

FYI on NDR

National Disaster Resilience

NOVEMBER 2018



Why is the City proposing a Non-Substantial Amendment to NDR funding?

City staff is proposing that the Minot City Council approve a non-substantial amendment to the CDBG-NDR Action Plan. This comes after a recent comprehensive assessment and review of the city's HUD approved plan, which was developed and submitted in 2015. A lot has changed in our community in the three years since then, especially in the housing market conditions. This non-substantial amendment will enhance the ability to achieve the goals associated with the \$74.3 million in federal grant funding through increased flexibility, it would NOT alter the goals and objectives of the three key project categories.

So, what allows the City of Minot to make these suggested, minor changes? And what is the general breakdown of how this non-substantial amendment will help the program better serve the residents?

For starters, once an Action Plan is approved by HUD, it can only be changed if HUD approves an amendment. There are two types of amendments: non-substantial and substantial. Some examples of circumstances that require a substantial amendment are as follows:

- Moving a defined percentage of the total grant funds among activities.
- Creating or deleting an activity.
- Creating, changing or deleting beneficiaries for an existing activity.

For NDR, if a substantial amendment is requested, the NDR application could be rescored, which could result in the city losing some grant funding. This current request qualifies as a non-substantial amendment and is designed to improve and expand the way affordable housing projects will be implemented through the NDR Grant.

The key items being amended under the approved affordable housing activities are as follows:

- Allowing the creation of affordable housing in the form of

rehabilitating existing structures as well as new construction; rental units to include townhomes, duplexes, twin homes in addition to traditional multi-family structures; and the ability to assist structures owned and operated by the Minot Housing Authority.

- Expanding single-family affordable housing to include existing homes in resilient neighborhoods as well as newly constructed homes.
- Clarifying that for-profit developers and the Minot Housing Authority, as well as non-profit developers, are eligible.
- Clarifying that three new neighborhoods will not be created since there is now a significant inventory of existing, resilient subdivisions outside the proposed FEMA flood plain.

Other items being clarified in the non-substantial amendment include:

- Clarifying ambiguity to clearly set forth that the family homeless shelter can be built, or an existing building rehabilitated, which includes acquisition of site and/or building, and a community food pantry to be in the facility if there are funds available. Also, the Minot Housing Authority or other qualified non-profit corporations are eligible to own and/or manage the facility.
- Allowing FEMA-eligible activities, primarily passive recreation related, to occur on open space and flood storage areas, as is being discussed between the city and the Minot Park District.
- Confirming the Center for Technical Education (CTE) can be co-located with City Hall, should the waiver be approved, and that Dakota College at Bottineau and Minot State University operate the CTE and assist in developing the post-secondary career programs.
- Add clarifying language for the single-family and multi-family activities - that while a priority focus will be for those property owners in the buyout program - these activities will seek to assist and support any Minot resident who was affected by the flood.



A purchased lot in SW Minot acquired as part of the NDR Action Plan, in the middle of filling the basement and bringing the site up to grade

PROJECT HIGHLIGHTS

Acquisition Program

- 79 properties have been acquired to date with three closing in October 2018. These properties are being acquired to make way for active and designed flood mitigation projects.
- Since the NDR Program started, the City has demolished 45 properties, with another four likely demolitions before the end of the year. An educational seminar was conducted with demolition contractors this past month regarding HUD-specific rules for bidding to offer clarity to the requirements for bidding with a goal of reducing bid pricing.
- The City's structure and salvage auctions continue. Advertisements were placed in various regional newspapers to help promote auctions as an effort to broaden interest and involvement in the bidding to encourage higher and additional bids to generate additional funds in support of efforts aimed at flood mitigation.
- To date the City has received almost \$12.4 million from the state to support acquisition costs. This leaves the state \$48 million short of what the city expected as a result of the state's commitment in 2015 in support of the NDR application. Therefore, additional state funding is needed to continue the buyout process in flood mitigation areas, especially in Buyout Areas 1 and 2 where property acquisition is at a standstill because of a lack of the promised state funds.

Affordable Housing

- The Resilient Homebuyer Program that was launched in February has had 28 applicants: 12 remain in the process of review and eligibility verification through a lender of their choice, 15 applied for the program but it didn't work for them, and one closed on the loan at the end of September! The program continues to take applications.
- Four potential projects are under review to support multi-family housing rehabilitation or additions, involving the following locations or partners: Milton Young Towers in partnership with Minot Housing Authority, Parker Suites, Community Land Trust and Park South Phase II. All of these projects would provide quality affordable housing in Minot that would benefit low- and moderate-income households.
- A draft non-substantial amendment to the NDR Action Plan has been sent to HUD for initial comments and is on the agenda for City Council to consider at its Nov. 5, 2018 City Council Meeting.

Downtown Gathering Place

- The environmental assessment is near completion. The Phase I Environmental Site Assessment (ESA) through the Brownfields Grant has been approved by the EPA. Stantec, the Brownfield Grant consultant firm, is currently working on Phase II of the ESA. CDM Smith is working in parallel completing the HUD-required Environmental Assessment. The State Historic Preservation Office has deemed all properties eligible to proceed and there will not be an adverse effect if the properties were altered or demolished.

PROJECT OVERVIEW

Reduce Flood Risk/ Improve Water Management

A. Buyouts / Acquisitions /

Demolitions / Relocations

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

Build Affordable Resilient Neighborhoods

A. Multi-Family Affordable Housing

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

B. Single-Family Affordable Housing

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

C. Gathering Place

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

D. Family Shelter

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

Foster Economic Resilience and Diversification

A. Center for Technical Education

- Total Budget - \$1,540,000

B. Relocate City Hall

- Total Budget - \$3,750,000

Completed Projects

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