

FYI on NDR

National Disaster Resilience



First Minot resident takes advantage of city's Resilient Homebuyer Program loan

A new program designed to help low- and moderate-income households buy a home in Minot inked its first completed home purchase on September 20.

The Resilient Homebuyer Program is set up through the National Disaster Resilience (NDR) Program, funded through a Department of Housing and Urban Development Disaster Recovery grant. The program's goal is to retain, within city limits, Minot residents who were impacted by the 2011 flood by providing gap financing to help residents like Bryan Juenger, 48, and a Minot native, own a resilient, affordable home.

"It was tough, but there was help – and we made it through it," said Juenger, of his experience living in a home in southeast Minot that flooded in 2011. "And after I found out that my property was needed for enhanced flood protection in the valley, I was grateful to have a cousin tell me about the financing available through this (Resilient Homebuyer) program." Juenger signed paperwork September 20 to purchase his new home and take advantage, as a qualified buyer, of the City's program to receive up to a \$60,000 loan at zero interest to cover purchase costs not funded by a conventional mortgage. Juenger says this extra boost in funds makes it that much easier to stay in Minot, take care of his son and continue to work at his job at MarketPlace Foods.

"With that extra bit of help I can get into a home that isn't such a burden on

my mortgage," says Juenger.

The City of Minot entered into a sub-recipient agreement with the North Dakota Housing Finance Agency (NDHFA) to manage the loan underwriting portion of the program and to minimize staffing costs associated with program management. If the city had chosen to create its own program management staff, the cost would have been five times the amount that is being paid to NDHFA. An attractive element of the program is the opportunity to have the NDR gap financing loan forgiven after 15 years of payments, providing the homeowner meets certain conditions including remaining in the home for the full term.

Minot Mayor Shaun Sipma signed the city's portion of the paperwork needed to finalize the process for Juenger. Sipma knows how helpful the Resilient Homebuyer Program can be for those living in the valley but who are interested in locating to higher ground.

"I think it's important that there be options available, like the Resilient Homebuyer Program, for anyone impacted by the flood who would like to live in a more resilient neighborhood, sooner," said Sipma. "I am glad that Bryan and others are taking full advantage of what is a great program."

The primary qualifications to participate in the Resilient Homebuyer Program are as follows:

- Live in a residence that is being purchased for the City's enhanced

flood protection project – OR – Lived in a home or apartment that was substantially damaged by the 2011 Souris River Flood.

- Be purchasing a home within the City limits, in a resilient neighborhood outside of the proposed 100-year FEMA flood plain.
- Qualify as having a low to moderate income per Ward County averages based on the number of people living in your household. (For example, a family of five would qualify at \$75,300 or less.)
- Secure a 30-year fixed mortgage through a NDHFA participating lender. The complete set of guidelines and steps needed to fully participate in the Resilient Homebuyer Program can be found at, www.cdbg.minotnd.org, and click on housing.





PROJECT HIGHLIGHTS

Acquisition Program

- Aggressive efforts continue to pursue funds available for acquisitions needed to support active and planned flood mitigation projects. The cornerstone of this concerted initiative is by auctioning properties that the City purchased for flood mitigation, which the new owner will then move outside the FEMA Flood Zone, and carrying out salvage auctions on other properties earmarked for demolition. To date, the city has earned \$414,000 in total revenue from property auction and salvage auction sales.
- These funds are added to the HUD CDBG-DR and CDBG-NDR funds allocated for acquisition, relocation and demolition, expanding the city's ability to acquire needed property. There is also a net demolition cost savings for all auctioned properties, which so far is estimated at \$300,000. This savings means the city can stretch the use of the HUD DR and NDR funds even further in acquiring properties versus demolishing properties.
- To complete planned acquisitions for these initial three phases, the city needs an estimated \$8 million to \$10 million in state match funds that were promised as part of the city's National Disaster Resilience Competition HUD approved Phase 2 Application.

Affordable Housing

- Four potential projects are under review: Milton Young Towers, which would be a sub-recipient agreement with the Minot Housing Authority to fund resilient capital project expenses for this downtown high rise; privately-owned Parker Suites, for rehabilitation of 55 rental apartment units; Minot Area Community Land Trust, a sub-recipient agreement to develop LMI single family homes outside the FEMA flood zone; and Park South Phase II, another sub-recipient agreement for construction of new LMI rental twin homes or townhouses.
- All proposed projects would provide quality affordable housing in Minot with units, in keeping with HUD standards, that would remain affordable for at least 15 years. This continues to create modern, safe, resilient residences for Minot residents outside the FEMA flood zone.
- Work continues on a comprehensive technical amendment to the CDBG-NDR Action Plan which, among other adjustments, will change language in the Action Plan to support these four projects.

Downtown Gathering Place

- Work continues on completing the required environmental review and securing necessary approval from the HUD environmental unit in November. The preliminary work has been completed on the Brownfield Assessment Grant by Stantec, and their work is being incorporated by CDM Smith into the planned final submission to HUD. CDM Smith, through a subcontractor, has started submitting to the State Housing Preservation Office (SHPO) the necessary documentation to secure release of three buildings, in the Gathering Space footprint, from historic preservation requirements. The SHPO clearance is part of the HUD environmental assessment requirements.

PROJECT OVERVIEW

Reduce Flood Risk/ Improve Water Management

A. Buyouts / Acquisitions /

Demolitions / Relocations

- a. Total Budget - \$20,024,935
- b. Spent to Date - \$10,757,998

Build Affordable Resilient Neighborhoods

A. Multi-Family Affordable Housing

- a. Total Budget - \$20,897,000
- b. Spent to Date - \$2,433,748

B. Single-Family Affordable Housing

- a. Total Budget - \$12,807,750
- b. Spent to Date - \$764,349

C. Gathering Place

- a. Total Budget - \$6,000,000
- b. Spent to Date - \$145,543

D. Family Shelter

- a. Total Budget - \$3,041,500
- b. Spent to Date - \$89,152

Foster Economic Resilience and Diversification

A. Center for Technical Education

- a. Total Budget - \$1,540,000

B. Relocate City Hall

- a. Total Budget - \$3,750,000

Completed Projects

- Affordable Housing Supply & Demand Study
- Souris River Decision Support Tool
- Park South Renovations