

# FYI on NDR

National Disaster Resilience

SEPTEMBER 2020



## Gap Financing Resilient Homebuyer Program

One of the key objectives of Minot's National Disaster Resilience (NDR) program is to improve access to affordable, resilient neighborhoods; one of the innovative ways the City is accomplishing this is through the Gap Financing Resilient Homebuyer Program loan. Designed to help low and moderate-income residents who were impacted by the 2011 flood, this program provides an incentive to remain in the city and fosters Minot's resilience. Qualified residents can receive up to \$60,000 through a 15-year, no-interest, forgivable loan, which aids in the purchase of an existing resale or newly constructed, singlefamily home in designated residential neighborhoods throughout Minot.

Kicked off in the first quarter of 2018, the program got somewhat of a slow start with just 69 applicants and six closings by the first quarter of 2020; however, through program modifications and extensive outreach and marketing to Minot Lenders and Realtors, it has become more popular and begun to flourish. During the past five months, 34 new applicants applied for the program and 13 program participants closed on their new homes.

Dakota Larson of Minot used the program to close on his first home in July.

"It is very refreshing to live in our own place. We were done with apartment living but didn't think we would be able to find a home that we could afford. Through this program we were able to purchase a home that is nicer than we anticipated."

Dakota said that from start to finish the process of going through the program was smooth and easy. "It's been overall really satisfying and a great experience. I was able to refer one of my friends to the program and he is now going through the process of closing on a house as well."

The program recently marked its 19th closing at the end of August, with many additional residents still in the application process.

### EXPANSION OF QUALIFYING NEIGHBORHOODS

Because the program is funded through the federal Department of Housing and Urban Development (HUD), Minot had to outline the qualifications for resilient neighborhoods in their NDR plan. The plan included provisions to allow for re-assessments based on housing and market conditions and make adjustments to reflect customer needs and preferences.

The city has recently expanded the neighborhood qualifications to include:

- Housing located in an area which is at least 50% built out per plans on record with the City of Minot
- Has all basic utilities and sidewalks, contains provisions for green space and parks
- Is not located in the FEMA flood inundation area

The LMI household purchasing the house must also acknowledge in writing that it has the capacity and capability to

have access to transportation options on a regular basis to reach key services including food market, pharmacy and medical services. If all criteria are met, the city can issue an exception for the purchase of the home outside of the originally approved resilient neighborhoods.

### APPLICANT QUALIFICATIONS

The primary qualifications to participate in the Gap Financing Resilient Homebuyer Program are as follows:

- Live in a residence that is being purchased for the City's enhanced flood protection project – OR – Lived in a home or apartment during the flood that was substantially damaged by the 2011 Souris River Flood.
- Purchase a home in the City of Minot, in a qualified resilient neighborhood, and the house must be outside of the FEMA 100-year flood plain.
- Household income must be at or below the HUD established low-and-moderate income limits adjusted for household-size for Ward County. (For example, a family of four would qualify at \$107,200 or less.)

If you would like to participate in the Gap Financing Resilient Homebuyer Program or to find out more visit [cdbg.minotnd.org](http://cdbg.minotnd.org) and click on Housing or contact Tammy Small at (701) 837-5813.

# PROJECT HIGHLIGHTS

## Acquisition Program

- Overall, the City of Minot has acquired 156 properties to date: 81 properties using NDR-CDBG funds and 75 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 2020 Round 2 Structure Demolition and Site Restoration Project was advertised and the submitted bids were opened in August. The contract for the 2020 Round 2 Structure Demolition and Site Restoration Project is anticipated to be 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

- 103 people have applied to the Resilient Homebuyer Program: 54 remain in the process of review and eligibility verification through a lender of their choice, 31 applied but were not eligible or withdrew, and 18 have closed to date. The program continues accepting applications.
- In July, Minot Housing Authority (MHA) released the bids for construction on the Milton Young Towers rehabilitation project. MHA is reviewing the bidders before making a recommendation to the board for an award.
- Construction started in July on the Blu on Broadway mixed-use affordable rental housing facility, which will provide 42 rental units built above a ground-level commercial space; the basement of the building was completed in August.
- 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. to build 17 units of multi-family affordable rental housing; the future site for the affordable housing project was acquired in early January. The proposals for Architecture and Engineering services were reviewed and a firm was selected in July.
- The Minot Area Community Land Trust's single-family affordable housing activity is underway; the trust is 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. The proposals for Architecture and Engineering services were reviewed and a firm was selected in July.

## City Hall

- In April, Council approved the Wells Fargo building as the new City Hall location; HUD provided the Authority to Use Grant Funds on August 10. The City is currently conducting the appraisal.

## Center for Technical Education

- The CTE committee is currently in discussions with Trinity Health about the acquisition and remodeling of a downtown building for the CTE location. The environmental review process is complete, and the Release of Funds was sent at the end of August.

# PROJECT OVERVIEW

## Reduce Flood Risk/ Improve Water Management

### A. Buyouts / Acquisitions / Demolitions / Relocations

- a. Total Budget - \$20,052,016
- b. Spent to Date - \$18,398,741

## Build Affordable Resilient Neighborhoods

### A. Multi-Family Affordable Housing

- a. Total Budget - \$20,897,000
- b. Spent to Date - \$4,078,172

### B. Single-Family Affordable Housing

- a. Total Budget - \$12,807,750
- b. Spent to Date - \$2,183,892

### C. Family Shelter

- a. Total Budget - \$3,041,500
- b. Spent to Date - \$780,757

## 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 - \$18,292

## Completed Projects

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