

# FYI on NDR

National Disaster Resilience

APRIL 2019



## Why Minot needs more LMI Housing

The City of Minot is working to provide more long-term, affordable housing for low and moderate income (LMI) residents. The need for this type of housing still exists, as evidenced by the 230 households on the waiting list for assistance through the Minot Housing Authority (MHA) as of February 2019. The definition of affordable housing is paying no more than 30 percent of annual income for housing, including utility costs. It is generally accepted that when people spend more than 30 percent of their income on housing, they are considered housing cost burdened and are often challenged to pay for other necessities, such as medicine and food.

The 2011 flood devastated neighborhoods with the city's greatest supply of affordable housing, reducing that supply. At the same time, the Bakken oil boom attracted oil companies and their employees to the region, creating an unprecedented demand for housing. With roughly one-fourth of housing stock damaged or destroyed, the cost of housing increased significantly, pricing many people out of the market and in some cases, out of the region. The service industry had a hard time filling jobs, creating a burden for business owners and their existing employees during the flood. The lack of affordable housing constrained the availability of the local workforce, driving up labor costs. Creating long-

term, affordable housing is important for citywide resilience, it encourages workers with a range of skills to stay in Minot and it helps local businesses access the workforce they need to compete.

The city has several projects under way to create long-term, affordable housing for LMI households. The units must remain affordable, in accordance with U.S. Department of Housing and Urban Development (HUD) regulations, for a minimum of 20 years.

- The North Dakota Housing and Finance Agency (NDHFA) is assisting the city with the resilient homebuyer program. NDHFA is a self-supporting state agency dedicated to making housing affordable for all North Dakotans.
- The City of Minot has entered into a sub-recipient agreement with Minot Housing Authority to rehabilitate

Milton Young Towers in downtown Minot. This agreement is for resilience improvements to the 221-unit apartment building.

- The City of Minot has entered into a sub-recipient agreement with Minot Area Community Land Trust, which is a designated non-profit corporation that provides perpetually affordable housing options to income-eligible families. This agreement is to construct and substantially rehabilitate 10 single-family homes with a minimum of four new homes.
- The city has entered into a sub-recipient agreement with Essential Living to construct 22 townhomes on the Park South property in southeast Minot. Essential Living is a non-profit entity focused on creating affordable and sustainable housing opportunities in Ward County.



## PROJECT HIGHLIGHTS

### Acquisition Program

- 123 properties in the first three buyout areas have been acquired to date. These properties are needed to make way for flood mitigation projects.
- The City has demolished 86 properties. Demolition on one of four commercial sites is underway, with a projected completion on all four by July. The bid opening for the 2019 Round 1 Structure Demolition and Site Restoration Project is April 2, with intent to award at city council on April 15.
- The City's structure and salvage auctions continue, and all sales generate program income which will be fed directly back into acquisition program for future purchases.

### Affordable Housing

- The environmental assessment for Milton Young Towers is underway. The goal is to have the review completed the first part of May. Once the review is completed, Minot Housing Authority will release an RFQ for architectural services.
- A Request for Proposals for the Infill Mixed Use Affordable Multi-Family Rental Housing is currently being advertised, with a return date of May 10. This RFP will create additional residential presences to support commercial entities and induce private sector investments in commercial development. The rental units must meet HUD's affordability requirements for a minimum of 20 years and house only LMI residents.
- The Resilient Homebuyer program for LMI homebuyers has 36 applicants: 15 remain in the process of review and eligibility verification through a lender of their choice, 19 applied for the program but have opted out, and 2 have closed to date. The program continues to take applications.

### Downtown Gathering Place

- The City has sent voluntary acquisition offers to the eight property owners in the council-selected site. Several responses have been received and negotiations are underway. The Park District is currently reviewing a sub-recipient agreement with the City to construct, operate and maintain the gathering place.

### City Hall and CTE

- HUD has published the City's waiver in the Federal Register, allowing city hall to be relocated. The NDR program provides \$3.75 million for the city hall building and \$1.5 million for the CTE. The City is conducting a broad space analysis to determine what size property is needed.

### Planning

- The City of Minot entered into a sub-recipient agreement with Strengthen ND to assist with finding other funding sources to support NDR activities.

## PROJECT OVERVIEW

### Reduce Flood Risk/ Improve Water Management

#### A. Buyouts / Acquisitions /

#### Demolitions / Relocations

- a. Total Budget - \$20,024,935
- b. Spent to Date - \$12,697,875

### Build Affordable Resilient Neighborhoods

#### A. Multi-Family Affordable Housing

- a. Total Budget - \$20,897,000
- b. Spent to Date - \$2,734,558

#### B. Single-Family Affordable Housing

- a. Total Budget - \$12,807,750
- b. Spent to Date - \$908,700

#### C. Gathering Place

- a. Total Budget - \$6,000,000
- b. Spent to Date - \$180,205

#### D. Family Shelter

- a. Total Budget - \$3,041,500
- b. Spent to Date - \$97,589

### 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**