



Minot Housing Needs and Market Study

Minot City Council

Tuesday, January 16, 2024

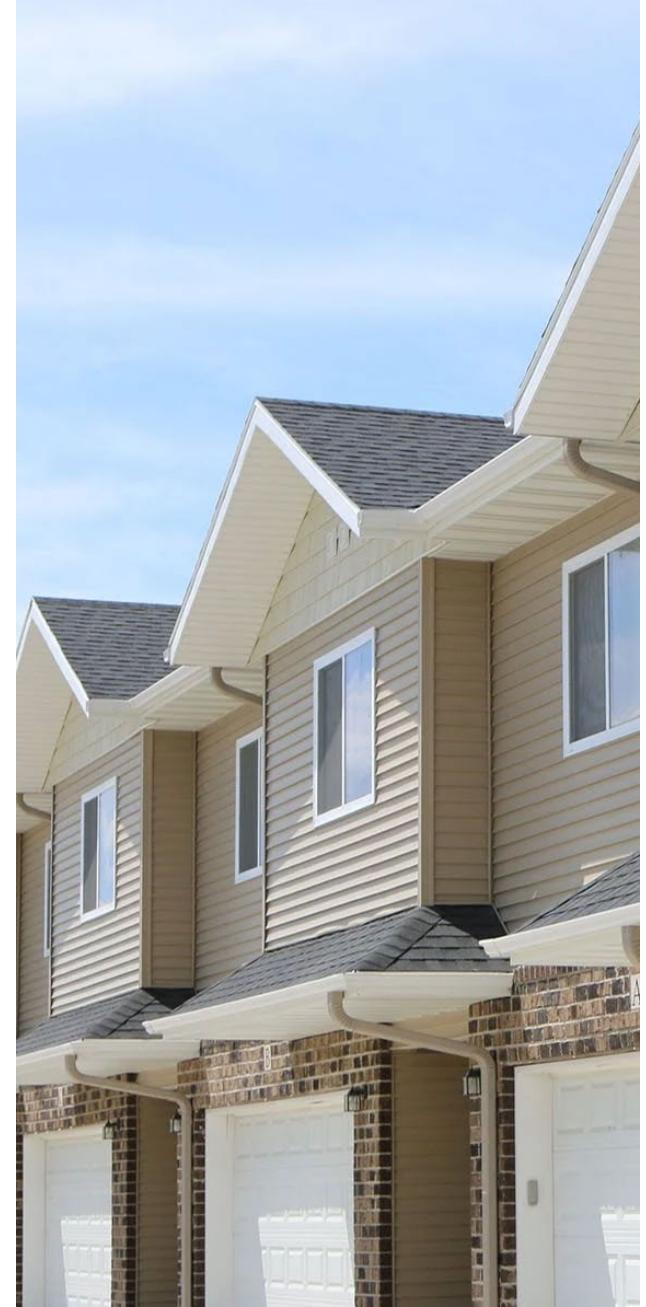




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Project Recap

Housing Strategy Options

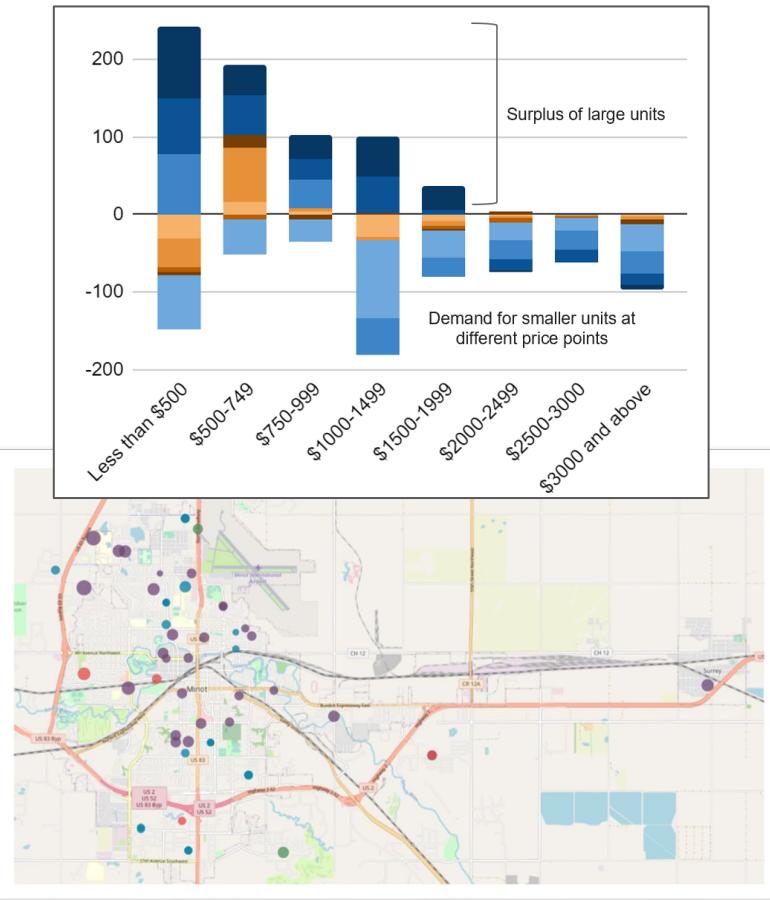
- Production Strategies
- Preservation Strategies
- Location Specific Strategies
- Capacity Building Strategies

Discussion



The Minot Housing Needs and Market Study has three main elements.

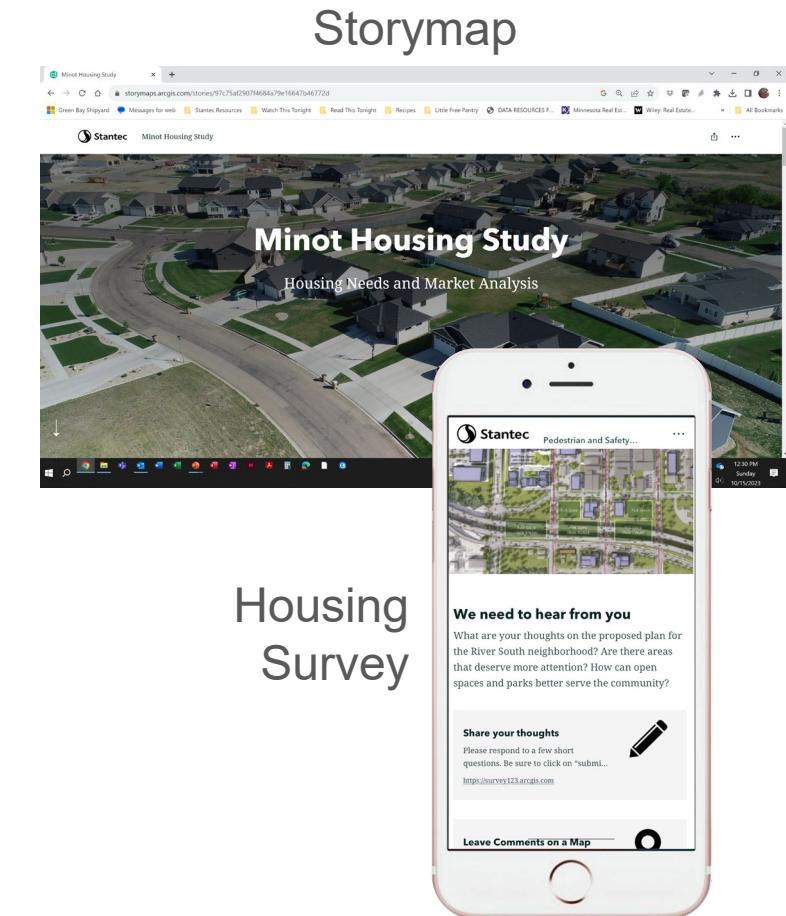
Research & Analysis



Short and Long-Term Strategies



Community Engagement

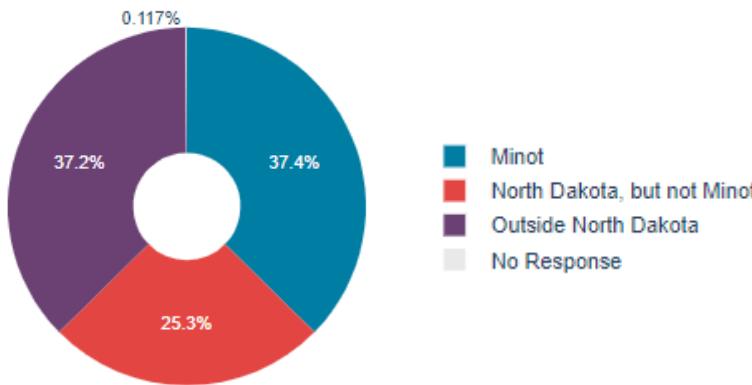




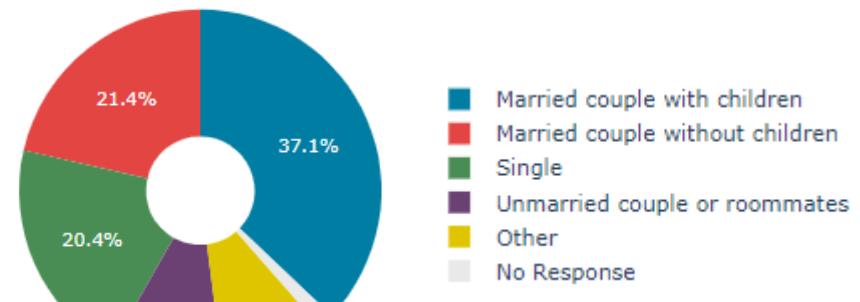
Housing Survey: Who Took it?

854 Responses recorded from Sep-Dec 2023

Origin of Respondents



Representation from Across Household Types



Tenure

64.5% Own

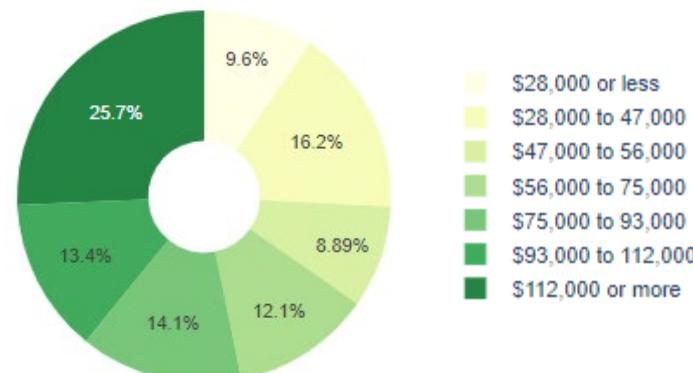
35.5% Rent

Race

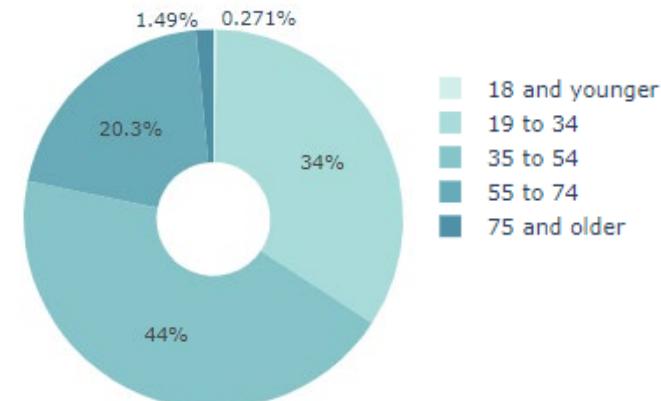
86.3% White

13.7% People of Color

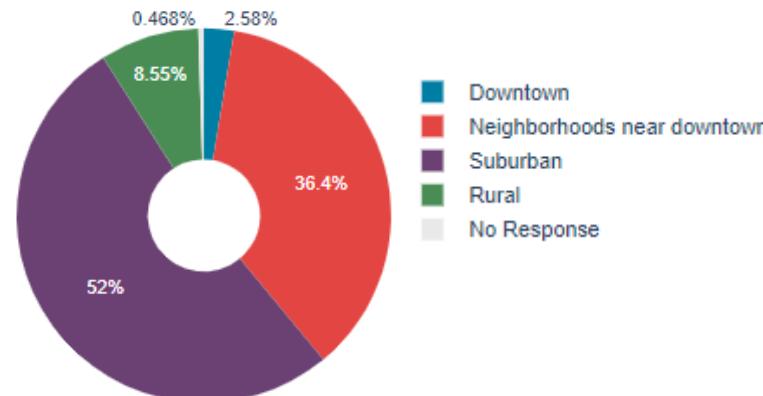
Income of Respondents



Respondents tend younger



Respondents Live Across Minot Locations





Housing Survey: Satisfaction with Current Housing

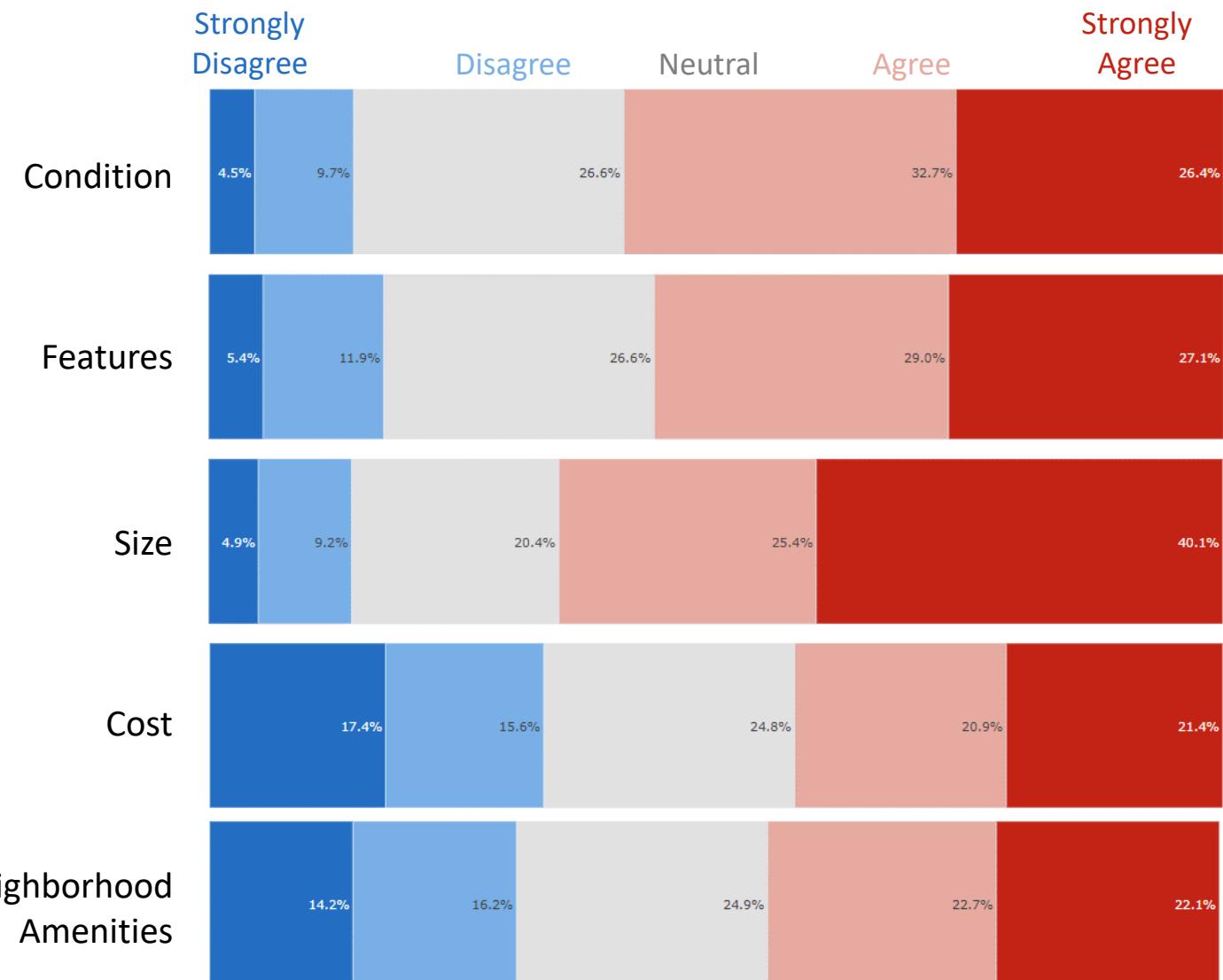
On a scale of 1-5 where 1 means strongly disagree and 5 means strongly agree, how well does your house meet your needs in terms of the following elements?

Highest Satisfaction

- Size of home

Lowest Satisfaction

- Cost of home
- Neighborhood amenities





Housing Survey: Comments

“I’m a senior and I need a single story ranch home rather than a split level home.”

“I am 34, have two jobs, and should be a home owner but the market in Minot is expensive!”

“More amenities in the north side of town would be awesome for all northerners including myself.”

“I am a full time college student and this year alone my rent increased \$400.”

“Housing needs to cost less. Most families now have 2 or 3 jobs just to pay for their homes.”



The Housing Gap Analysis assessed the deficit in housing units by tenure, size, and income/cost

The greatest need is for a range of “workforce housing” products in both ownership and rental formats

Household Income Required	Max Monthly Housing Cost	Rent				Own			
		1BR	2BR	3BR	4BR+	1BR	2BR	3BR	4BR+
Less than \$15000	\$313	-722	-435	-134	-40	-19	-204	-167	-108
\$15,000-24,999	\$521	-160	-305	-110	-47	-4	-127	-87	-69
\$25,000-34,999	\$729	359	211	-126	-21	0	-67	-89	-82
\$35,000-49,999	\$1,042	466	2,650	-185	-67	18	-37	-355	-250
\$50,000-74,999	\$1,563	338	569	637	1	78	627	-304	-323
\$75,000-99,999	\$2,083	-290	-435	488	39	147	885	986	-59
\$100,000-149,999	\$3,125	-189	-352	-218	-67	0	318	1,219	487
\$150,000-199,999	\$4,167	-28	-114	-78	-67	1	-17	50	115
\$200,000 or more	--	-22	-54	-99	-25	-4	-45	-278	-606

Housing Demand is
Greater than Supply

Supply Meets
Demand

Housing Supply is
Greater than Demand



Lower income and workforce housing is in the shortest supply. Why is it an appropriate focus for City of Minot Housing efforts?

These are our neighbors

- High housing costs contributes to food insecurity, child poverty and poor health. Many people are living in economic precarity. Over half of Americans don't have enough savings to cover a \$4,000 emergency. That causes stress.
- High housing costs means more people working multiple jobs, less attention to kids, more concerns about having a family.
- Affordable housing options are needed when young adults want to move out of the house, and when older adults look for housing that is supportive of their changing needs

Economic vitality

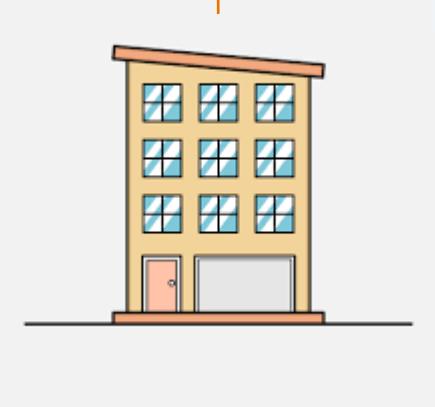
- The most fundamental base of a vibrant economy is the people themselves. The more that everyone in a community can participate in the economy with their full creativity, motivation, innovation and energy, the more vibrant the economy will be. Relieving economic stress unleashes this potential.
- Housing costs matter for local businesses. They are critical for employee recruitment and retention.



What housing is needed to address workforce housing gaps?

Modest Multifamily Apartments

This product was overbuilt during the oil boom – Demand is beginning to return



Affordable Apartments

Beyond Shelter and Minot PHA are doing an excellent job in this arena



“Starter” Home Subdivisions

Subdivisions face challenges related to land and construction costs



ADUs, Tiny Homes, Cluster Development

Alternative housing types can have an impact at the margins



Manufactured Homes

Manufactured home parks are under stress





Menu of Strategies

Production Strategies

Accessory Dwelling
Units (ADUs)

Tiny Homes

Manufactured
Home Parks

Subdivision
Production

Preservation Strategies

Trinity Hospital
Rehabilitation

Reposition Hotels
for Workforce
Housing

Location-Specific Strategies

Infill Housing in Flood
Protected Areas

Downtown Living for
Downtown Activation

Capacity Building Strategies

New Developer
Training

Building Trades
Workforce
Development

Note

These strategies are recommended for consideration because they may be suitable for Minot based on our research and stakeholder conversations.

They are offered for discussion, consideration and prioritization.

Housing Strategies: Production Strategies



Production Strategy: Accessory Dwelling Units (ADUs)

Objective

- Increase housing supply and variety. Provide supportive environments for family members and others.

Context

- Accessory dwelling units (ADUs) are smaller housing units under owned by an adjacent homeowner. They are a way of introducing a rental housing option where there are existing utilities. The neighboring homeowner is the property manager, which usually means good management and responsive attention to issues that arise.
- ADUs can be attractive for renters who would need a small home and prefer to live in a more residential setting. They can provide a helpful income stream for the homeowner.
- Minot has an existing ADU ordinance but has only permitted a few ADUs due to heavy design restrictions.

Strategy

- Update the existing ADU ordinance to remove barriers, including conditional use permit, parking and re-conversion requirements.
- **Resource requirements.** No financial resources are required.

Case Studies

- Bismarck, Mandan and Dickinson are ND cities that have ADU ordinances





Production Strategy: Tiny Homes

Objective

- Allow and facilitate the development of small homes to lower the cost of ownership or rental housing.

Context

- Even small conventional homes cost in the range of \$300,000 today. The cost burden of owning a home makes it difficult to eat well, get good health care, and address emergencies that come up.
- Increasing acceptance of tiny homes in certain locations can be a life-saving solution for some

Strategy

- Update Zoning Code requirements to allow smaller home dimensions and less space between homes, as part of an intentionally planned tiny home development.
- Consider allowing churches to develop tiny homes on church property.
- **Resource requirements.** No financial resources are required.

Case Studies

- The images are from a Lennar development in San Antonio
- Churches throughout MN are now allowed to build tiny homes on site. Congregations in St. Paul and Roseville have moved forward.





Production Strategy: Manufactured Home Parks

Objective

- Increase the long-term affordability and stability of mobile home park residents.

Context

- Minot's manufactured home parks are important because they are the City's most affordable owner-occupied housing. Residents own their home, but pay rent for the land, utility availability and property maintenance.
- Investor purchases of parks can lead to huge rent increases, made possible because residents have trouble finding other options.
- Cooperative conversion involves paying market price for the property, investing in cost stabilization, and transferring ownership to the manufactured homeowners. From that time on, it will be long-term affordable.

Strategy 1 – Cooperative Conversion

- Learn from the leaders who do this work. ROC (Resident Owned Cooperatives) USA is the national leader in this area. NeighborWorks Montana is their partner organization in Montana.
- Build relationships with manufactured home park owners and residents, identify/raise financial resources for cooperative conversion.
- **Resource requirements.** Public financial support would be needed.

Case Studies

- There have been many conversions in Montana. The City of Missoula has been especially proactive in facilitating cooperative conversions of their manufactured home parks. Bonnie's Place is their most recent success story. It was converted to a cooperative in April 2023.





Production Strategy: Manufactured Home Parks

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- Investor purchases of parks can lead to huge rent increases, made possible because residents have trouble finding other options.
- If a cooperative ownership structure is established from the outset, it is less expensive to establish and exploitative future rent increases are avoided for the future. But it requires an intermediary because the owners of manufactured homes don't have the financial capital or organizational capacity to do it.

Strategy 2 – New Cooperatives

- Reach out and discuss partnership and collaboration with lead organizations in this arena.
- Provide leadership in financing land acquisition and infrastructure provision. This is timely because it could provide an option for the homeowners bought out in the next round of flood buyouts.
- **Resource requirements.** Public capital investment is required, which can be fully or largely recouped.

Case Studies

- Northcountry Cooperative Foundation is in the early stages of creating a new development manufactured home cooperative in Northfield, MN.
- Headwaters Economics is exploring how to establish a cooperatively owned manufactured home park for owners of manufactured homes displaced by flood buyouts in Glendive, MT.





Production Strategy: Subdivision Production

Objective

- Increase the pace of new home subdivision development by lowering costs, increasing developer pool, and surmounting barriers.

Context

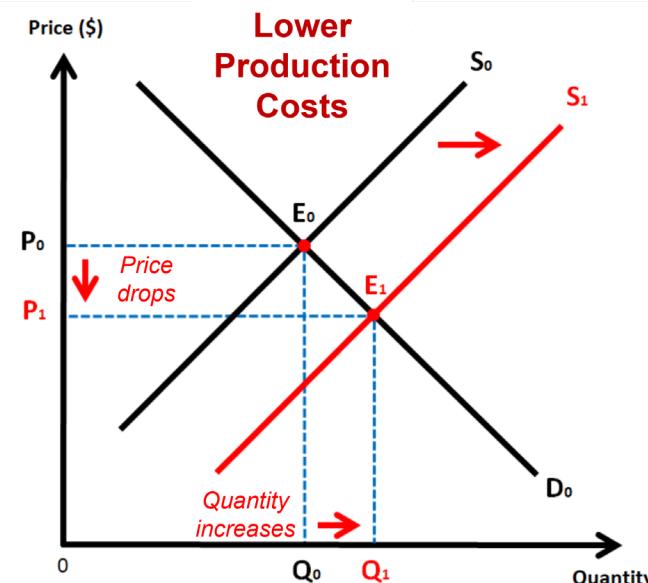
- Homebuilding is a major source of housing growth, including for moderate income households, but it is occurring at a slow rate.
- Multiple factors hinder more rapid subdivision development. One is the high cost of development.
- Cities and developers have a mutual interest in reducing development cost. Any reduction in development costs increases the rate of production. Reducing development risks also reduces development cost.

Strategy 1 – Adjust Practices to Provide More Support to Development

- Take on the up-front cost of funding public infrastructure development, with costs recouped at time of platting, or through special assessments. This reduces overall development costs because public sector financing is less expensive than developer financing. Clear communication with homebuyers is essential. Although they will have paid less for the home overall, transparency about the special assessment obligations is critical!
- Streamline development review and reduce fees. Any improvements in this regard lower risk and save costs for developers. Fee reductions can be reimbursed through initial property tax revenues.
- **Resource requirements.** Typically, bond financing is utilized for public infrastructure, and the cost is recouped through special assessments.

Case Studies

- Many North Dakota cities pay for subdivision infrastructure and recoup those costs through special assessments—including Fargo, West Fargo and Grand Forks.





Production Strategy: Subdivision Production

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- Increase the pace of new home subdivision development by lowering costs, increasing developer pool, and surmounting barriers.

Context

- Homebuilding is a major source of housing growth, including for moderate income households, but it is occurring at a slow rate.
- Multiple factors hinder more rapid subdivision development. One is inflated land price expectations.
- It can be rational for landowners to overprice their land in hopes of future value increases. That's happening in Minot, so land costs don't reflect what the land is worth under current market conditions.

Strategy 2 – Adjust Land Price Expectations

Minot can play a proactive role in resetting price expectations:

- Address expectations with information. Collect land sale price data from comparable locations. Communicate that land is abundant, and future value increases are not a given.
- Enter the market directly or through an intermediary to buy land at target prices, and resell for subdivision development.
- **Resource requirements.** Public capital investment is required, which normally can be fully recouped. Entering a speculative activity like land acquisition entails risks associated with value changes.

Case Studies

- Saskatoon Land is a public authority in Saskatoon, Saskatchewan, that has established a practice of buying land in the periphery of the City for subdivision development at a large scale, thereby supporting a flow of new development, fostering regional growth, and improving housing affordability.



Housing Strategies: Preservation Strategies



Preservation Strategy: Trinity Hospital Rehabilitation

Objective

- Reuse downtown Trinity Hospital buildings as housing or other uses.

Context

- Trinity Health, Minot's largest medical provider, recently constructed a new medical complex in southwest Minot, which left most buildings in its downtown medical campus vacant.
- The properties are in a prime location for being reoccupied in order to support the vitality of downtown Minot
- This market study included a high-level, initial feasibility study on the rehabilitation of the primary downtown hospital building. It found that, while significant improvements and modifications are needed, building dimensions and configuration are supportive of residential conversion.

Strategy

- Encourage and support further investigation of the rehabilitation potential of the vacant buildings in the downtown healthcare campus.
- Be prepared to provide appropriately scaled public financial support, if the need is demonstrated.
- Because of the multiple community benefits encourage state consideration of local financial tools for supporting office to residential conversions.
- **Resource requirements.** Public financial support may be required, which would be recouped through greater property tax revenues.





Preservation Strategy: Reposition Hotels for Workforce Housing

Objective

- Support the conversion of some existing hotels for short- and long-term rental housing.

Context

- Over half of the hotel rooms in Minot were developed during the oil boom between 2010 and 2013, leaving the city with excess hotel capacity. Below average occupancy rates, by national standards, can lead to property disinvestment and management concerns.
- However, the new workforce influx on the horizon may benefit from the current oversupply of hotel rooms
- Hotel-to-apartment conversions can also meet local needs for small housing units
- Most hotels are located in the C1, C2 and GMU zoning districts, which don't currently allow apartment conversions without commercial elements on the site.

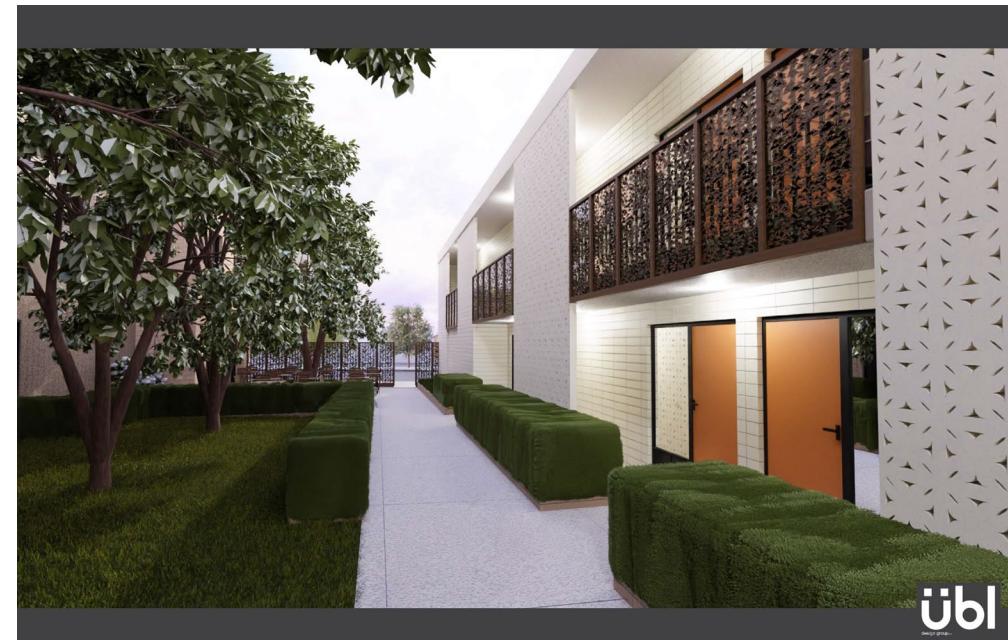
Strategy

Support both hotel reinvestment and apartment conversions through:

- Increase zoning flexibility to allow residential redevelopment in some or all commercial zoning districts.
- Be prepared to consider appropriately scaled public financial support, if the need is demonstrated.
- **Resource requirements.** If public financial support is provided, it would be recouped through greater property tax revenues.

Case Study

- The proposed Fleck House project in Bismarck is at right. It involves an existing hotel rehab, and the development of a new apartment wing.



Housing Strategies: Location-Specific Strategies



Location Specific Strategy: Infill Housing in Flood Protected Areas

Objective

- Foster new homes on vacant lots in newly protected, centrally located, Minot neighborhoods.

Context

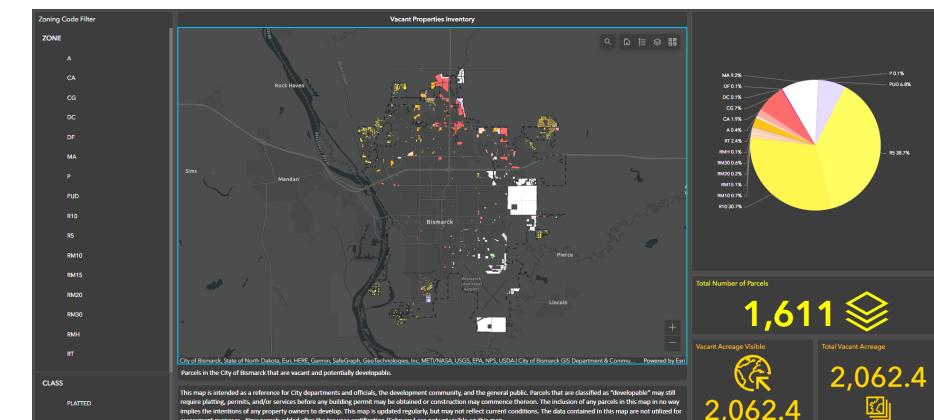
- Numerous homes were purchased and demolished in the aftermath of the Mouse River flood, leaving vacant properties in desirable, centrally located Minot neighborhoods.
- As flood protection infrastructure is built, most of those properties are no longer at risk of flood damage.
- Flood buyouts were completed using a variety of funding sources which in some cases limited future redevelopment. Further research is required to understand the development constraints on properties.
- Redevelopment of infill sites benefits the City through property tax generation and support for local businesses.

Strategy

- Undertake research to understand development constraints on vacant flood buyout properties at a parcel specific level
- Adopt a cluster development ordinance that supports placing clusters of homes on the parcels that allow it, with open space on the others.
- Explore whether a case can be made at the federal level for releasing development constraints for properties are now flood protected.
- Resource requirements.** No financial resources are required for this strategy.

Case Study

- Bismarck created a vacant property dashboard using ArcGIS online to make it easy for developers and the public to find existing vacant lots for infill.





Location Specific Strategy: Downtown Living for Downtown Activation

Objective

- Support downtown vibrancy by increasing opportunities for people to live downtown.

Context

- Increasing downtown housing has a powerful positive effect on the vibrancy of downtown areas.
 - More people means more customer support for downtown businesses and restaurants.
 - It means increases pedestrian traffic and puts eyes on the street, which improve the safety of downtown.
- Minot has placed a major emphasis on strengthening its downtown. The Minot comprehensive plan calls for adding 500 housing units downtown by 2040.
- The downtown Renaissance Zone was established in 2001 to bring attention and resources to revitalizing the downtown area. It has funded retail, office and residential development, as well as streetscape improvements.

Strategy

- Continue to seek out opportunities to build the residential community in and near downtown Minot, whether in the form of redevelopment, rehabilitation of underutilized commercial buildings; or through re-occupancy of spaces in the second and third floor levels of storefront buildings.
- Utilize the Renaissance Zone financial resources to support development where the program criteria are met and the need is demonstrated.
- **Resource requirements.** If public financial support is provided, it would be recouped through greater property tax revenues.



Housing Strategies: Capacity Building Strategies



Capacity Building Strategy: New Developer Training

Objective

- Increase the community of developers who can build Minot's housing base.

Context

- Minot's community of local developers was reduced by the influx of national developers during the oil boom, and reduced demand for housing after the oil boom.
- Increased developer capacity could result in more housing production overall, putting downward pressure on housing prices.
- There are national organizations that provide training resources that can be used and modified as necessary to align with local regulations and processes. These courses include:
 - [Certified Commercial Investment Institute - Real Estate Development: Land Development](#)
 - [National Association of Home Builders - Land Development Program](#)
 - [Urban Land Institute – Real Estate Development](#)
- Minot State University could play a partnering role in establishing and delivering the training curriculum.

Strategy

- Initiate conversations with national training providers and Minot State University staff to determine how a developer training curriculum might be designed and delivered.
- **Resource requirements.** No financial resources are required for this strategy.





Capacity Building Strategy: Building Trades Workforce Development

Objective

- Foster workforce development in the building trades to gear up a homegrown workforce for the Sentinel project, and build a long-term workforce for housing development.

Context

- A robust local workforce in the building trades contributes to lower housing production costs and greater housing production.
- Minot faces challenges in attracting and retaining skilled workers in the construction industry—the aging of the existing workforce, competition from other sectors and regions, lack of awareness and interest among young people, and barriers faced by women and minorities.
- Many local communities have implemented successful development and training programs in the construction industry, using programs offered by the North America's Building Trades Unions (NABTU) the Home Builders Institute (HBI), local home builder associations (HBAs) and others.

Strategy

- Establish collaborations with stakeholders such as Minot State University, Minot Association of Builders, Minot Public Schools, Minot Area Workforce Academy, and local labor organizations to design and implement workforce development and training programs that are tailored to the local context and needs.
- Promote the construction industry as a rewarding and viable career option for young people, women, minorities, and other underrepresented groups.
- **Resource requirements.** No financial resources are required for this strategy.





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