

FYI on NDR

National Disaster Resilience

April 2022



Resilient Homebuyer Program Deadline set for July 1 *Program Approaches 70th Closing*

The success of the CDBG-NDR Resilient Homebuyer program, which provides financial assistance to low-to-moderate income (LMI) Minot households affected by the 2011 flood, has helped 67 residents purchase homes in resilient neighborhoods. Furthermore, after seeing the program's popularity and overall benefit to helping families remain in Minot, an additional \$1.5 million was committed to the program's initial \$3 million. Based on the timeline approved by Minot City Council, July 1, 2022 is the last day to apply for this program (subject to funding availability).

The Resilient Homebuyer program is funded through the National Disaster Resilience Competition, a grant awarded to the City of Minot in 2016 by the U.S. Department of Housing and Urban Development (HUD). The program works with Minot real estate brokers and financial institutions to provide gap financing in the form of a forgivable second mortgage up to \$60,000 to enable LMI households in Minot to purchase an affordable home. Qualified buyers must demonstrate they were living in a home that was significantly damaged or destroyed by the flood or live in a home purchased for the flood control project. Homes must be located outside of the 100-year floodplain and buyers must meet eligibility criteria. The second mortgage is forgiven on the 15-year anniversary of the recipient living in the house.

The first \$3 million assisted 51 households in buying a home, with an average second mortgage of \$57,000. It is projected that the additional \$1.5 million will help another 25 to 30 LMI households purchase homes outside of the Flood Inundation Area. The 70th closing is expected this spring.

"What has helped this program flourish in this community is the partnerships with local lenders and realtors," reflected Melissa Ziegler, Vice President with CDM Smith, the firm tasked with providing technical assistance for the Resilient Homebuyer Program working in partnership with the North Dakota Housing Finance Agency who underwrites the loans and finalizes the amount of the second mortgage. "Local lenders and realtors have navigated the qualifications and specifications to help residents find a home and remain in the community. The City of Minot's additional investment is a testament to the success of the program and the benefit to Minot as a whole."

"This program has had a huge impact on my decision to stay in Minot," said Paige Melby, a recent applicant. "Knowing I had this resource when purchasing a home, made the

decision to stay in the community I love and grow my career here an easy one." The process of applying for the program and finding a home took several months, but Melby is looking to close on a home this spring.

All National Disaster Resiliency grant funds must be spent by September 30, 2023; any unused funds will be returned to Congress after that date.

**Want up to
\$60,000
towards a home
purchase?**



Resilient Homebuyer Program
for Low and Moderate Income Minot Residents

The last day to apply for the Resilient Homebuyer Program is July 1, 2022, subject to funding availability.

The primary qualification requirements for the Resilient Homebuyer Program are:

- Buyer must be able to provide proof of residency at time of flood in a flood-inundated property or live in a home being acquired by the City for flood control.
- Buyer's household income must be at or below the current low- and moderate- income limits based on the family size for Ward County.
- Homes must be located in Minot, within a designated Resilient Neighborhood area, and outside of FEMA's proposed 100-year floodplain.
- The purchase price of the home may not exceed the current maximum price reviewed annually by NDHFA, which is \$311,979.
- The property must pass a HUD Housing Quality Standards inspection to be eligible for the program.
- Buyers must secure a 30-year fixed rate first mortgage from a participating lender.
- Buyers must complete and secure a certificate of completion from an approved Homebuyer Education course.

To receive additional information about the program or discuss the requirements and submit an application, contact Raena Tonini at the Minot Disaster Recovery Office, 701-837-5813, toninirr@cdmsmith.com



Brian Juenger and his son in front of their new home.



Nicolette Prouty's children celebrate in front of their home.

PROJECT HIGHLIGHTS

Acquisition Program

- Overall, the City of Minot has acquired 213 properties to date: 87 properties using NDR-CDBG funds and 126 properties using State Water Commission Funds; 7 properties included in the 87 NDR properties were partially funded with State Water Commission funds. These properties are needed for on-going or upcoming flood mitigation projects.
- So far, the City has demolished 172 properties in the first five buyout areas. A new demolition contract will be advertised and awarded in spring 2022 to continue demolition activities in the buyout areas. 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

- In the spirit of outreach and public information, a letter will be mailed to Minot realtors to remind them of the Resilient Homebuyer Program's (RHP) eligibility process timeline. So far, 197 people have applied, while 67 applicants have purchased a home under the program; 28 applicants are in the project pipeline (i.e., working with lender or realtor, looking for a property, etc.), and 102 applicants have withdrawn their application (i.e., moved away, lender determined they were not eligible, etc.). The program continues accepting applications.
- Milton Young Towers (MYT) renovation project continues to make progress; temporary relocations and renovations of the units continue to move forward expeditiously. There is a waiting list for apartments, and current tenants are positive about building improvements.
- Construction is moving forward on Park South II, a 22-unit affordable housing development; some of the latest activities include insulation, plumbing, and heating work
- Construction is underway on Souris Heights, a 54-unit affordable senior housing complex; draw requests are regularly submitted by the contractor for review and processing.
- The City continues to work with Project BEE to move the development of the 17-unit Broadway Circle affordable housing complex forward. Project BEE advertised the Invitation to Bid March 17, 24, and 31; the bid opening is scheduled for April 12.

Family Homeless Shelter

- The City continues to work with Project BEE to move the development of the Family Homeless Shelter forward. Project BEE advertised the Invitation to Bid March 17, 24, and 31; the bid opening is scheduled for April 12

City Hall

- Construction is underway at the new City Hall location. Demolition was completed during the month, as well as framing; mechanical and electrical work are moving ahead. Overall, the contractor is making good progress and submitted their first pay request.

Center for Technical Education

- The CTE parties have a signed contract with Ackerman Estvold for Architecture and Engineering services; bid specs are currently being drawn up. Instead of one large construction contract, the work will be broken up into pieces due to concerns in supply chain logistics and time constraints..

PROJECT OVERVIEW

Reduce Flood Risk/ Improve Water Management

A. Buyouts / Acquisitions / Demolitions / Relocations

- a. Total Budget - \$21,057,016
- b. Spent to Date - \$20,139,546

Build Affordable Resilient Neighborhoods

A. Multi-Family Affordable Housing

- a. Total Budget - \$23,912,136
- b. Spent to Date - \$15,637,269

B. Single-Family Affordable Housing

- a. Total Budget - \$8,807,750
- b. Spent to Date - \$5,425,402

C. Family Shelter

- a. Total Budget - \$3,058,012
- b. Spent to Date - \$1,004,072

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 - \$3,249,886

Administration

- a. Total Budget - \$3,752,270
- b. Spent to Date - \$2,270,602

Completed Projects

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