

# Housing



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# ISSUE: HOUSING



## THE ISSUE

Housing construction, rental rates and home values have escalated dramatically since 2009. Although the private sector is quickly meeting the need for additional housing, many families are left behind because they cannot find affordable housing.

The organizational capacity within the region to advocate and develop affordable housing is weak.

## RECOMMENDATIONS

1. Reauthorize and Capitalize the Housing Incentive Fund at a Level that Sufficiently Meets the Needs
2. Explore Options with Land Developers, Local Investment Groups and Community Land Trusts to Spur Housing Development and Lower Costs of Housing Development
3. Offer Information and Forums that Inspire Quality Neighborhood Development
4. Encourage the Bank of North Dakota to be More Proactive in Promoting its Mortgage Lending Programs and in Developing Creative Incentives for Home Ownership
5. Resurrect the Statewide Technical Assistance Team
6. Enhance Community-based and Region-based Capacity and Advocacy for Housing
7. Gain Approval from HUD and Implement Fair Housing Equity Assessment Work Plan

Western North Dakota is confronting housing costs matching some of the most expensive urban markets in the nation. In some communities, houses that sold for as low as \$40,000 only five years ago recently have sold for over \$200,000. Rental costs paint a far bleaker picture. The two bedroom apartment that rented for \$450/month is now \$2,000-2,600/month.

There are two overarching problems with respect to housing:

- While there is at present insufficient temporary housing, the bigger issue may be providing long-term housing options
- Lack of affordable permanent workforce housing for people who wish to live in the region long-term

## HOUSING SPOTLIGHT - BILLINGS COUNTY

For us, there are challenges to housing development related to land availability. Much of the land in the county is publicly owned and protected, leaving us landlocked in some cases. Finding privately owned land that could be made available for housing development will be an important success factor in growing our communities. We also want to encourage new residents and families to live here year-round and be an integral part of our communities.

Some of the problems include:

- The likelihood of future overbuilding
- Most new housing is designed and constructed with short-term workers in mind and may not serve the long-term needs of families
- Individuals with poor or limited access to credit create a situation where they are unable to purchase housing but their income exceeds the threshold for receiving housing assistance due to the increased wages in today's economy
- Ensuring the provision of a sufficient number of desired single-family homes in smaller, rural communities

## THE IMPORTANCE OF HOUSING

A total of 23 planning sessions were held in counties or tribal segments throughout the Vision West ND region between February 2012 and September 2013. Two sessions of the planning program present a single question: "What is impacting the quality of life in your community?" The #1 answer: Housing.

For the planning participants, not only is resolving the housing shortage the top concern, but many also believe other issues only begin to get mitigated when the housing shortage gets resolved.

Apartments, duplexes and townhouses create a shorter return on investment and are therefore more appealing to investors and developers. Developers opt to build those units that have a three to five year return. This creates an excess of multi-unit dwellings and a shortage of single-family homes. Communities want to see more home ownership units added to the housing inventories of their communities.

FREQUENTLY SELECTED QUALITY-OF-LIFE INITIATIVES	
Quality of Life Initiative	Frequency
Housing	14
Child Care	12
Emergency Services	12
Recreation Facilities/Programs	9
Road Improvements	6
Beautification Efforts	4
Law Enforcement	3
Planning and Zoning	3
Public Safety	3
Community Engagement	3
Community Connectedness	2
Health Care	2
Labor Force	2
Mental Health	2
Municipal Water Systems	2

## SCOPE OF SECTION

This section of the Regional Plan has four sub-sections: Funding, Cities and Design, Capacity and Organizations and the Fair Housing Equity Assessment.

1. **Funding** - A summary of the needs, existing sources and additional funding necessary to address the problem of available housing
2. **Cities and Design** - How cities, counties and tribal segments can encourage long-term solutions for housing
3. **Capacity and Organizations** - A summary of the lack of housing advocacy capacity and recommendations to address the problem
4. **Fair Housing Equity Assessment** - The strategy offered by Vision West ND to meet the requirements of the FHEA

# 1. HOUSING FUNDING

Like virtually all of the issues in this Regional Plan, funding is a key issue. Specifically, funding needs to be available to meet both the affordable housing and the general housing goals of communities throughout the region.

Fortunately, the region is well served by the Bank of North Dakota and other area-based banks with mortgage lending. In fact, the availability of financing is one of the absolute Key Success Factor strengths of the Vision West ND region and the State of North Dakota as a whole.

## BACKGROUND - EXPENSIVE LAND

Price of an unimproved residential lot in Dickinson in 2013:  
\$110,000\*

\* Source: Zillow.com

Nonetheless, in order to meet the needs for new housing, new, innovative solutions must be found.

North Dakota benefits from its relationship with U.S. Housing and Urban Development with the availability of federal funding tools for housing development. Programs such as the HOME Program, the Low Income Housing Tax Credits and the Community Development Block Grant are available through the US Department of the Treasury. Western North Dakota also has a reciprocal relationship with USDA RD housing incentives. Compared to the size of the problem, however, federal resources do not come close to resolving the crisis.

Governor Dalrymple and the North Dakota Legislature have responded by increasing the resources provided by the North Dakota Housing Finance Agency, most notably the Housing Incentive Fund.

## ■ **RECOMMENDATION #1: REAUTHORIZE AND CAPITALIZE THE HOUSING INCENTIVE FUND AT A LEVEL THAT SUFFICIENTLY MEETS THE NEEDS**

**Summary:** The Housing Incentive fund should be reauthorized and funded during the 2015 biennium.

The North Dakota Housing Incentive Fund (HIF) is considered by housing advocates to be the best thing that has ever happened for housing in North Dakota. The fund, which was capitalized with \$15 million during an interim legislative session and then recapitalized with \$35 million during the 2013 legislative session, has been fully expended. In fact, the biennial allocation committed by the 2013 Assembly was fully expended within the first six months of the biennium.

**Action:** Advocate, Fund, Legislate

**Lead:** VWND, Political Sub-divisions, Legislature

### **North Dakota Housing Incentive Fund**

The state funding, although insufficient to meet the demands of developers, still dwarfs funding made available on an annual basis by the US Department of Housing and Urban Development (HUD). HUD commits \$5.1 million annually of Community Development Block Grants (CDBG) funding and \$3.4 million of HOME program funding. In addition, HUD allocates \$2.4 million annually to address homelessness through McKinney Act funding.

The North Dakota Housing Incentive Fund (HIF) is a means for developing affordable multi-family housing for essential service workers and low- to moderate-income families. It is funded through a tax-credit program where companies and individuals can direct their state tax income tax assessments.

The 2013 Legislature established program priorities of providing affordable housing for essential service workers in energy-impacted counties, and preserving and providing for the needs of low- to moderate-income households statewide. A minimum of 25% of the HIF dollars in each scoring round must be used to help developing communities with a population of not more than 20,000 to address unmet housing needs or alleviate housing shortages.

In the first six months of the biennium, a total of \$67 million of funding requests were made for the available \$35 million.

### **BACKGROUND - THE COMPLEXITY OF HOUSING FINANCE**

Even in regions without extreme economic growth pressures, the challenge of packaging financing for housing development is substantial. Managing the confusing array of potential resources such as HIF, HOME, CDBG, TIF, FHLB, LIHTC and others is confounding. Yet, without these resources, it is virtually impossible to begin to meet the needs of all current and prospective residents in the region.

## **HOUSING SPOTLIGHT - BOTTINEAU COUNTY**

The quality-of-life issue most discussed by far was the lack of affordable and available housing throughout the county. Many factors contributing to the lack of housing were identified, including but not limited to, the growth of the county, the lack of appraisers, the need for new land and zoning for housing, existing regulations that impact lending and building, the need for incentives to create affordable housing, the need for new water infrastructure to serve new neighborhoods, the high cost of building materials and the lack of local lawyers to assist with title work.

## 2. CITIES AND DESIGN

Communities and businesses have many things in common. One of these is the need for additional housing—especially affordable housing—for new residents, employees and households with fixed income. It is only through proactive measures in western North Dakota that “affordable” housing can be developed. Creative solutions should be pursued by municipalities to develop such affordable housing.

### RECOMMENDATION #2: EXPLORE OPTIONS WITH LAND DEVELOPERS, LOCAL INVESTMENT GROUPS AND COMMUNITY LAND TRUSTS TO SPUR HOUSING DEVELOPMENT AND LOWER COSTS OF HOUSING DEVELOPMENT

**Summary:** One method for cities to facilitate the development of new affordable housing units is to encourage developers to set aside land for needed new housing construction. Land contributions would likely facilitate the development of smaller (duplex and two-story/four-plex) units. Other options include: explore the benefits of community land trusts to facilitate lower costs for new single family homes and explore the possibilities of local investment groups to help spur housing development.

**Action:** Study

**Lead:** Cities and Counties

WATFORD CITY/MCKENZIE COUNTY MONTHLY HOUSING RATES		
Unit Size	Market Rate	Project Rental Rate Goal
1 Bedroom	\$1,000-\$1,700	\$726
2 Bedroom	\$2,000-\$2,500	\$871

### RECOMMENDATION #3: OFFER INFORMATION AND FORUMS THAT INSPIRE QUALITY NEIGHBORHOOD DEVELOPMENT

**Summary:** One of the key functions of Vision West ND is to serve as a clearinghouse for information and best practices. In an era where housing is being built as quickly as possible, one challenge is to create quality neighborhoods.

**Action:** Advocate, Convene

**Lead:** North Dakota Housing Finance Agency

#### Building Better Neighborhoods

The tremendous demand for new housing of all types has forced developers and communities to construct housing as quickly as possible. While some of the developments have contributed to the existing hometown look and feel of North Dakota communities, in many cases this is not true.

With the exception of the temporary housing, what is built today will stand for generations to come.

One of the objectives of Vision West ND is to foster the development of quality neighborhoods that contribute to the livability and pride of western North Dakota communities. There are programs and organizations across the nation serving this goal.

### HOUSING SPOTLIGHT - BOWMAN COUNTY

Housing construction has not kept pace with the growth of the community, leaving the area with a significant shortage. Homes that are available are frequently more expensive than residents can afford. Notably, 18 lots recently came on the market in nearby Dickinson at a price of \$70,000 per lot. This exacerbates the primary problem people have: establishing sufficient credit.

Large developers are generally able to amass sufficient capital to develop larger-scale developments but the remaining small contractors are not able to keep up. An initiative that would make smaller projects affordable for local contractors would create a win/win for the county.

Perhaps the most innovative idea is the Vacant Homes Initiative. This would be a community-wide effort to target homes that are so dilapidated they cannot be inhabited. Such homes would be demolished. Already the community offers free use of the solid waste dump for such activity as an incentive. The Steering Committee described the benefit of reusing lots that already have water and sewer infrastructure, as opposed to bearing the cost of extending new infrastructure to greenfields sites.

In Minnesota, for example, the state benefits from the Greater Minnesota Housing Fund and the Minnesota Housing Partnership (MHP), which helps communities not only meet the need for “four walls and a roof,” but also creates quality neighborhoods through their Building Better Neighborhoods program. Such neighborhoods include quality design, sidewalks, trees and landscaping, pocket parks and other features.

The goal of Building Better Neighborhoods is to foster the creation of safe, decent and affordable housing within cohesive, well-planned and economically balanced neighborhoods. Developing such neighborhoods and creating more livable communities requires extra attention and thoughtful planning. Building Better Neighborhoods provides many important tools to help guide the creation of affordable housing, better neighborhoods and balanced community growth. MHP is one of the HUD Sustainable Capacity Building intermediaries.

Many smaller communities should be in a position to build new neighborhoods and benefit from the improved economy. As such, there should be a more distributed supply of workforce housing, along with a mix of new housing in smaller communities to meet long-term needs. Law enforcement professionals indicate that the distribution of housing is a safer, long-term solution (the development of 25 units in an area versus 100 or more units.)

## BEST PRACTICES

### Accessory Dwelling Units - ADUs (Mother-in-law units)

No single strategy provides greater potential to dramatically expand housing in western North Dakota than ADUs. The functional requirements to realize this potential are very straight forward:

1. They need tradition community road way design consisting of streets and alleys.
2. Local government rezoning is needed, where appropriate, to allow for ADUs.

### Overview

Accessory Dwelling Units (ADU) and Accessory Living Quarters (ALQ) are intended to increase the supply of affordable and independent housing for a variety of households, increase home and personal security, provide supplemental earnings and increase urban residential densities. ADUs and ALQs are located in residential zones.

### Accessory Dwelling Unit (ADU) - Definition

An Accessory Dwelling Unit is a home that is located on the same lot, and under the same ownership as, and is detached from, an owner-occupied single-family dwelling. It is intended for use as a complete, independent living facility. It does not substantially alter the single-family character, harmony and appearance of the lot or its conformity with the character of the neighborhood.

### Why this approach should work here in Western North Dakota?

1. Only the newest parts of some larger communities were developed without alleys. All the small towns in Western North Dakota have an alley structure and neighborhoods near Down Town consistently share that layout.
2. ADU's are frequently used as a means of increasing density, while not adversely affecting the community character. Rather than adding multi-family apartments within established single family homes, ADUs leave the character from the street intact.
3. Private-sector / market based approach. It has been learned that nothing stimulates private-sector investment faster than 'new development rights.' Allowing ADU's in places that make sense, such as near downtowns, etc. invites local citizens to participate in solving these regional concerns.
4. The infrastructure for increased density of this type is already in place.
5. Local economic development strategy for downtowns. An additional benefit of ADU's, separate from helping to solve local housing needs, is the use of this approach for increasing the number of clients/customers in downtown areas and in other walkable commercial areas. Most downtowns benefit significantly from a residential densification of nearby neighborhoods. This is an established downtown revitalization strategy.
6. Nothing new – pursuing an AUD development strategy has been demonstrated to be successful in many communities around the country. While most of these places don't receive as much snow as we have here in Western North Dakota, design challenges created by our snowfall can be overcome.

### Cons:

1. Setbacks are a concern to be addressed.
2. Applicable water and sewer disposal codes need to be complied with.
3. Snow removal requirements in alleys need to be considered.

NOTE: Pre-approved details for how ADU's (apartments over garages in alleys) that address all legitimate concerns have been developed to provide reliable standards and expedite approvals.

## RECOMMENDATION #4: ENCOURAGE THE BANK OF NORTH DAKOTA TO BE MORE PROACTIVE IN PROMOTING ITS MORTGAGE LENDING PROGRAMS AND IN DEVELOPING CREATIVE INCENTIVES FOR HOME OWNERSHIP

**Summary:** Encourage the Bank of North Dakota to more aggressively promote their mortgage lending programs. Continue the expanded role of the Bank of North Dakota in local promotion to “Ask your banker about Bank of North Dakota programs.”

Explore the possibility of funding to provide loan incentives for homeownership similar to student loans that are forgiven after a defined time period. One element of such a program might be the provision of a North Dakota tax credit. This would encourage longer-term stays of individuals in local communities.

**Action:** Advocate, Convene, Monitor

**Lead:** Vision West ND

### Distributing Housing Throughout the Region

Most of the communities in the Vision West ND region desire to benefit from the economics of the Bakken Development. Unfortunately, when it comes to housing development, much of the investment is centralized only in the larger communities.

Many smaller communities should be in a position to build new neighborhoods and benefit from the improved economy. As such, there should be a more distributed supply of workforce housing, along with a mix of new housing in smaller communities to meet long-term needs.

## HOUSING SPOTLIGHT - BURKE COUNTY

The lack of housing, as well as the effect on the prices of existing housing, has created a dynamic where the community is stymied in terms of its future growth. Furthermore, affordable housing is now nearly non-existent. Only people directly benefitting from the high wages of the oil industry can afford to live in quality housing in the area.

## CAPACITY AND ORGANIZATIONS

North Dakota has a history of Public Housing Agencies (PHAs). These agencies assist struggling individuals and families find affordable places to live. A total of 37 of these public housing authorities have been in existence in North Dakota since 1993.

### WHO IS NORTH DAKOTA'S HOUSING ADVOCATE?

Clearly, the strongest organization in North Dakota in terms of human and financial resources is the North Dakota Housing Finance Agency. The agency, however, is a state department, and therefore its ability to serve as “the primary housing advocate” is limited. The ability, for example, to advocate to the legislature for new resources to address the burgeoning housing need is impacted by the agency’s inability to lobby at a level and scale that an outside non-profit could.

When asked, “Who is North Dakota’s independent housing advocate?” housing experts typically answer, “There isn’t one—or it is the local community and economic developer.”

## RECOMMENDATION #5: RESURRECT THE STATEWIDE TECHNICAL ASSISTANCE TEAM

**Summary:** The North Dakota Housing Finance Agency has two housing outreach officers who provide statewide assistance to communities working to develop housing projects. Vision West ND should coordinate with the state to resurrect the STAT and proactively coordinate with these officers in order to advance housing projects.

**Action:** Create Policy

**Lead:** North Dakota Housing Finance Agency

**Who are the local housing experts?**

**No Professional Housing Advocates at Vision West**

Notably absent during all of the 23 Vision West ND local planning sessions were housing advocates. While the issue was frequently described as the #1 quality-of-life issue, virtually all of the dialogue during local planning discussions related to defining problems. Very little, if any, discussion related to specific solutions.

Of the 37 Public Housing Authority (PHAs), three serve the largest three communities in the Vision West ND region. Highlighting the lack of local capacity, however, are the following facts:

- The Stark/Bowman County PHA is managed out of Fargo.
- The Williston PHA has virtually no capacity.
- The Minot PHA capacity is almost entirely directed toward flood mitigation.

As North Dakota does not have a network of housing authorities as some other states do, it generally falls to local community and economic development professionals to advocate and advise on the development of new housing projects—especially those designed to meet affordable housing goals. Packaging affordable housing projects—especially in the red-hot economy of western North Dakota—is very complex. In order to make projects “pencil out,” typically a blend of loans, grants and tax credits must be utilized.

For this reason, the State of North Dakota previously established a Statewide Technical Assistance Team (STAT) that worked with private developers and local communities to help package and advance these projects. The state developed a “one door” approach in providing the technical expertise needed for communities and developers.

**RECOMMENDATION #6: ENHANCE COMMUNITY-BASED AND REGION-BASED CAPACITY AND ADVOCACY FOR HOUSING**

**Summary:** Currently, there is not a clear point-person or organization that serves as a housing advocate in Western North Dakota communities. The responsibility falls to a combination of expertise within the North Dakota Housing Finance Agency, the regional councils, the local community and economic development professionals, and the communities and counties themselves. The existing “housing advocacy infrastructure” is inadequate for the rapidly growing economy.

In general, the strength of development advocacy lies with the cities of the region—particularly the larger cities of Minot, Dickinson, Williston and Watford City. These communities have so many responsibilities that the challenge to remain abreast of the resources, trends and best practices for housing development is overwhelming.

**Action:** Advocate, Convene, Monitor

**Lead:** Vision West ND

**SUCCESS STORY - OVERCOMING THE CHALLENGE OF HOUSING IN RENVILLE COUNTY**

Nowhere was the desire for citizen-based advocacy for affordable housing more apparent than during the Renville County Plan Week. Local citizens established a housing non-profit, and were working hard with the best intentions to develop affordable housing that would meet the needs of families who cannot afford the escalating rents in Mohall and other communities.

Despite the best efforts of very capable, well-intentioned volunteers, the conclusion during Plan Week was that “it cannot be done.” That is, the pressures on labor cost, construction materials and land values made it impossible to “pencil out” an affordable housing project.

Yet the group remained resolved to address the problem.

Fortunately, due to the perseverance and dedication of local community housing advocates, the project was successfully advanced. Nonetheless, the experience in Renville County underscores the need for more housing development experts throughout the region and state.

## 4. FAIR HOUSING EQUITY ASSESSMENT

HUD required all grantees, including Vision West ND, to conduct an analysis called the Fair Housing Equity Assessment (FHEA). A HUD-released document noted that it is HUD's "hope that many grantees in the Planning Grant program will take the extra steps needed to transform their FHEA products into Regional Analysis of Impediments."

The North Dakota Department of Commerce issued the 2011 North Dakota Analysis of Impediments to Fair Housing Choice (NDAI). This document has been of significant value because it provided data and identified many of the impediments in the Vision West ND region and provided recommended action steps to address these impediments.

Given the level of effort and amount of resources expended on the relatively recent NDAI, Vision West ND is utilizing the document as the background for this analysis. Vision West ND believes the recent data presented in the state plan includes the most current and relevant data for the project-area counties.

Using the conclusions and recommendations of the NDAI, Vision West ND will assess the implementation undertaken by the statewide partners, indicate who is addressing the individual recommendations in the project area and identify where Vision West ND will assist, implement or educate. Vision West ND will create an add-on product in which the Vision West ND Consortium and regional stakeholders will certify the findings and proposed work plan of Vision West ND. The lead applicant, the REAP Investment Fund, Inc., will be accountable for the veracity of the certification claim.

This Housing Section of the Regional Plan is the product and clarifies how findings will inform decision-making, prioritization and investment.

This approach recognizes several facts:

- Due to the rural nature and sparse population of the region, data beyond census data, and the data used in the NDAI, is simply not available for the project area.
- Further investigation and redundant data gathering efforts will likely be futile and cost prohibitive.
- The NDAI is a recent document and there is little reason to believe the data in the assessment has changed.
- Implementation of the NDAI by the state Department of Commerce and professional state partners can be integrated into the region. Vision West ND has made plans to work with a provider, High Plains Fair Housing, to hold three workshops in the region.

### HOUSING SPOTLIGHT - GOLDEN VALLEY COUNTY

Lack of available housing is an issue in our community. We hope to see a new blend of residential development that will include new subdivisions, multi-family units and mixed-use options. We will also be looking into home ownership and rental assistance programs through both public and private resources.

### HOUSING SPOTLIGHT - HETTINGER COUNTY

The housing issue is paramount. The possibility of diversifying the economy, or even dealing with other quality-of-life initiatives, is critically challenged if the housing shortage issue is not resolved.

### HOUSING SPOTLIGHT - MCLEAN COUNTY

The housing shortage issue has become acute. In short, there are no houses for sale, people are living in motels, and employers are asking if people have housing as a key consideration in the hiring process. The housing that is occupied has had significant price and rent increases, and the county and other public agencies are in the landlord business simply to maintain a quality labor force. Adding to the problem is the fact that housing construction prices have increased so much that it is becoming impossible to build low-income housing.

- Integration of regional efforts into the state effort will be a more effective and lasting collaboration versus a stand-alone effort, which runs the risk of dissolving at the end of the grant period.
- This approach is timely and cost-effective, and is in keeping with Secretary Donovan’s direction encouraging grantees to produce a unified Regional AI.

### BACKGROUND - ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

In exchange for federal funds, entitlement jurisdictions are required to submit certification of affirmatively furthering fair housing to HUD. This certification has three required elements:

- Complete an Analysis of Impediments to Fair Housing Choice (AI),
- Take actions to overcome the effects of any impediments identified, and
- Maintain records reflecting the actions taken in response to the analysis.

The list of protected classes included in the definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state and local governments may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes public input and review via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments, along with actions to overcome the identified impediments.

In the Fair Housing Planning Guide, page 2-8, HUD provides a definition of impediments to fair housing choice as:

“Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices;” and

Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

### HOUSING SPOTLIGHT - RENVILLE COUNTY

The escalation in local housing prices and rental rates has placed a great burden on many county residents. Adding to this is the recent increase in fuel and food prices. Larger employers are forced to find creative solutions in order to support their employees. The school district, for example, purchased an apartment building in order to retain school teachers.

Mohall has a local housing authority that is working very diligently to build housing units. The volunteers supporting the authority are discovering the challenges of building affordable housing, including today’s high housing construction costs. Through perseverance, this problem will get addressed.

The North Dakota AI evaluated fair housing in both the private sector and the public sector, and found several impediments to fair housing. The selection of these items as impediments to fair housing choice was based on HUD’s definition of impediments as “actions, omissions or decisions that restrict housing choice due to protected class status.”

The Vision West ND Consortium has reviewed all of the impediments and recommended actions, and offers the following Work Plan to act on specific recommendations of the AI. The table below provides the Work Plan.

Vision West ND Implementation Activities for Fair Housing Choice		
Taking Action	North Dakota AI Recommendation	Vision West ND Action and/or Support of State Identified Actions & Contractors
	Private Sector Impediments	
	1: Discriminatory terms and conditions in rental markets	<b>Action 1.1:</b> Conduct outreach and education activities for housing providers
	2: Failure to make reasonable accommodation or modification	<b>Action 2.1:</b> Conduct outreach and education activities for housing providers
	3: Discriminatory refusal to rent	<b>Action 3.1:</b> Conduct outreach and education activities for housing providers
	4: Preferential statements in advertising for rental properties	<b>Action 4.1:</b> Conduct outreach and education activities for housing providers
	6:Denial of home purchase loans	<b>Action 6.1:</b> Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars
	7: Predatory-style lending activities	<b>Action 7.1:</b> Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars
	Public Sector Impediments	
	1: Inadequate fair housing outreach and education activities	<b>Action 1.1:</b> Enhance outreach and education efforts to public sector housing providers through webinars, seminars and other outreach activities
1: Inadequate fair housing outreach and education activities	<b>Action 1.2:</b> Distribute fair housing flyers and education materials at annual conferences and other public venues	
4: Zoning decisions that affect placement of multifamily, group housing	<b>Action 4.1:</b> Encourage local communities to reevaluate decisions that may adversely affect housing placement	
4: Zoning decisions that affect placement of multifamily, group housing	<b>Action 4.2:</b> Provide education and awareness opportunities to communities that may not have planning and zoning ordinances or codes that are in compliance with current practices	

## RECOMMENDATION #7: GAIN APPROVAL FROM HUD AND IMPLEMENT FAIR HOUSING EQUITY ASSESSMENT WORK PLAN

**Summary:** This recommendation is in the spirit of the development and implementation of FHEA efforts throughout the nation. That is, an existing study has already been completed, the North Dakota Analysis of Impediments to Fair Housing Choice.

**Action:** Advocate, Convene

**Lead:** REAP Investment Board, Dept. of Commerce

### HOUSING SPOTLIGHT - STARK COUNTY

The local pressure on housing gives many families a feeling of desperation. The economic growth stemming from the oil industry has put enormous pressure on the local housing stock, escalating prices far beyond the ability of people to afford housing, if they can even find it. The result has been an increase in the number of homes with multiple families living in them.

## LITERATURE REVIEW

*“2011 North Dakota Analysis of Impediments to Fair Housing Choice Volume One”*  
(Western Economic Services, LLC for the North Dakota Department of Commerce, March 2012)

- To complete an analysis of impediments to fair housing choice
- To facilitate taking actions to overcome any impediments identified
- To maintain records reflecting the actions taken in response to the analysis
- The analysis involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system and housing transactions (particularly for persons who are protected under Fair Housing Law).
- Between 2000 and 2010, the white population increased by 2.1%, while other racial and ethnic minorities showed double-digit percentage increases in population change. Black, Asian and Hispanic groups all showed increases of more than 70%.
- Section Nine of the report listed the impediments and suggested actions for both the private sector and public sector. A total of seven private sector impediments were identified, as well as six for the public sector.

*“2011 North Dakota Analysis of Impediments to Fair Housing Choice Volume Two” (Technical Appendix)*  
(Western Economic Services, LLC for the North Dakota Department of Commerce, March 2012)

- To provide a compendium of documentation to support the AI
- Contains additional information from the U.S. Census Bureau
- Data for the entire state are presented first, followed by data for the entitlement cities and for the non-entitlement areas of North Dakota.

*“Population Estimates for the City of Williston”*

(Nancy M. Hodur and Dean A. Bangsund, North Dakota State University Department of Agribusiness and Applied Economics, December 2012)

- To provide an estimate of the current population of Williston and to develop a five-year population projection
- Determine that rapid change makes standard demographic models inadequate
- Employment in the oil and gas industry is driving the growth.
- The petroleum sector will continue to grow for another 8-10 years.
- A ratio of housing units to jobs was developed.
- Williams County was forecasted to grow from 22,398 in 2010 to 43,619 in 2017
- Forms of non-traditional housing include hotels, crew camps and RV camps.

*“HUD PD&R Housing Market Profile for Minot-Williston”*

(U.S. Department of Housing and Urban Development Office of Policy Development and Research, May 2013)

- Residential employment growth in the Minot-Williston HMA averaged nearly 18% annually from April 2010-April 2013, the fastest rate of employment growth in the country.
- This strong rate of growth was the result of increased oil production in the HMA.
- During the three months ending April 2013, resident employment increased by 10,750 people, or 15.7%, from the same period the previous year.
- The unemployment rate during the three months ending April 2013 averaged 2.2%.
- The sales housing market in the Minot-Williston HMA is currently tight.
- The rental housing market in the Minot-Williston HMA area is currently very tight.

*“The Tipping Point: Unsheltered Outnumber Sheltered, the Unintended Consequences of a Robust Economy”*

(The North Dakota Coalition for Homeless People, 2012)

- North Dakota has experienced an increase in homelessness, and the employment demand is helping to drive the numbers.
- The existing housing stock is inadequate to meet demand.
- Housing production is not keeping pace with demand.
- Housing prices in oil country are facing a three- or four-fold increase.
- There is a reduction in vacancy rates to as low as 0% in much of the state.
- Low-income families, people on fixed incomes and those with special needs are being priced out of the market.
- Households that qualify for housing vouchers find them to be difficult, if not impossible, to use because of the lack of available housing.
- If housing is available, the cost frequently does not fall within the parameters of the voucher.
- HUD subsidized low-income housing projects are opting out as soon as they are able to in order to take advantage of current market rates.
- Many landlords in western North Dakota have stopped signing leases and have opted to go month-to-month, enabling multiple rent increases per year.
- Market rate housing is not working for many of the state's lower-income residents.
- Nine policy recommendations are made to address the issue: 1) complete a balanced statewide housing plan, 2) renew the housing incentive fund with increased emphasis on supportive housing, 3) establish a state-funded prevention and rapid re-housing program similar to Minnesota's family homeless prevention and assistance program, 4) replicate Fargo/Moorhead's church sheltering program throughout North Dakota, 5) increase availability of supportive services, 6) develop temporary emergency shelters, 7) increase support for non-profit capacity building, 8) increase partnership between federal, state, local and private entities and 9) update the state's 10-year plan on homelessness.

*“North Dakota Statewide Housing Needs Assessment”*

(Center for Social Research at North Dakota State University for the North Dakota Housing Finance Agency, 2012)

- North Dakota's population will grow by more than 25% from 2010 to 2025.
- It will increase from 672,591 to 841,820 by 2025.

- All areas of the state are expected to experience growth but the energy-impacted areas are projected to have the most significant increases.
- Ten counties in the Oil Patch are expected to grow more than 50%.
- The number of households is expected to increase by 83,429, or 30%, from 2010-2025.
- Nearly 55% of the growth is expected to be in the number of households at or below 80% of Median Family Income.
- Residents age 65 and older are projected to increase in number by 52% and the number of working-age adults to increase by 42%.