

FYI on NDR

National Disaster Resilience

OCTOBER 2020



Multi-Family Affordable Housing Project - Blu on Broadway

Construction is well underway at Blu on Broadway, a 5-story mixed-use development that broke ground this summer. The project meets two key goals of the National Disaster Resiliency (NDR) program by providing quality housing for low- or moderate-income residents and leveraging funding sources.

As the name implies, it is located directly on South Broadway – a main thoroughfare in the heart of the Magic City. The former home of Pepsi/Northern Bottling will soon have approximately 9,000 square feet of commercial and/or office space, and 42 residential apartments on the upper floors. These units will be a mix of single-story studio, and one-bedroom units and two-story two-bedroom units. They will also be guaranteed affordable for the citizens of Minot for a 20-year period thanks to the NDR program with the City of Minot. The mixed-use development will also include underground parking, a drive-thru on the north end of the building, and some outdoor recreational space.

The funding for Blu on Broadway is a great example of private investment working with NDR funds and the City of Minot to encourage development. The projected cost for the project is roughly \$10,000,000. Blu on Broadway is using over \$5 million of private money and \$4.75 million of the National Disaster Resilience funds. In addition to those funds, other project support includes the Bank of North Dakota Flex PACE program through \$500,000 in interest buy down. It will also be the first project in the city to use Tax Increment Financing (TIF), which gives incentive

for the developer to undertake an estimated \$600,000 in street and utility improvements outside the development site. A TIF allows taxes on the property improvements to finance public infrastructure in the area – in this case, along First Street Southwest on the east side of Broadway all the way from 16th Street to 17th Avenue. Taxes on the original property value would continue to be collected for usual purposes. This allows those improvements to happen without financially burdening any adjacent property owners. Both the FLEX and TIF agreements are separate from the NDR developer agreement and were approved with support of Minot City Council.

“This development is particularly special to me since I was born and raised in Minot and still have family and friends in the community,” said Blake Nybakken, Vice President of Development for Epic Companies. “I remember delivering household goods with my uncle to a downtown apartment unit that someone rented for the first time, and painting hallways in that same building when I was in high school. So now being able to participate in a development that will provide brand new affordable-housing units makes me feel proud.” Nybakken added, “Also, knowing that we are taking an under-utilized site and constructing a mixed-used property that will significantly improve the landscape at the former Northern Bottling/Pepsi Plant on a major thoroughfare like Broadway is really exciting.”

Blu on Broadway will become a staple along Broadway and is expected to be completed by 2021.



PROJECT HIGHLIGHTS

Acquisition Program

- Overall, the City of Minot has acquired 160 properties to date: 81 properties using NDR-CDBG funds and 79 properties using State Water Commission Funds; 7 properties included in the 81 NDR properties were partially funded with State Water Commission funds. These properties are needed for on-going or upcoming flood mitigation projects.
- The City has demolished 130 properties in the first three buyout areas. The contract for the 2020 Round 2 Structure Demolition and Site Restoration Project was awarded in September and is to be completed by the end of 2020.
- The City's structure and salvage auctions continue, and all sales generate program income which will be fed directly back into acquisition program future purchases.

Affordable Housing

- 115 people have applied to the Resilient Homebuyer Program: 57 remain in the process of review and eligibility verification through a lender of their choice, 38 applied but were not eligible or withdrew, and 20 have closed to date. The program continues accepting applications.
- Board of Minot Housing Authority (MHA) has determined the low bidder for the construction contract on the Milton Young Towers rehabilitation project.
- Construction continues on the Blu on Broadway mixed-use affordable rental housing facility (see feature story on front page).
- The City entered into a subrecipient agreement with Essential Living to build 22 affordable housing units, which will be known as Park South II. Construction management services have been secured and subcontracts are out for bid; the project is progressing.
- The City entered into a sub-recipient agreement with Lutheran Social Services Housing, Inc. (LSS) to build 17 units of multi-family affordable rental housing; an architectural and engineering services contract with EAPC was executed in September.
- The Minot Area Community Land Trust's single-family affordable housing activity is underway; with the trust planning to renovate or construct one house first to determine a solid process framework moving forward.

Family Shelter

- In conjunction with the aforementioned Lutheran Social Services Housing project, the City entered into a sub-recipient agreement to build a Family Shelter; the future site for this project was acquired in early January. An architectural and engineering services contract with EAPC was executed in September.

City Hall

- In April, Council approved the Wells Fargo building as the new City Hall location. The appraisal of the building was completed recently and an offer has been made.

Center for Technical Education

- The environmental review process is complete and the Authority to Use Grant Funds was released by HUD on September 16, 2020.

PROJECT OVERVIEW

Reduce Flood Risk/ Improve Water Management

A. Buyouts / Acquisitions /

Demolitions / Relocations

- a. Total Budget - \$20,052,016
- b. Spent to Date - \$18,429,037

Build Affordable Resilient Neighborhoods

A. Multi-Family Affordable Housing

- a. Total Budget - \$20,897,000
- b. Spent to Date - \$4,454,412

B. Single-Family Affordable Housing

- a. Total Budget - \$12,807,750
- b. Spent to Date - \$2,329,322

C. Family Shelter

- a. Total Budget - \$3,041,500
- b. Spent to Date - \$782,782

Foster Economic Resilience and Diversification

A. Center for Technical Education

- a. Total Budget - \$1,540,000
- b. Spent to Date - \$40,230

B. Relocate City Hall

- a. Total Budget - \$3,750,000
- b. Spent to Date - \$19,102

Completed Projects

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