

# FYI on NDR

National Disaster Resilience



May 2021

Minot's transition from flood recovery to a resilient community is aided in part by a grant from the Department of Housing and Urban Development – money the City of Minot won through the National Disaster Resilience Competition, which required cost-share commitments from city, state, and local contributions. One of the primary goals for the National Disaster Resiliency (NDR) grant is to leverage those dollars to make more money available for the sustainable growth of the city. The NDR grant has attracted additional private investments to the community, and access to NDR funds allows projects to take advantage of existing programs that bring about more development. Here we will dive into a few keyways NDR funds are bringing growth and investment to Minot.

## Public - Private Partnerships

A great example of private developers investing in Minot's resilience while maximizing their working capital with NDR funds is Blu on Broadway, a 5-story mixed-use development that broke ground last summer. The project meets two key goals of the NDR program: providing quality housing for low- or moderate-income residents and leveraging funding sources. Over half of the funding for Blu on Broadway comes from private investment. The project has also taken advantage of other state and local programs, including the Bank of North Dakota's - Flex PACE program and the first Tax Increment Financing (TIF) project in Minot.

Park South Apartments is another example of NDR funds being leveraged with both public and private dollars, which includes North Dakota's CDBG program (federal), North Dakota Housing Finance Agency's Housing Incentive Funds, Bank of North Dakota's - Flex PACE program, and grant money from North Dakota Department of Commerce.

## Resilient Homebuyer Program

As one of the single-family affordable housing initiatives, the City established a sub-recipient agreement with the North Dakota Housing Finance Agency to administer a gap financing program, called the Resilient Homebuyer Program. Ultimately, the program helps retain 2011 flood-impacted Minot residents by providing a partially forgivable, zero-interest loan to help purchase an existing home in designated resilient neighborhoods outside the upcoming FEMA 100-year floodplain. This housing program promotes resilience by giving lower-income families the opportunity to achieve the dream of homeownership, while fostering roots within the Minot community.

## What is Tax Increment Financing

Tax Increment Financing (TIF) provides an incentive for a developer to undertake street and utility improvements outside a development site. A TIF allows taxes on property improvements to finance public infrastructure in the area. Taxes on the original property value continue to be collected for usual purposes, which allows those improvements to happen without financially burdening any adjacent property owners.

## Flex PACE for Affordable Housing

Several projects utilizing NDR funds are participating in the Flex PACE for Affordable Housing program. The Flex PACE for Affordable Housing provides financing with an interest buydown for new affordable multi-family housing units in North Dakota. The funds can be used in conjunction with other state or federal programs targeted to affordable housing. The community must provide a matching component to the interest buydown attached to this program.

# PROJECT HIGHLIGHTS

## Acquisition Program

- Overall, the City of Minot has acquired 183 properties to date: 81 properties using NDR-CDBG funds and 102 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 141 properties in the first three buyout areas; after pausing for winter, demolitions will resume in the spring. Contract for the next round of demolitions was awarded at the April 16th Council meeting.
- 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

- 161 people have applied to the Resilient Homebuyer Program: 37 RHP applicants have purchased a home under the program; one (1) RHP closing is scheduled for April and four (4) are scheduled for May; 62 RHP applicants are in the project pipeline (i.e., working with lender or realtor, looking for a property, etc.), 65 RHP applicants have withdrawn their application (i.e., moved away, lender determined they were not eligible, etc.). The program continues accepting applications.
- Phase I Construction began in March on the Milton Young Towers (MYT) renovation project and it appears to be off to a solid start. Due to nationwide shortages, there is ongoing concern about construction materials availability, but the contractor is doing a good job keeping in front of that. Tenant relocation is going smoothly and through ongoing communication between contractors, MYT staff, and tenants this trend is expected this to continue.
- Construction continues on Blu on Broadway mixed-use affordable rental housing facility; knowing the project completion is forthcoming, the NDR team is providing rental guidance to Blu on Broadway developers.
- Work on Park South II has resumed.

## Family Homeless Shelter

- Lighthouse Management currently has control of the property for the shelter; the City is working with them for conveyance of the property back to them.

## City Hall

- With the purchase of the Wells Fargo property for the new city hall completed, City staff will manage rehabilitation activities. The City has moved forward with the procurement of an A/E firm to conduct a space analysis study and provide design services; a contractor for the required renovations is expected to be procured and on board by the end of the year.

## Center for Technical Education

- Minot State University, Dakota College at Bottineau, and Minot Area Chamber EDC are working to move the purchase of the Trinity building forward and an agreement should be forthcoming later this spring. Also, the project has garnered interest by Senator Hoeven's office.

# PROJECT OVERVIEW

## Reduce Flood Risk/ Improve Water Management

- A. Buyouts / Acquisitions / Demolitions / Relocations**
  - a. Total Budget - \$20,054,616
  - b. Spent to Date - \$18,490,592

## Build Affordable Resilient Neighborhoods

- A. Multi-Family Affordable Housing**
  - a. Total Budget - \$20,897,000
  - b. Spent to Date - \$6,157,317
- B. Single-Family Affordable Housing**
  - a. Total Budget - \$12,807,750
  - b. Spent to Date - \$2,869,791
- C. Family Shelter**
  - a. Total Budget - \$3,041,500
  - b. Spent to Date - \$790,273

## Foster Economic Resilience and Diversification

- A. Center for Technical Education**
  - a. Total Budget - \$3,540,000
  - b. Spent to Date - \$40,230
- B. Relocate City Hall**
  - a. Total Budget - \$7,750,000
  - b. Spent to Date - \$30,190

## Completed Projects

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