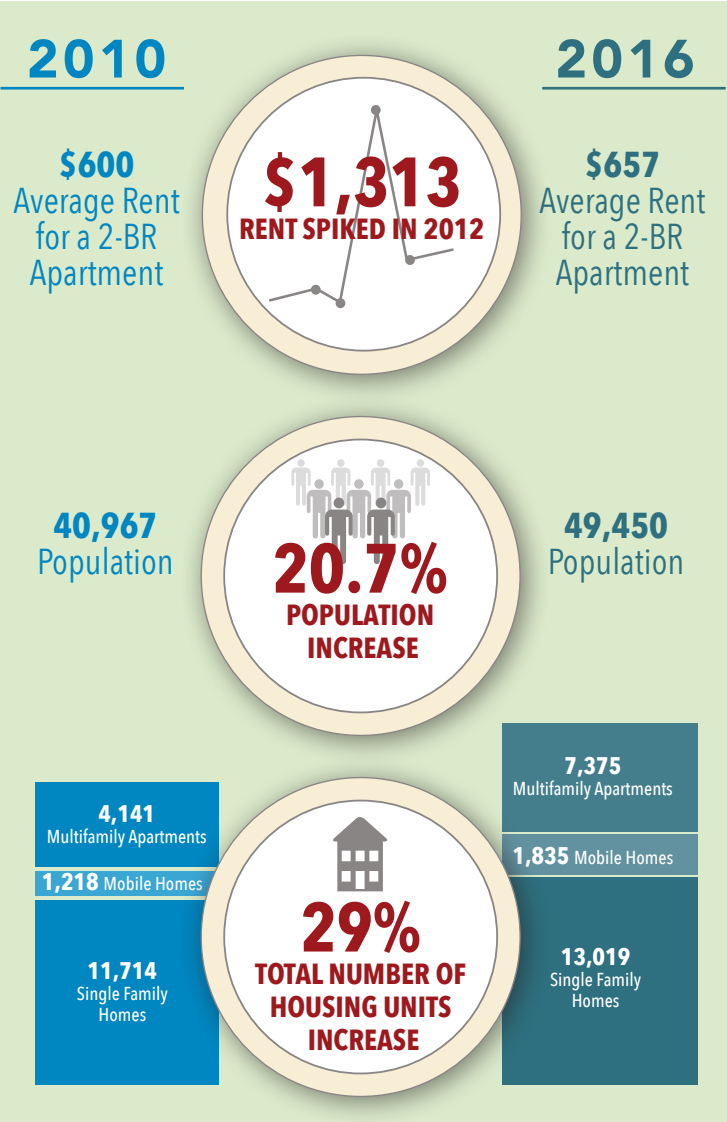


HOUSING IN MINOT HAS CHANGED

In the six years from 2010 to 2016, the number of multifamily apartments in Minot increased 77% and the number of single family homes grew by slightly over 10%. The total number of housing units in Minot increased by almost 29% during this period, from 15,854 to 20,394. This included 617 new manufactured homes (aka mobile homes).

In 2010 the average rent for a two-bedroom apartment was \$600. By 2012, that 2-bedroom apartment was renting for \$1,313 a 118% increase. In 2016, as the impacts of the flood and the oil boom subsided, the average rent for a two-bedroom apartment returned \$657, similar to rents for comparable apartments in Bismarck, Fargo, and Grand Forks. Although the cost of housing in Minot today reflects a more normal market environment, housing conditions are different today than they were six years ago. A study of the market rate multifamily apartment vacancy rate in September 2016 found a 17% vacancy rate in market rate apartments. A higher than normal multifamily vacancy rate is a real concern and has prompted a refined approach to creating long-term affordable multifamily housing for the National Disaster Resilience (NDR) program. **The 2016 vacancy rates in long-term affordable housing was 2.4%.**

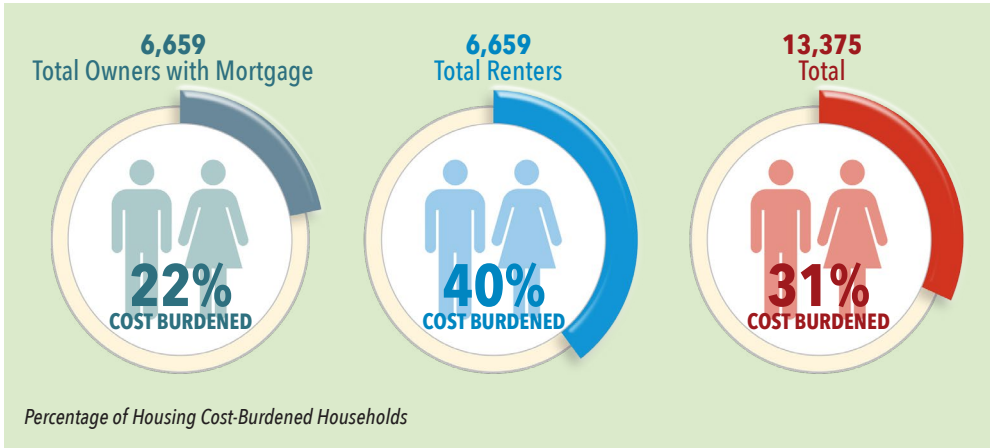
In 2010, 83% of single family homes in Minot were valued from \$50,000 - \$200,000. By the third quarter of 2016, only 55.8% of the single family housing was valued below \$200,000. Some of the city's more affordable housing was damaged or destroyed by the flood and replaced with higher value housing and most of the new housing developments constructed during this period had larger, more expensive homes. **Based on data from Minot's City Assessor, there are 3,282 fewer affordable single family homes in Minot in 2016 than there were in 2010 making it increasingly challenging for many Minot families to own a home here.**



WHY AFFORDABLE HOUSING MATTERS TO MINOT

The fundamental economic driver for housing is population and the fundamental driver for population is jobs. Companies need employees with a range of skills and experience, that are paid a range of wages, with each job essential to the business's overall operation. Today, many companies evaluating locations to expand existing businesses or locate new facilities consider the availability of workforce with a range of skills; they evaluate shilling costs, the cost of labor, and the availability of affordable housing for all their workers. If Minot wants to attract new companies, retain existing businesses, and grow the next generation of entrepreneurial firms—housing that is affordable to a range of workers matters.

Recently the U.S. Census released July 2016 population estimates for Ward County, based on that data the population of the county had declined 1,169 since July 2015. There is a serious economic impact from the loss of population. It is impossible to accurately estimate the number of people who moved away from Minot and Ward County after the flood and during the oil boom, but the cost to the local economy is documented in the NDR benefit cost analysis included in the phase II application. That's the reason one of the key activities in Minot's NDR program is "Buy-In" to Minot to ensure that they people whose homes are acquired as part of the flood control



project remain in Minot. Some of those property owners are low and moderate income residents and without the NDR program they would have difficulty finding housing they can afford to remain in Minot.

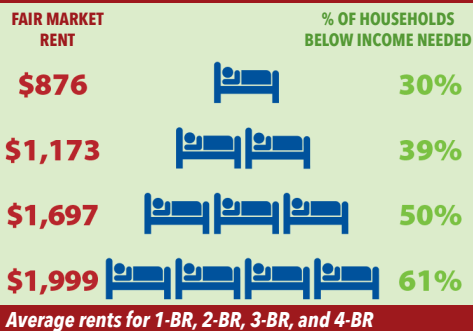
Available and affordable housing directly impacts one of Minot's most important economic drivers: the Minot Air Force Base (MAFB). The MAFB is the region's largest employer with nearly 6,500 military and civilian personnel generating over \$578 million in annual economic impacts. Over 47% of active duty military and their dependents (2,794 families) and 100% of the 1,017 civilian employees live off base, primarily in Minot and Ward County. While active duty military personnel receive a

housing allowance, many were priced out of the homeownership market in Minot, and it was also a challenge to fill some important civilian positions.

Minot is the regional trading center for northwest North Dakota, as a result there is a higher concentration of health care, retail and wholesale trade, services, food services and accommodation, and construction employees in Minot. These businesses are essential to a vibrant economy and attract people from the region and Canada to businesses in Minot. Some of the employees in these essential businesses need long-term affordable housing and some of the jobs created by the next generation of companies in Minot will as well.

WHO NEEDS AFFORDABLE HOUSING IN MINOT?

The vast majority of people in Minot who need long term affordable housing are working people. The definition of affordable housing is paying no more than 30% of annual household income for housing including utility costs. Today a Certified Nurse Assistant in Minot makes an average income of \$28,510 and can afford \$512 in monthly housing costs and \$200 in monthly utility expenses; an entry level teacher in Minot makes \$35,590 and could afford \$690 in monthly housing costs plus \$200 in utilities; and police and sheriff's patrol officers earn an average of \$44,040 and could afford \$901 in monthly housing costs and \$200 in utilities. Twenty-four percent of workers in Minot earn less than \$36,750 per year and can only afford \$718 in monthly housing costs plus utilities.

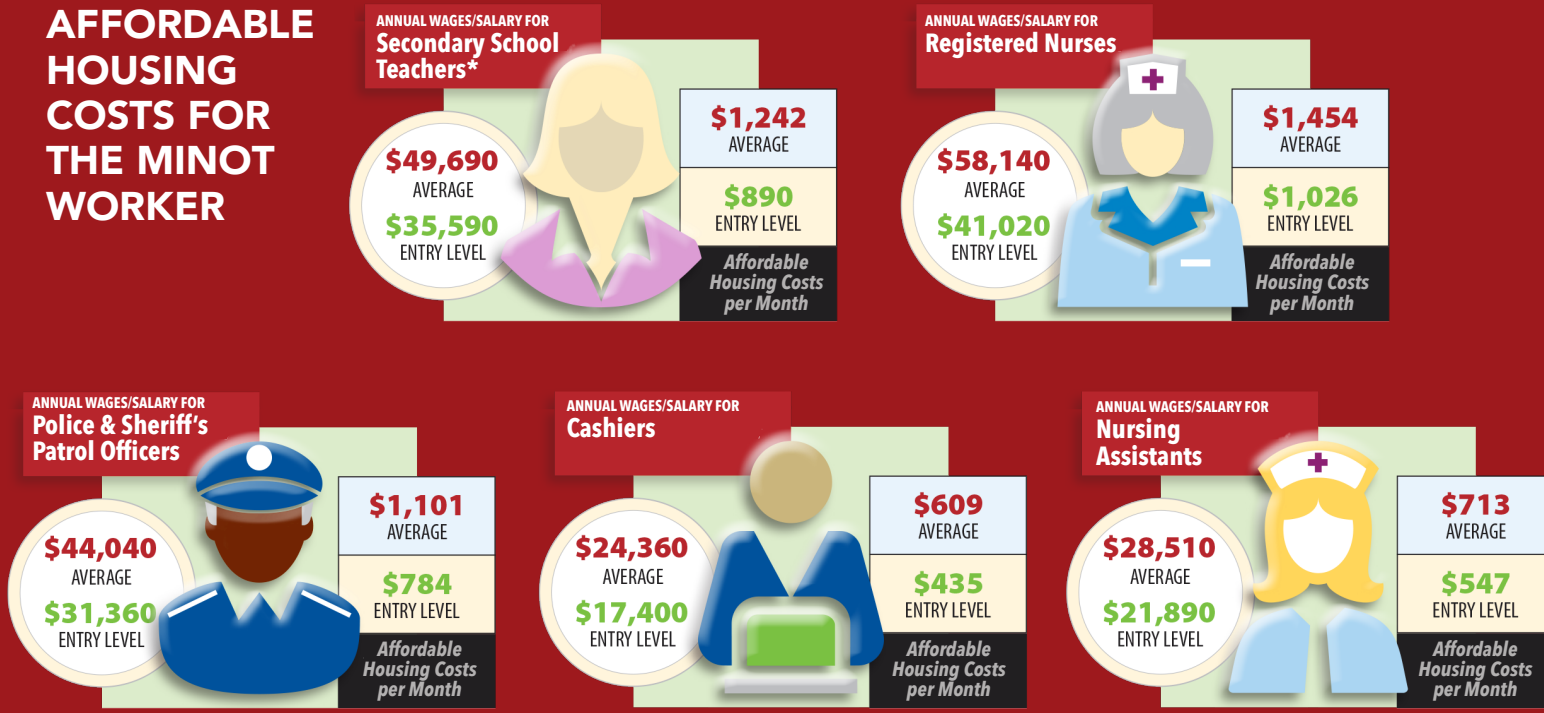


Some families in Minot have resorted to living in poor quality conditions, others chose to share housing with non-family members to make ends meet, and some work two

or more jobs to live in Minot. When people spend more than 30% of their income on housing, they are considered housing cost burdened and are often challenged to pay for other basic necessities including medicine, adequate food, transportation, and health care. The length of time a property remains affordable has also become increasingly important. A substantial number of Minot residents experienced this first hand when rents became unaffordable after the flood and during the oil boom and many apartments previously accepting housing vouchers chose to opt out of that program so they could raise their rents substantially leaving many families without housing they could afford.

A diverse range of occupations and skills are needed to keep Minot's economy functioning. Some of the jobs the community relies on every day pay lower wages meaning lower annual incomes for those families. Over 57.3% of those employed in Minot are employed in construction, retail trade, health care, and accommodations and food services and many of these jobs provide lower or more moderate wages. However, many of the higher wage jobs in Minot depend on the workers in these moderate wage jobs every day for medical services, supplies and materials, child and senior care, and many other services that are essential to life in Minot.

AFFORDABLE HOUSING COSTS FOR THE MINOT WORKER





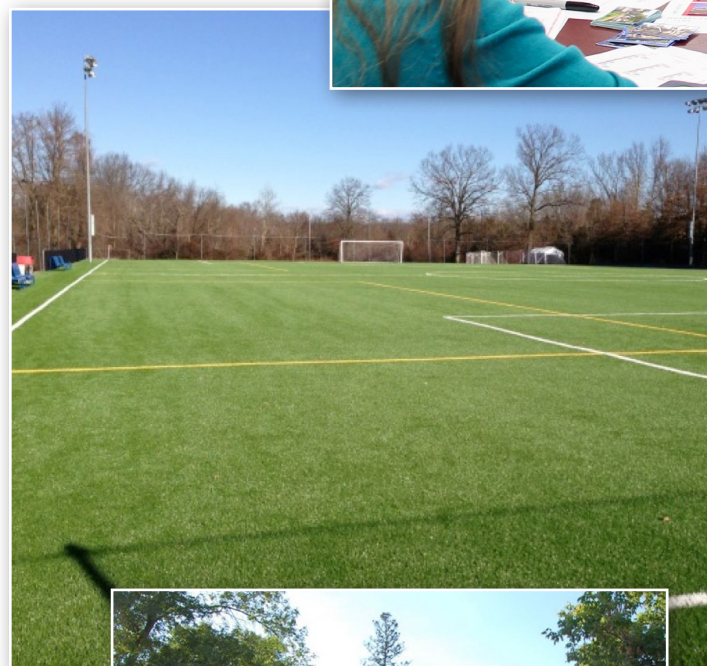
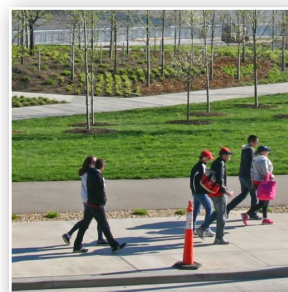
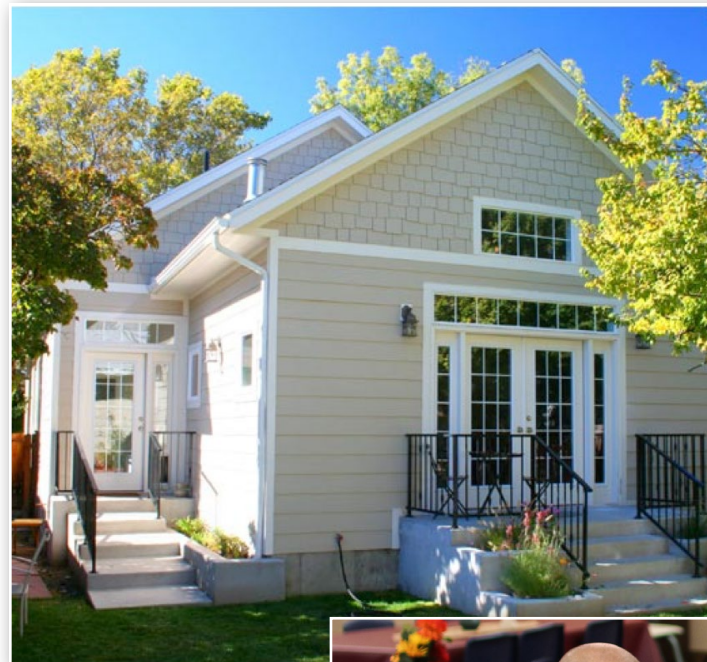
A RESILIENT MINOT

Minot is a city that works hard every day to provide, power, and protect. When the community faced great adversity, people stepped up and helped one another and continue to do so. The recovery continues and the resilience of the people in Minot remains an inspiration.

Imagine what Minot could be in ten years? Will it be the kind of city your children want to come back to, where they can find well-paying jobs? Could the city have an even more vibrant local economy with diverse employment opportunities supporting a stable economic base that remains relatively unchanged by the volatility of oil prices? Imagine reasonable but steady population growth supporting the expansion of shops and restaurants, commercial services, and a demand for new residential real estate. What if Minot became the resilient city that residents talked about during the National Disaster Resilience Competition?

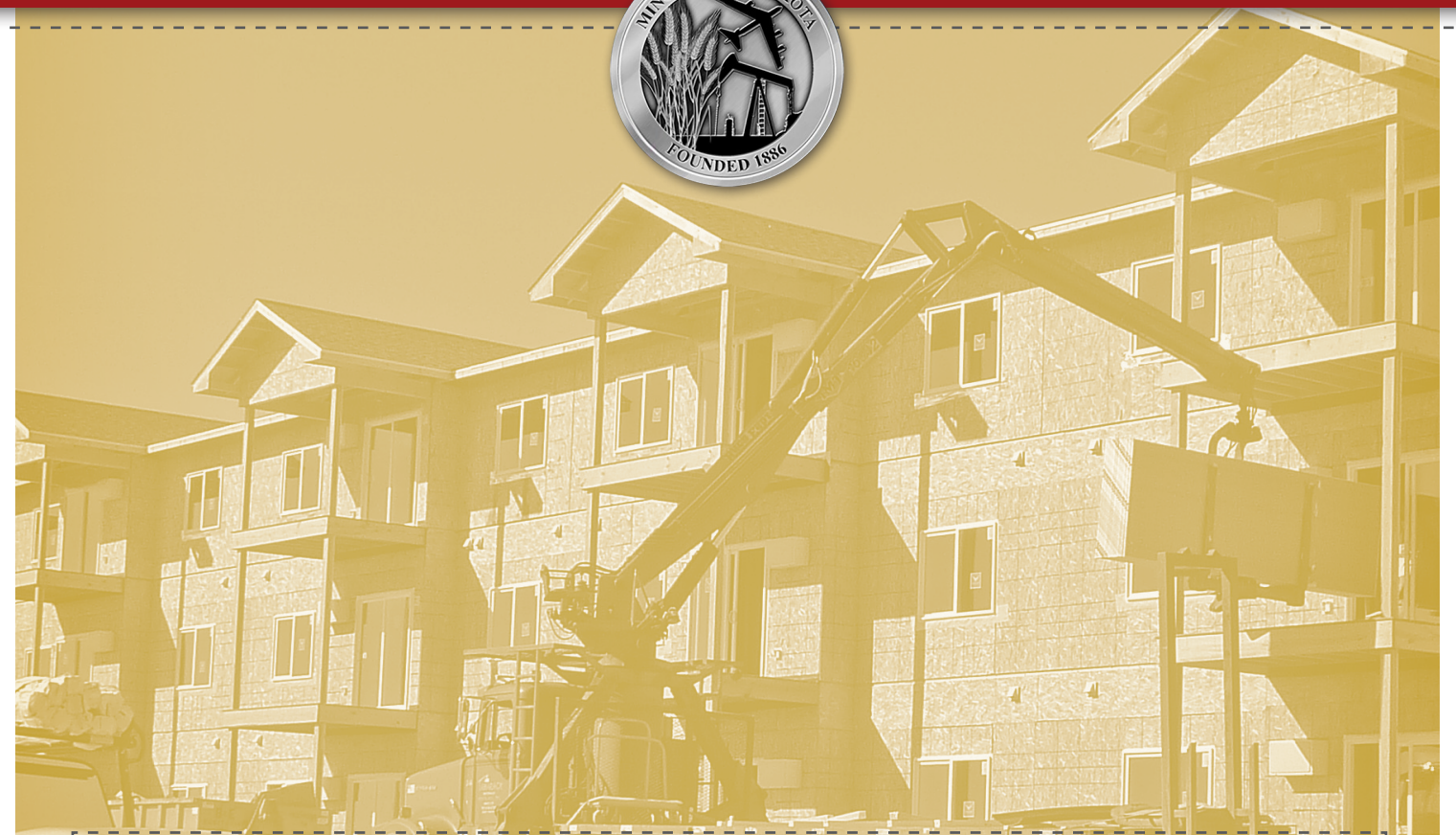


Minot can be that city, a place where more families want to live, where businesses can hire and retain employees with a range of skills supporting the next generation of employment opportunities. Affordable housing is essential to economic prosperity and quality of life. A resilient Minot will develop and preserve a supply of quality, long-term affordable housing enabling seniors, disabled veterans, low and moderate income working families, and other residents who need it a place to live that helps them achieve a more resilient future. Minot will not be defined by the devastation of the 2011 flood, it can be that city that faced hard times and dedicated itself to a legacy of resilience to ensure everyone shared in recovery and a better future.



Minot Housing Supply & Demand Study

A Resilient Community



Housing Supply and Demand in Minot

Historic floods devastated Minot in 2011, damaging or destroying many homes and apartments, concurrently, the Bakken oil boom drove oil and gas companies and their employees to the region, many of whom located in Minot and seemed willing and able to pay almost any price for housing. As a result, rents skyrocketed and new homes and apartments were constructed throughout the city. Many people and businesses struggled to remain in Minot, as it became more and more expensive. Housing costs have moderated since late 2015, but the residual effects of the flood and the oil boom will continue to impact the housing market.