	17	17
<b>Dakota County</b>			
0608.17 – Lakeville	19	10	19
0609.01 – Farmington	19	8	19
0609.03 – Farmington	19	9	19
0608.12 – Apple Valley	18	8	18
0608.20 – Lakeville	18	11	18
0608.25 – Apple Valley	18	8	18
0608.26 – Apple Valley	18	9	18
0605.03 – Inver Grove Heights	16	14	16
0607.41 – Burnsville	17	9	17
0608.27 – Apple Valley	16	10	16
0607.22 – Eagan	16	9	16
0607.35 – Eagan	17	7	17
0603.01 – South St. Paul	15	14	15
<b>Ramsey County</b>			
0401.00 – White Bear Township	18	11	18
0406.03 – Vadnais Heights	18	8	18
0406.04 – Vadnais Heights	18	14	18
0425.02 - Maplewood	18	12	18




Census Tract – City	Foreclosure Risk Score	Vacancy Risk Score	Maximum Risk Score
<b>Scott County</b>			
0803.01 – Shakopee	19	13	19
0803.02 – Shakopee	20	12	20
0806.00 – Shakopee	17	6	17
0809.05 – Prior Lake	17	12	17
0809.06 – Prior Lake	16	13	16
0809.04 – Prior Lake	18	12	18
0802.03 – Savage	19	6	19
0802.05 – Savage	19	11	19
0811.00 – Elko-New Market	19	16	19
0812.00 – New Prague	16	14	16
0808.00 – Jordan	17	15	17
0813.00 – Belle Plaine	19	15	19
<b>Washington County</b>			
0709.06 – Oakdale	18	11	18
0709.08 – Oakdale	19	12	19
0709.09 – Oakdale	18	7	18
0710.18 – Woodbury	18	10	18
0713.00 – St. Paul Park	18	13	18
0712.07 -- Cottage Grove	19	10	19
0712.08 – Cottage Grove	19	11	19
0712.09 – Cottage Grove	18	8	18
0712.02 - Cottage Grove	18	10	18
0702.03 -- Hugo	17	13	17
0701.06 – Forest Lake	16	14	16
<b>Average Maximum Risk Score</b>			<b>18</b>

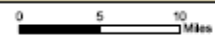
# NSP2 - Eligible Census Tracts Twin Cities Suburban Consortium



### Legend

 Census Tracts with Average Foreclosure/Vacancy Score of 18 or more

-  Cities
-  Twin Cities Metro Area
-  Minnesota



# Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

**Instructions.** (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

## Applicant/Recipient Information

Indicate whether this is an Initial Report  or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Dakota County Community Development Agency, 1228 Town Centre Drive, Eagan, MN 55123 (651) 675-4400	2. Social Security Number or Employer ID Number: 411-25-3302
3. HUD Program Name Neighborhood Stabilization Program (Recover Act Funding)	4. Amount of HUD Assistance Requested/Received \$19,600,000.00
5. State the name and location (street address, City and State) of the project or activity: Target census tracts of Minnesota counties of Anoka, Chisago, Dakota, Ramsey (ex. City of St. Paul), Scott & Washington	

## Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
--	---

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

## Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
See attached list.			

(Note: Use Additional pages if necessary.)

## Part III Interested Parties.

You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
N/A			

(Note: Use Additional pages if necessary.)

## Certification

**Warning:** If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature x 	Date: (mm/dd/yyyy) 07/14/2009
--	----------------------------------

<b>Department/State/Local Agency Name and Address</b>	<b>Type of Assistance</b>	<b>Amount Requested/Provided</b>	<b>Expected Use of Funds</b>
City of Columbia Heights, MN	Local tax levy	\$160,000.00	Provide 11 loans for purchase of foreclosed properties
Dakota County CDA	Local housing fund	\$225,000.00	Provide 9 loans for purchase of foreclosed properties and purchase and rehabilitate 5 homes
Dakota County CDA	Agency General Fund	\$125,000.00	Provide 9 loans for purchase of foreclosed properties
Dakota County CDA	Local Rental Rehabilitation Loan Program	\$100,000.00	Provide assistance for 5-10 units of mulit-family rehabilitation
Dakota County CDA	Tax increment financing	\$400,000.00	Provide assistance to redevelop 15 units of housing
Scott County CDA	Local Levy Funds	\$100,000.00	Acquire and rehabilitate 10 homes.
Twin Cities Community Land Bank	General Funds	\$1,000,000.00	Acquire and hold 100 properties.

**Code of Conduct** for Lead Applicant, Dakota County CDA is attached.

**Dakota County CDA  
Personnel Policies and Procedures Manual**

**Employee Acknowledgement**

I acknowledge that I have received the CDA Personnel Policies and Procedures Manual (or pertinent part-time employee policies listed below) published January 19, 2005. I understand that it is my responsibility to access, learn, and behave in a manner consistent with these policies. I understand that any updates (additions or revisions) will be posted on the CDA's Intranet site, or will be distributed via hard copy to employees without Intranet access.

As indicated in the manual, violation of certain policies may result in the immediate termination of my employment. **I further understand that during my employment with the CDA, I:**

May not:

- Engage in sexual harassment or the deliberate harassment of a protected class (e.g. harassment based on race/skin color, national origin and citizenship, religion, gender, pregnancy, sexual orientation, age 40 years and older, disability, military status), or other individual (Policies #121 & #370).
- Store, possess or use alcohol or illegal drugs while working or while driving a CDA vehicle (Policies #330 & #370).
- Store, possess or use a firearm while on CDA premises or within a CDA vehicle (Policy #370).
- Engender a serious threat, or commit an assault or criminal act (Policy #370).
- Willfully violate the Minnesota Government Data Practices Act (Policy #370).

Must:

- Maintain a clean criminal history and driving record as it pertains to the suitability to perform my job (Policy #330) (e.g., master-key holders must maintain a clean criminal history record; employees required to drive a CDA vehicle must maintain an acceptable driving record and insurability).
- Be willing and able to meet CDA standards, or I may be subject to progressive disciplinary actions up to and including termination of employment (Policy #220; Re: Willful Misconduct and Serious Deficiency Notices).

Caretakers: In addition to these policies, please note that Policy #350 now prohibits CDA employees from holding office in a tenant association.

If I have any questions regarding these policies or their implementation, I will speak with my supervisor or contact the Personnel Officer directly at 651-675-4431.

Name \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**\*\*\*Sign and return this form to Kris Miller as soon as possible.\*\*\***

One of the CDA's primary concerns is the health and safety of its citizens, service recipients and employees. For that reason, CDA employees are required to deal promptly with any questions concerning the safety or fitness of the personnel, procedures, or equipment used by the CDA in the accomplishment of its responsibilities. The CDA's commitment to safety includes a commitment to maintaining a workplace which is free of any illegal or inappropriate employee involvement with drugs.

#### Definitions

**DRUG:** Any controlled substance as defined in Minnesota Statute 152.02, subd. 4., and schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulations at 21 CFR 1300.11 through 1300.15

**WORKPLACE:** Any building, facility, property or other locale constituting the work site of one or more CDA employees irrespective of whether the employees present are on duty.

#### **SOURCE**

The legal basis for this policy is found in the Minnesota Human Rights Act (Minn. Stat. Chapter 363) and the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.: 5 U.S.C. Sections 552 to 556).

#### **GENERAL INFORMATION**

##### Communicable Diseases

Employees are required to advise their supervisors if they believe there is a significant risk that they or another CDA employee will transmit or contract a serious communicable disease while on the job.

##### Operation of Equipment or Exposure to Hazardous Material

Employees are required to advise their supervisors if they are aware of any conditions, procedures, or circumstances which might prevent a CDA employee from safely operating equipment, handling hazardous materials safely, or otherwise safely carrying out an assignment.

##### Carry or Possession of Firearms

Employees are prohibited from carrying or possessing firearms while acting in the course and scope of employment; including breaks or incidental times, and when working off-site or on the exterior grounds. Employees are prohibited from carrying or possessing firearms within any of the CDA owned buildings or vehicles. Violation of this policy may result in disciplinary action up to and including termination.

##### Drug and Alcohol Testing

The CDA recognizes that alcohol and drug abuse adversely affects job performance, the kind of work an employee performs, and an employee's opportunities for successful employment. Therefore the CDA has adopted a policy specific to Drug and Alcohol Testing (#335) which conforms to the requirements of Minnesota's drug and alcohol testing statute, Minn. Stat. § 181.950. This policy applies to all applicants for employment and to all employees including contract and temporary (limited-term) employees. In addition to the prohibition summary below, it further details the prohibition of use and procedures for carrying out drug and alcohol testing.

##### Drugs and Alcohol Prohibitions

In addition to the prohibitions detailed in the Drug and Alcohol Testing policy, the following information summarizes activities that employees are prohibited from while on the job or at the workplace:

1. Storing, possession or use of drugs or alcohol except where the use is prescribed by a physician and does not engender a safety threat for the employee or others.

2. Working under the influence of drugs or alcohol.
3. Violating any law relating to the manufacture, distribution, dispensing, possession or use of drugs or alcohol. (Employees convicted of criminal drug or alcohol violations occurring at the workplace must notify the CDA of the conviction within five days.)

Employees in violation of this policy are subject to disciplinary action up to and including dismissal. Employees convicted of a criminal drug or alcohol statute violation occurring at the workplace may be required to participate in a drug or alcohol abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health or law enforcement agency.

#### Re-verification of Safe Employee Activity and History after Hire

In the interest of continued public and employee safety and limited agency liability, CDA management may need to ensure that an employee's criminal history or driving record remains clear during their tenure with the CDA, and/or that they maintain their physical ability to safely perform their duties. Therefore, the Personnel Officer may conduct interim background checks, or request that an employee submit to medical examinations and/or drug and alcohol testing, as necessary to protect such interests. These background checks or medical examinations will follow the general parameters set forth in the Drug and Alcohol Testing Policy #335 and Applicant Selection Policy #200.

#### Tobacco-free/Smoke-free Office Environment

Due to the known sensitivities and acknowledged hazards arising from exposure to tobacco products, it shall be the policy of the CDA to provide a tobacco-free/smoke-free office environment for all employees, visitors, and clients of the CDA, effective beginning June 1, 2007. This policy covers smoking and the use of any tobacco products including smokeless tobacco, and applies to all employees, clients, and visitors of the CDA.

1. There will be no smoking or use of tobacco products at any time while on office property, including within the building, in the parking lots, or on the sidewalks or grounds (excluding personal vehicles).
2. Tobacco products and materials used for smoking or chewing (e.g. cigarette butts, matches, chew) should not be discarded on CDA grounds.
3. Clients who violate this policy may be asked to reschedule their appointment.
4. There will be no smoking or use of tobacco products in CDA-owned vehicles at any time.
5. Employees who choose to smoke in their personal vehicles may do so only on breaks approved by their supervisor. Employees who leave the building during work-hours must notify their supervisor and the time will be counted as a break. Agency management reserves the right to disallow breaks which interfere with work productivity. Cumulative breaks should not exceed the amounts allotted for paid breaks during the work day, or they may be considered unapproved, unpaid absences.
6. Violations of this policy by employees will be handled through the progressive discipline policy.

## **PROCEDURES**

### Response to Safety Concerns

CDA supervisors are required to ensure that each report of a potential health threat receives a timely and appropriate response. A brief summary of the reported threat and the response is maintained in the department files and a copy is forwarded to the Administration Department.

Drug and Alcohol Awareness Program

The Administration Department is responsible for the administration of the CDA's Drug and Alcohol Awareness Program. This program provides employees with:

1. A copy of the CDA's Health and Safety and Drug and Alcohol Testing policies.
2. Information regarding the dangers of drug and alcohol abuse in the workplace.
3. Information regarding the availability of drug and alcohol counseling, rehabilitation and employee assistance programs.
4. Information regarding the penalties that may be imposed upon employees for drug and alcohol abuse violations at the workplace.

Federal Reporting Requirements

Since the CDA is subject to the requirement of the Drug-Free Workplace Act of 1988, we will, as required by law, notify the applicable agency of any covered employees who are convicted of criminal drug statute violations occurring at the workplace. The CDA will also supply the applicable agencies with "Place of Performance" reports required, including required revisions.

Political Activity

In accordance with the provisions of the Federal Match Act, CDA employees have the right to express their views as citizens to pursue their legitimate involvement in the political system, and to vote, but cannot, except as permitted by law, engage in any of the following activities:

- No officers, agents, clerks, or employees of Dakota County CDA may directly or indirectly, during their hours of employment solicit or receive funds, or at any time use their authority or official influence to compel any officer or employee to apply for membership in or become a member of any organization, or to pay or promise to pay an assessment, subscription, or contribution, or to take part in any political activity.

Dakota County CDA employees whose principal employment is in connection with an activity which is financed in whole or in part by federal loans or grants are prohibited from:

- Using official authority of influence for the purpose of interfering with or affecting the result of an election or nomination for office;
- Directly or indirectly coercing or attempting to coerce, command, or advise a person employed by the executive branch of the State or a political subdivision whose principal employment is in connection with an activity of value for political purposes; and
- Standing as a candidate for elective office in a partisan election or accepting appointment to a public office where candidacy or appointment would constitute or create the appearance of a conflict of interest without first obtaining a personal Leave of Absence.

Conflict of Interest

Per the U.S. Department of Housing and Urban Development (HUD) in relation to the administration of Housing Assistance Payments (HAP) contracts, no employee of the CDA may have any direct or indirect interest in a HAP contract being administered by the Dakota County CDA. The prohibition of such interest shall apply during employment with the Dakota County CDA and for one year thereafter.

The HUD Field Office may permit waivers in certain cases for good cause.

Other Prohibited Activities

Other prohibited acts which may be cause for immediate termination are listed under the Dismissal Section of Policy #370 -Resignation and Termination.

It is the intent of CDA management that tenants of its Senior Buildings have a mode by which to discuss ideas and voice concerns related to their living environment. This can generally be accomplished through Tenant Associations. In order to achieve representation that is free from the undue influence of its staff, the CDA prohibits its Caretakers or other employees from holding a position of Officer in a Tenant Association for any CDA building.

**RESIGNATION**

If an employee wishes to resign from CDA service, the employee shall submit his/her written resignation to the Responsible Authority. To resign in good standing, the employee must give at least fourteen (14) days notice (excluding time taken for vacation) of his/her intention. The Agency reserves the right to release an employee prior to completing the two-week notice period. If the employee is released, the Agency will pay the employee for any time scheduled but not worked within this period, and any accrued unused Flex Leave, as indicated in the Flex Leave Policy #290.

**DISMISSAL**

When corrective intervention is unsuccessful or when the nature and history of the performance deficiency or misconduct precludes intervention, the CDA's fiduciary responsibilities to its clients and the county citizens, necessitates dismissal. Conduct which may preclude corrective intervention includes, but is not limited to:

1. Commission of an assault or another criminal act during work hours.
2. Use or possession of alcohol or a non-prescribed drug (controlled substance) while on duty.
3. Carry or possession of firearms during the course and scope of work.
4. Misrepresentation of a material fact on an employment application, resume, medical history, or other document supplied to the CDA for the purpose of determining suitability for employment or promotion.
5. Engendering a serious threat to the health or safety of any person by an action evidencing extreme carelessness or deliberate neglect of established responsibilities.
6. Absence without (approved) leave for three or more consecutive days.
7. Refusal to carry out specific work instruction when advised that refusal would result in dismissal.
8. Deliberate harassment of another employee based on that employee's protected class status (e.g. race, color, national origin, citizenship, religion, gender, pregnancy, sexual orientation, age (40 years and older), disability, military status).
9. Acceptance of a gift under circumstances from which it could be inferred that the giver expected or hoped for preferred or favored treatment in an official or department matter.
10. Use of one's position to coerce or extract favors from another for personal gain.
11. A willful violation of the Minnesota Government Data Practices Act (M.S. 13.01 to 13.90).

A written pre-determination notice shall be given to the employee by his/her supervisor, sufficiently detailing any charge(s) and informing the employee of his/her right to demand in writing a hearing before his/her supervisor and the Deputy Executive Director (or designee). This demand for a hearing shall be made within 24 hours of receipt of the pre-determination notice and the hearing shall be held within three working days of date of such demand. A written suspension and/or termination notice shall be given to the employee on the effective date of such suspension and/or termination.

An employee who has been terminated in accordance with this section may:

- 1) Request that the dismissal be reviewed by the Executive Director; however, an employee may not file a grievance under Policy #380 for such termination, and
- 2) Lose their right to Flex Leave pay out, as determined by the Executive Director.

**DEATH**

Upon the death of an employee, termination pay (described below) is paid via direct deposit as required in Policy #270 of this manual.

**TERMINATION PAY**

Upon voluntary termination of employment with the CDA, the dollar value of Flex Leave in the employee's account is paid out with their final pay (subject to the "good standing" definition listed above and Flex Leave Policy #290). Additionally, employees who participate in the medical and/or dental plans will have premiums owed for the balance of the month, deducted from their last check.

Employees are entitled to payment of 50% of their unused Extended Sick Leave Bank to a maximum of 400 hours or other payout provisions which may be applicable. Hours in the Extended Sick Leave Bank will be paid using the dollar value of the wage rate in effect at termination.

**EXIT INTERVIEW**

Non-limited employees may request an exit interview with the Executive Director upon termination of employment. The exit interview includes discussion of the employee's views with regard to execution of the Affirmative Action Policy.

**Leveraging Documentation** in the form of firm commitments from the agencies committing funds is attached.

July 14, 2009

To: Melissa Taphorn, Assistant Director of Community Revitalization  
Dakota County Community Development Agency

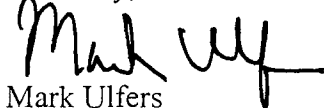
Re: Leverage Commitments for NSP2 Grant Funds

The Dakota County Community Development Agency, a local government agency whose mission is to improve the lives of Dakota County residents through affordable housing and community development, is committing the following sources of funds as leveraged cash funds for NSP2-funded activities:

- \$125,000 in HOPE funds, a local county funding source based on tax levy amounts, from the first-time homebuyer down payment assistance program to be combined with the NSP2 funded down payment assistance.
- \$125,000 in Dakota County CDA General funds from the first-time homebuyer down payment assistance program to be combined with the NSP2 funded down payment assistance.
- \$100,000 in HOPE funds to be used for the acquisition and rehabilitation of housing units for households at or below 50% AMI. A target of \$20,000 per unit for 5 units of acquisition and rehabilitation is planned.
- \$100,000 in funds from the Dakota County CDA Rental Rehabilitation programs from a combination of non-federal funds, including HOPE, Dakota County CDA General Fund, and TIF, to be used in the acquisition and rehabilitation of single-family or multi-family housing units.
- \$400,000 in TIF funds to be used in conjunction with NSP2 grant funded redevelopment activities.

These funds provide a total of \$850,000 in leveraged cash funds for NSP2-funded activities. These funds are committed to the Dakota County CDA as the lead applicant for the Suburban Twin Cities Consortium in its NSP2 grant application and are committed contingent upon receipt of NSP2 grant funds.

Sincerely,



Mark Ulfers  
Executive Director,  
Dakota County Community Development Agency



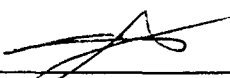
Scott County  
Community Development Agency

323 South Naumkeag Street  
Shakopee, MN 55379-1652

Phone: 952.402.9022  
Fax: 952.496.2852

## LETTER OF COMMITMENT

The Scott County Community Development Agency will leverage One Hundred Thousand Dollars and No Cents (\$100,000.00) toward investment in the NSP2 program. These funds will come from the Scott County Special Benefits Tax Levy in yearly increments during the three year NSP2 program period for an amount not to exceed \$100,000.00.

  
\_\_\_\_\_  
William I. Jaffa  
Executive Director

  
\_\_\_\_\_  
Date

DeAnn Croatt  
Commissioner  
District I

Ben Zweber  
Commissioner  
District II

Marjorie Henderson  
Commissioner  
District III

Patti Sotis  
Commissioner  
District IV

Jane Victorey  
Commissioner  
District V

# CITY OF COLUMBIA HEIGHTS

590 40<sup>th</sup> Avenue NE, Columbia Heights, MN 55421-3878 (763)706-3600 TDD (763) 706-3692  
Visit our website at: [www.ci.columbia-heights.mn.us](http://www.ci.columbia-heights.mn.us)

Mayor  
Gary L. Peterson  
Councilmembers  
Robert A. Williams  
Bruce Nowrock  
Tammara Diehm  
Bruce Kelsenberg  
City Manager  
Walter R. Fahst

June 5, 2009

Anoka County  
Community Development Dept.  
Karen Skepper  
2100 3<sup>rd</sup> Ave  
Anoka MN 55303

Re: Request of Anoka County funds

Dear Ms. Skepper:

The City of Columbia Heights respectfully requests \$160,000 (the balance of the 2009 levy) from the Anoka County Housing and Redevelopment Authority (ACHRA) for the "Make Heights Your Home" down payment assistance program. On September 10, 2007, the City Council adopted to participate in the Anoka County HRA Economic Activities.

The City of Columbia Heights Economic Development Authority (EDA) authorized staff to administer a pilot program for 2009 using the fund balance of the ACHRA levy money. The program is a down payment assistance program - "Make Heights Your Home" - for purchases of foreclosed homes within the city. The assistance is given in the form of a forgivable loan, up to \$6,000 and in conjunction with a 203K loan. Four goals have been established Make Heights Your Home Program:

1. Owner occupied buyers
2. Increasing the rate of home owner sales
3. Increasing the level of, and in some cases, ensuring that properties are being rehabilitated instead of being purchased "as is"
4. Long term commitment of new owners to the community

Sincerely,



Sheila Cartney  
Assistant Community Development Director

RESOLUTION 2009-66

CITY OF COLUMBIA HEIGHTS, MINNESOTA

COPY

**A RESOLUTION REQUESTING FUNDS IN THE AMOUNT OF \$160,000 FROM THE ANOKA COUNTY HRA LEVY TO FINANCE MAKE HEIGHTS YOUR HOME DOWN PAYMENT ASSISTANCE PROGRAM IN THE CITY OF COLUMBIA HEIGHTS.**

**WHEREAS**, the City Council was invited by the Anoka County Housing and Redevelopment Authority (ACHRA) to participate in ACHRA economic development activities; and,

**WHEREAS**, Council passed a resolution on September 10, 2007 to participate in the Anoka County Housing and Redevelopment Authority (ACHRA) economic development activities; and,

**WHEREAS**, the ACHRA would levy a tax in Columbia Heights each year of participation, for a minimum of five years; and,

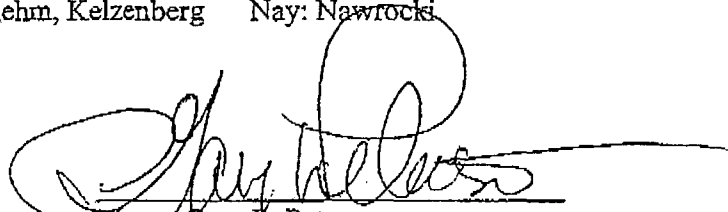
**WHEREAS**, that the City, by participation in the ACHRA economic development activities, can request funds to support the City's redevelopment and housing maintenance and improvement goals; and,

**WHEREAS**, Anoka County Community Development staff indicated that a down payment assistance program would be a qualified expenditure; and,

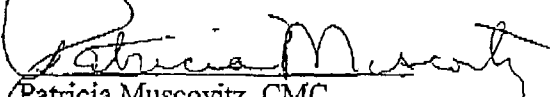
**BE IT FURTHER RESOLVED** that the City of Columbia Heights requests \$160,000 from the Anoka County HRA for "Make Heights Your Home" down payment assistance program and administration thereof.

Passed this 26<sup>th</sup> day of May 2009.

Offered by: Williams  
Seconded by: Diehm  
Roll Call: Ayes: Peterson, Williams, Diehm, Kelzenberg    Nay: Nawrocki

  
Mayor Gary L. Peterson

Attest:

  
Patricia Muscovitz, CMC  
City Clerk



# Make Heights Your Home

Columbia Heights Down Payment Assistance Program



## Program Summary

Down payment assistance for foreclosed homes purchased with a 203K loan. The goal of this program is to help increase home ownership and encourage reinvestment.

## The Loan

0% interest loan of 3.5% of the acquisition cost (purchase price plus rehab costs) up to \$6,000

## Terms

1. Assistance must be used with a FHA 203K purchase/rehab loan
2. That assistance is a 0% interest loan of 3.5% of the acquisition cost (purchase price plus rehab costs) up to \$6,000 to be used toward down payment
3. A minimum of \$10,000 in home improvements/repairs is required in order to participate
4. The property must be in foreclosure at time of purchase
5. No income restrictions
6. No monthly payments
7. Loan will be forgiven in full if borrower lives in property for 10 years
8. Loan must be repaid in full if borrower occupies property for 3 years or less
9. Loan repayment will be required in years 4-10 on an equally prorated amount if not occupied by borrower
10. Construction work must be completed by a licensed contractor, with applicable permits and inspections completed
11. A loan agreement must be signed by the home buyer who certifies they will be an owner-occupant
12. Construction must start within 30 days of purchase closing. The homeowner must occupy the home within 60 days of completion of the construction work.

## Use of Funds

**Make Heights Your Home** funds must be used for down payment. The borrower may not receive any portion of these funds as cash

## Eligible Properties

1. The property must be a single family detached dwelling
2. The property must be in foreclosure status
3. There is no sale price limit

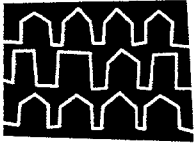
## Eligible Buyer - anyone who meets the following:

1. Qualifies for and is receiving an FHA 203K loan from an accredited lender; borrower does not need a co-signer to qualify
2. Household income to housing expense does not exceed 31%
3. Borrower must be an individual person or persons, not a business entity
4. Borrower must have a credit score of at least 650

## Homeownership Education

Borrower must complete a homeownership education class

For more information call 763.706.3675



**FAMILY  
HOUSING  
FUND**

SUITE 1680  
501 NICOLL AVENUE  
MINNEAPOLIS,  
MINNESOTA 55402

PHONE: 612 375 9644  
FAX: 612 375 9648

URL: [WWW.FHFUND.ORG](http://WWW.FHFUND.ORG)

July 9, 2009

Mark S. Ulfers  
Executive Director  
Dakota County Community Development Agency  
1228 Town Centre Drive  
Eagan, MN 55123

Re: Letter of Commitment to the Suburban Twin Cities Consortium  
(Dakota County, Lead Applicant) in support of the  
U.S. Department of Housing and Urban Development  
Neighborhood Stabilization Program 2 (NSP2)

Dear Mr. Ulfers:

This letter demonstrates the firm commitment of Twin Cities Community Land Bank, a nonprofit limited liability company and a wholly owned subsidiary of the Family Housing Fund, to provide funds to support the purchase, land banking, and rehabilitation/redevelopment activities of the Suburban Twin Cities Consortium application for the Neighborhood Stabilization Program 2.

The Twin Cities Community Land Bank commits to an allocation of approximately \$1 million of non-federal monies to support neighborhood stabilization and redevelopment in the targeted areas of the Suburban Twin Cities Counties. Financing from Twin Cities Community Land Bank will be made available via its leveraged private capital and available philanthropic monies. Twin Cities Community Land Bank has a firm commitment from National Community Stabilization Trust (\$10 million) to fund the activities of Twin Cities Community Land Bank in support of the Minneapolis/St. Paul metropolitan area. Of \$10 million committed to Twin Cities Community Land Bank, Twin Cities Community Land Bank has determined that the preliminary allocation to the Suburban Twin Cities Counties is \$1 million of the \$10 million.

Twin Cities Community Land Bank funding will be leveraged by (a) a portion of the Suburban Twin Cities Consortium's expected NSP2 allocation, (b) additional philanthropic monies and private capital

available to Twin Cities Community Land Bank, and (c) monies raised by the Family Housing Fund.

Sincerely,

FAMILY HOUSING FUND

*Thomas P. Fulton*

---

Thomas P. Fulton  
Chair, Twin Cities Community Land Bank

fb.us.4152663.02



332 Minnesota Street - Suite 1201 East  
Saint Paul MN 55101  
ph 651/221-1997  
toll free 800/277-2258  
fax 651/221-1904  
web www.gmhf.com

July 8, 2009

Chris Eng  
Chisago County HRA/EDA  
38883 7<sup>th</sup> Avenue  
North Branch, MN 55066

**Re: GMHF Funding for Chisago County Proposed Neighborhood Stabilization Program II (NSP II) Activities**

Dear Mr. Eng:

Greater Minnesota Housing Fund (GMHF) has reviewed your application to HUD for NSP II funding, and is proud to provide this letter of support. We are particularly pleased and impressed with the joint application among the six counties of Chisago, Anoka, Dakota, Ramsey, Scott and Washington.

GMHF has made foreclosure recovery a top funding priority for 2009-2010 and is committed to working with you to advance your foreclosure recovery projects. GMHF is Minnesota's largest CDFI and non-profit 501(c)3 affordable housing organization, and provides both short-term and affordability gap financing to assist in the creation and preservation of affordable rental and ownership housing opportunities for low-income families.

In 2009-2010, GMHF is providing priority access to its foreclosure recovery resources to aid communities in implementing NSP I and NSP II activities. GMHF funds will be awarded on a fast-track, pipeline basis in order to allow for both community readiness and flexibility in implementing their programs according to HUD requirements.

- Interim Loan Funds: GMHF has assembled interim loan funds of over \$8 million to assist local acquisition and rehabilitation of foreclosed homes.
- Down-Payment Assistance and Gap: GMHF has also assembled \$4 million from private philanthropy and the Federal Home Loan Bank of Des Moines (FHLB) to provide gap financing and down payment assistance to low-income homebuyers
- Exclusive Access to REO Properties through the National Community Stabilization Trust: GMHF is the central intermediary for foreclosed homes acquisition for Greater Minnesota public agencies and non-profit housing organizations via the National Community Stabilization Trust (NCST)

GMHF looks forward to working with you in the implementation of your NSP II plan in the coming months.

Sincerely,

A handwritten signature in cursive script that reads "Warren Hanson".

Warren Hanson  
President/CEO

**Certifications** related to the use and implementation of NSP2 funds is signed and attached.

**Suburban Twin Cities Consortium**  
**Neighborhood Stabilization Program 2009 (NSP2) Certifications**

The Dakota County Community Development Agency (CDA), as Lead Applicant of the Suburban Twin Cities Consortium, certifies that the following statements to be true and correct.

1. **Affirmatively furthering fair housing.** The applicant certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
3. **Anti-lobbying.** The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
4. **Authority of applicant.** The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
5. **Acquisition and relocation.** The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.
6. **Section 3.** The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
7. **Citizen participation.** The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.
8. **Use of funds.** The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
9. The applicant certifies that:
  - a. All of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and

- b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.
10. **Excessive force.** The applicant, if an applicable governmental entity, certifies that it has adopted and is enforcing:
- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
  - b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
11. **Compliance with anti-discrimination laws.** The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
12. **Compliance with lead-based paint procedures.** The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
13. **Compliance with laws.** The applicant certifies that it will comply with applicable laws.

Certified by:



Barbara Blumer  
Chair, Dakota County CDA Board of Commissioners

Dated: 7/14/09

### **Calculation of Removal of Negative Effects**

The calculation of the Removal of Negative Effects index was calculated using the rubric formula indicated in the NOFA. The scores across Consortium Member communities range from 0.11 to 0.2. The calculations for each Member and for the Consortium as a whole are shown in the chart below.

Rubric Formula:

(1.5 times (Sum total of vacant properties proposed to be addressed through acquisition and rehab) + (Sum total of vacant properties to be addressed via demolition)) divided by (Sum total of all vacant residential properties in target area)

<b>Consortium Member with plans to demolish or acquire and rehabilitation</b>	<b>Activity as outline in the NSP2 Plan</b>	<b>Rubric</b>
Anoka County HRA	Acquire and rehabilitate 25 units.	$(1.5 * (25+0)) / 311 = .12$
Dakota County CDA	Acquire and rehabilitate 30 units. Demolish 15 units.	$(1.5 * (30 + 15)) / 304 = .22$
Ramsey County HRA	Acquire and rehabilitate 9 units.	$(1.5 * (9+0)) / 91 = .15$
Washington County	Acquire and rehabilitate 23 units.	$(1.5 * (23+0)) / 317 = .11$
<b>Total Consortium</b>	<b>Acquire and rehabilitate 87 units. Demolish 15 units.</b>	<b><math>(1.5*(87+15)) / 1,023 = .15</math></b>

### **Summary of Citizen Comments**

No comments were received during the comment period. Attached is the Affidavit of Publication as well as the URLs where the plan was posted:

[http://www.dakotacda.org/public\\_notices.htm](http://www.dakotacda.org/public_notices.htm)

[http://www.anokacounty.us/v1\\_departments/div-governmental-services/dept-community-dev/nsp2/index.asp](http://www.anokacounty.us/v1_departments/div-governmental-services/dept-community-dev/nsp2/index.asp)

<http://www.co.chisago.mn.us/NewsGroup.asp>

[http://www.co.ramsey.mn.us/NR/rdonlyres/F2F1249C-F32B-437F-BA8A-9A6BA185D846/16392/PUBLICNOTICENSP2\\_2\\_.pdf](http://www.co.ramsey.mn.us/NR/rdonlyres/F2F1249C-F32B-437F-BA8A-9A6BA185D846/16392/PUBLICNOTICENSP2_2_.pdf)

<http://www.co.washington.mn.us/>

# AFFIDAVIT OF PUBLICATION

## PUBLIC NOTICE

### PUBLIC NOTICE TO RECEIVE CITIZEN COMMENTS REGARDING PROPOSED APPLICATION FOR NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2) FUNDING

The Dakota County CDA in conjunction with its Consortium Members: Anoka County HRA, Chisago County HRA-EDA, Ramsey County HRA, Scott County CDA, and the County of Washington; intends to apply for approximately \$19,400,000 in federal funding to carry out NSP2 activities. The funds will be targeted to census tracts hardest hit by foreclosures as identified by the U.S. Department of Housing and Urban Development (HUD). A map of the census tracts can be found on the CDA's website at [www.dakotacda.org](http://www.dakotacda.org).

The funding, if received, will be used to implement the following strategies:

- Financing mechanisms in the form of soft second mortgages to assist buyers with the purchase and redevelopment of foreclosed upon residences.
- Acquisition and rehabilitation of foreclosed upon or abandoned residential property for resale or rental.
- Establishment of land banks for foreclosed upon residences.
- Demolition of blighted structures.
- Redevelopment of vacant residential properties.

Not less than 25% of the funds will be used towards strategies to house individuals and families whose incomes do not exceed 50% of the area median income as defined by HUD.

You are invited to comment on the Suburban Twin Cities Consortium proposed application for NSP2 funding between July 2, 2009 and July 13, 2009. Comments must be received no later than close of business (4:30 p.m. C.D.T.) on July 13, 2009. All comments received by that date will receive a written response. Please send written comments to:

Melissa Taphorn, Assistant Director of  
Community Revitalization  
Dakota County CDA  
1228 Town Centre Drive  
Eagan, MN 55123

[mtaphorn@dakotacda.state.mn.us](mailto:mtaphorn@dakotacda.state.mn.us)

Upon request, this information will be available in an alternative format by contacting the CDA. The NSP2 application submission deadline is July 17, 2009. Immediately after submission, the application complete with public comments, final uses of funds, and target geography will be available on the Dakota County CDA's website at [www.dakotacda.org](http://www.dakotacda.org).

1782228

7/3/09

STATE OF MINNESOTA )  
COUNTY OF DAKOTA ) SS

Tad Johnson, being duly sworn on oath says that he is the managing editor of the known as The Dakota County Tribune, and has full knowledge of the facts which are stated below:

(A) The complied with all of the requirements constituting qualifications as qualified, as provided by Minnesota Statute 331A.02, 331A.07 and other applicable laws, as amended.

(B) The printed legal notice, which is attached was cut from the columns of said and was printed and published once a week for one week; it was first published on Thursday, the 2nd day of July, 2009, and was therefore printed and published on every Thursday to and including Thursday, the 2nd day of July, 2009, and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice

abcdefghijklmnopqrstuvwxy



Managing Editor

Subscribed and sworn to before me on  
this 2nd day of July, 2009



Notary Public

